

**STATE OF CONNECTICUT
CONNECTICUT SITING COUNCIL**

CONNECTICUT SITING COUNCIL REVIEW : **F-2009**
OF THE TEN-YEAR FORECAST OF :
CONNECTICUT ELECTRIC LOADS AND :
RESOURCES : **AUGUST 17, 2009**

**WRITTEN COMMENTS OF THE CONNECTICUT LIGHT AND POWER
COMPANY**

I. INTRODUCTION

The Connecticut Light and Power Company ("CL&P" or "Company") hereby submits the following written comments on the draft report entitled "Review of the Ten-Year Forecast of Connecticut Electric Loads and Resources" ("Draft Report") issued by the Connecticut Siting Council ("the Council") on July 13, 2009. CL&P appreciates having the opportunity to participate in this important forum on energy industry issues. These written comments will supplement the information provided by the Company during the hearing process phase of this docket.

CL&P believes that the Council and its Staff have done an excellent job of concisely documenting utility data and industry developments from various sources into the Draft Report. CL&P is pleased that the Draft Report recognizes the very important issues facing the electric industry in Connecticut such as fuel diversity and the need to upgrade transmission infrastructure.

II. SUBSTANTIVE COMMENTS

There are three areas in which CL&P would like to submit substantive

comments: (1) the Integrated Resource Plan (“IRP”); (2) the Council’s suggestion that transmission/distribution companies adopt ISO-NE’s methodology and submit 90/10 forecasts; and (3) accounting for active and passive distributed resources.

a. The Integrated Resource Plan

On page 38, the Draft Report discusses the submission of the IRP to the Department of Public Utility Control (“Department”) for its approval; however, it does not discuss the ultimate outcome of that docket. On February 18, 2009, the Department issued its decision in the IRP docket (Docket Number 08-07-01, *DPUC Review of the Integrated Resource Plan*) agreeing with the finding of the electric distribution companies and the Connecticut Energy Advisory Board (“CEAB”) that the regional resource adequacy needs are satisfied for the next several years.

b. The suggestion that transmission/distribution companies adopt ISO-NE’s methodology and submit 90/10 forecasts

In the third bullet point on page 42, the Council set forth a consideration for the transmission/distribution companies: that they utilize a uniform forecasting methodology consistent with the ISO-NE 90/10 forecast, which is considered the lead forecast. Due to the fact that not all of the data used by ISO-NE may be available to the transmission/distribution companies and the ISO-NE methodology may be inadequate for the companies’ financial planning needs, there is concern over mandating that all entities use the same methodology. For these reasons, CL&P respectfully requests that the Council remove the third bullet on page 42.

c. Accounting for active and passive distributed resources

At the Council hearing concerning the Draft Report on July 15, 2009, one Company witness, Mr. Allen Scarfone, testified that long-term transmission planning studies did not typically account for active and passive distributed resources ("DR") when performing transmission planning studies. He testified that recent long-term transmission planning studies that the Company performed did include the consideration of both active and passive DR. The Council requested the Company discuss the pros and cons of including the consideration of DR in the determination of the resource and load margin contained in Table 1 of the Draft Report. The real question at hand is, should the Council include the effects of load reduction in Table 1 of the Draft Report inclusive of all or part of passive and active DR.

In accordance with ISO-NE market rules, demand resources are installations undertaken as part of merchant, utility, or state-sponsored programs, and may include energy efficiency, load management, and distributed generation¹ projects that result in additional and verifiable reductions in end-use customer demand on the New England power grid. These resources are considered participants in the ISO-NE forward capacity market and are compensated for their planned actions to reduce electrical demand under heavy load conditions. There are two types of categories of DR that are included in consideration of the forward capacity market: active and passive DR.

Active DR, categorized as load management, includes assets that respond when requested by ISO-NE. These measures, systems, and/or strategies on existing end-use

¹ Distributed generation shall mean generation resources directly connected to end-use customer load and located behind the end-use customer's billing meter, which reduce the amount of energy and capacity that would otherwise have been drawn from the New England power grid.

customer facilities that curtail electrical usage or shift electrical usage to other hours and reduce the amount of capacity needed to deliver an equivalent or acceptable level of service at those end-use customer facilities. Such measures include, but are not limited to, energy management systems, load control end-use cycling, and load curtailment strategies.

The Company does not recommend that the Council include any active DR in its determination of load margin in Connecticut through its ten year forecast.

Notwithstanding that these resources participate in the ISO-NE forward capacity market and are cleared by ISO-NE to receive payments equivalent to those paid to generation resources in the region, they are in their infancy as market participants and their reliability is thus completely unproven.

Historically, ISO-NE has experienced a reduced operating response of fast-start generation when it has been called upon during real-time operations during emergencies. This has led to the assumption by ISO-NE that these units would have availability rates of approximately 67%² that could be considered for reliable operation to support heavy load demands in real-time operations. The active demand resources include such equivalent units.

Load management is also considered an active demand response participant under the ISO-NE forward capacity market at this time. As described above these actions would include the willingness of customers to participate in controllable and sustainable real-time reactions to reduce peak demands for electricity over the long-term. Because this market is in its nascent stage, the willingness by all customers, or even some

² Meaning, two-thirds of these units would reach desired generation output when called upon in the time period required.

percentage of customers, to participate in peak load demand reductions over a long period is in question by ISO-NE and many transmission owners. There are ongoing discussions within the New England to attempt to resolve these issues. These issues relate to performing long-term transmission planning studies. Operating experience over several years should be the basis for any long-term planning assumptions. The Company does not believe that it would be prudent to assume that these resources will be included in long-term transmission planning studies. Therefore, the Company recommends the Council exclude all active DR from any consideration as a long-term assumption to capacity additions in Connecticut in its Table 1 of the Draft Report.

Passive DR, on the other hand, include energy efficiency means that are installed measures and/or systems on end-use customer facilities that reduce the total amount of electrical energy and capacity that would otherwise have been needed to deliver an equivalent or improved level of end-use service. Such measures or systems include, but are not limited to, the installation of more energy efficient lighting, motors, refrigeration, HVAC equipment and control systems, envelope measures, and industrial process equipment.

Passive DR is widely viewed by many in New England as an acceptable, verifiable, and sustainable method to reduce customer demand for electricity during times of high energy usage. The Company recommends that the Council include 100% of passive DR that is cleared under only the latest ISO-NE forward capacity auction in its determination of load margin in Connecticut through its ten year forecast.

III. TECHNICAL COMMENTS

The Company provides the following technical comments to the Council's

Draft Report:

- Page 2, last paragraph, fourth sentence. The city of Groton is listed twice as being a member of CMEEC.
- Page 5, Figure 1a, *et seq.* Specify that the data used for years 2004-2008 is actual data, while the data used for subsequent years is forecasted.
- Page 6, parenthetical at the end of the paragraph. Should read "(See Figure 1a.)".
- Page 7, Figure 1b. Unclear why historic values do not contain distributed generation and energy efficiency. Suggestion that this graph be used as a forecast only.
- Page 10, penultimate paragraph. The number "33,394" should read "31,394", such that the sentence would read, "This number is expected to decline at a (weighted) ACGR of .21 percent and reach 31,394 GWh by 2017."
- Page 14, first sentence. The number "192" should be replaced with "193".
- Page 14, second sentence. At the end of the sentence, add the phrase, "assuming no reductions in funding for their programs."
- Page 17, Table 1, Last Column. In the "Council Review" Column, define the term "Not Rec'd".
- Page 39, paragraph addressing The Greater Springfield Reliability Project, second sentence. "345-kv" should be changed to "345-kV".
- Appendix B, lines 6 and 7. Remove "S/S" after "Meekville Jct."
- Appendix B, lines 8 and 9. Change "(1)" to "(2)".
- Appendix B, lines 16. Change "(2)" to "(3)".
- Appendix B, footnotes. Change "(1)" to "(2)", change "(2)" to "(3)", and add a new footnote "(1)" that reads "Related to Greater Springfield Reliability NEEWS Project".
- Appendix C, line 4. Change "Add on to" to "Modify".
- Appendix C, line 17. Change "115 kV" to "345kV".
- Appendix C, line 17. Add "(2)" after "Watertown".

III. CONCLUSION

The Company appreciates the opportunity to participate in this proceeding and to provide its comments on the Council's Draft Report. CL&P hopes that these comments are helpful to the Council as it continues to address the energy issues facing Connecticut.

RESPECTFULLY SUBMITTED
THE CONNECTICUT LIGHT
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