RRU-010 Q:

(Expenses) Application, Direct Testimony of Patel, Hurwitz, and Shatraw, p. 8. Provide all documentation supporting the statement: "GenConn's operations have saved Connecticut customers tens of millions of dollars annually compared to the alternative of procuring capacity and energy from the regional market." Include specific references to amounts used in the filing for the comparative analysis, e.g., specific schedules, exhibits, etc.

RRU-010 A:

The Company's statement is accurate by any conservative measure and refers to customer savings in two categories: Avoided Costs and Actual Market Revenue, as shown in the table below, quantifying the benefit of reduced capacity costs on an annual basis as just one component of the overall customer benefit equation:

Figure 1: Analytical Basis for Customer Savings[1]

Reduction in Capacity cost per month						
MW-Month (2006/2007)	MW-Month (Post GenConn Commercial Operations)	Difference	GenConn MW	Monthly Cost Avoided	Annual Values	GenConn Contribution
$14,000	$4,350	($9,650)	376	($3,628,400)	($43,540,800)	100%
					($21,770,400)	50%
					($8,708,160)	20%
					($4,354,080)	10%
Other Avoided Costs				Reliability Benefits	?	
				Reserve Market Benefits	?	
				Uplift Cost Reductions	?	
				Real-time Energy Market Operations	?	
PURA approved ISO-NE Market participation and revenue that flows back to CT Customers via CfD net of particpation costs				Capacity Market Revenue	=Capacity clearing price * 376 MW	
				Reserve Market Revenue	=Day Ahead Ancillary Services (DASI) settlement	
				Energy Market Revenue	=Locational Marginal Price *MWH produced	

[1] The pricing in MW/Month provided in Figure 1 is based on the Office of Consumer Counsel's Peaking Power Plant Update, available https://portal.ct.gov/-/media/occ/peakingpowerplantsupdatedpdf.pdf?la=en (last accessed Aug. 14, 2026), a copy of which is provided as RRU-010 Attachment 2. As indicated therein, in 2006/2007 the cost of $14,000 MW/Month was reduced to $4,350 per month after the GenConn facilities went online, and then further reduced to $3,450 following the entry of the PSEG peaking plant. To be conservative, Figure 1 is based on the reductions occurring after the GenConn facilities went online.

As an initial matter, the value of the GenConn peaking facilities must be evaluated in the context of the original policy objectives sought to be achieved by legislation, implemented by PURA's final decision in Docket No. 07-08-24, and the subsequent competitive procurement and evaluation process conducted in Docket No. 08-01-01. PURA's proceedings were initiated pursuant to Section 50 of Public Act 07-242 (codified as Conn. Gen. Stat. §16-243u) ("Section 50") to address electric reliability concerns, capacity market costs, and transmission constraints, particularly in Southwest Connecticut. The intent of Section 50 was to promote new in-state peaking resources that would enhance reliability and provide economic benefits to Connecticut consumers, relying on a customer-supported, annual ratemaking process using a cost-of-service framework.

In Docket No. 07-08-24, PURA established the framework and evaluation criteria for procuring new peaking generation resources under cost-of-service regulation. In Docket No. 07-08-24, PURA found that "**[t]he total benefits for Connecticut ratepayers can be roughly estimated at $56.6 million per year** (see Attachment 1). This total is comprised of the $30.8 million associated with the reduction of the uplift costs, and the $25.8 million benefit due to the reduction in the LFRM costs." Docket No. 07-08-24, at 21 (emphasis added).

In Docket No. 08-01-01, pursuant to Docket No. 07-08-24 and Section 50, competing peaking generation proposals were evaluated using economic criteria that included capacity value, impacts on Forward Capacity Market prices, locational reserve benefits, reductions in uplift charges, and energy market value. The testimony filed in that proceeding specifically analyzed the ability of new peaking resources to lower capacity costs and provide system-wide market benefits beyond the output of the facilities themselves. As a result of that process, Connecticut selected and developed the two GenConn facilities: the approximately 188 MW Devon facility and the approximately 188 MW Middletown facility, which together represent roughly **376 MW of dispatchable peaking capacity** available to support the Connecticut electric system during periods of peak demand and system stress.

With this context in mind, the historical record demonstrates that the GenConn facilities have provided value to customers in several key ways, including reliability benefits, capacity market benefits, reduction in regional capacity costs, market competition and consumer savings, and long-term resource adequacy. Each are discussed below:

1. **Reliability Benefits**

   The GenConn facilities were developed to increase available generation capacity within Connecticut and reduce dependence on imports during peak load conditions. The GenConn units provide dispatchable resources capable of operating during periods of highest system demand, thereby supporting electric system reliability.

2. **Capacity Market Benefits**

   One of the principal objectives of the original peaking generation initiative was to increase supply in constrained areas and place downward pressure on ISO New England capacity prices. The economic analyses in Docket No. 08-01-01 evaluated and quantified these expected market impacts as a major component of project benefits.

3. **Reduction in Regional Capacity Costs**

   The Office of Consumer Counsel subsequently reported that the peaking generation program helped reduce Southwest Connecticut capacity prices from approximately **$14,000/MW-month** when the initiative was launched to approximately **$3,450/MW-month** after the Connecticut peaking facilities entered service.[2] Although this outcome reflects the combined effect of multiple new peaking resources and evolving market conditions, the GenConn facilities represented the majority of the capacity added through the program and were a significant contributor to those reductions.

4. **Market Competition and Consumer Savings**

   The original Docket No. 08-01-01 analyses recognized that new peaking resources could create customer benefits not only through direct energy production but also through broader market effects, including lower capacity clearing prices, reduced reserve costs, and reduced uplift charges. These benefits have accrued to Connecticut customers through lower wholesale market costs than would otherwise have occurred in a more capacity-constrained region.

5. **Long-Term Resource Adequacy**

   For more than a decade, the GenConn facilities have remained available to meet Connecticut's peak capacity requirements and ISO-New England reliability needs.

The historical record developed in Docket Nos. 07-08-24 and 08-01-01 demonstrates that the GenConn peaking facilities were developed to address reliability concerns and reduce the costs associated with constrained capacity markets in Connecticut. The facilities have delivered approximately 376 MW of dispatchable in-state capacity, contributed to improved reliability, increased market competition, and helped reduce regional capacity costs relative to the conditions that existed prior to their development. These benefits are consistent with the public policy objectives that justified the original procurement and continue to provide value to Connecticut electric customers today.

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[2] https://portal.ct.gov/-/media/occ/peakingpowerplantsupdatedpdf.pdf?la=en (last accessed Aug. 14, 2026), a copy of which is provided as RRU-010 Attachment 2

Below, the Company discusses GenConn's impact on Capacity Markets:

1. Capacity Market Impacts

The central economic premise of the Connecticut peaking generation initiative was that adding new supply into a constrained region would lower the capacity prices paid by all load-serving entities, not just provide energy when dispatched. Both the OCC's testimony and the final decision in Docket No. 08-01-01 specifically evaluated:

- Forward Capacity Market (FCM) value;
- Impacts on FCM clearing prices;
- Locational Forward Reserve Market impacts;
- Uplift cost reductions; and
- Energy market benefits

A copy of the OCC's testimony in Docket No. 08-01-01 is provided as RRU-010 Attachment 1.

At the time Connecticut initiated the peaking procurement, Southwest Connecticut was considered capacity constrained and faced relatively high capacity prices. By introducing approximately **376 MW of GenConn capacity** and additional state-sponsored peaking resources, Connecticut increased available supply in the region, reducing scarcity and improving the supply-demand balance used in ISO-New England's capacity auctions.

As stated above, OCC later reported that capacity-related prices associated with the Southwest Connecticut market declined from approximately **$14,000/MW-month** when the initiative was launched to approximately **$3,450/MW-month** after the state-sponsored peaking facilities were placed into service.[3] The GenConn facilities represented the majority of the new capacity added through the state procurement program and were intended to place downward pressure on these market prices. Please refer to RRU-010 Attachment 2.

Why this matters to customers

The customer benefit is significantly greater than the revenue earned by the facilities themselves. Lower capacity clearing prices apply to thousands of megawatts of load obligations across Connecticut and New England. As a result, even a relatively small quantity of new capacity can lower the clearing price paid on a much larger quantity of

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3 See fn. 1.

capacity obligations. This "price suppression effect" was one of the principal economic benefits evaluated during Docket No. 08-01-01.

Additionally, the GenConn Facilities have reduced uplift charges:

2. Uplift Charge Reductions

What are uplift charges?

Uplift charges are additional costs incurred by ISO-New England to maintain reliability when market revenues alone are insufficient to compensate resources needed for system operation. These costs can arise when:

- Reliability units must run out of market merit order;
- Transmission constraints require local generation;
- Additional reserves are needed;
- Special operating procedures are implemented to maintain reliability.

These costs are ultimately allocated to market participants and recovered from customers.

How GenConn reduced uplift

OCC's testimony in Docket No. 08-01-01 testimony explicitly evaluated the anticipated **"Effect on Uplift"** as one of the measurable benefits of new peaking generation (RRU-010 Attachment 1). The evaluation is logical:

1. Before the GenConn peaking units were built, ISO-NE had fewer local resources available in Southwest Connecticut.
2. During peak periods, ISO-NE often had to rely on more expensive operational actions to maintain reliability.
3. New local peaking resources reduced the frequency and magnitude of those reliability interventions.
4. Fewer intervention costs translated into lower uplift charges across the market.

By increasing locally available dispatchable generation, the GenConn facilities reduced dependence on emergency or out-of-market reliability arrangements and lowered the likelihood that ISO-NE would need to commit higher-cost resources solely for reliability

reasons. This was one of the anticipated economic benefits identified during the original procurement review.

Customer value

Unlike energy-market benefits, uplift reductions are often invisible to customers. However, they directly lower wholesale market costs that ultimately flow through electric rates. Consequently, customers receive value from the facilities even during years when the units operate only a limited number of hours.

The GenConn Facilities provided increased market competition benefits:

3. Market Competition Benefits

A critical policy objective of Section 50 was to address conditions where limited generation supply allowed capacity prices to remain elevated. The addition of new peaking resources was intended to increase competition among suppliers and reduce the market power associated with constrained areas.

Increased supply-side competition

The GenConn facilities added approximately 376 MW of new dispatchable capacity into Connecticut. This increased the number of resources competing in:

- Forward Capacity Auctions;
- Reconfiguration Auctions;
- Reserve Markets; and
- Energy Markets.

More suppliers competing for capacity obligations generally results in:

- Lower clearing prices;
- Reduced scarcity premiums;
- Less opportunity for individual suppliers to influence prices; and
- More efficient market outcomes.

Competitive discipline

Even when GenConn units are not the marginal resource setting a market price, their mere availability changes market behavior. Economic theory and the OCC's testimony filed in Docket No. 08-01-01 recognized that additional entry into a constrained market can:

- Shift the supply curve outward;
- Reduce market concentration;
- Limit scarcity pricing events; and
- Produce benefits through lower regional market prices.

The market competition benefit of GenConn cannot reasonably be measured solely by the megawatt-hours produced. Rather, the facilities' presence in the market provides ongoing competitive pressure that contributes to lower capacity prices, lower reserve costs, reduced uplift charges, and enhanced reliability for Connecticut customers.

Moreover, beyond providing 376 MW of dispatchable in-state generation capacity, the GenConn facilities have delivered substantial market-wide benefits to Connecticut customers. The historical record in Docket Nos. 07-08-24 and 08-01-01 shows that the projects were specifically intended to reduce capacity market costs, alleviate local reliability constraints, reduce uplift charges and stimulate competition in constrained Connecticut markets. The addition of new peaking capacity increased supply available to ISO-New England, reduced scarcity conditions, lowered the need for out-of-market reliability actions, and exerted downward pressure on wholesale capacity prices. These benefits accrue to all Connecticut customers through lower regional market costs and improved system reliability, regardless of the amount of energy generated by the facilities in any given year.

In addition to the in-direct benefits described above recent GenConn dispatch have provided net positive benefits to Connecticut customers.

Peaking units like the GenConn Plants—mostly **oil-fired and dual-fuel generators**—served as **critical reliability insurance** during periods when natural-gas units faced fuel constraints. ISO-NE's winter assessments show that **sufficient oil inventories and dual-fuel capability** were key to avoiding energy shortfalls.

ISO-NE's winter analysis showed that **energy shortfalls under extreme weather were minimal *if* oil-fired and dual-fuel peakers had adequate fuel**. This made peakers a central part of the winter reliability strategy.

In summation, as a consequence of the benefits described above, GenConn's performance during the 2025/2026 Winter period included:

1. GenConn Devon was dispatched by ISO-NE resulted in Operating Hours to-date in 2026 representing 81% of all operating hours as compared to all of 2025.

2. Similarly, GenConn Middletown was dispatched by ISO-NE resulted in Operating Hours to-date in 2026 representing 176% as compared to all of 2025.

3. For the months of December 2025, January 2026, February 2026 and July 2026 the resulting Market Revenue surpassed the monthly revenue requirements and variable costs allowing credit to be sent back to customers in the CfD bills totaling $11,782,878.98. Please refer to RRU-010 Attachment 3 CONFIDENTIAL.

4. Similarly, during the most recent extreme weather conditions experienced in early July 2026, resulted in ISO-NE dispatch of GenConn units such that a credit resulted in the CfD bill associated with July 2026 Operations.

5. Month to month ISO-NE Revenues is credited against revenue requirements per the CfD.

The historical record demonstrates that the GenConn facilities were constructed to address electric reliability concerns, capacity market costs, and transmission constraints, particularly in Southwest Connecticut. GenConn has and continues to serve this purpose, providing tens of millions in benefits and savings to customers, including actual credits to customers in instances where the GenConn facilities were dispatched and market revenues exceeded revenue requirements.