



Dear Members of the House Energy Finance and Policy Committee,

On behalf of our 15,000 members we write to express our support for HF2248, a proposal to increase the threshold required for a Certificate of Need for LNG or synthetic natural gas storage projects.

As regular participants at the Public Utilities Commission (PUC), we appreciate the importance of Certificate of Need proceedings to ensure that investor-owned utilities are only making large infrastructure investments for which they can demonstrate need. We regularly participate in these proceedings for energy generating facilities and transmission lines. However, these proceedings can be lengthy and costly and should be reserved for significant investments that create risks for ratepayers.

HF2248 appropriately raises the Certificate of Need threshold from 100,000 gallons to 1,000,000 gallons. We believe this appropriately reflects the size and cost of projects where a Certificate of Need is useful and beneficial. Having a threshold that is too low potentially disincentivizes the deployment of these facilities and can result in the utility adopting a more costly and less efficient workaround. Regardless of whether a Certificate of Need is required, the investor-owned utilities are still required to demonstrate that the investments they make are prudent when they seek rate recovery. Lastly, with the coming gas integrated resource plans that the PUC has ordered, there will be additional opportunities for the public to scrutinize system investments and propose alternatives.

Thank you Representatives Sexton and Tabke for bringing forward this important piece of legislation.

Sincerely,

John Pollard, Political Director, International Union of Operating Engineers Local 49