

SB 10 AAC Climate Change Mitigation (100% Zero-carbon electricity supply by 2040)

Answers to Questions on Cost, Reliability and Why SB 10 is Needed:

Cost:

- CT is expected to be at 92% clean energy by 2025 based on existing contracts; to simply meet the statutory commitment won't require clean energy investment that will be either unreasonable or higher than the alternative – see further.
- SB 10 is critical for activating the serious planning needed for the State to transition to a clean energy economy including the best approach for reaching 100% clean energy in a way that fully considers ratepayer cost.
- SB 10 does not compel the State to take any action that won't itself be assessed on its merits re cost and all other considerations before being enacted.
- A clean energy path will ultimately be less expensive than the path we're on – in both future *electricity bills* and societal costs. No path will be without costs, and we will need to invest in energy no matter whether fossil or clean – for new demand, aging infrastructure, grid mod, resource retirements, the fate of Millstone, etc.
- Clean energy is getting less expensive and fossil fuel is not. Actual clean energy cost is already competitive w fossil. The challenge is our regional electricity system run by ISO-NE favors dirty power and penalizes renewables (by making State clean energy purchases effectively double pay). SB 10 will help with needed reform.
- A major cost factor that has made CT and other states pay extra for renewables is the MOPR (“minimum offer price rule”) and that is going away in 2 years or less. This and other reforms will make renewable energy much less expensive for rate payers well before the nearly 2-decade time horizon (2040).
- Grid modernization is often raised as a cost concern for clean energy. SB 10 does not commit or infer extra costs on CT for grid mod that are not already going to happen. This is a regional issue where CT is 1 of 6 states who may bear costs for ISO-NE controlled grid mod regardless of SB 10. Also grid mod costs will be borne by all 6 states and include significant federal support, not just CT and this is a relatively small part of the average bill.
- What is the alternative preferable path for CT ratepayers in the next 2 decades for electrical energy? No action? SB 10 is hardly ambitious in the world timeline re climate change. There is not a better “cost effective” path for ratepayers.

Reliability:

- SB 10 does not reduce or have relevance regarding grid reliability. That is a New England (NE) regional issue controlled by ISO-NE involving all 6 NE states. Getting to 100% zero-carbon supply does not mean CT won't continue to contribute to NE grid reliability. CT can have a 100% zero-carbon supply *and* fully serve its role in grid reliability with or without clean energy sources, hopefully increasingly clean.
- CT already contributes more than its fair share to “grid reliability” through Millstone and gas plants. Other NE states need to increase grid reliability w/or without SB 10.
- Grid reliability is so important that the regional grid (ISO-NE) will never allow it to become fragile or “unreliable.” What this entails is well beyond the costs, politics, legalities, or relevance of SB 10. While SB 10 should factor in to how the region looks at reliability, but SB 10 will not greatly influence “reliability” nor diminish it.
- More broadly regarding reliability, it is possible to integrate variable wind and sun energy along with storage to create a reliable system¹, but we need the commitment and planning to make it happen. That is what SB 10 helps us to realize.
- No one is expecting the transition to clean energy to happen overnight, but we need to take incremental steps now to get to a clean energy future that is also *confidently reliable*. SB 10 helps us get there.

Why we need this bill:

- Electrifying our economy is necessary to reach climate goals, not just for power but for transitioning all major sectors. That means zero-carbon electricity is key. Our neighbors in RI and NY and many others have already adopted zero-carbon goals.
- SB 10 is key because it serves as a legal and political basis to advocate and plan for the programs and policy needed to reach zero-carbon.
- SB 10 is a clear message to all parties - including the business community where clarity and predictability is vital - that CT is committed to addressing climate,
- SB 10 adds political momentum to the urgent need for reform of the regional electricity system overseen by ISO-NE – this is a big issue and benefit of the bill.
- SB 10 will motivate critical decisions needed in setting a clear path forward.
- SB 10 will help address pollution problems in overburdened communities
- The SB 10 zero-carbon commitment remains in place across changing administrations

¹ <https://web.stanford.edu/group/efmh/jacobson/Articles/I/21-USStates-PDFs/21-USStatesPaper.pdf>