CBIA
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

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My name is Kevin Hennessy. I am a staff attorney for the Connecticut Business and Industry Association (hereinafter "CBIA"). CBIA represents approximately 10,000 member companies in virtually every industry. They range from large, global corporations to small, family owned businesses. Approximately 90 percent of our member companies have fewer than 50 employees. All of our members are energy consumers and rely on electricity for their respective day-to-day operations.

Thank you for the opportunity to comment on the following bills:

- **SB 463,** *AAC Financing of Energy Efficiency and Renewable Energy; and*
- **SB 464,** *AAC Energy and Technology Research and Development*

SB 463 - CBIA is pleased to support the intent of **SB 463,** *AAC Financing of Energy Efficiency and Renewable Energy.*

Connecticut can not control the cost of fuel sources. We do, however, have control over our demand. Encouraging Connecticut's residents and businesses to control their energy consumption will reduce rates directly for participants and indirectly for all ratepayers by reducing the state's overall electric load.

Section 1 – establishes an energy savings infrastructure loan program to provide loans to residential and commercial and industrial utility customers that utilize Class I renewable sources, solar hot water technologies, combined heat & power systems or energy conservation and load management technologies designed to reduce consumption. Further, this section looks to simplify the process for the consumer by allowing them to request for loan repayments as part of their monthly utility bill.

CBIA understands that the bill is a work in progress and therefore, some of the percentages of funding that are to be set aside for certain technologies and consumers are silent. CBIA's recommendation is that high set aside numbers are not instituted if they will reduce the overall impact of the program. Additionally, CBIA recommends setting aside amounts for residential and commercial and industrial customers in direct correlation to the amount they invest in the fund.

It's uncertain what entities the utilities will use to administer this program. CBIA suggests they utilize infrastructure already in place and work with the Energy Conservation Management Board and Renewable Energy Investment Board to implement the program successfully. The existing funds assist customers with low-interest and interest free loans for projects. Additionally, CBIA suggests that the Department of Public Utility & Control ("DPUC") is the appropriate entity to approve or modify the utilities plans for the energy savings infrastructure loan program.

Section 2 – reduces the percentage of total output Connecticut has to achieve from Class I sources by 2020 from 20 per cent to 11.5 per cent. However, it appears that the utilities will have to determine annually what the cost savings were and deposit that amount from customers into an energy savings infrastructure account. It appears the energy savings infrastructure account will help fund the energy savings infrastructure loan program.

According to the 2010 Integrated Resource Plan drafted by the utilities in January, 2010, it could cost New England $30 billion dollars to meet the region's Renewable Energy Portfolio Standards ("RPS") by 2020.[1] CBIA believes policymakers should seriously weigh the costs and benefits of the current RPS.

Section 3 – incentivizes customers to install customer-side distributed resources via dollar rewards. Customer-side distributed resources are good for Connecticut's load profile and energy security purposes. Demand for the Clean Energy Fund's distributed generation programs is very high. Investing more into customer-side distributed resources should help meet that demand and reduce Connecticut's bulk power load profile.

Section 6 – promotes combined heat and power ("CHP") projects by requiring electric suppliers or the utilities to give a credit for any electricity generated by a customer from a CHP system. CHP is an opportunity for customers to generate electricity and make use of its waste heat. It should reduce customers' electric and heating costs and make Connecticut more energy independent. Making this technology economic and functional is in Connecticut's best interests.

[1] http://www.ctenergy.org/pdf/2010IRP.pdf (see executive summary)

SB 464 – mandates that the DPUC contract with the New York State Energy Research and Development Authority ("NYSERDA") to determine how best to reduce energy consumption, promote renewables, diversify our portfolio and how to create such an entity in this state.

This bill seems costly and duplicative. Connecticut already has the Energy Conservation Management Board that oversees our Energy Efficiency Fund and some of the best efficiency programs in the country. We also have the Renewable Energy Investment Fund and its Board of Directors that promotes and incentivizes renewable technologies in Connecticut. Further, we have the Connecticut Energy Advisory Board that works with the utilities on long-term energy policy and planning.

Contracting with another entity to duplicate services we already have and provide seems like an expense Connecticut can avoid. Also, Connecticut does not have to create another energy entity or acronym – there are enough already to confuse people.

Thank you for the opportunity to offer comments and observations. CBIA would be happy to work with committee members on **SB 463** as it moves along.