

## House Republican Press Release

January 26, 2007  
Press Office: 860-240-8700

### Connecticut's Electricity System Needs New Thinking



By State Rep. Lawrence G. Miller

When we turn on the switch, citizens of our state want clean, efficient, reliable and affordable electricity. This will not happen as we still support a system designed by Thomas Edison in the 19<sup>th</sup> century. In short, the situation calls for an entirely new approach to managing electricity needs.

Connecticut's electrical sector is outdated, subject to chronic shortages and blackouts, and is undergoing a very expensive transmission line upgrade. Our state deregulated the electric industry eight years ago to foster competition that would reduce high electric rates. That was when consumers paid one of the top 10 highest rates in the nation. Now Connecticut rates are number one in the continental United States, plus we're paying \$300 million in federally mandated congestion charges yearly.

The billion-dollar expense of a new 345-kilovolt transmission line from Meriden to Norwalk will add to future electric bills. Even with the completion of this overdue line, Connecticut still will be in the position of a net importer of power. Also, many existing power plants in our state date back to the 1950s and 60s and will need to be replaced with more efficient, less polluting units whose costs will push electric rates even higher.

Connecticut's electrical situation is in a state of stagnation as we cling to technologies of the past. We continue to live in a wired world that is changing globally to decentralized energy. In other aspects of our lives, we use phones without wires, television without antennas, communications bounced off satellites and text messaging devices that we carry in our pockets. Around the world, decentralized energy is being installed in the form of distributed generation and co-generation (heat and electricity) stand-alone units. Yet Connecticut still clings to a convoluted electricity deregulation law of 1998 that needs to be rewritten.

Our energy bureaucracy is mired in an alphabet soup of the Department of Public Utility Control (DPUC), Department of Environmental Protection (DEP), Connecticut Energy Advisory Board (CEAB), Institute of Sustained Energy (ISE), Connecticut Siting Council (CSC), Office of Consumer Counsel (OCC), Independent System Operator (ISO-New England), Attorney General (AG), the legislature's Energy and Technology Committee

and Federal Energy Regulatory Committee (FERC). They all play a part in the operation of Connecticut's electrical infrastructure.

However, we are not taking advantage of new equipment being developed by Caterpillar, Detroit Diesel, Cummings Diesel, Pratt Whitney, Ingersoll Rand, General Electric and other U.S. manufacturers. Many ultra-low-emission electric generating products manufactured by these companies are being installed all over the world, on or near the site where power is needed. For example, many U.S. military bases use distributed generation to insure virtually uninterrupted power, which is not always the case from the power grid.

Decentralized power plants can co-exist with Connecticut's utilities and provide the needed competition and relief from our current crisis. Decentralized energy plants can be built sometimes within six months, reducing demand from the grid that can lead to ending FERC mandated congestion costs. The potential for decentralized energy at state-owned facilities would reduce electrical costs substantially. Large commercial electric users such as those found in Stamford, Milford, Trumbull, Farmington, and Clinton shopping centers and condominium complexes including Oronoque Village or Heritage Village could reduce their energy costs and increase energy security.

The legislature's Energy and Technology Committee is attempting to write a massive new energy bill that will help resolve the state's electrical crisis. What Connecticut needs is to hear from our own state-located companies as well as nationwide industry leaders. A source of hands-on experience can be found nearby in the New York Energy Research and Development Authority (NYSERDA). Since 1990, NYSERDA has developed and brought into use more than 170 innovative, energy-efficient, and environmentally beneficial products, processes, and services. These new players would bring ideas, market know-how, opportunities and options which we have been sorely lacking.

Many states are rightly calling for more conservation and energy efficiency, which can help ease the burden of high electricity rates right away. Yet our state legislature procrastinates for more than a year over a massive energy bill with few short-term answers to the highest electricity rates in America. And don't count on the state energy bureaucracy to come up with any short-term answers.

Some immediate actions are possible. They include:

- Fast-track new generation of at least 350 to 500 megawatts in Fairfield County to eliminate the FERC congestion charges and save rate payers \$25 million a month.
- Double the funding for distributed generation (DG) and the combined heat and power (CHP) program and go ahead with a second round of grants immediately.
- Provide incentives to Connecticut-based generators to upgrade aging power plants within a five-year period.
- Add new generation to existing trash-to-energy resource recovery plants which already have infrastructure connected to the power grid.

These could be relatively short-term solutions to our energy problem. Long-term solutions will be accomplished by a rewrite of the 1998 law and an energy bill now being proposed in the Energy and Technology Committee.

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