



Filed Electronically and via First Class Mail

January 28, 2009

Ms. Kimberley J. Santopietro
Executive Secretary
Department of Public Utility Control
Ten Franklin Square
New Britain, CT 06051

RE: Docket No. 08-07-01 - DPUC Review of the Integrated Resource Plan

Dear Ms. Santopietro:

The Connecticut Energy Advisory Board ("CEAB") submitted its Written Exceptions in the above captioned proceeding on Friday January 23, 2009. Today, a review of that document showed that the CEAB inadvertently filed a version that was not its final version due to an e-mail system glitch. Specifically, the CEAB's final Written Exceptions included an addition to one sentence at the bottom of page 3 and the top of page 4, which appears in bold for ease of reference in the Written Exceptions resubmitted herewith. There are no other changes to the document from that submitted on January 23, 2009.

The CEAB trusts this resubmission does not prejudice any participant's rights and or create an undue burden on the Department. The CEAB requests that the attached version be recorded as the CEAB's Written Exceptions in this matter. The CEAB apologizes for this inconvenience.

This filing is also being made electronically via the Department's electronic filing system.

Thank you for your assistance. Please contact me at 860-418-6374 with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Cassella", written in a cursive style.

Michael E. Cassella
Chairman
Connecticut Energy Advisory Board

CC: Office of Consumer Counsel
Service List (electronic)

**STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL**

DPUC Review of the	:	Docket No. 08-07-01
	:	
Integrated Resource Plan	:	January 23, 2009

**Connecticut Energy Advisory Board
Written Exceptions**

I. Introduction

The Connecticut Energy Advisory Board (“CEAB”) appreciates the opportunity to submit Written Exceptions on the Department of Public Utility Control’s (“Department” or “DPUC”) Draft Decision (“Draft Decision”) regarding the CEAB’s *2008 Comprehensive Plan for the Procurement of Energy Resources* (“Plan”) submitted to the Department pursuant to Connecticut General Statutes Section 16a-3a (“IRP Statute”).

The CEAB commends the Department for its efforts to review the substantial body of material and issues in such a compressed timeframe. As many parties have observed, this first time through the annual planning process established under the IRP statute has posed numerous challenges to the Electric Distribution Companies (“EDC”), the CEAB, the Department and the many interested parties. Nevertheless, the CEAB is very encouraged by the progress made in this first planning cycle.

Many aspects of the Draft Decision are consistent with the CEAB’s views. The CEAB supports the following key recommendations in the Draft Decision and encourages the Department to adopt them in the Final Decision:

- 1) **The EDCs and the CEAB should place more time and emphasis on the needs assessment going forward.** (Draft Decision at 13)

The CEAB agrees. The CEAB and the EDCs have focused on this in planning for 2009. And, the EDCs have expanded this analysis in their 2009 Report.

- 2) **Perform a detailed study of possible generator retirements.** (Draft Decision at 13)

The CEAB agrees. The supplemental analysis prepared by the Brattle Group for the EDCs at CEAB's request demonstrated a methodology that can be extended to address the retirements issue and the closely related environmental objectives. CEAB and the EDCs plan to conduct that study in 2009.

- 3) **The future IRP process should focus on transmission projects that are being planned.** (Draft Decision at 38)

The CEAB agrees. The CEAB will be pleased to work with the EDCs, the ISO-NE and other interested parties to develop a planning process that integrates transmission with supply and demand and does so in a way that makes the process of considering alternatives timely and effective.

- 4) **The Department believes that the base case should include reasonable estimates of resource additions and retirements and that alternative scenarios should also be examined.** (Draft Decision at 32)

The CEAB agrees that the base case should be current and include planned and committed resources, as well as existing resources, particularly those which the Department has authorized commitment of funds through grants or contracts. This principle was included in the Supplemental Analysis prepared by the Brattle Group

The CEAB focuses the balance of our comments herein on: 1) the two-phase planning process conducted on a two year cycle, 2) the determination of need for resources, and 3) the role of transmission planning. Finally, the CEAB also seeks further clarification on several aspects of the Draft Decision.

II. Planning Process

The Draft Decision addresses two components of the planning process. They are: 1) to make the planning process a two-year process (Draft Decision at 30) and 2) to make the planning process a two-phase process (Draft Decision at 13). The Draft Decision also concludes that the scope of the proceeding must be narrowed to meet statutory deadlines. (Draft Decision at 35).

The CEAB agrees that the current statutory timeframes for this planning process are difficult and that a two-year planning cycle would be preferable. The CEAB would support a change to a two-year cycle. However, as noted in the cover letter, the CEAB believes that the IRP process should proceed without material change through 2010 to enable development of a well developed 2010 Plan.

In the CEAB's view, the Department's second planning preference, which is to bifurcate the Plan into two distinct phases, would not enable the EDC and the CEAB to comply with the plain language of the statute. Such a bifurcated approach to the IRP would appear to require legislative modification.

III. Determination of Need

The CEAB is concerned with the Draft Decision's finding on the following determination of need:

The Department believes that a finding of need should be the first step in the IRP process. If there is a need that we do not believe will be satisfied by market forces, then we should proceed with the evaluation and solicitation of resources necessary to meet the needs identified. Other policy goals should be considered when resources are evaluated and selected but should not drive the addition of resources or other policy recommendations if no need is identified. (Draft Decision at 35)

First, the CEAB believes the Draft Decision defines "need" too narrowly. The CEAB understands the Draft Decision language above and in the Analysis of Need (Draft Decision at 20) to be limiting the need assessment to the resource adequacy metrics used in the ISO-NE Forward Capacity Market, ICR and LSR. The two metrics do not include other reliability metrics, such as the transmission security analysis (TSA) conducted by ISO-NE when de-list bids are evaluated. All measures of reliability that could lead to market or out-of-market solutions requirements should be considered in this process

In addition, as noted in the CEAB's Brief (CEAB Brief at 5), the definition of "need" should consider other policy goals, specifically those set forth in the IRP statute. The CEAB recommends that the Final Decision enable **the statutory objectives to be applied, that is, "meeting the projected requirements of (the EDC's) customers in a**

manner that minimizes the cost of such resources of customers over time and maximizes consumer benefits consistent with the state's environmental goals and standards.”¹

In the CEAB's view, this would enable a comprehensive plan for electric supply which is reliable, least cost and consistent with the State's environmental goals and standards. The CEAB requests that the Department not narrow the scope of the IRP process by forgoing assessment of need to lower costs or to meet other policies set forth in the IRP statute. Further, the IRP statute requires the EDCs and the CEAB to conduct comprehensive assessments of diverse factors important to the State. The CEAB requests that the Department clarify whether its intent, as set forth in the Draft Decision, is to narrow the scope of the Department's review and action on the Plan it receives from CEAB or to direct the EDCs and the CEAB to limit the scope of the analysis contemplated by the IRP statute.

IV. Transmission Planning

First, the CEAB agrees with the Draft Decision's fundamental conclusion on transmission planning in the context of the IRP:

Therefore, the Department believes that the future IRP process should focus on transmission projects that are being planned in order that projects that are non-transmission alternatives have more time to make proposals and for the Department to review and approve any firm proposals. The Department recommends that the EDCs and CEAB engage in discussions with ISO-NE and generators to create the structure for a planning process that can be utilized. The Department concludes that there are many critical components that must be refined and better articulated in future IRPs with regard to proposed transmission projects and any non-transmission alternatives. (Draft Decision at 38).

The Draft Decision also includes recommendations to the CEAB on the evaluation of proposals received in response to a pending request for alternatives,

¹ We also note that the CEAB's statutory responsibility to seek alternative solutions to certain infrastructure proposals require the application of preferential criteria. The CEAB's preferential criteria include reliability as one of several objectives that the CEAB must consider.

opinions on pending analysis, and views on what should be included in future requests for alternatives. (Draft Decision at 38) The CEAB respectfully suggests that because the pending request for alternatives is not before the Department, recommendations related to it should not be included in a Final Decision in this matter.

V. Clarifications

CEAB asks the Department for further clarification on the following:

1) **The IRP statutes are controlling.** (Draft Decision at 14)

The CEAB requests that the Department clarify the intent of the statement above, particularly as it pertains to the manner in which the CEAB and the EDCs should address the referenced processes in future plans.

2) **The CEAB should obtain more input, recommendations and justification from ISO-NE in support of its analysis and specific recommendations and provide ISO-NE's comments.** (Draft Decision at 30)

The CEAB requests clarification of the Department's expectations of the CEAB relative to soliciting input and comments from ISO-NE. ISO-NE participated in the CEAB's stakeholder process and provided helpful input relating to transmission.

3) **The Department will require the CEAB to provide summary tables in the beginning of their report that provide estimates of demand, demand adjusted for C&LM, supply resources and the amount excess/shortage.** (Draft Decision at 31)

The CEAB welcomes the Department's input and guidance as to what material will be most helpful and in what form. The CEAB respectfully requests however that the language be modified in the Final Decision so as not to create the appearance that the CEAB is a regulated entity.