

STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

RE: PURA REVIEW OF THE CONNECTICUT : DOCKET NO. 10-05-07RE01
CLEAN ENERGY OPTION PROGRAM — :
PROGRAM REVIEW :
: DECEMBER 8, 2016

**WRITTEN EXCEPTIONS OF THE
OFFICE OF CONSUMER COUNSEL**

The Office of Consumer Counsel ("OCC") takes exception to the December 2, 2016 Proposed Final Decision ("Draft") of the Public Utilities Regulatory Authority ("PURA"), and in particular the proposal to have a fixed date of only six months for the current Connecticut Clean Energy Options ("CCEO") Suppliers to serve their existing customers. As discussed below, OCC views CCEO as having been largely a success, but one that might benefit from new ideas and adjustments, perhaps in a legislative context. The Draft acknowledges the relative success of CCEO, including in data compiled by the National Renewable Energy Laboratory ("NREL"), but views CCEO as serving a purpose that can now be served by the retail suppliers with greater verification and disclosure of retail electric supplier voluntary renewable offerings ("VROs"). (Draft at 4, 10) As the Draft states, "[t]he Authority seeks to align many of the guidelines, verification and disclosure parameters established in the CCEO Program with the voluntary products offered by the competitive suppliers." (Draft at 10) However, efforts to date to improve verification and disclosure of VROs have not made substantial progress. Moreover, given the knowledge gap between customers and suppliers, verification and disclosure alone will not necessarily lead to high-quality renewable offerings at reasonable premiums. OCC therefore recommends that the

CCEO Suppliers be allowed to serve their customer bases indefinitely until a replacement program is developed either through the legislature or at PURA. OCC requests oral argument.

OCC agrees with the Draft that interest in the CCEO program is flat at about 25,000 customers, and that the program is mature. (Draft at 4) OCC does not oppose efforts to re-configure or redesign the CCEO program to try to give it some new life. However, OCC maintains that it is important that we attempt to ensure that the 25,000 CCEO customers, who have been receiving a fully-verified, accurately-disclosed, and relatively high-quality renewable product, continue to have access to such a product. On verification alone, we do not have that situation today as to VROs, as VRO content claims are neither verified by the EDCs nor PURA. Moreover, the EDCs have pointed out the challenges of verifying the renewable content claims in numerous VROs, with content that can change at will and prices that can change at least every four months.

On the disclosure issue, the Draft states that PURA has been exploring through the working group "implementing similar standards [to those] instituted with the CCEO suppliers." (Draft at 10) However, in OCC's view, little progress has been made in this area in the working group despite the legal requirements in Conn. Gen. Stat. Sec. 16-245o(h)(5) that "[e]ach electric supplier shall disclose to the Public Utilities Regulatory Authority in a standardized format (A) the amount of additional renewable energy credits, if any, such supplier will purchase other than required credits, (B) where such additional credits are being sourced from, and (C) the types of renewable energy sources that will be purchased." If the working group process does not lead to consensus on how narrowly to define the sourcing of RECs, by location and type, for purposes of disclosure, then a rulemaking proceeding would

presumably have to occur, with a time frame for decision and implementation likely longer than six months.

OCC also questions whether the market for VROs warrants the confidence placed in it by the Draft. In the Draft, it states that "a ratepayer can choose from a countless array of voluntary green offerings" from electric retail suppliers, and pointed to the rate board. (Draft at 9) The undersigned, a CL&P residential customer, explored such options on the rate board. The number of options was actually rather "countful," not countless. Twenty-five offerings were claimed as containing at least 50% renewable content. These twenty-five offerings were coming from thirteen different suppliers. Some of the "different" offers contained no differences at all other than the price point. For example, the undersigned can access six months of (claimed) 100% renewable electricity from Clearview for six billing cycles, with a \$50 cancellation fee, at either 7.09 cents per kilowatt-hour ("kWh") or at 8.69 cents per kWh. At the highest-price end of the chart, the undersigned can purchase claimed 100% renewable energy from CTG&E at 10.42 cents per kWh (24 billing cycles, \$50 cancellation fee). For a more apples-to-apples comparison with the six-month duration of the Clearview offerings, there is a six month claimed 100% renewable offering from North American Power at 9.84 cents per kWh (cancellation fee unclear).

These offerings highlight significant burdens to effective cost comparison for customers interested in renewable energy. Among the questions raised by these offerings would be the following: how is Clearview able to offer 100% renewable energy at a tiny premium over the present standard service offering (6.61 cents versus 7.09 cents)? Is the renewable content in Clearview's 7.09 cent offer different than the content in the higher-priced offerings listed above? Is it different than Clearview's own 8.69 cent offer? A

particularly savvy customer might ask about whether these offerings contain wind or solar content, and if so, where from? Under Section 16-245o(h)(5), the answers to all these questions should already be disclosed to PURA, but the Rate Board doesn't reveal the answers, and OCC expects it will be difficult at best to get such answers onto the Rate Board within 6 months.

Moreover, even if we solve all of the verification and disclosure issues, OCC is uncertain that the interplay of mass market customers and suppliers will lead to quality VRO products at reasonable premiums. There is a substantial knowledge gap between retail suppliers and most customers even with regard to what a REC is, what a Class I REC is, and what the wholesale prices are for RECs from a given locational source. Thus, OCC would be interested in working with PURA and other stakeholders to develop a new program or set of programs that would ensure defined, high-quality products for customers at reasonable premiums while improving on the customer count from CCEO. Such a program may well require legislative approval. In the meantime, OCC recommends that the existing 25,000 CCEO customers be allowed to keep their existing product under the standards outlined in OCC's original Brief, or similar standards.

Respectfully submitted,

OFFICE OF CONSUMER COUNSEL
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I hereby certify that a copy
of the foregoing has been mailed,
electronically filed, and/or
hand-delivered to all known
parties and intervenors of record, this
8th day of December, 2016.

Lauren H. Bidra, Esq.
Commissioner of the Superior Court