

RENEW – Renewable Energy New England, Inc.
c/o Seth Kaplan
Conservation Law Foundation
62 Summer Street
Boston, MA 02110

March 17, 2010

The Honorable John W. Fonfara
Energy and Technology Committee
Room 3900, Legislative Office Building
Hartford, CT 06106

Dear Chairman Fonfara:

We write to you to express our concerns regarding Senate Bill 463 which has been referred to your committee. RENEW is a non-profit organization which supports the deployment of renewable energy resources throughout New England. Our members include commercial scale wind developers, Horizon Wind Energy, First Wind, and Iberdrola Renewables; wind turbine manufacturer, Vestas; the American Wind Energy Association; and environmental advocacy organizations, including the Conservation Law Foundation and the Union of Concerned Scientists.

RENEW recognizes and respects the bill's objective to promote in-state renewable resources. However, in our experience limiting renewable portfolio standard ("RPS") markets to in-state resources only is generally not the most practical or cost-effective method to meet in-state renewable energy objectives. The key barriers to in-state investment are not RPS markets, rather permitting and siting and access to long-term contracts. Targeted efforts that address these challenges will be most effective at encouraging in-state renewable energy investments. Connecticut's recent forays into Integrated Resource Planning and state-wide procurement demonstrate a willingness to create and deploy tools of exactly this sort.

Connecticut's RPS created a market for renewable energy. Like any well functioning market, Connecticut's RPS can only be successful if it has stable, consistent, and transparent rules. State's which fundamentally change the nature of their RPS requirements in mid-stream risk completely undermining their RPS market by eliminating investor confidence. This is equally true for in-state and out-of-state projects.

In our experience, the most effective way to promote in-state renewable energy deployment is to maintain a consistent RPS policy, complemented by transparent siting and permitting rules with

known timelines. Further, RPS procurement and long-term contracting policies which provide additional weight for long-term in-state, renewable energy purchases – such as those implemented by the New York State Energy Research and Development Authority and the procurements already undertaken by Connecticut – provide an excellent way to encourage in-state development without undermining the original RPS. A new round of state-wide procurement that affirmatively provides incentives for in-state projects that could qualify for the Connecticut (as well as other state) RPS programs would complement preservation and continued operation of the RPS as it is currently constituted.

We encourage you to consider the options mentioned above. Improved renewable energy siting and permitting and long-term, in-state procurement strategies offer the best opportunity to bring renewable energy investment to Connecticut. Because the provisions of SB 463 do not address the core renewable energy investment challenges of project siting and permitting and long-term contracts, it is unlikely to achieve the objective of promoting in-state renewable energy investment, while simultaneously undermining faith and confidence in the Connecticut RPS market. The renewable energy industry, and the environmental advocates who recognize the value of renewable energy, would ask for the business certainty and continuity that all enterprises need to thrive and grow.

We would be pleased to provide additional briefing materials or to meet with you and your staff on this matter. Thank you for your time and consideration of this very important legislation. Please feel free to contact me at 484-654-1887 or ethumma@iberdrolausa.com .

Sincerely,

A handwritten signature in black ink, appearing to read 'ETHUMMA', written in a cursive style.

Eric Thumma
President
Renewable Energy New England, Inc. (“RENEW”)