



**TESTIMONY OF DANIEL F. CARUSO
CHAIRMAN
CONNECTICUT SITING COUNCIL**

**SUBMITTED TO THE CONNECTICUT ENERGY ADVISORY BOARD
SUB-COMMITTEE ON THE STUDY OF VARIOUS ENERGY ISSUES**

THURSDAY, NOVEMBER 13, 2008

Good evening chairman and distinguished members of the sub-committee. My name is Dan Caruso; I am the Chairman of the Connecticut Siting Council.

Thank you for this opportunity to testify and speak in connection with your draft report and recommendations prepared in connection with the assignment given to you under the provisions of Section 58 of Public Act 07-242.

Within Phase II of your report, among your Findings and Recommendations, Finding C says that “A state entity should have statutory authority to act promptly in response to electric market opportunities that are in ratepayers’ best interest or that otherwise meet an identified state objective.” Finding D says that “Connecticut should facilitate and otherwise enhance the integration of individual state entity plans, strategies and actions toward achieving energy, environmental and economic goals.”

In furtherance of this stated purpose your report identifies five items through which you propose recommendations – virtually all of which would involve my agency. On behalf of the Council, I appear before you today to respond to those recommendations.

Before doing so, however, let me first take a moment to describe the Siting Council to you. We are an executive branch agency of Connecticut State Government. We operate with ten employees and an annual operating budget of slightly more than \$2 million. Our agency is entirely self-funded, in that we derive all of our revenues from the various companies that we regulate.

The Council itself generally functions as a nine-member body comprised of seven members of the lay public and representatives of the Department of Public



Utility Control and the Department of Environmental Protection. Of those seven representatives of the public, two are appointed by the General Assembly and the remaining five are appointed by the Governor – as am I. The scope of the Council’s jurisdiction is to address proposals to site large-scale electric utility infrastructure (such as power plants, sub-stations, and high-voltage transmission lines) and specific types of telecommunications facilities including cellular telephone towers.

The charge of the Siting Council is actually quite unique and different from the other agencies that operate within the regulatory sphere. Unlike any other agency, the Siting Council serves as an independent judicial arbiter that objectively balances the statewide need for reliable services, at the lowest reasonable cost to consumers, with the need to protect the environment and ecology of the state.

With that, I will briefly address our comments with respect to your sub-committee’s recommendations.

1. The first recommendation under Finding C states that the state should establish limited authority to act without delay to procure resources where the benefits are evident, the risks are limited, and the need to act promptly is supported by substantial evidence.

However, I think it is perhaps important to note that the DPUC has standing authority under §16-243m to act promptly to “capture market opportunities that clearly advance or avoid harm to an identified state objective.” Under that section, DPUC is to identify measures that include “demand response programs, other distributed resources, and contracts between an electric distribution company... and an owner of generation resources for the capacity of such resources,” each of which are market opportunities that are in ratepayers’ best interest.

DPUC is also required to conduct a proceeding to develop and issue request for proposals to solicit the development of long-term projects. Indeed, projects resigned to reduce federally mandated congestion charges are eligible for “expedited siting”, which requires the Council to approve those projects by declaratory ruling. The declaratory ruling process itself provides an expedited process while protecting and preserving the due process rights of affected parties.

This means that, an “expedited process” already exists. In fact, the DPUC has clear statutory authority to act promptly in response to market opportunities that are in ratepayers’ best interest.



2. Another recommendation proposed is to “harmoniz[e] agency criteria regarding costs.” While well-intentioned, we believe that the suggestions offered here may serve to preclude DEP and DPUC from considering each others’ standards in decision-making which serve the interests of important environmental and agency goals.

Currently, the Council is charged to consider our states environmental and energy interests in order “[t]o provide for the balancing of the need for adequate and reliable public utility services at the lowest reasonable cost to consumers with the need to protect the environment and ecology of the state.”

This charge enables the Council and DPUC to consider both the environmental benefits to the public and the associated costs to electricity customers. It also enables us to simultaneously consider and further both environmental and energy goals.

Meanwhile, DEP’s concerns are considered (under §16-50k(a)) with reference to the siting of generating facilities to be approved by declaratory ruling “... (2) ... as long as such project meets air quality standards of the DEP...” This process provides for the consistency of standards and their application among and between the Council and the DEP to support electric and environmental goals.

3. Another recommendation is to “eliminate barriers to inter-agency communications and coordination.”

DEP staff is statutorily welcomed and allowed to participate in Council and DPUC proceedings. §16-50j(h) states in pertinent part, “...the council shall consult with and solicit written comments from the Department of Environmental Protection.”. It may also intervene in a Council proceeding. In addition, DEP may avail itself of intervention under §22a-19 of the CT Environmental Protection Act, which states in pertinent part, “In any administrative... proceeding, and in any judicial review thereof... any instrumentality or agency of the state... may intervene as a party... asserting that the proceeding... involves conduct which has, or which is reasonably likely to have, the effect of unreasonably polluting, impairing or destroying the public trust in the air, water or other natural resources of the state.”

Moreover, pursuant to statute, the DEP Commissioner, or their designee, is a voting member of the Council. Simply put, through multiple provisions of statutory authority, it is abundantly clear that according to the statutory provisions cited above, there are no real impediments to DEP staff’s full participation in the Council’s proceedings.



4. Another recommendation is to address “overlapping jurisdictions and criteria regarding project need determinations.”

It is important to understand that, as mentioned previously, the Council is actually comprised of multiple agency representatives and stakeholders dedicated to “balancing the need for adequate and reliable public utility services at the lowest reasonable cost to consumers with the need to protect the environment...”

Under §16-50p(h), “a public need exists for an energy facility if such facility is necessary for the reliability of the electric power supply for the state,” which is directly related to the legislative finding and purpose for the Council in balancing public need with the need to protect the environment; each “need” is amenable and pertinent to the CEAB recommendations to meet energy, environmental and economic goals.

We believe that these, “duplicative and overlapping” authorities regarding need determinations support a more detailed and thorough analysis from a variety of perspectives rather than from a narrow, single agency perspective. Frankly, it is precisely this overlap that promotes a comprehensive energy and environmental policy. Furthermore, rather than obviate the need for the Council’s finding of “need” as the report suggests, the legislatively established Integrated Resource Plan process (IRP) and the DPUC’s procurement processes create a more informed and streamlined source of information that ultimately serves to enhance the Council’s determination of “need.”

5. Finally, the report proposes “sequencing regulatory reviews of projects and minimizing substantive and administrative overlap” to streamline regulatory processes.

As previously stated, these so-called overlapping authorities promote a more thorough and detailed analysis of policy from several perspectives. At present, project proponents may choose whether to submit their applications to DEP and Council at the same time or not.

For example, if siting and permitting for vital energy projects were vested entirely with the DEP, whose mission and purpose is solely to protect the natural environment of the state, decisions would be based only on adverse environmental effects rather than through a complete analysis of both the environmental effects and public need. Similarly, if such siting authority were assigned exclusively to the DPUC, such decisions would inevitably be made within the more narrow scope of its purview over energy market and conditions.



In any event, any changes in the regulatory processes should not limit access to and participation in state proceedings by the public and other stakeholders affected by the proposed projects. Therefore, the state and ratepayers' interests are best served by an administrative process that affords interested parties due process protections and the opportunity to further inform the final decision.

Again, it is important to note that the Council represents the citizens of this state and examines with the eyes and listens with the ears of private citizens to ensure their input into what other states have only trusted to bureaucracies. That the Connecticut General Assembly has given its people a seat at such an important table is refreshing, farsighted and enlightened, and must be preserved, even if no other state has such confidence their citizens.

Thank you for this opportunity to comment on these important policy proposals. A more expansive and detailed explanation of our comments will also be submitted for your full review and consideration.

I am available for any questions that you may have.