



# GrowJobsCT

## MANUFACTURING MAKES CT'S FUTURE

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Testimony of John Harrity  
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Supporting Proposed Bill:

### SB 324 – AN ACT CONCERNING ENERGY AND THE STATE'S ECONOMY

Commerce Committee  
March 2010

Senator LeBeau, Representative Berger, members of the committee: my name is John Harrity. I serve as Director of GrowJobsCT, a coalition of business, labor and community groups, along with elected officials, that focuses on the need to sustain and expand manufacturing jobs in the state of Connecticut.

I am here to speak in support of SB 324: AN ACT CONCERNING ENERGY AND THE STATE'S ECONOMY.

I speak in favor of SB 324 as a means to support renewable energy, and particularly fuel cells, as a positive initiative in a highly competitive situation. Connecticut must be proactive in support of the fuel cell industry, and any renewable energy technology that is manufactured here, and SB 324 provides that support. I thank the committee for introducing this legislation.

At the same time, I would suggest that there may simpler, more direct and effective ways to accomplish the same goals.

Attached to my testimony you will see an outline for a five-point plan to encourage deployment of Connecticut-made renewable energy technology. Though mainly applicable at this point to fuel cells, this language would apply to any renewable energy technology that chooses to move their manufacturing here to take advantage of this program.

In brief, the five points of this five-year plan include:

- 25 MW a year of renewable energy generation – principally manufactured in Connecticut – through a capital investment program managed by the CT Clean Energy Fund, including low interest financing.
- A requirement that the electric distribution companies purchase power from Class I renewable generation principally manufactured in Connecticut, up to 25 MW per year and 125 MW over 5 years, at a price necessary to enable the projects, subject to the approval of the DPUC.

- A feed-in tariff paid to owners and operators of Class I renewable power generation equipment made in Connecticut to enable the financial viability of the purchase and operation of the project. This value of this tariff will decline each year for projects applying in those years.
- Utility ownership of up to 20 MW of renewable power generation, using equipment made in Connecticut.
- 5 MW per year, for a total of 25 MW over 5 years, of renewable energy generation equipment made in Connecticut, at state building and facilities.

These points, drawn up by stakeholders in Connecticut's hydrogen and fuel cell industry, run parallel to provisions contained in last year's solar bill, HB 6635.

In sum, SB 324 is a positive step in support of state-manufactured renewable power generation, and should be supported unless and until a better approach is introduced into legislation. It is my opinion that the provisions outlined in my remarks and attached to this testimony should be considered as an alternative approach.

Thank you.

John Harrity

## AAC Job Creation in the Renewable Energy Generation Industry

The State of Connecticut shall support and provide incentives for the annual development of approximately 50 megawatts for five years or 250 MW by December 31, 2016, of Class I renewable energy capacity derived from Class I renewable energy electric generation facilities using equipment principally manufactured in the state.

Support for this incentive includes five major areas:

- The Clean Energy Fund (CCEF) managed by the Renewable Energy Investments Board, shall expand the existing renewable energy program and set rules for a capital investment incentive program that would result in at least 25 MW per year for five years or 125 MW of new Class I renewable energy electric generation capacity using equipment principally manufactured in the state by December 31, 2016. Low interest financing from the CCEF or the DPUC shall be made available to all projects that qualify as a Class I renewable energy electric generation facility using equipment principally manufactured in the state
- Electric distribution companies shall establish long-term contracts, subject to DPUC approval, to buy the power produced by commercial, industrial, and institutional Class I renewable energy electric generation facilities using equipment principally manufactured in the state, located on the customer's premises that would result in 25 MW per year for five years or 125 MW of new installations in the state by December 31, 2016. For these contracts, the electric companies, with approval from DPUC, shall adopt a purchase price for the power produced from these facilities necessary to enable project implementation. Project contracts may be extended for the useful life of the energy facility. The DPUC shall authorize the electric distribution company to recover in rates its costs of such contracts.
- Each electric distribution company shall file with the DPUC, for its approval, a tariff for production-based payments to owners or operators of commercial and industrial Class I renewable energy electric generation facilities for up to 25 MW per year for five years or 125 MW of new Class I renewable energy capacity using equipment principally manufactured in the state by December 31, 2016. The electric companies shall continue to issue production-based payments to owners or operators of commercial and industrial Class I renewable energy electric generation facilities throughout the useful life of the project. The tariff shall be adequate to ensure project implementation and shall be based upon the fully allocated cost of constructing and operating the Class I renewable electric generation facilities as if such construction and operation were to be undertaken or procured by the electric distribution company itself. The DPUC shall authorize the electric distribution company to recover in rates its costs of such tariffs. The utility shall also be permitted to purchase and sell other energy attributes (such as recovered thermal energy) to customers.
- The electric distribution companies may build, own, and operate new Class I renewable energy electric generation facilities using equipment principally manufactured in the state, where such individual installation does not exceed 20 MW in electrical generation capacity. The electric distribution companies may operate the Class I renewable energy electric generation facility throughout the useful life of the project. The DPUC shall authorize the electric distribution company to recover in rates its costs to construct, own and operate such Class I renewable energy electric generating facilities, including a reasonable return on its investment and the utility shall also be permitted to sell other energy attributes (such as recovered thermal energy) to customers.
- The DPW and DOT shall issue a joint RFP for development of Class I renewable energy electric generation facilities at state buildings and facilities using equipment principally manufactured in the state for a target of at least 5 MW per year for five years or 25 MW by December 31, 2016. This requirement may be funded directly through the project, through the CCEF, supported by a

long-term contract, supported by a tariff, or owned and operated by an electric company on land leased by the state under certain circumstances to be approved by the DPUC. DPW and DOT shall have discretion to enter into performance based contracts for amortization of the Class I renewable energy facilities, with use of necessary state and federal grants for project viability. The DPW and DOT shall evaluate the use of fuel cells and other Class I renewable energy electric generation equipment principally manufactured in the state in all buildings and projects undertaken in the state through 2016 and shall provide the basis for any decision not to incorporate fuel cells or other Class I renewable energy electric generation equipment principally manufactured in the state in such projects. Such basis must include an economic analysis with an assessment of impacts on job retention and job creation, impact to the state's environment, emergency preparedness, energy independence and the total energy efficiency of the project.

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