CONNECTICUT GENERAL ASSEMBLY
ENERGY & TECHNOLOGY COMMITTEE

H.B. 6507 – AN ACT CONCERNING REDUCING AND STABILIZING ELECTRIC RATES FOR RESIDENTIAL AND BUSINESS CUSTOMERS

H.B. 6510 – AN ACT ESTABLISHING A PUBLIC POWER AUTHORITY

H.B. 6512 – AN ACT CONCERNING THE ELECTRIC PROCUREMENT PROCESS

PUBLIC HEARINGS – FEBRUARY 20, 2009

STATEMENT OF JAY L. KOOPER
ON BEHALF OF HESS CORPORATION

Good afternoon. My name is Jay Kooper and I am the Director of Regulatory Affairs for the Hess Corporation ("Hess"). Hess, a Fortune 100 company and global energy company with over $22 billion in worldwide assets and serving more than 44,000 locations on the East Coast, is a licensed retail supplier of electricity to commercial and industrial customers in Connecticut. As an active retail market participant in Connecticut, with regional sales operations located in Rocky Hill, Connecticut, Hess currently provides for Connecticut's commercial and industrial community a range of products that include traditional fixed-price products for risk-adverse businesses to block-and-index products for customers who desire a mixture of spot market and fixed prices.

Since 2008, Hess has offered in Connecticut a suite of additional innovative energy products that includes *Hess Green* (enabling customers to acquire renewable energy credits), *Hess Demand Response* (enabling customers to participate in an incentive program to curtail their demand during peak usage periods) and *Hess C-Neutral* (enabling businesses to reduce their carbon footprint from 1% to 100% through carbon reduction credits). These green energy services are being provided by Hess to Connecticut business customers as value-added products that have been specifically requested from commercial and industrial customers ranging from hospitals to schools and universities to factories and superstores.

Hess submits this statement today **to oppose H.B. 6507, H.B. 6510 and H.B. 6512** as all these of three bills will substantially harm Connecticut consumers in the form of higher costs, lost investment, lost jobs, and the removal of choices at a time when the State of Connecticut – and the entire nation – can ill-afford to incur such harm. Specifically, these three bills in the aggregate will produce the following harmful effects for Connecticut's residents and businesses:

- Eliminate customer choice that has benefited a significant majority of Connecticut businesses, including businesses with maximum demands of under 500 kilowatts ("kW") who have affirmatively exercised this choice;

- Replace customer choice – the costs and risks of which are borne by investors – with an electric procurement regime that mandates the use of long-term contracts, the costs and risks of which will be borne by Connecticut's ratepayers;

- Dampen the ability of customers to engage in meaningful demand response and energy efficiency, thereby precluding downward pressure on peak wholesale electric prices and placing increased strain on Connecticut's grid reliability during peak periods; and

- Result in lost investment and jobs that competitive retail suppliers – many of them Fortune 500 companies – have placed in Connecticut at a time when the nation is reaching a level of recession and unemployment not seen in over 30 years.

At a time when Connecticut's neighboring states are seeking ways to stimulate their economies by availing themselves of the $4.5 billion set aside in the federal American Recovery & Reinvestment Act for smart grid development – including the deployment of cost-saving and grid reliability-enhancing technologies such as advanced metering – now is not the time for Connecticut to take the opposite approach. H.B. 6507, 6510 and 6512 are precisely that opposite approach and will harm Connecticut's ratepayers and ultimately Connecticut's competitive position in the regional economy.

Accordingly, for the reasons expressed above Hess urges the Committee to reject H.B. 6507, 6510 and 6512.