

COMMENTS OF EQUIPOWER RESOURCES CORP.

ON BILL NO. 1050

**AN ACT CONCERNING ABANDONED ELECTRIC GENERATING FACILITIES
AND CORPORATE RESPONSIBILITY**

EquiPower Resources Corp. (EquiPower), a Hartford based competitive power generation company, owns 1,360 megawatts (MWs) of highly efficient natural gas generators in Connecticut and is the second largest generator of electricity in the State. We offer testimony today on Bill No.1050, An Act Concerning Abandoned Electric Generating Facilities and Corporate Responsibility.

This proposed legislation unfairly imposes a financial obligation on electric generators that is not imposed on any other business sector in Connecticut and is therefore discriminatory in nature and should be rejected. If this Bill was to become law, other business sectors should be concerned that it might eventually be applied to other types of manufacturers and/or businesses in the State. It would be yet another barrier to attracting investment and jobs to Connecticut and send the wrong message to companies that have invested in Connecticut causing them to consider leaving the State for more attractive investment climates.

The proposed financial obligation could discourage electric generators from investing in the State, and in new generating facilities in particular, thus denying Connecticut of the jobs, property tax revenues, and general economic benefits that these facilities bring. EquiPower's Connecticut generating plants, located in Killingly and Milford, are the largest taxpayers in their host communities and provide many well paying jobs to local residents. In addition, this Bill could push existing generators into financial distress and lower property tax revenues on which their host communities rely as valuations are reduced by the imposition of an additional financial burden long before the actual future liabilities warrant.

To our knowledge, no other business sector is required to establish a financial assurance mechanism to guarantee the terms of a site decommissioning. The Nuclear Regulatory Commission requires such a mechanism on nuclear power plants for the very obvious and unique reason that extremely dangerous nuclear waste is stored on these plant sites. To impose this obligation on a non-nuclear electric generating plant is discriminatory, unnecessary and misguided. Once again, the State of Connecticut is considering imposing a financial obligation on power generators located in the State that is not imposed on any other generator or business sector in New England. These power plants play a critical role in ensuring the reliable provision of electricity to Connecticut homes and businesses 24 hours a day for 365 days a year.

The U.S. Environmental Protection Agency (EPA), the State's Department of Energy and Environmental Protection (DEEP), and local officials already provide adequate oversight through a number of Federal, State, and local requirements that govern environmental remediation of power generation sites. The existing regulatory programs applicable to generating plants in Connecticut provide a comprehensive set of requirements with respect to environmental, health and safety considerations. Connecticut DEEP imposes extensive testing and remediation requirements through the Remediation Standard Regulations and imposes additional requirements during the sale of properties through the Connecticut Transfer Act. The Connecticut Transfer Act also assigns financial responsibility for clean-up of sites to the state standards. These remediation

standards are among the most stringent in the country. Additionally, the Federal EPA recently issued final Coal Combustion Residuals (CCR) regulations that specify closure and groundwater monitoring requirements for any onsite CCR impoundments or landfills.

Although we do not believe that this Bill should move forward, we do agree that generator owners (and other manufacturing facility owners) have a corporate obligation to return their sites to a usable state after retirement of the plant. Generator owners should take steps to either repower with new generation technology or return the site to a condition suitable for another use. Given the fact that these sites are private property, the owners, who have the same property rights as all other private land owners in the State, should determine the future uses of their land and should realize the value of the sites when they either sell or reuse the sites. Generator owners should also be afforded adequate time to perform the necessary work to prepare the site for a future use in order to take advantage of changing market environments for dismantling the existing facility in an efficient and cost effective manner and for investing in new businesses on these sites. If a company does not ultimately comply with the existing regulatory requirements or otherwise live up to its corporate responsibility, the State of Connecticut should use all legal remedies and other means at its disposal to hold the generator to its obligations as a good corporate citizen. In our view this would include identifying the generator and making it known that it has failed to satisfy its obligations to the State and its citizens.

We urge you to vote against this Bill.

Submitted by,

Jim Ginnetti
Senior Vice President
External Affairs and Markets
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