

EXHIBIT 2  
DATE 2-9-09  
HB 343

**Testimony**  
**PSC Vice-Chair Ken Toole**  
In opposition to  
**House Bill 343**  
February 9, 2009

Chairman Noonan and members of the Committee:

The PSC has voted four to one to oppose HB 343, as written because it is likely to complicate the Commission's administration of the Renewable Portfolio Standard (RPS). This bill goes beyond merely allowing a utility to own a community renewable energy project. The reasons for the Commission's opposition are as follows:

- Sections 1 and 2 of the bill tilt the playing field in an unfair manner. First, a utility would be allowed to count a 75 MW plant as a community resource, but any competing project would be limited to 5 MW. The utility would enjoy the benefits of economies of size and scale that are denied to others. Second, elimination of the requirement that a utility-owned resource compete in a renewable energy solicitation allows a utility to favor its project over potentially less expensive alternatives. Ratepayers may end up paying more than necessary for community projects.
- Section 1 of the bill introduces transmission considerations into an electricity supply procurement process, creates confusion and favors some technologies over others. "Balancing authority," "dispatch ability," "nonspinning reserve," and "spinning reserve" are all mainly transmission considerations. By federal law, the transmission functions and supply functions of a utility must be functionally separate. However, this bill would mandate that the supply function consider transmission issues when procuring electricity from renewable sources. This bill is anti-wind, solar, and small hydroelectric generation in that these are not dispatchable and generally may not be counted as either nonspinning or spinning reserve.

For these reasons, the PSC recommends that you give HB 343 a do not pass.