

VERBATIM PROCEEDINGS

CONNECTICUT ENERGY ADVISORY BOARD
PUBLIC HEARING
ON
REVISED REACTIVE EXEMPTION CRITERIA

OCTOBER 10, 2007

LEGISLATIVE OFFICE BUILDING
300 CAPITOL AVENUE
HARTFORD, CONNECTICUT

POST REPORTING SERVICE
HAMDEN, CT (800) 262-4102

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 . . .Verbatim proceedings of the
2 Connecticut Energy Advisory Board Public Hearing on the
3 Revised Reactive Exemption Criteria, held October 10, 2007
4 at 6:06 p.m. at the Legislative Office Building, 300
5 Capitol Avenue, 1B, Hartford, Connecticut. . .

6

7

8

9

CHAIRMAN JOHN MENGACCI: Good evening,
10 everyone, and welcome to the Connecticut Energy Advisory
11 Board public hearing on the RFP Exemption Criteria. My
12 name is John Mengacci. I'm an undersecretary at the
13 Office of Policy and Management and the Chairman of the
14 Connecticut Energy Advisory Board.

15

16

17

18

19

20

21

22

23

24

With me here this evening, other Board
members are David Carey, who is the designee of
Commissioner Prelli from the Department of Agriculture,
Kevin Hennessy, who is a designee from the Connecticut
Business and Industry Association, Donald Downes, who is
the Chairman of our Department of Public Utility Control,
our esteemed consumer counsel, Mary Healey, and Attorney
Jim Sandler. Welcome, everyone, and thank you very much
for being here this evening. Board members, thank you.

How we come to be here this evening, just

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 by way of background, through Connecticut Statute 16a-7c,
2 subsection b, the Connecticut Energy Advisory Board is
3 directed to, not later than 15 days after the filing of an
4 application with the Connecticut Siting Council and based
5 upon certain characteristics of that proposed project, the
6 CEAB has the responsibility to issue a request for
7 proposals to seek alternative solutions to the need that
8 will be addressed by the facility in that application.

9 Public Act 07 242 modified 16a-7c,
10 subsection b, to allow the Board, by a three-fifths vote,
11 to exempt a proposed facility from the RFP for
12 alternatives process if the RFP process was not likely to
13 result in a reasonable alternative to the project that was
14 being proposed. 07 242 further required the Board to
15 approve additional criteria for exempting projects from
16 our RFP for alternative process and to develop those
17 additional criteria with the benefit of public input,
18 which is part of the reason and one of the main reasons
19 why we're here this evening.

20 In August of this year, the Board released
21 what we refer to as our Straw Man Proposal for additional
22 exemption criteria, and the comment, the written comment
23 period for that Straw Man, the initial Straw Man, was
24 required to be back to us by August 31.

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 We received written comments from Northeast
2 Utilities, United Illuminating and CMEEEC, the Connecticut
3 Municipal Energy Electric Cooperative. The comments that
4 we received were reviewed and discussed by the Board, and
5 the extent to which the Board thought those comments
6 should have been incorporated into our revised exemptions
7 they are reflected in the revised Straw Man Proposal,
8 which we're here to discuss this evening.

9 The general purpose of the RFP for
10 alternatives process and exemption criteria, very
11 generally, is to establish general guidelines and
12 circumstances in which an RFP exemption may be appropriate
13 and to communicate those to market to participants and,
14 also, to maintain the Board's discretion, based on the
15 facts of each proposal, as to whether or not we should
16 solicit alternatives to the proposed project.

17 So as the revised Straw Man sits today, we
18 are considering several different criteria under which an
19 RFP would not be necessary for an alternative to a
20 proposed project that went before the Siting Council. I
21 guess those are the only opening comments I have.

22 Do any of the other Board members have any
23 comments that they would like to make before we go to the,
24 I guess, witnesses. They wouldn't be called witnesses,

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 would they? The folks that would like to address us this
2 evening. Anybody on the Board have anything else that
3 they would like to say?

4 Okay. Does everybody agree that that's a
5 fair rendition of how we get here this evening and what
6 our responsibilities are? Okay, then, with that, we'll
7 call the first two folks who are going to testify this
8 evening. From the United Illuminating Company, we have
9 Marcia Wellman and Richard Peters. Please, folks, join us
10 and proceed at your convenience.

11 And I'm sorry, Marcia, before you begin,
12 just again identify yourself for the record, please.

13 MS. MARCIA WELLMAN: Good evening. I'm
14 Marcia Wellman, Regulatory Affairs Manager for the United
15 Illuminating Company, and with me this evening is Mr.
16 Richard Peters. He is a member of our Transmission
17 Organization.

18 Good evening. Thank you for this
19 opportunity to testify tonight. In that the legislature
20 required a public hearing, we wouldn't want to disappoint
21 anyone and not have anybody show up, so thank you, again.

22 U.I. is very much encouraged by the
23 recently revised Straw Proposal. Many of the exemption
24 criteria recognize the important factors of transparency

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 of process, a thorough analysis, as well as third party
2 review. U.I. respectfully requests that these elements
3 should be reflected in exemption criteria d, as well.

4 There's a simple solution we'd like to put
5 forward, and that is that the project sponsor could be
6 required to submit 60 days prior to filing with the Siting
7 Council. That would be submit their application and
8 analysis of exemption with CEAB.

9 Sixty days isn't an unheard of amount of
10 time in siting applications. It's the same requirement
11 for an applicant to put forth their municipal consultation
12 filing. With 60 days, both CEAB and any interested third
13 parties would have the opportunity to perform a reasonable
14 assessment of the project sponsor's filing.

15 If the project sponsor did not meet the 60
16 days, they would not be able to qualify for an exemption
17 under subsection d. If CEAB chooses to forgo the 60-day
18 requirement, U.I. respectfully requests granting
19 interested parties the opportunity to provide comment to
20 CEAB prior to CEAB issuing an exemption determination.

21 Thank you for this opportunity this
22 evening, and we entertain any questions that you might
23 have for us.

24 CHAIRMAN MENGACCI: Marcia, thank you very

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 much. Thank you for your comments and your testimony, and
2 thank you very much for being here this evening. I have
3 one quick question. Do you think that 60-day time frame
4 is long enough for outside interested parties to do the
5 type of review that would be associated with the
6 facilities that may come before us?

7 MS. WELLMAN: If the filing with CEAB,
8 which would be part of the filing with Siting Council, as
9 well, one would assume, if that's a thorough analysis, we
10 would be able to move through that and glean through what
11 we could in 60 days, I believe, yes.

12 CHAIRMAN MENGACCI: And I'm sorry I'm not
13 intimately familiar with the 60-day municipal notice
14 period, if you will. Could you just elaborate on that, at
15 least for my benefit, perhaps, and maybe some of the other
16 Board members, as how that would connect with the 60-day
17 time frame that you're suggesting?

18 MS. WELLMAN: Sure. For applications that
19 have to go before the Connecticut Siting Council for
20 certificate, there's a requirement that not less than 60
21 days before filing with the Siting Council the project
22 sponsor, i.e., applicant, has to file the municipal
23 consultation filing, whatever that requirement may be. If
24 it's a host municipality, municipalities within 25 hundred

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 feet of a facility. It could be many facilities. In the
2 example of Middletown/Norwalk, where we had to file with
3 every municipality along the proposed route, so that's
4 where the 60 days comes in, not less than 60 days.

5 CHAIRMAN MENGACCI: Not less than 60 days
6 prior to filing with the Siting Council?

7 MS. WELLMAN: Prior to filing with the
8 Council.

9 CHAIRMAN MENGACCI: They have to notify the
10 host community and the other communities that would be
11 impacted by that facility?

12 MS. WELLMAN: Yes.

13 CHAIRMAN MENGACCI: Okay.

14 MS. WELLMAN: And then how that plays out
15 is actually at the municipality's discretion, whether they
16 then choose to have a public hearing, etcetera.

17 CHAIRMAN MENGACCI: Question?

18 MR. DONALD DOWNES: Sure, if I may? Good
19 evening. Nice to see you.

20 MS. WELLMAN: Good evening, Mr. Chairman.

21 MR. DOWNES: You know, as I parse these
22 things, I often try and think about practical examples of
23 how these kinds of provisions might apply, so take a walk
24 down the hypothetical lane with me for just a moment here.

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 D talks about a project for which a
2 comprehensive analysis of the alternatives has been
3 undertaken and is presented.

4 MS. WELLMAN: Yes.

5 MR. DOWNES: This sounds like it might be
6 NEEWS. I mean, sorry. N-E-E-W-S, what we used to call
7 SNERF or SNETR. And the point is that, as you very well
8 know, obviously, this is an extensive process. The
9 national grid in Northeast Utilities have gone through a
10 long process of putting lots of different alternatives on
11 the table and then studying them and discarding ones that
12 they didn't think would work, and then comparing them and
13 looking at costs.

14 Without going to the merits of that
15 process, itself, or the results, what I'm driving at is
16 that sounds like it might be D. I mean, if they come in
17 and propose NEEWS, isn't that a pretty comprehensive
18 analysis of the alternatives?

19 MS. WELLMAN: I'm not sure. None of us
20 have seen that analysis.

21 MR. DOWNES: Well --

22 MS. WELLMAN: When I say none of us, I
23 don't want to speak for any of you. I'm speaking for U.I.

24 MR. DOWNES: Well, I understand, but you're

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 familiar with the ISO process.

2 MS. WELLMAN: Yes.

3 MR. DOWNES: And I believe your
4 transmission people are very much familiar with this, and
5 you and we and our friends at N.U. have just been down
6 this road with phases one and two, and the Glenbrooks and
7 some other fine things.

8 MS. WELLMAN: Yup.

9 MR. DOWNES: So we're all aware that there
10 is a very extensive analysis of the route and the flows
11 and what happens when you add the transmission here. Does
12 it create bottlenecks? Does it create other problems?
13 Are you thinking that maybe this wouldn't be sufficient if
14 it didn't show some sort of an alternative, based on
15 generation, for example, looking at NEEWS as the example?

16 MS. WELLMAN: Well if we were to use NEEWS
17 for an example, U.I., for one, has not seen the
18 documentation to which you're referring to, in terms of
19 flows, impacts on neighboring systems, thermal, you know,
20 voltage, all that. We've not seen those analyses.

21 MR. DOWNES: Right.

22 MS. WELLMAN: In terms of alternative
23 proposals, what we'd say is we don't know, because we've
24 not analyzed it. We don't know what type of cost benefit

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 analysis has been put forth, in terms of any alternative
2 proposals.

3 MR. DOWNES: Okay, fair enough. I'll stop
4 there. Thank you.

5 CHAIRMAN MENGACCI: Does anyone else have
6 any questions for Marcia this evening? No? Okay.

7 MR. DOWNES: I can't believe we're letting
8 her get away this easy.

9 CHAIRMAN MENGACCI: That's because you
10 stopped. It doesn't look like any of the Board members
11 have any other further questions, so, Marcia and Richard,
12 thank you very much for being here this evening. Thank
13 you for your comments, and we'll take them under
14 advisement and make our decision by December 1.

15 At this point, Marcia and Richard were the
16 only two that signed up to testify this evening. I think,
17 as we usually do, perhaps give folks a little bit more
18 time to arrive, so I'll say we'll sit here for let's say
19 another 10 or 15 minutes. If anyone else shows up, we'll
20 be more than happy to entertain their comments. If not, I
21 think we'll be free to go. How does that sound?

22 (Off the record)

23 CHAIRMAN MENGACCI: Well it's 6:30, and,
24 again, just for the record, I'd just like to let that

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

1 reflect that at 6:15 we recessed the public hearing. It's
2 now 6:30. No additional people have appeared to testify
3 before us.

4 I'd also like the record to reflect that
5 there is still additional time for written comments to be
6 submitted on the RFP Exemption Criteria, and that deadline
7 is still somewhat fluid, although our responsibility is by
8 December 1 to adopt additional criteria for exemption. I
9 think that gives us plenty of time to do that.

10 Unless there's anything or any other
11 remarks that any of the Board members would like to make?

12 MR. DOWNES: Just maybe one other point,
13 which is that the record should also note that we did
14 receive written comments as of this date from at least
15 three sources, I believe, including United Illuminating.

16 As the Chairman pointed out, there still is
17 a little bit of time left for additional commentary, so
18 please feel free to add your viewpoint to the record.

19 CHAIRMAN MENGACCI: Okay. Again, Marcia
20 and Richard, thank you very much for being here this
21 evening, and, with that, we will adjourn. Thank you.

22 (Whereupon, the hearing adjourned at 6:35
23 p.m.)

HEARING RE: REVISED REACTIVE EXEMPTION CRITERIA
OCTOBER 10, 2007

INDEX OF SPEAKERS

	PAGE
MARCIA WELLMAN	5