

February 18, 2009

VIA E-MAIL AND US MAIL

S. Derek Phelps
Executive Director
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

Re: Docket No. 370: Role of Intervenor Ice Energy, Inc. in Docket Proceedings

Stephen J. Humes
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Dear Mr. Phelps:

As you know, Ice Energy, Inc. ("ICE"), an intervenor in the above-referenced Docket, has submitted a proposal to the Connecticut Energy Advisory Board ("CEAB") in response to the reactive Request for Proposal process that the CEAB is currently conducting pursuant to Conn. Gen. Stat. § 16a-7c(b) and § 16a-17b (the "CEAB Proposal"). ICE respectfully submits this letter to the Connecticut Siting Council (the "Council") to respond to informal questions that have been raised about the role of ICE in the process and the jurisdiction of the Council over ICE's products and its CEAB Proposal.

ICE offered in the CEAB Proposal its distributed, dispatchable, and efficient distributed energy storage solution, which provides 100 MW (scalable to 1,000 MW) of source equivalent peak capacity and 100 GWh of annual scheduled, permanent and persistent peak load shifting, with added potential to enhance smart grid deployment of firm intermittent renewable resources, including wind and Solar PV. Implementation of the CEAB Proposal will improve summer grid reliability, reduce Connecticut's exposure to federally mandated congestion penalties, reduce the potential for smog formation on peak summer days, improve overall energy system efficiency, and generate a significant number of skilled "green-collar" jobs, providing regional economic development.

ICE specifically told the CEAB that it did not propose that its project eliminates the need for the Facilities proposed by the Applicant in Docket No. 370. ICE explained that its project provides significant benefit now and in the future for all stakeholders in Connecticut. For example, in the short term, the risk of delay for any major scale transmission project is very real because of factors such as weather that are beyond the Applicant's control. With even the most rigorous planning and management efforts, it is not uncommon for these large scale projects to experience significant

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delay and cost overruns.¹ The ICE solution can be rapidly deployed to help manage these risks in the short term and offers a 20 year asset that is available to all stakeholders to more efficiently manage and utilize "smart grid" assets while effectively enabling the integration of new intermittent renewable resources over time. ICE proposed that its units will be distributed throughout the reliability project service area to manage energy load flows. The purchaser may identify specific constrained grid infrastructure, including but not limited to transmission lines, substations, or distribution circuits where Ice Bear storage units can provide network load relief.

The CEAB Proposal specifies 100 MW of peak day demand reduction, 6 hours per day of load shifting, reasonably unlimited and unrestricted call patterns and or scheduled use, and approximately 100 gigawatt hours of annual load shifting for 20 years.

ICE explained that a key benefit of its proposal is that it can be deployed in advance of the proposed transmission project to provide summer peak transmission and distribution load relief. Deployment will actually relieve stress on the existing network and shape the load profile such that a higher utilization factor is obtained on the distribution feeders where Ice Bear units are deployed.

ICE understands that its equipment and installations do not meet the legal definition of "facility" set forth in Conn. Gen. Stat. §16-50i(a) and, therefore, ICE's project is not subject to the traditional jurisdiction and regulation by the Council under the Public Utility Environmental Standards Act.

Despite the lack of Council's jurisdiction over the CEAB Project, ICE sought intervenor status in this Docket to assist the Council in understanding its bid to the CEAB, which was reported by the CEAB to the Council on February 17, 2009 pursuant to Conn. Gen. Stat. § 16a-7c(b) and § 16a-17b. ICE expected that members of the Council and Docket participants may be interested in receiving information directly from ICE and therefore sought to actively participate in the Docket in support of its bid.

The statutes that empower the CEAB, however, contemplate that when a bidder submits a responsive proposal to a CEAB RFP, the bidder will then submit an application to the Council for approval. See Conn. Gen. Stat. § 16a-7c. To the extent that the Council deems it necessary for ICE to submit such application, ICE requests that its petition for intervention in Docket No. 370 be deemed its application and ICE will supplement its submittal as needed to respond to the Council's questions. Furthermore, ICE requests that the Council take administrative notice in

¹ See Comments of NRG Energy, Inc. filed with the CEAB on December 2, 2008, which identifies transmission project cost uncertainties and 50% to 70% cost overruns of recent large scale transmission projects in the region compared to estimated project costs.

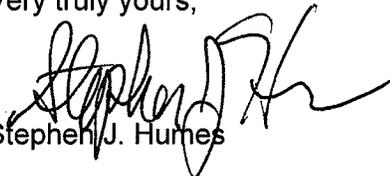
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Docket No. 370 of the record that has been developed by the CEAB, including the CEAB Proposal itself. Taken together, ICE respectfully submits that its CEAB Proposal and its intervention in this Docket should qualify it as having submitted its application to the Council. ICE respectfully requests the Council clarify its status and whether its application in Docket No. 370 is deemed complete.

ICE is prepared to provide such information as the Council requests and will make its representatives available to provide pre-filed testimony or live participation in the hearing process to respond to questions that the Council may have in connection with its CEAB Proposal.

We appreciate the time and effort that you and your staff have dedicated to this Docket and the successful implementation of the legislative requirements that include the CEAB's mandate. We look forward to continue to serve as an constructive participant in these proceedings.

Very truly yours,



Stephen J. Humes

CC: Service List for Docket No. 370

LIST OF PARTIES AND INTERVENORS
SERVICE LIST

Status Granted	Document Service	Status Holder (name, address & phone number)	Representative (name, address & phone number)
Party (granted November 20, 2008)	<input checked="" type="checkbox"/> E-mail	Town of East Granby	Donald R. Holtman, Esq. Katz & Seligman, LLC 130 Washington Street Hartford, CT 06106 (860) 547-1857 (860) 241-9127 dholtman@katzandseligman.com
	<input checked="" type="checkbox"/> U.S. Mail		The Honorable James Hayden First Selectman Town of East Granby P.O. Box 1858 East Granby, CT 06026
Party (granted November 20, 2008)	<input checked="" type="checkbox"/> U.S. Mail	Town of Suffield	Edward G. McAnaney, Esq. McAnaney & McAnaney Suffield Village 68 Bridge Street Suffield, CT 06078 (860) 668-2000 (860) 668-2666 – fax
	<input checked="" type="checkbox"/> U.S. Mail		The Honorable Scott R. Lingenfelter First Selectman Suffield Town Hall 83 Mountain Road Suffield, CT 06078
Intervenor (granted December 4, 2008)	<input checked="" type="checkbox"/> U.S. Mail	ISO New England Inc.	Anthony M. Macleod Whitman Breed Abbott & Morgan LLC 500 West Putnam Avenue, P.O. Box 2250 Greenwich, CT 06830-2250 (203) 862-2458 amacleod@wbamct.com
	<input checked="" type="checkbox"/> U.S. Mail		Kevin Flynn, Esq. Regulatory Counsel ISO New England One Sullivan Road Holyoke, MA 01040 (413) 535-4177 kflynn@iso-ne.com

LIST OF PARTIES AND INTERVENORS
SERVICE LIST

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Party (granted on January 8, 2009)	<input checked="" type="checkbox"/> U.S. Mail <input checked="" type="checkbox"/> U.S. Mail <input checked="" type="checkbox"/> E-mail	Office of Consumer Counsel	Mary J. Healey Consumer Counsel Ten Franklin Square New Britain, CT 06051 Mary.healey@ct.gov Bruce C. Johnson Principal Attorney Office of Consumer Counsel Ten Franklin Square New Britain, CT 06051 Bruce.johnson@ct.gov Victoria Hackett Staff Attorney Office of Consumer Counsel 10 Franklin Square New Britain, CT 06051 860-827-2922 fax: 860-827-2929 victoria.hackett@ct.gov
Intervenor (granted on January 22, 2009)	<input checked="" type="checkbox"/> E-mail	Ice Energy, Inc.	Stephen J. Humes, Esq. McCarter & English LLP 185 Asylum Street, CityPlace I Hartford, CT 06103 (860) 275-6761 (860) 560-5955 - fax Shumes@mccarter.com
Party (if granted on February 19, 2009)	<input type="checkbox"/> E-mail or <input type="checkbox"/> U.S. Mail	Town of Enfield	Kevin M. Deneen, Town Attorney Office of the Town Attorney 820 Enfield Street Enfield, CT 06082-2997 (860) 253-6405 (860) 253-6362 - fax