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Written Testimony of Christopher Phelps, Program Director  
Before the Connecticut General Assembly Energy & Technology and Commerce  
Committees

Monday, March 16, 2009

Written testimony regarding Raised Senate Bills 1029 and 1130, An Act Concerning  
Energy And The State's Economy.

Senator Fonfara, Senator LeBeau, Representative Nardello, Representative Berger, and  
members of the Committees:

Environment Connecticut submits this testimony supporting the goal of these bills to  
increase funding for clean energy technologies, particularly those technologies which  
may have the ability to benefit Connecticut's environment and economy, but which may  
not currently be able to qualify for support through programs other than the Energy  
Efficiency Partners.

Dramatically increasing Connecticut's investments in new clean energy and energy  
efficiency programs can be a centerpiece of our state's efforts to create new "green" jobs  
and rebuild our economy. Energy efficiency, wind, solar, sustainable biomass and other  
clean energy technologies create new local jobs while also increasing our energy security  
and reducing emissions of global warming pollutants. Environment Connecticut supports  
numerous efforts before the general assembly this year to promote green jobs, increase  
production of clean energy such as solar power, and reduce energy costs for families,  
businesses and government entities.

We also support proposals to increase and improve coordination of programs serving the  
state's goals of reducing electric demand, reducing heating fuel consumption, and  
increasing clean, Class I electric generation resources. This legislation has the potential to  
further those efforts to maximize the effectiveness of the state's efforts in these areas. To  
that end, we suggest that the committee's consider modifications to this legislation that  
could strengthen such coordinated efforts

We suggest that the "Energy Innovation Council" established in section 1(h) (line 164) of  
the bill be modified to include membership representing the Energy Conservation  
Management Board (ECMB) which oversees the Connecticut Energy Efficiency Fund:

In line 169, add "(5) a representative of the Energy Conservation Management  
Board" after the word "department."

Coordination of such programs also would help avoid duplication of efforts so that the state and ratepayers can get the most “bang for the buck” from their investments in clean energy and energy efficiency. To that end, we suggest language clarifying that technologies already receiving subsidies from other programs should not be eligible to “double dip” and receive additional funding from the Efficiency Partners Program.

In line 116 add, “[” after “themselves.

In line 119 add, “, Renewable Energy Investment Fund, or programs overseen by the Department of Public Utility Control or Office of Policy and Management,” after “Funds”.

In line 119 add, “[“ after “technology.”

We also suggest that the committees carefully consider the effect of the provisions in Section 1(e) and elsewhere in the bill which tend to shift DPUC oversight over the programs supported by this legislation to the Energy Innovation Council created in section 1(h). The committees’ may wish to consider retaining the existing statutory language (such as in 1(e) of the bill) giving DPUC oversight over these programs and enabling the Council to work in partnership with DPUC and Efficiency Partners in an advisory and planning role.

The bill allows “enhanced demand-side management technologies” to be financed by loans from the CT Clean Energy Fund. (Section 1(l) at line 263.) Given that the Clean Energy Fund faces significant funding shortfalls, and has a budget of far less than that of the Efficiency Partners Program, we suggest removing this language. An alternative method of achieving the same goal would be to allow Efficiency Partners program participants to utilize expanded on-bill financing through the utilities.

We are encouraged to see the bill’s efforts to incentivize additional clean, Class I generation development in Connecticut. Environment Connecticut believes our state and nation should move as quickly as practical towards a goal of generating 100 percent of our electricity from clean, renewable sources such as wind and solar.

We support the goal of the bill to dramatically expand clean energy generation within the state through 2012 and beyond. At the same time, we note that the goal of 100 megawatts of Class I generation owned by electric distribution companies by 2012 in Section 1(p)(1) of the bill could have the unintended consequence of disadvantaging private third party renewable developers of solar and other technologies. We suggest the committees consider the addition of language to the bill allowing Connecticut Clean Energy Fund approval and verification that utility-owned Class I projects pursued under this legislation are not already subsidized by the Clean Energy Fund, and serve a role that private renewable energy developers are unable to fill. (Such as installation of large grid-side solar photovoltaic installations on a scale and in locations that may not be practical for private developers.)

Environment Connecticut would also like to urge the committees to ensure that Class I renewable generation incentives pursued by this legislation do not inappropriately incentivize one particular technology over another. Instead, we urge the committee to recognize that pursuit of multiple such technologies is required to achieve the state's clean energy goals. Therefore, we note that we have some concerns that the language in lines 366-379 of the bill appears to suggest a preference for fuel cell generation within this legislation. We suggest that a more effective approach would be to avoid picking specific "winning" technologies and to focus on prioritizing Class I sources which most effectively and efficiently meet the state's goals for creating more affordable clean energy generation and reductions in global warming pollutants.

Finally, Environment Connecticut urges the committee to retain the \$60 million annual limit on the ratepayer-cost for this program that is deleted from existing statute in line 113 of the bill. The funding level of \$60 million for this program should be more than sufficient to meet its goals, particularly when other existing clean energy programs are taken into account. (However, we would endorse the inclusion of language allowing the DPUC and Energy Innovation Council to evaluate the effectiveness of the program in future years and recommend expansion of funding if this would be in the best interest of ratepayers.)

Thank you for the opportunity to offer this testimony supporting the goals of SB 1129 and SB 1130. Environment Connecticut looks forward to working with the committees and the proponents of this legislation to increase Connecticut's investments in energy efficiency and clean energy measures to the benefit of our environment and our economy.

Sincerely,

Christopher Phelps  
Program Director  
Environment Connecticut

