



For a thriving New England

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BY ELECTRONIC MAIL

April 27, 2015

The Honorable Robert Introne, Chairman
House Science, Technology, and Energy Committee
Room 304
Legislative Office Building
Concord, NH 03301

Re: Senate Bill 221

Dear Chairman Introne and Members of the Committee:

I am writing on behalf of the Conservation Law Foundation ("CLF"), a non-profit advocacy organization that uses the law, public policy, and the market to promote solutions to New England's environmental challenges.

Senate Bill 221 is a critical part of the historic settlement between state officials and Eversource (formerly Public Service Company of New Hampshire) that will result in the sale of Eversource power plants and the resolution of several dockets at the Public Utilities Commission, including the prudency proceeding for the Merrimack Station scrubber. CLF is an intervener in these dockets and has participated over the years in a wide variety of adjudicatory and legal proceedings regarding Eversource power plants. CLF's perspective on this bill and the underlying settlement is further informed by many years of advocacy at the state, regional, and federal levels on electric market design, economic outcomes, and the full range of environmental issues associated with energy.

CLF is strongly supportive of the settlement as a critical step toward a clean, affordable energy future for New Hampshire. If approved by the Public Utilities Commission, the settlement will complete the restructuring of New Hampshire's electric power market, clearing the way for robust competition and shielding ratepayers from further financial risks inherent in rate-base generation. The settlement will avoid years of adversarial litigation regarding the Merrimack Station scrubber and the recovery of stranded costs. For the reasons well articulated by the parties to the settlement term sheet, pursuing divestiture and securitization of any stranded costs now will result in customer savings attributable to historically low interest rates that may not be available in future years.

Eversource's commitment to establish a Clean Energy Fund is a significant and important part of the settlement. It is consistent with similar environmental and clean energy commitments in prior divestiture agreements throughout New England. As a complement



to the state's existing clean energy initiatives, this investment will help advance local renewable energy and energy efficiency, both of which are proven strategies to lower energy costs, to reduce harmful air pollution, and to create and sustain jobs in New Hampshire's growing clean energy sector.

Given the settlement's careful balance of so many interests, it is not workable in this case for the Legislature to seek to alter that balance in this legislation. When the Legislature passed House Bill 1602 in 2014, it appropriately determined that the merits and details of divestiture should be addressed by the Public Utilities Commission, which has the legal, economic, and technical expertise to resolve these issues.

With Senate Bill 221, as with House Bill 1602 before it, the Legislature is providing the Commission with the tools to proceed with review, approval, and implementation of the final settlement agreement, including appropriate securitization of stranded costs in a manner that will benefit ratepayers. In other words, approving the legislation is not equivalent to approving the settlement and all its terms—a task that will fall to the Commission following a thorough and open review.

To allow this historic settlement to move forward, CLF strongly urges the Committee to vote Senate Bill 221 "ought to pass."

Sincerely,

A handwritten signature in blue ink, appearing to read "Christophe Courchesne", is written over a horizontal line.

Christophe Courchesne
Senior Attorney