



Testimony Opposing HB 5508
Submitted to the Energy and Technology Committee
March 16, 2010

Good Afternoon Members of the Energy and Technology Committee,

The Retail Energy Supply Association (RESA) submits this testimony to **oppose** H.B. 5507 (An Act Establishing the Division of Electricity Policy and Procurement). RESA is a trade association comprised of 13 competitive energy suppliers – 10 of which are or are affiliated with Fortune 500 companies – who are actively involved in supplying competitive electric and natural gas products across the country, including customers in Connecticut. RESA member companies include Con Edison Solutions, Constellation NewEnergy, Inc., Direct Energy Service, LLC, Exelon Energy Company, GDF SUEZ Energy Resources, N.A., Inc., Gexa Energy, Green Mountain Energy Company, Hess Corporation, Integrys Energy Services, Inc., Just Energy, Liberty Power, PPL EnergyPlus and Sempra Energy Solutions, LLC.

As currently proposed, House Bill 5508 would end retail choice the state Connecticut, which has provided consumers with innovative products, and cost savings, to residents and businesses throughout the state.

According to the DPUC, as of January 31, 2010, 301,557 customers representing 49% of the total statewide electric load, 90.7% of the entire large commercial and industrial electric load, 67% of the small commercial electric load and 19% of the entire residential electric load is currently served by a competitive electric supplier. H.B. 5508, however, will end the current choice that has benefited so many consumers.. In addition, this legislation will, unlike the competitive model, force Connecticut ratepayers and taxpayers to bear the costs of enormous billion-dollar risks by allowing the newly-created Division of Electricity Policy and Procurement to “operate electric power plants and may provide financial assistance...to encourage the development of generation.” As with the Connecticut Electric Authority proposed in companion bill H.B. 5505, this proposal will place Connecticut taxpayers at risk for the imperfect investment decisions of the Division.

In addition, passage of H.B. 5508 will result in lost economic development and investment in Connecticut in the form of capital, jobs and innovation through the eradication of customer choice that will drive businesses out of Connecticut and leave remaining businesses with fewer options and higher electricity prices not subject to the downward pressures that competition provides.

For these reasons, Hess urges the Committee to **reject** H.B. 5508.

Jay Kooper
President, RESA