

March 19, 2009

VIA E-MAIL AND US MAIL

S. Derek Phelps
Executive Director
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

Re: Docket No. 370: Role of Intervenor Ice Energy, Inc. in Docket Proceedings

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Dear Mr. Phelps:

Thank you for your memorandum dated March 4, 2009 (the "Memorandum") in response to a letter from Ice Energy, Inc. ("ICE"), an intervenor in the above-referenced Docket, dated February 18, 2009. As you know ICE also has submitted a proposal to the Connecticut Energy Advisory Board ("CEAB") in response to the reactive Request for Proposal process that the CEAB conducted pursuant to Conn. Gen. Stat. § 16a-7c(b) and § 16a-17b (the "CEAB Proposal"). ICE respectfully submits this letter to the Connecticut Siting Council (the "Council") to respond to questions that have been raised by Docket No. 370 participants, including whether ICE intends to submit a full certificate application.

As you are aware from ICE's correspondence and the CEAB report, ICE's project proposal is to improve electrical energy system efficiency and grid reliability by permanently shifting temperature-driven summer load to the far off-peak using its Ice Bear® distributed energy storage technology located behind the customer's meter. ICE's proposal contemplates the installation of thousands of energy storage units in many towns and cities throughout Connecticut. ICE's proposal offers an aggregated dispatchable, measured and verified, distributed energy storage solution, which provides 100 MW (scalable to 1,000 MW) of source equivalent peak capacity and 100 GWh of annual scheduled, permanent and persistent peak load shifting, with added potential to enhance smart grid deployment of firm intermittent renewable resources, including wind and Solar PV. The project itself qualifies as a Class III renewable energy resource. Implementation of this technology will improve summer grid reliability, reduce Connecticut's exposure to federally mandated congestion penalties, reduce the potential for smog formation on peak summer days, improve overall energy system efficiency, and generate a significant number of skilled "green-collar" jobs, providing regional economic development.

While ICE appreciates the Council's desire to have ICE file a full certificate application at this time in the context of the applicant's proposal in Docket No. 370, ICE has respectfully determined that such a filing would be impractical and inappropriate at this time. ICE is particularly confused by the Council's

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S. Derek Phelps
March 19, 2009
Page 2

Memorandum for several reasons. For example, in stating that such an application would need to include a municipal participation fee for the project, is it the Council's intent to suggest that ICE should deposit \$25,000 with every town in the State of Connecticut in which an Ice Bear® unit is slated for installation? Filing and tracking millions of dollars in municipal participation fees seems onerous and unreasonable. Also, as the Council itself stated correctly, Conn. Gen. Stat. § 16-50/(a)(3) (2009) provides that . . . an entity that has submitted a proposal pursuant to the request for proposal process may initiate a certification proceeding by filing with the council an application" (Emphasis added.) Given this optional language, ICE is confused by the Memorandum's apparent conclusion that ICE "must" file a certificate application.

Especially given these and other open questions, ICE respectfully declines to file a full certificate application at this time. While some of these questions may require consideration eventually through the process available pursuant to Conn. Gen. Stat. § 4-178 *et seq.* in order to obtain a formal ruling from the Council on the applicability, if any, of the Public Utility Environmental Standards Act to the ICE technology, such a process would be inappropriate within the context of Docket No. 370 and can be explored at another time.

With respect to Docket No. 370, ICE intends to continue to participate in its capacity as an intervenor as indicated in its initial petition to intervene and looks forward to continued constructive participation in these proceedings. As ICE has indicated before, ICE is prepared to provide such information as the Council requests and will make its representatives available to provide pre-filed testimony or live participation in the hearing process to respond to questions that may arise.

We appreciate the time and effort that you and your staff have dedicated to this Docket and the successful implementation of the legislative requirements that include the CEAB's mandate. We look forward to continuing to serve as a constructive participant in these proceedings.

Very truly yours,


Stephen J. Humes

CC: Service List for Docket No. 370