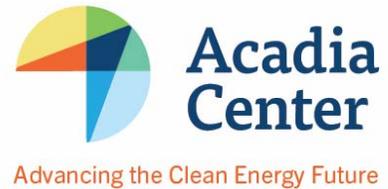


Addendum Comments on Scope of Millstone Study in Response to Executive Order No. 59

DEEP/PURA Joint Docket 17-07-32

August 23, 2017



Acadia Center thanks the Connecticut Department of Energy and Environmental Protection (“DEEP”) and the Public Utilities Regulatory Authority (“PURA”) for the opportunity to submit addendum comments in the above-referenced joint proceeding in response to the Notice of Request for Written Comments issued jointly by DEEP and PURA on August 9, 2017.

Acadia Center is a non-profit, research and advocacy organization committed to advancing the clean energy future. Acadia Center is at the forefront of efforts to build clean, low carbon and consumer friendly economies. Acadia Center’s approach is characterized by reliable information, comprehensive advocacy and problem solving through innovation and collaboration.

Our addendum comments are in response to topics raised in the initial scoping document and oral testimony presented at the public hearing on August 17, 2017. Our remarks focus on three main topics (1) modeling transparency, (2) use of current data, and (3) the timeframe of the modeling.

Modeling Transparency

As stated in our initial comments and in our oral testimony, Acadia Center urges PURA and DEEP to incorporate additional opportunities for public input to the modeling. While we appreciate that this docket is on an accelerated schedule, it also concerns matters critical to the clean energy future of the state. Of particular concern are the assumptions for the base case modeling scenario. These assumptions will produce a picture of the future against which all sensitivity scenarios will be compared. If this model is not developed with the most current, accurate information, it will produce flawed results and potentially detrimental recommendations regarding Millstone. Stakeholder input is critical to ensure that the modeling includes the best available, unbiased data and follows common modeling practices.

Recommendation: After the scope is developed and the base case scenario is modeled, Acadia Center strongly encourages DEEP and PURA to release these results for public input.

Current Data and Trends

As stated above, it is critical that the model rely on the most recent data and trends. Our initial comments expressed concern that DEEP and PURA would artificially limit merchant replacement of Millstone’s generation to natural gas plants, based on the proposed scope.¹ While DEEP clarified during the public meeting that replacement generators would be selected by the model based on economics, this requires the model to contain recent data for each generation type. As we highlighted in our initial comments, the unsubsidized levelized cost

¹ See Attachment 1: Proposed Scope of Study Outline, section c.(ii)(1)

of energy for utility-scale solar and land-based wind is now below that of natural gas generation;² however, this has only been the case since 2016 and 2014, respectively. Unless the model is updated with these recent assumptions, the merchant replacement scenario will favor natural gas generators, which will skew emissions analyses.

Recommendation: We urge DEEP and PURA to consider the most recent data available, including the sources we cite below and submit as attachments.² Amending the schedule to include an additional public comment period, as recommended above, will allow stakeholders to provide feedback on the cost assumptions used.

Modeling Timeframe

Other stakeholders' comments suggested that the modeling timeframe should be constrained to 2022 or 2030 to best understand Millstone's immediate financial situation and to align with the current Comprehensive Energy Strategy, among other considerations.³ We agree that this window should be examined closely regarding the urgency of Millstone's financial need and the impact of current market forces. However, we stress that it is crucial to extend the emissions analysis to 2050 to fully understand the long-term impacts of Millstone's closure on the state's 2050 emissions requirements under the Global Warming Solutions Act ("GWSA"), as required by the Governor's Executive Order Number 59. Regardless of what this study finds about the current economics of Millstone, the plant will eventually close given its current operating licenses expire in 2035 and 2045. Connecticut needs to have a plan in place now to address the impact that Millstone's closure on either an accelerated or natural timeline will have on our ratepayers and our climate.

Recommendation: Acadia Center requests that DEEP and PURA extend the study window from 2035, as stated in the proposed scope, to 2050 to encompass the operating license expirations of both Millstone units and the GWSA mandate years.

We thank DEEP and PURA for consideration of these addendum comments and look forward to engaging further in these matters.

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² See Acadia Center, *EnergyVision 2030 Electric Generation Companion Brief* and references therein, available here: <http://2030.acadiacenter.org/wp-content/uploads/2017/05/Acadia-Center-EnergyVision-2030-Electric-Generation.pdf> and Lazard Levelized Cost of Energy Analysis 10.0, available here: <https://www.lazard.com/perspective/levelized-cost-of-energy-analysis-100/>

³ See Brookfield Renewables at 4 and Eversource at 5