



The Energy and Technology Committee

Public Hearing, February 7, 2017

Office of Consumer Counsel

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Testimony of Elin Swanson Katz

**Proposed Senate Bill No. 106,
*An Act Concerning Zero-Carbon Electric Generating Facilities and Achieving
Connecticut's Greenhouse Gas Emissions Mandated Levels***

The Office of Consumer Counsel (OCC) has reviewed Proposed Senate Bill No. 106, *An Act Concerning Zero-Carbon Electric Generating Facilities and Achieving Connecticut's Greenhouse Gas Emissions Mandated Levels*. OCC supports further discussion of this concept to determine potential ratepayer benefits of any such mechanism(s).

As written, the bill seeks the creation of a mechanism whereby zero-carbon electric generating facilities could sell power to electric utilities. In OCC's understanding, zero-carbon electric generating facilities would include nuclear units like those at the Millstone Nuclear Power Station, as well as various types of renewable energy facilities, including solar, wind, and hydropower. The bill does not specify whether it is referring to new or existing generation facilities, and so OCC presumes the language could apply to either. Under this presumption, the bill would authorize the existence of contracts between the electric utilities, Eversource (CL&P) and The United Illuminating Company, and zero-carbon generating units that are deemed through some process to provide benefits to the State and customers and either lead to the financing of new units or support of existing units.

Connecticut has very significant greenhouse gas reduction goals in Conn. Gen. Stat. § 22a-200a. By 2020, Connecticut's greenhouse gas emissions must be ten

percent below 1990 levels. By 2050, Connecticut must reduce greenhouse gas emissions to a level that is eighty percent below the emissions level in 2001. Achieving these statutory goals will require substantial de-carbonization of the energy sector (along with the transportation sector), and militates in favor of Connecticut trying to both retain and foster the development of zero-carbon generation units.

OCC further presumes that the “mechanism” referenced in the bill would allow long-term contracts (including contracts for five years or longer) and would permit or promote competitive processes. OCC has been pleased with the generation procurement processes that have been conducted to date by the Department of Energy and Environmental Protection, in consultation with OCC, the Attorney General, and the Procurement Manager of the Public Utilities Regulatory Authority. These processes have been highly competitive and well-managed.

OCC is therefore open to working with legislators and other stakeholders on the mechanism referenced in the bill and the necessary parameters. There are important legal issues, including federal vs. state jurisdictional issues, that come into play when states are seeking to conduct procurements for generation contracts. OCC is familiar with the issues and precedents, as are other stakeholders, and OCC is prepared to have a discussion about the best way to structure procurements and contracts to ensure that there will be net benefits to ratepayers and limited legal risks. As the Consumer Counsel, I am open to development of additional contracts that, after stringent analysis and competitive processes, are determined to provide and preserve material benefits for Connecticut customers.