

**Statement
of
The United Illuminating Company
Re:
Raised Bill No. 6635 – An Act Concerning Solar Power
Energy & Technology Committee
Legislative Office Building
Hartford, CT
March 10, 2009**

The United Illuminating Company submits these comments regarding **Raised Bill No. 6635 – An Act Concerning Solar Power**. UI believes in the importance of renewable energy in Connecticut's energy mix and encourages the advancement of solar photovoltaic (solar PV) systems in Connecticut. This Bill seeks to advance solar PV. However, UI believes that the electric distribution company should have a much more prominent role in achieving this outcome. We believe that allowing electric distribution companies to construct, own, and operate solar PV facilities with the appropriate DPUC regulatory oversight is one of the quickest and most efficient methods for larger scale deployment of solar PV. This Bill, as currently written, minimizes the utility's role in the advancement of solar PV and is not an optimal solution.

Instead of allowing a leadership role for UI, this bill attempts to create a redundant and complicated mechanism for encouraging the installation of solar photovoltaic systems. This Bill would create a direct incentive program administered by the Renewable Energy Investment Fund to encourage the installation of 35 megawatts of new residential solar photovoltaic installations by 2021. This fund would fall within Connecticut Innovations, Inc. and would be overseen by the Renewable Energy Investment Board. This same entity currently oversees the Connecticut Clean Energy Fund ("CEF") which administers a Solar Rebates program and a Solar Lease program. Although the specifics of the program and history of success are difficult to ascertain from the CII /CEF website, it seems clear that the intent of this Bill duplicates the existing CEF solar program and is absent of any regulatory oversight.

Raised Bill 6635 is also very complicated and appears to be very costly. It creates multiple types of solar PV programs with complex incentive calculations. There is a residential solar PV component to install 35 MW with eight different blocks of incentive levels, an electric distribution company solar solicitation component to for non-residential solar installations, a component for the development of \$150 million of solar PV on state-owned facilities, and a section allocating millions of dollars for municipal renewable energy grants. Since these programs would be funded by ratepayers, it is appropriate that the committee considers the new program's impact on customers' rates.

Again, UI feels that the provisions of Raised Bill No. 6635 have significant merit in encouraging development of solar PV systems in the State. However, the bill also minimizes the electric distribution companies' role in the deployment of solar PV, which can enable robust participation by customers. The bill is complicated in its structure of incentive programs and is duplicative of an existing residential solar program. Lastly, the bill if enacted may have a negative impact on customers' rates by deploying costly solar PV without any DPUC oversight.

Thank you for the opportunity to provide testimony on this proposed Bill. If the committee has any questions please call Roddy Diotalevi, UI's Director of Sales & Business Development at 203-499-3632. You may also contact UI's Senior Director of Government Relations, Carlos Vazquez at 203-521-2455 at your earliest convenience.