



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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PUBLIC HEALTH COMMITTEE

July 19, 2018

Hon Robert J. Klee, Commissioner
Department of Energy and Environmental Protection
79 Elm Street
Hartford, CT 06106-5127

RE: DRAFT NOTICE OF REQUEST FOR PROPOSALS FROM PRIVATE DEVELOPERS FOR ZERO CARBON ENERGY

Dear Commissioner Klee:

Thank you for this opportunity to submit written comments regarding the Draft Notice of Request for Proposals from Private Developers for Zero Carbon Energy (draft RFP) that the Department of Energy and Environmental Protection (DEEP) issued on June 22, 2018.

In October of 2017, after three years of debate, the legislature approved a bipartisan bill, Public Act 17-3 AAC **Zero Carbon Solicitation and Procurement** that would permit nuclear energy (Millstone) to bid in Connecticut's energy procurements, if warranted. As the State Representative of Waterford, home to Millstone, there was (and is) no other bill passed in the legislature that was more important and vital to the welfare of my constituents, the Waterford community, Southeastern Connecticut, and the state.

The bill (PA 17-3) has the potential of lowering electricity costs for Connecticut's ratepayers, preserving thousands of jobs, 30 million dollars to the tax base of Waterford, and 1.5 billion dollars in economic benefits to the state, all while safeguarding Connecticut's clean energy goals. It is well-known that Millstone produces 50% of Connecticut's carbon-free, around the clock power. Additionally, Millstone is an excellent community corporate partner contributing millions of dollars and endless volunteer hours to local non-profits, schools, and colleges.

It is therefore unfathomable to me, in light of the aforementioned benefits of Millstone, that the Department of Energy and Environmental Protection would put the entire legislative process, as well as the future of Millstone remaining in Connecticut, in jeopardy by inserting new, injurious language in its Draft RFP.

In concert with the legislation, the Department of Energy and Environmental Protection was directed by the legislature to conduct a competitive auction for zero carbon electricity and to allow Millstone to participate in the state auction if regulators deemed it necessary. On February 1, 2018 Connecticut's regulators concluded that DEEP should conduct a procurement by May 1, 2018.

Why has DEEP now added language in the Draft RFP that has essentially usurped the intent of the legislation? The term "AT RISK TIME PERIOD" to 2023 found in the Draft RFP is unacceptable and was not part of the bill, nor its intent.

If Millstone is determined to be a resource "At Risk" and it is awarded the competitive contract its non-price attributes must be considered NOW and not in 2023. Please keep in mind that nowhere in Public Act No. 17-3 is there language referring to an "At Risk Time Period" and June 1, 2023. Likewise, the language is not mentioned in the Governor's Executive Order No. 59, nor does it exist in the "At Risk" proceeding currently underway at PURA.

Dominion Energy has acted in good faith throughout the entire legislative process (three years). Dominion's representatives have proven to me repeatedly that they are trustworthy and honest. The company has complied with every legislative and administrative request including supplying its independently audited financial information for review by regulators.

The delayed implementation of the Confirmed "At Risk" Status out to 2023 in effect puts the state of Connecticut "AT RISK." Furthermore, I cannot imagine how DEEP will meet its clean air initiatives outlined in its Integrated Resource Plan or its Comprehensive Energy Strategy Plan without Millstone.

For DEEP to reason that Millstone will not commence an early retirement because of its Forward Capacity Obligations to ISO New England is erroneous and dangerous. Dominion Energy will be making some very important business decisions in the near future regarding Millstone's plant maintenance, an investment that may exceed 700 million dollars. If Dominion determines that an early retirement of Millstone is in its best business interest, because of the unpredictable conduct of DEEP and the agency's new "At Risk Time Period to 2023" language, the company may decide to pay the necessary penalties and begin the early retirement process. As you are aware, ISO New England does not have the authority to prevent a resource from retiring.

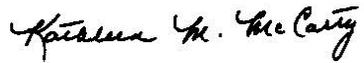
In other words, there are other options for Dominion to retire its nuclear plant early but there will be limited options for the state regarding meeting its clean air energy needs and lowering electricity costs for Connecticut's ratepayers. Please do not gamble with the economic and energy best interests of the state of Connecticut.

I am respectfully requesting that DEEP eliminate the "At Risk Time Period" and June 1, 2023 from its final RFP at the end of July, so as to ensure a "fair, transparent, and competitive" bidding process. I am

looking forward to continue working with DEEP in the future. At this time, I am asking that your agency (and PURA) adhere to the intent of PA 17-3, and follow the will of the Connecticut legislature.

Thank you in advance for your careful consideration of my request and written comments.

Respectfully submitted,

A handwritten signature in black ink that reads "Kathleen M. McCarty". The signature is written in a cursive style with a large initial 'K' and 'M'.

Kathleen M. McCarty
State Representative, 38th District
Waterford, Montville

cc: Hon Katie Dykes, Chair, PURA
10 Franklin Square- New Britain, CT 06051