



The Energy and Technology Committee

Public Hearing, March 6, 2018

Office of Consumer Counsel

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Testimony of Elin Swanson Katz

Senate Bill No. 332

An Act Concerning Solicitation for Natural Gas Transportation Capacity

The Office of Consumer Counsel (OCC) has reviewed Senate Bill No. 332, which seeks to remove the authority of the Commissioner of the Department of Energy and Environmental Protection (DEEP) to procure "interstate natural gas transportation capacity." Because Connecticut and New England remain in a precarious position in the related areas of natural gas and electric reliability, and remain vulnerable to natural gas and electric price spikes, OCC opposes this legislation.

The recently-completed DEEP Comprehensive Energy Strategy notes, at page 46 thereof, that ISO-New England (ISO-NE) issued a Fuel Security Study on January 17, 2018, as to the level of operational risk posed to the regional power system under a broad range of fuel-mix and fuel availability scenarios. The conclusions of the ISO-NE Study are bracing. By the winter of 2024/25, most of the fuel availability scenarios studied by ISO-NE would result in electric load shedding, that is, brownouts or localized blackouts, during cold winter days, which obviously could have catastrophic consequences for customers' life, health, and property.

DEEP had previously commenced a procurement of natural gas pipeline capacity on behalf of electric ratepayers in conjunction with other New England states, but the effort collapsed when a Massachusetts Court ruled that the procurement was not legally authorized in Massachusetts.

Nevertheless, DEEP describes the existing natural gas infrastructure as “inadequate,” and highlights that it “remains committed to utilizing its authority by conducting additional procurements, if necessary, under all sections of Public Act 15-107.” (CES, page 47) At present, this DEEP authority includes the ability to conduct procurement of natural gas capacity. OCC maintains that keeping this tool available to DEEP is warranted given the fuel insecurity issues we face. The cold snap during this winter, and the electric reliability risks and price spikes it created, should be a wake-up call that we have not solved our regional natural gas pipeline capacity problem. OCC has been told that had the cold snap gone on for just 2 more days, the natural gas system used by heating customers and power plants would have been stretched to the point of an availability crisis. It is time to redouble our effort to solve this problem in conjunction with neighboring states, and not to take away useful tools like a DEEP procurement.