



TESTIMONY OF

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Energy and Technology Committee

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Good afternoon, Senator Doyle, Representative Reed and members of the Energy and Technology Committee. My name is Angela Ruggiero and I am a Senior Counsel at Eversource Energy and I am joined by Steven Gilkey, Vice President – Electric Field Operations for Eversource Energy. Eversource Energy thanks the committee for the opportunity to provide testimony on various bills that have been raised during this short session.

Eversource transmits and delivers electricity to 1.2 million customers in 149 cities and towns and provides natural gas to 222,000 customers in 72 communities in Connecticut. Eversource harnesses the commitment of its approximately 8,000 employees across three states to build a single, united company around the mission of delivering reliable energy and superior customer service.

HB 5509 AN ACT CONCERNING STAFFING LEVELS FOR ELECTRIC SERVICE LINEWORKERS.

Eversource opposes this bill. The Company would be remiss if it did not mention that we are currently in contract negotiations with our lineworkers' union. The two contracts covering our lineworkers will expire in June of this year. The Company is disappointed that the Union has chosen to negotiate its contract in this public forum and to burden the legislature with issues that should be brought to the negotiating table in private.

As the Committee is aware, Eversource, just like United Illuminating, is regulated by the Public Utilities Regulatory Authority. It is within PURA's jurisdiction to regulate myriad aspects of electric distribution companies, including their staffing levels. We take part in in-depth dockets, including rate cases and management audits, which must take place at statutorily-mandated intervals, where each and every aspect of our business, including staffing levels, is reviewed and scrutinized by PURA and its experts. Over the last two years, two such reviews occurred: Eversource's 2014 Rate Case and Eversource's 2015 Management Audit.

During the 2014 Rate Case, the Company responded to almost 1,000 data requests, filed thousands of pages of pre-filed testimony and exhibits, and participated in 17 hearings, all with the express purpose of ensuring that PURA had a complete and full

record to publish a Final Decision on the Company's filing. Of particular note in the Final Decision published in that docket, the Authority ordered Eversource to make annual filings detailing its reliability for the year. Eversource is proud to say that the reliability results that will be filed with PURA for 2015 will boast the best reliability in the history of Eversource.

In Eversource's 2015 Management Audit, close to 1,500 data requests and over 140 interviews were conducted to ensure that each and every aspect of the Company was reviewed, including staffing levels. The specific findings in that lengthy docket held that the Company's recent efforts and scheduling changes are improving response times to outages. This demonstrates that the Company's use of its discretion in hiring the appropriate mix of employees and resources to improve reliability has been highly successful and has been reviewed and approved by PURA and its expert consultants.

The bill currently before this Committee seeks to arbitrarily assign a number of minimum lineworkers (the specific number has been left blank) each utility must employ without discussion about the composition of the types of customers served, location of customers, or types of networks. It is Eversource's position that since PURA already has experts who review such matters on a regular basis, it would be best to continue to allow them to review the filings made on behalf of the EDCs and determine if the staffing levels are appropriate.

Over the past two years, Eversource has implemented changes that have incorporated and furthered the Governor's and legislature's goal of delivering cheaper, cleaner, and more reliable energy to our customers. These benefits have been passed on to Connecticut customers in terms of reliability and cost, and benefits have been passed on to the state because we are employing more people throughout Connecticut. Such benefits can be nullified by this bill, which will essentially lock our customers into costs which may prove to be unnecessary as technology, materials, and processes improve over time.

HB 5504 AN ACT CONCERNING NOTICE AND PUBLIC INFORMATION SESSIONS FOR PROJECTS CONSIDERED AND APPROVED BY THE SITING COUNCIL.

Eversource opposes this bill, as it serves no valid regulatory purpose, would undermine the integrity of the Connecticut Siting Council's process, would lead to more questions than answers for the public, could stir up controversy after a project has been approved by the Siting Council, and would increase the difficulty and associated cost of building infrastructure projects in Connecticut.

The first section of the bill would be invoked if a project does not commence construction within three years of the Siting Council's order approving the project; however, commencement of construction of a project could be delayed for a variety of valid reasons and that delay could continue, in some cases for more than three years. For example, a project may need additional permits and approvals, such as

environmental permits from the Army Corps of Engineers and from the Connecticut Department of Energy and Environmental Protection and/or approvals from another state's siting agency; the project owner may need to acquire additional real estate; delivery of materials may cause delays, too, as some equipment, such as transformers and shunt reactors can take one or more years to be manufactured and delivered. Also, if the Siting Council's order is appealed, resolution of an appeal can significantly delay commencement of the construction of the project.

If a project misses this three-year window to commence construction, the Siting Council would be compelled to hold a public information session in the county where the initial public hearing on the application was held over three years earlier. The bill does not state any purpose for such public information session or what information would be presented; consequently, the public would likely ask more questions as to whether the project needs further Siting Council approval to go forward and what actions would be permissible at the information sessions. Preparation for such public information session by the certificate holder would add to the cost of the project and the session would serve no regulatory purpose.

The second section of the Bill would be invoked if the project does not complete its construction within three years after the Siting Council's order approving the project. This section would apply to substantially more projects, particularly larger scope projects (such as projects that cross state borders), projects that need additional approvals or permits, and/or projects where the Siting Council's order is appealed. If the three-year window to complete construction were missed and new copies of the public notices of the application are issued, notices that must be sent to recipients may lead to more questions than answers as to whether a new application had been submitted, whether the previously-issued certificate was being amended, or whether a re-application process was required for the project because of delay in completion. The notices could easily stir up controversy concerning an approved project and would serve no valid regulatory purpose. Further, there are myriad reasons why a project could exceed the three-year window to complete construction: acquisition of real estate; delivery of materials; weather delays; and permitting, just to name a few.

If the three-year window were missed, a project would then be made to create and deliver new bill inserts, create and file a new Municipal Consultation Filing, incur an additional \$25,000 filing fee, and develop a new application - all of which would add unnecessary costs to a project.

Controversy created by the public information sessions and public notices required under the bill would undermine the integrity of the Siting Council, which already has the ability to hold a public information session on any project that is has previously approved. The bill would make it more difficult to site infrastructure projects in Connecticut and would add to the cost of projects for which the Siting Council had determined the Connecticut's public need for each such projects outweighs any adverse environmental effects of the applicable project.

SB 334 AN ACT CONCERNING MINOR REVISIONS TO THE ENERGY AND TECHNOLOGY RELATED STATUTES.

Eversource supports this bill, as it supports the efforts made with DEEP, PURA, and UI on the shared solar pilot program. This bill, as presented, represents the cooperation and collaboration between all of the stakeholders. This bill sets forth the agreed-upon cost recovery mechanism for EDCs to support the establishment of a pilot program and the requirement of a competitive solicitation by the Department of Energy and Environmental Protection (“DEEP”) as sound approaches to control costs and minimize negative rate impacts to non-participating customers.

HB 5496: AN ACT CONCERNING BIOMASS FACILITIES.

While Eversource has supported, and continues to support, renewable projects in this state, it is concerned with the final sentence of both sections (a) and (b) in this bill. Those sentences state, “No such electricity purchase agreement shall be cancelled or deemed in noncompliance by an electric distribution company until such modification is approved.” This bill applies to Project 150 contracts. The key term is “contract”. The terms of the Project 150 contracts, which are all reviewed and approved by PURA, grant the EDCs the right to terminate such contracts under certain specific conditions (for example, if the project does not have the correct biomass percentage) after review and approval by PURA. This sentence essentially negates that right. Since this bill would unilaterally modify the terms of existing contracts, Eversource respectfully opposes it and proposes deletion of those two sentences.

SB 366 AN ACT CONCERNING ADMINISTRATION OF THE CONNECTICUT GREEN BANK, THE PRIORITY OF THE BENEFIT ASSESSMENTS LIEN UNDER THE GREEN BANK'S COMMERCIAL SUSTAINABLE ENERGY PROGRAM AND THE GREEN BANK'S SOLAR HOME RENEWABLE ENERGY CREDIT PROGRAM

Eversource supports the Connecticut Green Bank and the collaborative effort that went into proposing the technical changes contained in this bill. The one suggestion that Eversource would make, however, would be to delete the word “small” from the new language in Section 5(f), such that the section would read, “Any solar project located on a property that contains or will contain any residence of a customer of an electric distribution company that is determined to meet the Connecticut Green Bank criteria as a residential dwelling for the residential solar investment program shall not be eligible for zero-emission renewable energy credits pursuant to sections 16-244r and 16-244s or for low-emission renewable energy credits pursuant to section 16-244t.”

SB 394, AN ACT CONCERNING VIRTUAL NET METERING AND CERTAIN ZERO EMISSIONS GENERATION PROJECTS

While Eversource has supported this program in the past, as it expands, the cost to ratepayers increases. We are concerned with the impact of this program on our customers and support transparency of rates and costs under this program. To that end, it is difficult for us to comment on the content and impact of this bill because that



portion of the bill pertaining to the dollars per year that the authority may authorize for municipal customer hosts is blank.