

## **CONNECTICUT SMALL POWER PRODUCERS ASSOCIATION**

6 Far Hills Drive

tel (860)255-7744

Avon, CT 06281

[dbroatch@earthlink.net](mailto:dbroatch@earthlink.net)

fax (860)679-9529

*"Promoting small, environmentally responsible energy projects in CT"*

February 28, 2008

Energy and Technology Committee

Testimony of Duncan S. Broatch, Chairperson, CSPPA

RB No. 5597 - AAC BIOMASS

Since 1985 the Connecticut Small Power Producers Association (CSPPA) has been an association of people and companies involved or interested in small, environmentally responsible, electricity generating facilities in Connecticut. These projects provide many societal and environmental benefits and they represent substantial monetary investments and skilled jobs in our state.

The purpose of RB No. 5597 is to prevent a collapse of the CT Class I Renewable Energy Credit (REC) market by redefining the definition of biomass.

Renewable energy projects that qualify as Class I generate one REC for each 1,000 kWh of energy produced. The REC's are sold on the open market. The current price is about 5 cents/kWh. Revenue from the REC's is critical for the development of renewable energy projects. Without a strong and dependable REC market renewable project development would halt.

On or about 9/20/07 Bill 8006 (PA 07-5) was passed in special session which expanded the definition of biomass facilities that qualify for Class I REC's to include those that burn construction and demolition (C&D) waste. This creates a problem; the expanded definition will qualify a plethora of biomass facilities, supply will dramatically increase and the market price for Class I REC's will plummet thereby stifling renewable development. In 2005 such a plummet did occur when C&D was allowed. Then, thanks to PA 06-74, which again disallowed C&D, the market revived.

The subject Bill, RB No. 5597, prevents a collapse of the Class I REC market by limiting C&D waste to just one facility (Livermore Falls in ME, approx. 34 MW) until such time as a CT facility obtains Class I qualification. We believe that allowing this single facility will not swamp the market but allowing more than one would be detrimental.

We respectfully request passage of RB No. 5597. Please contact me if you have any questions.