



March 7, 2008

The Honorable John W. Fonfara
The Honorable Steve Fontana
Energy and Technology Committee
Legislative Office Building, Room 3900
Hartford, CT 06106

Dear Senator Fonfara and Representative Fontana:

The Connecticut Energy Advisory Board (“CEAB”) is providing a status report on Section 51 of Public Act 07-242, An Act Concerning Electricity and Energy Efficiency (“the Act”). The Act sets forth the requirements for an annual Integrated Resource Plan (“Plan”) to be prepared by the electric distribution companies (“Companies”), and subsequently reviewed and approved by the CEAB and the Department of Public Utility Control (“DPUC”). More specifically, the CEAB is conveying information on activity to date as well as our intended path to approving a Plan that satisfies the statutory requirements and merits consideration by the DPUC.

As described in the attached status report, the CEAB received the Companies’ Plan on January 1, 2008; performed a preliminary assessment for statutory compliance; issued the Plan for public comment; and, conducted a public hearing on February 11, 2008. Overall, the CEAB received substantial, and in many cases detailed, written comments from a broad spectrum of interested persons and organizations. The status report includes a high level review of comment on key issues, from strong support for demand-side management to real concern over certain Plan assumptions. Participants generally conclude that the Plan does not satisfactorily and substantially conform to the statutory criteria. The CEAB agrees that a number of important issues have not been adequately addressed.

Although the Companies prepared substantial analysis within the confines of an aggressive timetable, the Plan requires additional data, considerable refinement on core issues and greater specificity on how to accomplish goals. To accomplish the constructive, comprehensive Plan requirements, we have begun to execute a course of action to substantially modify the Plan as permitted by statute. Through this process, the CEAB will ensure that the 2008 Plan complies with the statutory framework, satisfactorily addresses central resource planning issues and has sufficient specificity to lead to action. In short, through a streamlined stakeholder process, the CEAB will gather relevant data, such as renewable resource availability and generating unit retirements, conduct further analysis, and then modify the Plan. Once the CEAB has approved a modified Plan it will be forwarded to the DPUC for consideration. The attached Procurement Plan Process for 2008 and 2009 provides additional details.

The CEAB believes strongly that this foundational work on the initial 2008 Plan will result in a planning process and template that will expedite future plans. We have outlined an ambitious timeline to accomplish this goal and recognize the need for the full support of a number of partners to assemble and evaluate the additional information necessary to develop the comprehensive plan we believe the Act contemplates. We are particularly pleased that the Companies have offered to provide further information and modeling and that other participants have expressed a similar willingness to help move the Plan forward.

The CEAB appreciates the opportunity to provide an update on our work and would be pleased to provide any additional information that you would find helpful.

Sincerely,

John A. Mengacci
Chairman, CEAB
Under Secretary, OPM