



FuelCell Energy

March 17, 2009

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

Re: Raised Bill Nos. 1129 and 1130 AN ACT CONCERNING ENERGY AND THE STATE'S ECONOMY.

FuelCell Energy, Inc. (FCE) is a manufacturer of ultra-clean high efficiency fuel cell power systems with operations in Danbury and Torrington and is pleased to provide these comments in support of Raised Bill 1130 and the Committee on Commerce counterpart, Raised Bill 1129 (Collectively RB 1130).

RB 1130 offers an excellent means of expanding energy efficiency and the installation of Class I renewable resources throughout the State. Class I resources put in place under both the customer-side and the grid-side elements of RB 1130 will support achievement of the Legislative mandate that 20% of Connecticut's electricity be provided from Class 1 generation by 2020. These new elements of the Energy Partners Program (EPP) complement the already successful Class 1 initiatives of the Connecticut Clean Energy Fund, namely the Renewable Distributed Generation Program and Project 150.

We offer the following supporting considerations:

The Energy Partners Program as established in PA 07-242, initiated a means to introduce innovative uses of energy systems and technologies, primarily to reduce peak demand. The modifications outlined in RB1130 Section 1 (a), and further defined in subsequent sections offer two noteworthy improvements:

- 1 – The addition of a wider menu of technologies, including fuel cells, will allow qualified Energy Partners more diversity from which to craft innovative applications.
- 2 – The establishment of the Energy Innovation Council offers a means to expedite the process from project concept to approval while maintaining necessary and appropriate review of uses of ratepayer funds.

The creation of grid-side investment, Section 1 (l), of up to 100 MW of Class I thru 2012 offers a means to accelerate the installation of in-state Class 1 capacity, with the complementary benefit of a positive impact on economic development, in-state employment and utility distribution system reinforcement.

Connecticut's goal of 20% Class I electricity by 2020 is equivalent to nearly 1000 MW based load equivalent generation capacity (or nearly 3000 MW of low capacity factor solar or wind). In the absence of in-state generation, RPS compliance will be achieved solely through payment of penalties or exporting ratepayer funds with no resulting benefits from in-state manufacturing jobs, construction, or property and sales taxes. The 100 MW level proposed thru 2012 is a reasonable increment that will continue Connecticut on a path to achievement of its RPS goals.

FCE respectfully provides two comments:

The requirement under Section 1 (l) that the grid side and customer side resources be implemented on an equivalent kilowatt basis should be a guideline. The implementation of quality grid side projects should not be constrained simply because there is inadequate number of qualified customer side projects.

Both the grid side utility investment and customer side EPP modifications introduced in RB 1130 offer a sound approach to adding Class 1 capacity. However, achievement of 1000-3000 MW RPS capacity remains a large goal. We urge the Legislature to also consider the significant value in the Connecticut Clean Energy Fund's Renewable Distributed Generation Program and the innovation the marketplace provided to the RPS capacity and goals thru Project 150. These programs are successful. Progressive versions should be maintained to ensure a diversity of innovation and capacity.

FuelCell Energy appreciates the opportunity to provide these comments and looks forward to working with the Energy Innovation Council to make the programs outlined in RB 1130 a success.

Respectfully Submitted,

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