

**Testimony of Marie C. O'Brien, President  
Connecticut Development Authority  
to the Commerce Committee**

**IN SUPPORT OF RAISED SENATE BILL 108  
AN ACT CONCERNING THE CONNECTICUT DEVELOPMENT AUTHORITY'S  
PARTICIPATION IN CERTAIN FEDERAL LOAN AND GRANT PROGRAMS**

**February 16, 2010**

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Good afternoon Senator LeBeau, Representative Berger and members of the Commerce Committee. My name is Marie O'Brien, President of the Connecticut Development Authority.

First, I would like to thank you for raising SB 108, An Act Concerning the Connecticut Development Authority's Participation in Certain Federal Loan and Grant Programs and for expediting this hearing. The bill makes changes to CDA's statutes that would allow the Authority to take full advantage of the federal Department of Energy's (DOE) many financing programs for energy projects.

This bill amends C.G.S. 32-23d, which sets forth the "powers of the authority" to enable CDA to enter into contracts with the federal government and thus be the recipient of loans as well as loan guarantees. The proposed statutory change adds the federal government to the definition of those with whom the CDA can enter into contracts.

CDA's current enabling language does NOT include the federal government under its definition of "person". Without this change in our statutes, CDA will NOT be able to take advantage of the federal U.S. Department of Energy's loan guarantee program, nor would CDA have the ability to contract with the federal government. This loan guarantee program was allocated \$4 billion last year, intended to support more than \$32 billion in energy projects and energy technology job growth. Qualifying projects, especially small projects under \$25 million, will need financial partners like the CDA to minimize transaction costs, enhance credit ratings and meet underwriting criteria. For our state, these projects are often considered too small by the large energy financiers to warrant attention. CDA and other state partner entities are committed to increasing the number of these projects and believe this is an important arena for job growth in energy and technology.

Eligible projects were identified in the recent Department of Energy (DOE) Solicitation for Projects that Employ Innovative Energy Efficiency, Renewable Energy, and Advanced Transmission and Distribution Technologies. As a "development finance organization" (DFO), CDA can participate in the financing for these projects and bring them to reality in our state:

- Alternative Fuel Vehicles
- Biomass
- Efficient Electricity Transmission, Distribution and Storage
- Energy Efficient Building Technologies and Applications
- Geothermal
- Hydrogen and Fuel Cell Technologies
- Energy Efficiency Projects
- Solar
- Wind and Hydropower
- Manufacturing Projects
- Other Stand-alone Projects like industrial energy efficiency, implementation of fuel cells into stationary or vehicular applications, integration of energy efficiency into commercial, residential or industrial facilities

Together with the Connecticut Clean Energy Fund, CDA has submitted information on state capabilities and, if selected by DOE, we believe we can effectively stimulate the Connecticut economy and build on the Connecticut heritage in certain energy disciplines.

We thank you for your attention to this request for the bill's earliest effective date and ask that you continue to provide an expedited pathway for the bill.

Thank you for this opportunity to comment.