

ENERGY AND TECHNOLOGY COMMITTEE

HOUSE BILL NO. 5597; AAC THERMAL ENERGY TRANSPORTATION

FEBRUARY 28, 2008

TESTIMONY OF

THE DEPARTMENT OF PUBLIC UTILITY CONTROL

CHAIRMAN DONALD W. DOWNES

The Department of Public Utility Control (Department) would like to comment on House Bill No. 5597. While the Department generally supports the language of the bill, it would like to emphasize the importance of maintaining stability in the statutory language regarding the definitions of renewable energy sources in Connecticut. The definitional language on biomass was initially passed in 1998 as part of the State's Electric Restructuring Act. It was then amended in 2001, 2003, 2006 and 2007. This constant change in language has the potential to limit investment in and development of new renewable generation.

With regard to House Bill No. 5597, the Department understands that the proponents of the bill desire to limit the extent of the change that occurred during the Special Session in September, 2007 (Public Act 07-5, Sept. Spec. Session). In that Act, the legislature lifted the ban on the use of construction and demolition waste for a period of time pending the construction and operation of a biomass gasification plant that received funding from the CT Clean Energy Fund prior to May 1, 2006. House Bill No. 5597 limits this provision to biomass facilities between 30 – 40 MW that have been certified as Class I renewable energy sources by the Department to use construction and demolition waste in their fuel mix and that received CT Class I renewable energy credits in calendar year 2007. The Department supports the general concept of the bill and will be happy to work with the committee to further refine the language.

The Department appreciates this opportunity to testify and urges the committee to refrain from further refinements to the renewable definitions so that developers and the renewable energy marketplace can see some stability.

Class I/II Biomass Definition Summary

P.A. 98-28

Class I – a sustainable biomass facility that begins operation on or after 7/1/98 and biomass is cultivated & harvested in a sustainable manner.

Class II – a biomass facility that does not meet the Class I criteria.

P.A. 01-204

Class I – specifically added biomass gasification plants that utilize land clearing debris, tree stumps or other biomass that regenerates or the use of which will not result in a depletion of resources.

P.A. 03-135

Class I – added emission rate limit equal to or less than .075 pounds of nitrogen oxides per million BTU of heat input for previous calendar quarter for biomass facility that began before 7/1/98.

Class II – removed P.A. Act 98-28 language that the biomass facility qualifies if it does not meet the class I criteria and added to the definition any which facility began operation before 7/1/98 and has an emission rate equal to or less than .2 pounds of nitrogen oxides per million BTU of heat input for the previous calendar quarter.

P.A. 03-221

Class I – removed the began after and began before 7/1/98 date stipulation. Made the .0758 NOx rate applicable to all biomass facilities. Added the exception to the NOx requirement that facilities with a capacity of less than 500kw that began construction before 7/1/03 may be considered Class I provided such biomass is cultivated and harvested in a sustainable manner.

P.A. 06-74

Class I – removed gasification plants that are land clearing debris and tree stumps or other biomass that regenerates or the use of which will not result in a depletion of resources provided such biomass is cultivated and harvested in a sustainable manner. Added § (45) definition of sustainable biomass means biomass that is cultivated and harvested in a sustainable manner. Sustainable biomass does not mean construction and demolition waste.

As a result of P.A. 06-74, the Department sent letters to DG Whitefield (Docket No. 04-08-30), Boralex Stratton (Docket No. 05-04-16) and Boralex Livermore Falls (04-03-24). The letter indicated that these facilities will not be eligible for Class I status after July 1, 2007. In response, Whitefield indicated that it only used clean wood and its permit forbids combustion of C&D.