

Business

## Alliance touts power of few rules

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A study done for a Boston-based regional coalition of energy providers, business and trade organizations contends that Connecticut has received substantial benefits from the deregulation of its electric industry in 2000.

The report by the New England Energy Alliance claims that deregulation has resulted in:

-Increased investment in new generation, with more than 4,000 megawatts of new generation in various stages of development in Connecticut. The state's total electricity generation capacity would increase by 50 percent if all of the generating units that have been proposed are built.

-Reduction of emissions that foul the state's air. The construction of efficient, natural gas-fired generating plants, along with switching to cleaner fuels by existing plants, has reduced carbon dioxide emission from power plants by 20 percent, nitrogen oxides by 61 percent and sulfur dioxide by 77 percent.

-A growing development of renewable energy resources. Because Connecticut's renewable portfolio standard requires electricity suppliers to expand purchases of electricity from renewable resources to 27 percent of total electricity load by 2020, several hundred megawatts of power generated through landfill gas, hydro, biomass and wind generation are various forms of development.

-Increased retail competition. The state has seen triple-digit growth in the number of customers served by competitive suppliers since 2005, particularly in the residential sector. Today, alternative suppliers serve 20 percent of all customers and supply half of all electricity sold in the state, according to the study.

Release of the study comes as lawmakers consider a number of pieces of legislation that would alter the state's deregulated generation market in response to its electricity prices, which remain among the highest in the nation .

"The results validate that electricity industry restructuring has been measurably beneficial in several areas," said Paul Afonso, executive director of NEEA. "The positive findings, however, don't mean that additional refinements to the industry's restructuring won't be needed."

But according to Robert McCullough, managing partner of McCullough Research of Oregon, "month after month, electric rates continue to increase in Connecticut."

"There's no question that this state is doing badly," McCullough said. "The states that are doing the best on electric rates are the ones without ISOs (independent system operators)." According to McCullough's research, the costs of electricity in Connecticut are three times higher than those in states that aren't served by independent system operators.

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