

**Testimony
of
AVANGRID (UI, SCG, CNG)
Before
The ENERGY AND TECHNOLOGY COMMITTEE
Regarding

RAISED HOUSE BILL 5350
AN ACT CONCERNING NATURAL GAS INFRASTRUCTURE

LEGISLATIVE OFFICE BUILDING
HARTFORD, CT
March 5, 2020**

Good morning Senators Needleman and Formica and Representatives Arconti and Ferraro and members of the Energy and Technology Committee. My name is Patrick McDonnell and I am the Vice President of Regulatory Affairs for UIL Holdings Corporation (UIL), the parent company for United Illuminating (UI), Southern Connecticut Gas Company (SCG) and Connecticut Natural Gas (CNG), and wholly-owned subsidiaries of AVANGRID, Inc. I thank you for this opportunity to offer testimony on **House Bill 5350, AN ACT CONCERNING NATURAL GAS INFRASTRUCTURE** before you today.

AVANGRID is one of the largest utility owners of renewable energy generation in the country, and throughout the Company, including the utilities it operate here in Connecticut, is fully committed to taking the necessary steps to fight climate change. We support the provisions of the Bill that would advance Connecticut the generation of locally generated renewable gas. We

also support the provisions that would order steps to improve the condition of the gas distribution systems to reduce the leakage from those systems.

Despite our support for those aspects of the Bill, we are opposed to Raised Bill 5530 because of the provisions in Section 2 that would limit customer's access to natural gas service. Section 2 of Raised Bill would change the "hurdle rate", which in turn would increase the contribution a customer has to make to connect to the natural gas system. While some might say that this step is necessary to combat climate change and encourage customers to instead choose heat pumps, we believe that taking this step today is not sound public policy that would result in reduced carbon emissions but rather would increase carbon emissions for the foreseeable future.

While this Legislative body has taken important steps towards decarbonizing our electric grid which include things such as the securing Connecticut's nuclear plant and procuring significant offshore wind resources, a new heat pump installed today will operate on electricity generated by the marginal fuel in New England which is today natural gas. Without a comprehensive plan to decarbonize our electric grid in concert with switching to electrifying our transportation and heating sources, we run the risk of relying on even dirtier oil fired generation plants to meet our electricity need. And while we believe heat pumps are a useful to increase our overall energy efficiency, particularly replacing electric resistance heat, today's technology does not make them a universal choice in all applications.

The current gas expansion program, implemented based on the *2013 Comprehensive Energy Strategy* has provided true carbon emissions reductions in the near term. The gas conversion

efforts of SCG and CNG in addition to providing significant economic activity, has reduced carbon emission in Connecticut by over 100,000 metric tons annually. This is due to most of the conversions having been from higher carbon fuels to natural gas. While natural gas is still a carbon based fuel, and still emits greenhouse gases when burned, it is significantly better than other fossil fuels we might use.

Access to natural gas is also an important economic development tool for the state of Connecticut. Natural gas remains 25-30% less expensive than alternative higher carbon fuels. This translates to savings for customers who can then use that savings to help spur the Connecticut economy. Access to lower cost natural gas is also an economic imperative for our businesses to maintain their competitive position relative to other lower cost energy states. In addition to a lower cost choice, some businesses may not be able to meet their industrial process needs with heat pump technologies available today, forcing them to use higher carbon fuels if they don't have access to natural gas.

For those reasons we are opposed to House Bill 5530 in its current form.

Thank you for the opportunity to comment on these Raised Bills today. AVANGRID appreciates the opportunity to be a part of the conversation to advance Connecticut's energy agenda and protect consumers. I would be happy to answer any questions you may have.

For more information: please contact Al Carbone, Avangrid's Manager of Connecticut State Government Relations at (203) 671-4421.