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MEMORANDUM

To: Energy & Technology Committee
From: Bruce Becker, Becker and Becker Associates, Inc.
Re: Comments on Raised Bill 1104

My name is Bruce Becker, and I am the president of Becker and Becker Associates, an integrated architecture and development firm based in Fairfield. My firm is currently constructing a large transit-oriented, mixed-use development in downtown New Haven, which is designed to be a LEED-ND Gold project (called "360 State Street"). This project will include a 400 kW fuel cell, for which we have received a grant from the Connecticut Clean Energy Fund.

I support the concept behind S.B. 1104, which will help to allow operators of renewable energy sources to apply net metering credits they earn towards other accounts. However, there are several substantive changes that I recommend: (1) the legislation should include credits earned through all Class I renewable energy sources, including fuel cells; (2) the legislation should close loopholes that have been exploited by the utilities to limit the intent of the original net metering language; and (3) the legislation should expand electric submetering to all residential and mixed-use multifamily buildings with Class I renewable energy sources.

1. Broaden Legislation to Include Fuel Cell Technology

I strongly recommend that S.B.1104 include all Class I renewable energy sources, as fuel cells are not included in the legislation. The benefits of fuel cell technology have been well established within this state, and not just because the two leading fuel cell manufacturers in the country provide hundreds of Connecticut jobs. Fuel cells can provide clean, efficient power and generate usable heat. This technology is an ideal application for projects with a large residential component, such as 360 State Street, where the excess heat produced by the fuel cell can be used to heat domestic hot water. Excluding fuel cells from this legislation neglects to recognize the significant benefits to both the environment and the electric grid that they can provide.

2. Eliminate Ambiguity of How Net Metering Credits are to be Applied

S.B. 1104 should clarify that the net metering statute is intended to apply to customers as owners of an entire building, and not be limited to single meters. The statute requires the utility companies to give credit to "customers" for energy generated on-site, however, the utilities only credit a single meter within the building. It is sometimes necessary for single buildings to have multiple utility-owned electric meters in order to provide service to the building if their electric demands are large enough. As a result, even if enough power is created for the total on-site load of a building with multiple meters, the net metering credit would only be applied to a portion of it. This interpretation has created a de facto limit to the size of potential distributed generation sources. Large buildings are unfairly penalized by this interpretation of the statute.

3. Expand Existing Submetering Legislation to Include Buildings with Class I DG

Beyond modifications to the net metering statute, S.B. 1104 should promote the use of distributed generation by expanding submetering regulations to apply to multifamily residential and mixed-use buildings with Class I renewable energy sources.

This expansion is necessary so that distributed generation can be used to meet a multifamily building's on-site load. Multifamily buildings typically have many utility customers—in the case of 360 State Street, the landlord uses about half the electricity of the total building, and the two commercial and 500 residential tenants use the remainder. Currently, power that is generated on-site beyond what the single largest customer can consume must be sold to the utility at a generation rate, and would subsequently be sold by the utility to other users in the building at the considerably higher retail rate. If the customers' accounts were aggregated and then submetered, the power would simply go directly to the users. As a result, distributed generation sources could be sized to meet the total demand of all on-site electricity users and the full value of the electricity produced would not be artificially diminished.

This is not a new or untested idea. In Connecticut, electric submetering is already allowed in limited situations and water submetering is becoming more and more prevalent in multifamily buildings. It has been used for over a decade in neighboring states like New York, where there are even incentives for large landlords to submeter.

Submetering can help promote conservation by increasing customers' awareness of their electricity use. Electric submeters can track electricity use in 15 minute increments, and user-friendly interfaces can be provided for customers to observe their use in real time. At a recent federal hearing to discuss the development of a smart grid, Google, Inc. testified that people would conserve 5 to 15 percent more energy when they are able to see how much they use in real time compared to a monthly bill. It is true that this service can be provided by the utilities, but the additional cost of this service is more than most residential tenants' monthly electric bills. Submetering would provide this information to customers at a fraction of the cost.

I support the intent of S.B. 1104 to promote the use of renewable energy sources in the state. I hope that you will consider making these important changes that will help expand its use in large commercial and multifamily residential buildings.

Please do not hesitate to contact me with any questions about 360 State Street or the positive impact that this legislation could have on this and similar projects.

Thank you.