



For Immediate Release

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***CORRECTED RELEASE**

Annual Plan Stresses Need for Significant Changes and Investment in State's Electric Supply

Energy Efficiency Featured as a Key Area

ROCKY HILL – Capping off a comprehensive planning process for the State's electric system, the Connecticut Energy Advisory Board (CEAB) today submitted its 2010 Comprehensive Plan for the Procurement of Energy Resources to the State Department of Public Utility Control (DPUC). The Plan stresses the need for Connecticut to make significant changes and investment over the next 20 years to make the State's electric supply cleaner, greener, secure, reliable and affordable.

"Using integrated solutions, our economic, environmental, security and reliability objectives can best be met with a plan that stresses energy efficiency as its first order of business," said Michael Cassella, the CEAB Chair.

An Act Concerning Electricity and Energy Efficiency (Public Act 07-242) established an electric sector planning process requiring annual, comprehensive assessments of electric system needs and recommendations on energy resources best suited to meet those needs. The Act requires the Connecticut Light and Power Company and The United Illuminating Company, the State's electric distribution companies (EDCs), to prepare the assessment that would be reviewed and modified by CEAB. DPUC will review the final plan in Docket 10-02-07 and decide how to move forward with the Plan's recommendations.

"Along with contributions from the EDCs and numerous stakeholders, members of the Board and CEAB's consulting team have spent more than two years putting extraordinary effort into developing this truly integrated vision for the future of our electric system," Cassella said.

"Cost-effective energy efficiency programs provide options for consumers to control and reduce their energy consumption, which can lead to lower bills, overall electricity demand and emissions from power plants, and enhance our economy," said Jeffrey Gaudiosi, CEAB Vice Chair and Chairman of the Energy Conservation and Management Board. Gaudiosi added, "The Act calls for resource needs to first be met by all available energy efficiency and demand reduction programs that are cost-effective, reliable and feasible. We have found that strategy to be highly effective and recommend pursuing this course while avoiding an added burden on electric consumers."

Renewable energy features prominently in the Plan issued by the CEAB. In Connecticut and the region, in the coming decade Renewable Portfolio Standards (RPS) call for as much as a four-fold increase in the amount of renewable energy, with some further increases scheduled beyond 2020. Roughly 13,000 GWh of new renewable energy, much of it from new wind energy projects, would be needed to meet the regional 2020 renewable energy goal of 19,000 GWh, with a total of nearly 20,000 GWh of new renewable energy needed to meet the 2030 goals.

"The CEAB recognizes the importance of renewable energy in our future," Cassella said. "However, we have found that in-state renewable resources are limited and regional sources may be expensive. The concerns raised in this process have led the CEAB to conclude that a formal review of renewable policy is needed to ensure that it best meets the State's needs. Stakeholders involved in all aspects of the electric energy business, representatives of the environmental community and other interest groups, elected officials, and the general public will be invited to contribute to the process."

The CEAB Plan lays out a vision for the next 20 years, indicating that:

- at least half the generation sources Connecticut has relied upon for decades will likely be replaced with new clean, efficient, low carbon emitting, and renewable facilities;
- markets and technologies will make the State's usage of electricity much more efficient;
- the electric system will have a much lower impact on our environment; and

- the State's electric rates will be more competitive with regional and national markets.

Specific recommendations in the Plan include:

- **Energy Efficiency**: Make use of all available cost-effective opportunities to reduce demand, in order to achieve optimal system-wide energy efficiencies; and introduce new funding strategies such as expanded financing options, market mechanisms, and updated building codes and product standards, in order to minimize dependence on the familiar electricity rate-based funding source for energy efficiency programs.
- **Renewable Energy**: Conduct a public information gathering process to undertake a full review of Connecticut's Renewable Portfolio Standard, which sets the State's renewable energy policy, and defines goals and mechanisms for reaching them, in order to assure the policy is consistent with the State's current environmental, economic development and energy system reliability objectives.
- **State Energy Organization**: Develop a proposal for the legislature to restructure Connecticut's energy policy and planning approach, replacing a fragmented array of separate entities with a single entity charged with oversight and accountability for the quality and effectiveness of Connecticut's energy system.
- **Regional Coordination**: Strengthen CEAB and State connections and coordination with ISO New England Inc. (ISO-NE), the regional grid operator, the New England States Committee On Electricity (NESCOE), and other regional organizations whose decision making directly impacts electric system costs for Connecticut.

*CORRECTED PARAGRAPH

- **Transmission Planning and Non-Transmission Alternatives**: Recognizing 1) that the transmission system is and will continue to be the backbone of Connecticut's energy system for reliability purposes and foreseeably will play a major role importing renewable energy resources that cannot be produced in-state; and 2) that it is impractical and costly to delay consideration of non-transmission alternatives until transmission proposals are well developed and ready for permitting; CEAB proposes in conjunction with the DPUC to design a needs assessment and planning process in order to assure that non-transmission alternatives (NTAs) are considered on equal footing when a need for system improvements is identified.
- **Greater Hartford Study**: Collaborate with ISO-NE in the Needs Assessment and Transmission Solutions studies currently underway for the Greater Hartford area as a first example of an NTA process. CEAB will conduct a concurrent assessment of the potential for non-transmission solutions to address the identified reliability need. If warranted, CEAB will invite parties interested in offering non-transmission alternatives to submit proposals.
- **Combined Heat and Power**: Where possible, promote development of Combined Heat and Power and District Energy facilities and systems, which are designed to capture and make productive use of the large amounts of excess heat usually dispersed into the environment by air- and water-cooling systems.
- **Repowering**: Undertake a study of whether it will be desirable by the time the next Integrated Resource Plan is submitted in 2012 to solicit bids for the development and installation of new efficient gas-powered generating unit(s) or other comparable generating facilities, to be ready to go by 2020.
- **Nuclear Energy**: Together with the Connecticut Academy of Science and Engineering (CASE), undertake an information gathering process and study of the suitability of nuclear energy as an option for meeting Connecticut's energy objectives.

The CEAB and EDC Plans have been filed with the DPUC and will be subject to review in a proceeding at the DPUC in the coming months. The CEAB Plan and all materials assembled in the planning process are posted on the CEAB website at <http://www.ctenergy.org/2010ProcurementPlan.html>.

ABOUT THE CEAB

The Connecticut Energy Advisory Board members include the Commissioner of Environmental Protection, the chairperson of the Department of Public Utility Control, the Commissioner of Transportation, the CT Consumer Counsel, the Commissioner of Agriculture, and the Secretary of the Office of Policy and Management, or their respective designees, along with appointees from the Governor, the president pro tempore of the Senate and the speaker of the House of Representatives. The CEAB is responsible for representing the state in regional energy planning, participating in the state's annual load forecast proceeding, and reviewing the procurement plan submitted by electric distribution companies. The primary goal for the Board remains to encourage competing energy solutions and to provide the opportunity to review multiple energy solutions simultaneously.

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