

Testimony of

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before

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regarding

Raised House Bill No. 5365

An Act Concerning Electric Distribution Companies

Introduction

The Connecticut Center for Advanced Technology, Inc. ("CCAT"), offers this testimony for Raised House Bill No. 5365 - An Act Concerning Electric Distribution Companies.

CCAT is a nonprofit corporation that provides services and resources to entrepreneurs and businesses and, through collaboration with industry, academia, and government, helps companies innovate and compete, thereby strengthening our nation in the global market. The Energy Initiative of CCAT has been established to improve the economic competitiveness of the region through solutions that lower energy costs and increase long-term energy reliability. CCAT administers the Connecticut Hydrogen-Fuel Cell Coalition; provides assistance to small and medium sized manufacturers to assess opportunities for the application of enhanced demand-side management technologies, such as combined heat and power systems, undertakes energy planning; and promotes renewable energy, including fuel cells and sustainable fuels.

This Bill contains many components that are favorable to the expansion of Class I renewable energy development, including fuel cells and other enhanced demand-side management technologies that are or could be made in Connecticut. The components of this Bill that appear favorable include:

- ***Refinement of a unique process to conserve electricity, reduce electric demand, and promote the development and use of Class I and Class II renewable energy sources:***

The proposed process provides a method to consider technology neutral solutions to increase the amount of renewable energy technology development in the state. Such development would support the state's Renewable Portfolio Standards (RPS) requirements with renewable energy facilities that would be of high economic value to ratepayers.

- ***Encouragement for long term investment:***

The use of provisions for utility investment and ownership would provide opportunities for long term financing, often necessary for development of renewable energy facilities. Economic tests to monitor the efficacy and cost effectiveness of approved projects would ensure that the state's investments would provide long term benefits and value for ratepayers.

- ***Consumer partnerships would be forged to bolster community support:***

Use of partnerships between the electric distribution company, electric efficiency partners, and consumers would encourage community participation for effective solutions that provide both reliable energy and opportunities for economic development.

- ***Create jobs and encourage economic development:***

Development of renewable energy facilities will create jobs and increase opportunities for economic development. For example, if fuel cells were used to generate the Class I renewable energy, each MW of fuel cell capacity manufactured in the state would generate 148 jobs and approximately \$20 - \$22 million in gross state product.

- ***Effective merger of energy management with environmental benefits:***

The development of Class I renewable energy facilities will provide additional public dividends to improve air quality. For example, the potential average annual emissions reductions for each MW of fuel cell capacity, compared to existing New England fossil fuel electric generation, would be approximately 8,750 lbs of NOx, 32,000 lbs of SOx, and 7 million lbs of CO2.

- ***Mitigation of Federally Mandated Congestion Charges:***

Provisions to reduce peak electric demand would mitigate Federally Mandated Congestion Charges (FMCC), which will help reduce ratepayer costs, and enhance grid reliability.

- ***Mechanisms for project funding:***

A specific and clear source of funding and/or financing has been provided for program execution. Without a clear and confirmed source of annual funding, project implementation may not be possible. With such funding and/or financing, electric efficiency partners would be able to arrange cost sharing to leverage other funds in advance for successful financing and project development. Economic tests would ensure that the funds are used for ratepayer and public benefit.

While the process outlined in the Bill is complex, it provides a method to consider technology neutral solutions to increase the amount of renewable technology development in the state. Such development would support the state's RPS requirements, help to meet greenhouse gas reduction goals, provide high economic value to ratepayers, and create jobs.

Conclusion

CCAT is supportive of the concepts raised in this Bill to increase the manufacture and use of enhanced demand-side management technologies including fuel cell technology in the State.

CCAT will make itself available to the Committee and legislature upon request to assist in the refinement of this legislation and implementation of the Connecticut Electric Efficiency Partner Program.

Respectfully submitted,

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