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CONTACT: Bill Zuretti
(202) 628-8200

EPSA: CONNECTICUT DOES NOT NEED TO SUBSIDIZE MILLSTONE

New Analysis Outlines Options for State to Meet Carbon Goals

WASHINGTON, D.C. – The Electric Power Supply Association (EPSA) has filed comments with the Connecticut Department of Energy and Environmental Protection (DEEP) and the Public Utilities Regulatory Authority (PURA) in their joint proceeding evaluating the current and projected economic viability of the Millstone Nuclear Power Station. EPSA's comments confirm that Millstone does not need any ratepayer subsidy to continue operating.

EPSA's comments address DEEP/PURA's "Draft Report and the Resource Assessment on the Economic Viability of Millstone" prepared by Levitan & Associates, Inc. Included with EPSA's comments is a new report from Energyzt Advisors, LLC assessing alternatives for Connecticut to meet its carbon reduction goals. While EPSA believes—and the draft Levitan report confirms—that Millstone will remain economically viable through 2035, the Energyzt analysis outlines alternative paths for Connecticut to pursue which would allow the state to meet its carbon reduction goals without Millstone while supporting competitive electricity markets.

"Connecticut's own analysis already demonstrated that there is no sound economic reason to provide Millstone with a ratepayer subsidy," said EPSA President and CEO John E. Shelk. "Energyzt's new analysis goes one step further, demonstrating that a Millstone subsidy is not needed to meet the state's climate change goals. The report identifies a wide range of strategies state policymakers can implement to protect and grow jobs, manage costs and reduce emissions for the long term."

The new Energyzt analysis provides DEEP and PURA with the following key insights:

- Millstone effectively cannot shut down before 2022, and thus Connecticut's ability to meet short-term emissions (2020) targets is completely unaffected by empty threats that the plant will close before then.
- Millstone currently is not available to meet Connecticut's long-term (2050) emissions goals as its licenses expire in 2035 for Unit 2 and 2045 for Unit 3; it is speculative to assume that Millstone will be able to obtain another license extension and remain technologically viable past 60 years.
- A subsidy for Millstone would unnecessarily divert precious resources away from other solutions (energy efficiency, RPS renewables, electric vehicles) that the state must pursue in order to meet its interim and long-term goals as reflected by its 2050 targets.
- The optimal way to achieve Connecticut's 2050 goals is to place a price or cap on carbon for all sectors in the state and let market forces determine which carbon reduction investment provides the greatest payback.

The full Energyzt report can be found at www.epsa.org.

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Launched over 20 years ago, EPSA is the national trade association representing leading independent power producers and marketers. EPSA members provide reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies. Power supplied on a competitive basis collectively accounts for 40 percent of the U.S. installed generating capacity. EPSA seeks to bring the benefits of competition to all power customers.