NEW ENGLAND ENERGY CONFERENCE AND EXPOSITION

PURSUING ENVIRONMENTAL GOALS
“AGAINST THE WIND”: A CONSUMER ADVOCATE’S PERSPECTIVE

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State Leadership Keeps Wind in Sails

Connecticut and other New England states retain ability to exceed federal requirements.

1. Conn. GWSA (22a-200a) requires greenhouse gas emissions
   – 10% below 1990 levels by 2020
   – 80%(!) below 2001 levels by 2050.

2. Conn. RPS (16-245a) requires 20% Class I by 2020 (this may be raised soon for 2030).

3. Continuing procurements, ZREC/LREC
Costs of Meeting Goals Declining

• Robustly Competitive Procurements for New Resources
  – RPS not as expensive as once feared
  – Lower prices in energy market due to new resources

• RGGI impacts prices in energy market, but resulting revenue supports energy efficiency investments
Retaining Low-Carbon Resources

• Achieving carbon goals would be complicated by additional nuclear power plant retirements. Determining whether a plant is a retirement risk is difficult.
• Whether through tweaks on existing market rules, carbon pricing initiatives, or contracts, the region should continue to consider options for nuclear plant retention, though not at all costs.
• Millstone provides over 50% of the power produced in Connecticut each year. You cannot economically replace that with intermittent resources and storage at this point.
IMAPP—Achieve, Accommodate, or just Pontificate?

• Integrating Markets and Public Policy (IMAPP)
  – discussions at NEPOOL and a larger discussion at FERC re how to ensure reasonable rates for existing generators given state contracting, RPS, potential nuclear subsidies, etc.
  – States have robust environmental and diversity goals and appear likely to continue to enter contracts with new resources to achieve them
  – States will not likely “turn over the keys” to the market to “achieve” their goals, and can’t bind their legislatures anyway.
  – “Accommodate” proposals may be the best that can be accomplished
    • The overall price paid by customers needs to remain acceptable and not excessively volatile.
The Future is Soon (We Think)

- Electric Vehicle fleets expected to rise.
- Must encourage charging in wee hours.
  - Need further time-of-use pricing initiatives
  - Smarter meters?
- Smart appliances and apps to control usage
  - How great will
- Consumer empowerment a goal
  - Choice will mean solar, apps, connecting to wholesale prices, choice of TOU options.
  - The current retail supply offers are just costing ratepayers money in the long run (pay less now, more later), and are not empowering.
The Great Net Metering Debate—It’s Time

• Connecticut has net metering (16-243h)
• Need to have the debate about using value of solar instead, with grandfathering of existing users
  – Net metering a blunt instrument.
  – Impacts rate design and adds costs for non-users
  – Can implement competitive processes a la ZREC.
• Grid-side is cheaper than rooftop, and funds are not unlimited. Grid-side equitably shares costs and benefits with all users.