

VERBATIM PROCEEDINGS

CONNECTICUT ENERGY ADVISORY BOARD  
PUBLIC HEARING  
ON  
CONNECTICUT 2007 ENERGY PLAN

JANUARY 9, 2007

NORWALK CITY HALL  
125 EAST AVENUE  
NORWALK, CONNECTICUT

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HEARING RE: CONNECTICUT 2007 ENERGY PLAN  
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1 . . .Verbatim proceedings of the  
2 Connecticut Energy Advisory Board Public Hearing on the  
3 2007 Connecticut Energy Plan, held January 9, 2007 at 6:13  
4 p.m. at Norwalk City Hall, 125 East Avenue, Norwalk,  
5 Connecticut. . .

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CHAIRMAN JOHN MENGACCI: On the record.  
10 Well good evening, everyone. My name is John Mengacci.  
11 I'm an Undersecretary of the State Office of Policy and  
12 Management and a member of the Connecticut Energy Advisory  
13 Board Board of Directors, or by a Board, I guess.

14 With me today are two other Board members.  
15 Marie O'Brien?

16 MS. MARIE O'BRIEN: Marie O'Brien. I'm  
17 President of the Connecticut Development Authority, but  
18 here as a member of the Connecticut Energy Advisory Board.

19 MR. JIM SANDLER: My name is Jim Sandler.  
20 I'm a member of the Connecticut Energy Advisory Board and  
21 designee of the President Pro Tempore Senate.

22 CHAIRMAN MENGACCI: And according to the  
23 Energy Advisory Board's enabling statutes, we have -- one  
24 of our responsibilities is to produce an annual energy

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1 plan and to, once that draft plan is out, to solicit  
2 public comment on that plan and to incorporate and respond  
3 to any public comments that we receive.

4 We are required to hold several public  
5 hearings over the years. We have done three. This is the  
6 first of those three hearings. And, at this point, I  
7 would like to turn the proceedings over to Bill Leahy from  
8 the Institute of Sustainable of Energy out of Eastern  
9 Connecticut State University.

10 Bill is going to take us, basically,  
11 through just a high-level overview of the contents of this  
12 year's plan, and, after having done that, will entertain  
13 any public comments. Bill?

14 MR. WILLIAM LEAHY: Thank you, John. It's  
15 Bill Leahy. I'm the Director for the Institute for  
16 Sustainable Energy at Eastern Connecticut State  
17 University. As John Mengacci said, we have a state plan  
18 that was developed by the Connecticut Energy Advisory  
19 Board.

20 This year, the plan has a little bit  
21 different shape, though much of the same intent. In the  
22 past, we focused primarily on just listing typical  
23 strategies or solutions. This year, when we developed the  
24 plan, we focused on each fuel type that was available and

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1 what were the issues and what were the recommendations for  
2 that fuel type.

3 So the plan, itself, is a follow-up in many  
4 ways to a number of other actions that are going on in the  
5 State of Connecticut. It's supportive of many of those  
6 actions. For example, it's supportive of the 2005 Climate  
7 Action Plan, dealing with greenhouse gas and climate  
8 change in the New England area and eastern Canadian area.

9 It's also supportive of the Conservation  
10 and Development Plan that was adopted by the legislature  
11 in 2005, which goes from 2005 to 2010. It is also  
12 supportive of the actions of the new Low Income Energy  
13 Advisory Board that was established last year by the  
14 Connecticut Legislature under Public Act 05204, and also  
15 supportive of Public Act 051, which is Connecticut's act  
16 concerning energy independence, and many of the things  
17 that are recommended in last year's plan and prior years'  
18 plan are seen in that particular act.

19 There are some other things going on in the  
20 State of Connecticut and have since a year ago. There has  
21 been a new transportation bill passed by the Legislature,  
22 which is providing funding not only for highway  
23 development, but also mass transit development, buses and  
24 train improvements, as well.

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1                   There have been a number of dockets at the  
2 DPUC to provide the actual enabling of many of the  
3 initiatives that were listed in the act for energy  
4 independence, including incentives for distributed  
5 generation and combined heat and power and time of use  
6 rates and some of the other recommendations that have come  
7 from past plans of the Connecticut Energy Advisory Board.

8                   Being in southwest Connecticut tonight, one  
9 of the areas that I'm sure people are aware of is the  
10 transmission upgrades. It was an area identified a number  
11 of years ago, but with a lot of focus on it the last few  
12 years, because we were not able to move power into this  
13 part of the state.

14                   There was and there still is in some ways a  
15 potential threat of having rates go up just for the fact  
16 that we have to run less efficient power plants, because  
17 we're unable to bring power in from more efficient plants  
18 in other parts of New England. And the Federal  
19 government, through FERC, Federal Energy Regulatory  
20 Administration, had said that if we didn't straighten that  
21 situation out, we could become a separate pricing zone.

22                   So the biggest project now is probably the  
23 Middletown to Norwalk connection of the 345,000 volt line,  
24 which is due to be completed by the end of 2009, and that

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1 will allow us to bring power in from other parts of New  
2 England, which will help some of our difficulties.

3 The Connecticut Energy Advisory Board has a  
4 couple of goals that they set last year that they're  
5 continuing to support, and they take the form of a 10  
6 percent reduction in the state's peak demand by 2010 and a  
7 10 percent reduction in the consumption of fossil fuels by  
8 2010, so many of the recommendations that are found in  
9 this year's plan support either activities that improve  
10 the efficiency of how people use energy, which reduces the  
11 peak, or load management type activities, or installation  
12 of distributed generation and resources that lower that  
13 peak, all designed to shave the peak in Connecticut.

14 And the peak in Connecticut, and there's a  
15 profile in the back of the report, is a very difficult  
16 peak to handle, because it's, well, last year, it was  
17 about 138 hours long out of 860 hours. And if we could  
18 take 10 percent off, it would drop the peak from about 74  
19 hundred megawatts down to in the 6,000 range and 6,500  
20 range, which would have a significant impact on price.

21 Reducing fossil fuel is another concern,  
22 and that has a lot of different opportunities, some  
23 dealing with transportation options, having people use  
24 more mass transit, but also using less fossil fuel for

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1 power generation, especially the oil fired plants that are  
2 currently brought into service primarily to meet that  
3 summer peak, which also contributes to air pollution  
4 problems and air quality problems, but it also promotes  
5 the use of renewable energy, and it promotes the use of  
6 biofuels and other alternative fuels.

7 So the plan that we're discussing tonight,  
8 the 2007 plan, has a number of key strategies. One is the  
9 approach that it took, and that is looking at how do we  
10 insure a reliable supply of the various fuels? So that's  
11 a different approach for this year and the reason it's  
12 formatted the way it is.

13 Second, it looks at, knowing what fuels we  
14 use, how do we insure a diverse number of fuels, so that  
15 we're not so dependent on one fuel that when its price  
16 fluctuates, all our costs start to go up and down.

17 And, interestingly enough, when you look  
18 into that, you'll see how Connecticut over the years, you  
19 know, originally, in the late '70s, were very heavily  
20 dependent on oil. Maybe 85 percent of our energy came  
21 from oil, either direct use of oil or generation, to then  
22 swinging to about 50 percent being nuclear in the late  
23 '80s, and now the projection is is that it's swinging  
24 again, whereby, with the projections today, by 2012 or

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1 2014 it could be 50 percent natural gas.

2 So we're not helping ourselves by being so  
3 dependent on one fuel over others, so it's a concern of  
4 this Board.

5 Promoting energy efficiency, studies  
6 recently have shown that energy efficiency is half the  
7 cost of any supply option that's available, so encouraging  
8 people who make their buildings more efficient is  
9 encouraged in this plan.

10 Also, promoting demand reduction strategies  
11 that reduce the federally mandated congestion costs, which  
12 are the cost of having to meet that summer peak and move  
13 expensive power into this area, as opposed to inexpensive  
14 power.

15 There's also the promotion of distributed  
16 resources, including things like demand response programs,  
17 where customers are asked to either curtail load, or run  
18 generators, in order to help us meet that peak, without  
19 having to use obsolete based load plants, and the use of  
20 combined heat and power at customer sites, which is  
21 actually doing very well.

22 I understand that we have 150 megawatts in  
23 the last seven months that have moved forward, which is  
24 probably more than we've had in the last 15 years in

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1 Connecticut that's come on. So the promoting of  
2 distributed generation and combined heat and power that  
3 was encouraged in the Act for Energy Independent and last  
4 year's plan in the DPUC docket seems to be working, which  
5 is good.

6 Promoting renewable energy, we have some  
7 very aggressive programs being offered by the Clean Energy  
8 Fund, which is managed by Connecticut Innovations, and  
9 there's a number of projects that are being installed and  
10 commercial facilities, where they're using solar PV.  
11 There's encouraging opportunities for geothermal and,  
12 also, some biomass and biofuel projects.

13 This year, we have two sections that were  
14 added to the plan that address two specific problems, as  
15 opposed to energy sources, and one is a section devoted to  
16 how low income -- how these energy prices and the energy  
17 supply issues effect low income households in Connecticut.

18 And we, for the first time, have a Low  
19 Income Energy Advisory Board that's chaired by a  
20 representative from the Office of Policy and Management  
21 that's doing a great job of pulling all the different  
22 agencies together and all the different funding that's  
23 available for the low income segment related to energy,  
24 and it's starting to make a difference in being able to

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1 get programs to people who need help in paying their  
2 energy bills.

3 The other is supporting the policies that  
4 deal with sustainable development, and this is a  
5 relatively new area. Again, there is a new agency, a new  
6 organization. Is it an agency, John?

7 CHAIRMAN MENGACCI: No. It's actually  
8 within our Division of Inter-Governmental Policy, the  
9 Office of Responsible Growth, it's called.

10 MR. LEAHY: Office of Responsible Growth,  
11 which is promoting sustainable developments through the  
12 regional planning organizations and through local zoning  
13 that is interested in developing sustainable development  
14 regulations and plans and promoting sustainable growth.  
15 That ties into some of the preservation programs that are  
16 out there for farmland preservation and woodland  
17 preservation and so on.

18 So these are two areas that we feel are  
19 important, because the sprawl, as we call it, puts a  
20 strain on infrastructure, puts a strain on our energy  
21 systems, and, as a result, basically moves people further  
22 and further from mass transit, which is causing an  
23 increase in the use of energy.

24 And the last is a section devoted to

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1 transportation policies, which include not only promoting  
2 the use of hybrid vehicles and alternative fuel vehicles,  
3 mass transit, and transportations hubs, where people can  
4 get to an area and then be able to get mass transit into  
5 urban areas, or more commercial areas.

6 So that is a synopsis of the plan and  
7 what's in it. I hope you had a chance to read it and go  
8 through it. Comments are actually open until the 22nd of  
9 January, if someone wanted to submit written comments, and  
10 every comment that's provided we do respond to, either  
11 that it's in there, or it should be in there and we'll put  
12 it in there, or it's not in there and this is why. So, if  
13 you do make comments, you can expect some sort of a  
14 response from the organization.

15 CHAIRMAN MENGACCI: Great. Thank you very  
16 much, Bill. Jim, Marie, do you have anything you'd like  
17 to add? No? You're all set? We have one person who has  
18 signed up to speak, and that's Gerry Chase with New Castle  
19 Hotels and Resorts. Gerry, please step up. Welcome.

20 MR. GERALD CHASE: Thank you. I read about  
21 your meeting, so I decided to attend, because we have --  
22 our company -- my name is Gerry Chase. I'm the President  
23 and Chief Operating Officer of New Castle Hotels and  
24 Resorts. We have 25 hotels throughout primarily New

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1 England and Canada.

2 We have four hotels in Connecticut, which  
3 specifically I wanted to speak to you regarding those  
4 properties. We have two in the Shelton market, a Marriott  
5 product and a Hilton product, and the recent increase in  
6 energy is impacting us in January. As of January, it's a  
7 78 percent increase in electric charges to us, which is a  
8 substantial cost and devaluation on these assets all at  
9 one time.

10 Although we are looking at doing a  
11 comprehensive Green Program in all of our hotels, in all  
12 seven, developing a program, and we're looking at  
13 different alternative sources for energy, including some  
14 cogeneration, those are all going to take time and at a  
15 cost to the company.

16 The reason I'm here primarily is just to  
17 see, to learn a little bit more about what's going on,  
18 which was very helpful with Bill's overview of the energy  
19 plan, but, two, to see if there's anything we can do, or  
20 anything the State can do to try to mitigate some of this  
21 huge, one-time, immediate cost to these businesses, not  
22 only in our hotels, but other businesses in this general  
23 area, because it is a significant problem.

24 CHAIRMAN MENGACCI: Well thank you very

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1 much. And, more obviously, the Governor's office and  
2 pretty much everyone who is close to this issue is very  
3 concerned about the impact that this is going to have on  
4 all of our citizens in Connecticut, businesses.

5 Marie is at the heart of this at the  
6 Connecticut Development Authority, so, clearly, I'm sure  
7 you're hearing it loud and clear, as well. I think the  
8 short answer to your question, Gerry, is we've looked at a  
9 number of ways to try to mitigate, forestall, postpone  
10 these increases. There doesn't look like there's really  
11 any viable answer at this point.

12 We've done, I believe, a lot of things over  
13 the last couple of years. We're close, as Bill alluded  
14 to. In '09, we get another transmission cable. The Bethel  
15 to Norwalk line is complete. That was a big help. You  
16 know, getting transmission into southwest Connecticut has  
17 been very, very problematic, and that's one of the reasons  
18 why we've all paid for it in different ways, because of  
19 the transmission constraints down here.

20 Some of the impacts that we're seeing, and  
21 please correct me if I'm wrong, Marie, or Jim, or Bill,  
22 for that matter, when we transitioned to a deregulated  
23 environment, we had some caps. The standard offer, as it  
24 was called, it was a cap on prices at that point, and it

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1 was maintained at a particular level, that, at least in my  
2 opinion anyway, was artificially low.

3 And when you look at what's happened to  
4 commodity prices and the sources, the fuel sources that go  
5 into generation over that same time period when the prices  
6 were being artificially capped, but yet the inputs were  
7 escalating at a pretty significant amount, you know, now  
8 that to some degree this is more reflective of market  
9 prices, that's why you see this big one-time impact.

10 Although it's hitting all at once, but for  
11 the standard offer, keeping everything restrained, you  
12 would have seen it more along the lines of, let's say, the  
13 CL&P increases that were substantial, but over a period of  
14 a couple of years, where your properties are -- are they  
15 all in UI territory, Gerry?

16 MR. CHASE: No. The other two are in  
17 separate billing districts. I guess I saw the  
18 residential. There's a ramp up period for the residential  
19 --

20 MS. O'BRIEN: -- come up to the table,  
21 because I also have some questions for you.

22 MR. CHASE: The residential is being ramped  
23 up over the year in three different increments, and the  
24 businesses are being impacted all at one time as of

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1 January, and it will have much higher impact. It seems to  
2 be around 50 percent, or between 50 and 59 percent on the  
3 residential over the entire year, where it's as much as 78  
4 percent on the business.

5 Although I understand the application of  
6 trying to catch up, and maybe we were a little under  
7 priced, but I can't raise my prices at 78 percent to cover  
8 the cost. Customers won't do it. I'd be out of business.

9  
10 At the same respect, there's a significant  
11 valuation issue when you have that type of increase. It's  
12 literally in an excess of 100,000 dollars per property  
13 increase in cost for electric alone. And if we're having  
14 that, you can imagine that there's an impact on the other  
15 businesses in this general area.

16 It becomes very problematic trying to deal  
17 with, and it's not even an inflationary issue. It's  
18 really talking about a substantial. There's not an equal  
19 distribution of impact. It's impacting the business  
20 primarily, with some impact on the residential.

21 So it's a little confusing. It's way above  
22 my pay grade trying to understand that whole book, which I  
23 looked at. It was so dense it would take a gentleman like  
24 Bill to understand, but as a business person in this

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1 community and Connecticut and we've lived here for 20  
2 years, we have our offices here, we have a major  
3 commitment to Connecticut, this type of impact concerns  
4 us.

5 CHAIRMAN MENGACCI: Yeah.

6 MR. CHASE: And we plan on staying here,  
7 but we're very distressed by it. Anyway, that's the whole  
8 story.

9 MS. O'BRIEN: May I ask you just a few  
10 questions? So are you suggesting that a longer phase in  
11 of that would be beneficial?

12 MR. CHASE: Well, you know, just from a  
13 dollar and cents standpoint, you take an impact of 78  
14 percent in the beginning of January and spread that over  
15 the entire year, it's huge. I mean increases in rates in  
16 hotels probably in the U.S. average at about six to seven  
17 percent annually. There's nothing we can do to try to  
18 offset that type of cost impact.

19 CHAIRMAN MENGACCI: It will take you 12  
20 years to get that back, if everything else stays where it  
21 was.

22 MR. CHASE: Yeah and there's other cost  
23 increases that aren't at that same level, but certainly  
24 energy has always been a major category on our

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1 expenditures of our business, because we are a relatively  
2 high consumer for a business.

3 MS. O'BRIEN: And because you are a high  
4 consumer, do you have strategic plans, or other kinds of  
5 plans that use energy efficiency management or techniques  
6 --

7 MR. CHASE: We do. In all of our  
8 businesses --

9 MS. O'BRIEN: -- programs and some  
10 financing for that.

11 MR. CHASE: We've talked earlier with Bill,  
12 and, obviously, he has some recommendations through the  
13 Energy Plan, which I find very fascinating. You know,  
14 even prior to this increase, we had, at least we are as a  
15 company, and I'm directing our company to do so, or to do  
16 some Green Programs, energy conservative programs, but  
17 that doesn't dismiss we've done those all along. We've  
18 always been conscious of energy costs. It's always been a  
19 major cost in our business, and we've always done things  
20 to try to create better and more efficient systems as we  
21 build these hotels and as we take them over and as we  
22 place systems. That's an ongoing process.

23 It's never been something that's been  
24 dismissed or not considered in our doing business in our

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1 areas. It's being a good citizen, and it also is just  
2 good business. So this has nothing to do with what we  
3 haven't done. This problem is what impact it's having on  
4 us as a business automatically, without any ability to be  
5 able to change and without any consideration of impact of  
6 that type of cost to our businesses, which we can't  
7 recoup.

8 There's not any chance at all we can do  
9 that. It's not going to put us out of business, but it  
10 does change our business model substantially in this  
11 general area.

12 CHAIRMAN MENGACCI: Gerry, you mentioned a  
13 couple of times that this goes to the actual value of the  
14 properties?

15 MR. CHASE: Any --

16 CHAIRMAN MENGACCI: Are you suggesting that  
17 this actually reduces the overall value of these  
18 properties, that the cost to operate them has increased  
19 dramatically?

20 MR. CHASE: Any time you have a cost impact  
21 that's way beyond your percentage of increase in revenues,  
22 it's going to have a valuation impact on any business.  
23 And it's not just us. I mean you have all businesses are  
24 calculated on a net operating income, and if you have your

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1 percentages that change, or if your income changes, it's  
2 going to have an impact on your valuation.

3 MS. O'BRIEN: This does bring up the  
4 question of whether there is a smoother way in which the  
5 State, the DPUC, the Energy Advisory Board in looking at  
6 this, could make changes, rather than huge step wise --

7 CHAIRMAN MENGACCI: Well we've discussed  
8 this at length, as Julie well knows, and the Governor is  
9 not -- she's on record as being very unhappy with the fact  
10 that this is occurring. She understands to some degree  
11 why, but she certainly understands the impact to the  
12 citizens and businesses of Connecticut, and we've examined  
13 a number of alternatives for her to try to either mitigate  
14 this, or to postpone, or not postpone, but to delay in  
15 some way the timing of this.

16 Julie, correct me if I'm wrong, but we  
17 haven't been able to come up with a workable solution,  
18 given the structure that we're in, and also being part of  
19 a larger New England network, unless the State wants to  
20 get into the power business and take over these contracts  
21 and start paying for power, you know, short of stepping up  
22 and paying, you know, north of 50 million dollars a month  
23 for power. That's about the only way that we're going to  
24 do it.

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1 MR. CHASE: I don't have the easy solution.  
2 I'm not promoting bigger government, I can assure you.  
3 But I did want to at least -- I'm a little remiss, because  
4 I know it's been discussed in the State for awhile. We  
5 have other businesses in other states and other countries,  
6 so we have a lot of different focuses.

7 I recognize this was passed I think it was  
8 the 19th of December, or roughly around there, just a  
9 short time ago.

10 CHAIRMAN MENGACCI: Well not necessarily  
11 passed. That was when the bids came in for the power  
12 contracts that the DPUC had put out.

13 MR. CHASE: It was a relatively short  
14 period of time between the implementation and the approval  
15 of the increase. I guess, if we had had more time to  
16 react to it, probably we would have spent more time, more  
17 money, more focus on different cogeneration, whatever we  
18 might be able to do, but you have to go out and look at  
19 different systems, because you can't just say, well, let's  
20 put a system in, because it may cost you more money than  
21 the actual problem.

22 So we're, right now, into, you know, it  
23 probably takes six months to a year type of process to  
24 look at alternatives. In the meantime, we've had, you

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1 know, several hundred thousand dollar impact on our  
2 businesses. It seems like there should be a better way.

3 I don't pretend to run government. I don't  
4 understand government entirely. I vote. But it seems  
5 like, you know, we're trying to encourage businesses to  
6 come to Connecticut, we're trying to grow our employment  
7 in Connecticut, and it seems like there should be a better  
8 application, a more efficient application than approving  
9 in 15 days prior to the implementation, you know, this  
10 type of impact.

11 It just seems out of whack a little bit.  
12 You guys run government, and I guess you're doing the best  
13 you can.

14 MS. O'BRIEN: Well one of the things we do  
15 appreciate is being able to come to City Hall here and in  
16 other parts of the State and listen, so thank you.

17 MR. CHASE: Thank you for listening to me.  
18 I don't know if I offered any valuable input, but I wanted  
19 at least to express our concerns that we have as a  
20 business.

21 CHAIRMAN MENGACCI: No, you did, and the  
22 concerns that you expressed this evening, Gerry, are  
23 concerns that we know are out there, but, you know, as  
24 we're in Hartford running government or in other parts of

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1 the State running government, we have a tendency to deal  
2 with a lot of these things conceptually and theoretically,  
3 so it's always nice when folks like yourself, you know,  
4 you can put a face to a business, and people come forward  
5 and say, hey, this is how it's affecting me. That clearly  
6 is a help.

7 One of the things that one of my colleagues  
8 just asked me -- and we would be more than happy to help  
9 you. You're welcome to call me directly. You're welcome  
10 to call my office. To whatever degree we can assist in  
11 helping you get through this, we would be more than happy  
12 to do that.

13 What Julie has just reminded me of is that  
14 in the deregulated environment, you do have the ability to  
15 go out and purchase power competitively. You don't  
16 necessarily have to be on this standard offered service,  
17 so to speak. And to whatever degree we can assist you  
18 with identifying who those suppliers may be and helping  
19 you --

20 MR. CHASE: You have a very good list on  
21 the internet.

22 CHAIRMAN MENGACCI: Okay.

23 MR. CHASE: The State does, and we went to  
24 a number of those sources. Some of them we've looked at

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1 in the past. Many of those, by the way, on that list do  
2 not do business in Connecticut.

3 CHAIRMAN MENGACCI: Okay.

4 MR. CHASE: It looks like a pretty  
5 extensive list, but there's, out of probably 25 of them,  
6 there's only about three or four that actually have the  
7 ability to be able to even consider a bid.

8 CHAIRMAN MENGACCI: Yeah.

9 MR. CHASE: And of those, we're looking to  
10 it right now, we're talking with them, so we are actively  
11 pursuing it. I didn't want to come here and tell you that  
12 we're just presenting you a problem. I'm a business  
13 person, and we're going to solve our problems.

14 But I am alarmed at the short period of  
15 time which we were given notice and the impact, and I have  
16 to offer to you that it's problematic in business.

17 CHAIRMAN MENGACCI: Do you have a trade  
18 group that represents you here in Connecticut, Gerry?  
19 Does the Hotel Association? Do you have anything like  
20 that, or are you part of the Connecticut Business and  
21 Industry Association?

22 MR. CHASE: Connecticut, there is an  
23 American Hotel Association for hotels.

24 CHAIRMAN MENGACCI: Okay.

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1 MR. CHASE: Connecticut is not a very  
2 active group. It doesn't have a very coordinated group.

3 CHAIRMAN MENGACCI: Okay.

4 MR. CHASE: I do have a number of other  
5 companies that are based here, which I plan and friends of  
6 mine plan on connecting with them. We probably together  
7 represent several hundred hotels around the country.

8 CHAIRMAN MENGACCI: Okay.

9 MR. CHASE: And, of those hotels, companies  
10 that have properties in Connecticut I plan on connecting  
11 with them and seeing if there's some type of co-oping type  
12 of approach we can take.

13 CHAIRMAN MENGACCI: Yeah. That's where I  
14 was going with my questions.

15 MS. O'BRIEN: Gerry, there is a Lodging  
16 Association or a subgroup that's working, I think, along  
17 side some other folks in tourism that you might look to.

18 CHAIRMAN MENGACCI: The CEAB has a website.  
19 All of our e-mail addresses, contact information is up  
20 there. Marie chairs the Connecticut Development  
21 Authority, which is an economic development authority,  
22 like Public Development Authority. I work at the  
23 Governor's staff agency, and Jim has been intimately  
24 involved in this for years. Suffice to say, I know it

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1 sounds corny, but we're here from the State. We're from  
2 the State, and we're here to help. Feel free to call us.

3 MR. CHASE: I will reach out to you.

4 CHAIRMAN MENGACCI: I mean that's part of  
5 what we're here for, and to whatever degree we can help.

6 MR. CHASE: Thank you.

7 CHAIRMAN MENGACCI: We can't do anything  
8 about the time frame. I'm very sympathetic with the fact  
9 that it is so short you didn't have a chance to factor  
10 this into your planning, and now you're having to go  
11 through a little fire drill, as we all are. We're out  
12 there. We're available. We'll be more than happy to help  
13 you.

14 MR. CHASE: That's fair. Thank you.

15 CHAIRMAN MENGACCI: You're welcome.

16 MR. SANDLER: I would only add that I drove  
17 down from Hartford, and I'm one of two, I guess, lay  
18 members of the Board, the balance of what members are  
19 officials of agencies that are involved or concerned with  
20 energy and concerned with economic development.

21 My first point of several brief points  
22 would be we disclaim responsibility for the rate increase,  
23 because we're not the rate --

24 MR. CHASE: I understand.

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1 MR. SANDLER: We're a policy and planning  
2 body, but take no joy in the results, because, clearly,  
3 whatever policies or planning we did wasn't satisfactory  
4 to avoid the reality of the problems that we face. You  
5 know, no fast or easy solutions.

6 This is particularly hard in Connecticut,  
7 because of the realities of situations Bill described, and  
8 we're going to work to try and find long-term solutions  
9 that will avoid these problems in the future and try to  
10 find the right answers, so that you don't come up against  
11 these very unfortunate realities that everybody is very  
12 concerned with.

13 The very fact that you're here and few  
14 other people are here concerns me terribly, because with  
15 all the focus that's been placed upon the immediate  
16 problem and the impact of it, not only on businesses, but  
17 on fixed income people and those engaged in economic  
18 development and wanting to bring new business and to grow  
19 business and create opportunity in Connecticut, this is  
20 very troublesome, and I'm hoping that the public will  
21 become involved and support the right answer, which is  
22 working for the types of programs that Bill has described  
23 that the Board is encouraging and promoting in this plan.

24 And as a commercial message for a non-

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1 commercial entity, Bill Leahy and the Institute for  
2 Sustainable Energy have legal expertness in the fields  
3 that can help you. They're not for profit, but they're  
4 for good results, and really needs to stay in touch with  
5 the Institute, because he's a pro.

6 MR. CHASE: Got his card.

7 MR. SANDLER: He is from government, and he  
8 is here to help you. Thank you for coming.

9 CHAIRMAN MENGACCI: Well there's a lot of  
10 other things. There's the Clean Energy Fund. There's the  
11 Conservation and Load Management Fund. I mean there is,  
12 you know, round numbers about 100 million dollars' worth  
13 of assessment on rate payer electric bills that go into  
14 these funds for the sole purpose of putting in renewable  
15 energy projects or doing conservation projects. As a  
16 person who contributes substantially to that fund, you're  
17 able to take advantage of those, as well. And, again,  
18 that's where we can help make some of those connections  
19 for you, so this isn't something that you have to do  
20 completely on your dime.

21 There are a considerable amount of  
22 resources, State resources out there. I mean, granted,  
23 they're always over subscribed, but a good project is a  
24 good project, and I've seen a lot of them get funded,

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1 especially at the Clean Energy Fund.

2                   There's also a lot of entities out there  
3 right now. Bill, you might remember. I can't. Is it Sun  
4 Power? Whose the entity that comes in and puts the solar  
5 panels on your roofs? They do the complete installation.

6                   No capital expense out of your pocket. You basically  
7 just give them a 10-year contract for the power that that  
8 generates.

9                   And we did one at BJ's Wholesale, you know,  
10 a couple hundred thousand square foot warehouse in  
11 Wallingford. The Clean Energy Fund has paid about 50  
12 percent of the cost of that installation on numerous  
13 occasions.

14                   MR. ED VonSTEIN: As a grant.

15                   CHAIRMAN MENGACCI: As a grant, yeah. I  
16 sit on that Board, as well.

17                   MR. CHASE: And one of things that Bill and  
18 I talked about, I mean, we looked at generating, doing  
19 some cogeneration. We have smaller hotels in Connecticut,  
20 but there are large hotels in other states that actually  
21 will sell energy back to, substantial energy back to the  
22 electric companies.

23                   We don't have that size of facilities here  
24 that probably justifies that type of plant, but certainly

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1       there should be some things we can do to try to help, both  
2       ourselves and, also, the community, and we're going to  
3       look at that. I'm not here just to complain. I'm here to  
4       learn, but I want to offer a basic concern we have.

5                   CHAIRMAN MENGACCI: As you investigate the  
6       various options and if you have any questions, we're up  
7       there to help broker connections for you. We certainly  
8       are not in the position to be able to advance your project  
9       over others.

10                   MR. CHASE: You can't just forward us a few  
11       hundred thousand dollars to cover what we're doing.

12                   MS. O'BRIEN: Gerry, may I ask you? Are  
13       your properties so small that the rooms have individual  
14       air conditioners, or do you have --

15                   MR. CHASE: In these particular hotels,  
16       they're individual PTACs.

17                   MS. O'BRIEN: They're individual.

18                   MR. CHASE: But they were built and are  
19       reinstalled with renovations with high efficiency, energy  
20       efficiency units, but they're still individual PTACs.

21                   MS. O'BRIEN: Individual, so there's no way  
22       for you to really control?

23                   MR. CHASE: We do have some central plants,  
24       such as the public area and everything, that can be

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1 considered into a cogen. or some other type of facility.  
2 So there are some additional things we can do. We don't  
3 know if the IRI is there yet, but we're going to look into  
4 it. Good question, though. Very good.

5 MR. LEAHY: You didn't ask about a fuel  
6 cell.

7 MR. CHASE: A year ago, when I looked at  
8 them, they were not, when I did the process, they were not  
9 a good IRI on it.

10 MS. O'BRIEN: Anyone else? Thank you.

11 MR. CHASE: Thank you for giving us some  
12 time. I appreciate it.

13 MS. O'BRIEN: Thank you for coming forward.

14 (Whereupon, the hearing adjourned at 6:47  
15 p.m.)

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