



FuelCell Energy

**March 10, 2009**

**To: The Honorable John Fonfara  
The Honorable Vicky Nardello  
Co-Chairs, Energy and Technology Committee**

**Re: Raised Bill No. 6636 AN ACT CONCERNING THE CONNECTICUT CLEAN ENERGY FUND.**

FuelCell Energy, Inc. (FCE) is a Danbury based manufacturer of ultra clean fuel power plants. FCE respectfully provides the following comments regarding Raised Bill No. 6636.

Raised Bill No. 6636 introduces several changes to the existing program known as Project 150, most notably the elimination of the existing pricing options for Class I renewable projects participating in the program. The Bill would require projects approved in future Project 150 solicitations to enter into cost-based contracts with rates determined by the DPUC, eliminating the pricing options presently contained in Section 16-244c. These options resulted from legislative effort in both PA 03-135 and PA 05-1 and have been vetted through three rounds of bidding under Project 150. The options have led to a diversity of projects and technologies being submitted under competitive solicitations and approved for contracts.

The premise for the change to cost-based contracts appears to offer a means for approved projects to obtain favorable financing terms in an uncertain financial market. While cost base approach may offer a good approach for some projects, it does not necessarily improve the access to financing for all projects. Furthermore, the existing provisions of section 16-244c establishing pricing options for fuel cells were designed to provide fuel cell based projects with a reasonable competitive basis to foster use of this clean, efficient technology in Connecticut. To eliminate the pricing option B or the specific incentives for fuel cells will diminish the opportunity for fuel cell projects participate in the balance of Project 150 solicitations.

For the reasons stated above, FCE recommends that the cost-based contract method be offered as an additional option and not in lieu of options that have been established.

While FCE is not in favor of applying a cost-based contract to all future projects, FCE is supportive of the provisions of Raised Bill No. 6636 which would allow the projects currently under contract the one-time option of converting their existing contracts to cost-based contracts.

FCE also notes that the requested date change for placing the initial 150 megawatts under contract by July 1, 2011 is unwarranted. A date into 2011 effectively places a deferral on a program that the Legislature had encouraged timely adoption of when it established that all contracts are in place by October 2008. FCE recommends that the Legislature reinforce the importance of this program as a key element of compliance with the State Renewable Portfolio Standard by establishing a firm date for conclusion all contracts no later than January 2010.

FuelCell Energy appreciates the opportunity to provide these comments.

Respectfully Submitted,

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