

TESTIMONY OF
STEPHEN GIBELLI, ASSISTANT GENERAL COUNSEL

Energy and Technology Committee
March 17, 2015

RE: H.B. No. 1078, AN ACT CONCERNING AFFORDABLE AND RELIABLE ENERGY

Eversource Energy thanks the committee for the opportunity to provide testimony on H.B. No. 1078. Eversource is committed to finding ways to support Connecticut's energy goal of providing cheaper, cleaner and more reliable energy resources to the citizens of our state. However, we believe that this bill goes too far and will not provide benefits to our customers.

Section 3(b) of this bill proposes to authorize the Department of Energy and Environmental Protection ("DEEP") to conduct one or more requests for proposals ("RFPs") to meet the goals established by the Integrated Resources Plan under Conn. Gen. Stat. § 16a-3b.

Section 3(b)(4) of this bill appropriately authorizes DEEP to retain the services of a third-party consultant to oversee the development of the RFPs and to assist DEEP in evaluating the RFP results. Eversource supports DEEP's use of a consultant for such purposes.

Section 3(b)(4) also states that DEEP's costs for the third-party consultant will be recovered from electric distribution companies ("EDC") through the regulatory assessments they are charged in Conn. Gen. Stat. § 16-49. The problem with that approach is that the regulatory assessment is collected in an electric distribution company's distribution rate. Because Eversource's electric distribution rate will not be changed until December 1, 2017 at the earliest, it has no mechanism

through which to recover such unanticipated regulatory assessments that DEEP charges to Eversource in 2015, 2016 and 2017 that exceed the estimate of such assessments that are currently built into its electric distribution rate. For this reason, Eversource requests that Section 3(b)(4) be revised to allow recovery of an EDC's share of DEEP's costs for the third-party consultant through the non-bypassable federally mandated congestion charge.

However, what is even more concerning to Eversource are the provisions in Section 4 of the bill. This section allows DEEP, the Office of Consumer Counsel, the Attorney General's office, and this committee the ability to go out an issue an RFP to meet the state's resource needs. This is a job that has been done by the utilities. It allows the state to issue an unlimited number of RFPs and order the utilities to enter into contracts which can negatively impact a utility's finances.

The utilities have the obligation under law to meet the state's energy needs and we do that. There is no need for this legislation which will only unnecessarily increase costs for customers.

Thank you.