



# CLEAN WATER ACTION

CONNECTICUT

## **Testimony of Roger Smith, Campaign Director, Clean Water Action Energy and Technology Committee March 18, 2010**

### **Testimony on Senate Bill 463: AN ACT CONCERNING FINANCING OF ENERGY EFFICIENCY AND RENEWABLE ENERGY**

Clean Water Action is a national environmental non-profit dedicated to protecting human health with 25,000 Connecticut members. We have worked on energy-related issues in Connecticut since 1998.

Connecticut is a regional powerhouse when it comes to renewable energy. Our commitment to 20% clean energy by the year 2020 is helping drive our entire regional grid towards a fossil-free future where the price of electricity isn't dictated by the price of coal, oil or natural gas. We are dangerously over-reliant on these fuels which are a primary cause of the near doubling of electricity rates over the last decade.

For the renewable energy market in New England to mature and make investments, it needs stability. Scaling back our commitment to renewable energy, or repeatedly changing the standards for what we count as "renewable" sends a signal to industry that we as a state are not serious and shouldn't be trusted. We have heard questions about whether the renewable energy required by the Class I Renewable Portfolio Standard (RPS) will be available and if the market will deliver. Scaling back our ambitions today is one way to answer this question, ensuring that this renewable energy generation will never be built.

Within the existing framework of the Class I RPS we can craft an implementation plan which achieves various renewable energy goals. If our goal is to get the greatest amount of renewable energy for the lowest cost we might look to sign long-term contracts for RECs and energy from large scale wind providers. If a goal is to maximize our use of in-state renewable energy we can require increasing investments in our most abundant resource, solar power, and promote combined heat and power fuel cells. If we want to enable businesses and families to take part in the clean energy future we can extend to them both incentives and financing help.

The existing Renewable Portfolio Standard's strength is that it's goal-based, and provides a subsidy based on actual power production. It is transparent in that renewable energy credits function like receipts telling us exactly how much Class I renewable energy was produced. This bill as drafted trades the certainty that in 2020 we will have achieved 20% renewable energy for the uncertainty that we will have gotten some mixture of efficiency and renewable energy based on the dollars invested. There is no mechanism here to ensure those dollars are invested wisely, and it is unclear by what metric these technologies will be judged.

We urge the committee to keep the RPS separate from new financing programs. We support this bill's goal to create a robust all-fuels revolving loan fund for efficiency and renewable energy. There is no need to set aside a massive pot of money (which happens to also be raidable) -we can follow the example of other states and use our dollars to create loss reserve funds to give investors confidence that our programs are credit-worthy. Connecticut can wisely leverage public dollars to attract private investment. Other jurisdictions are leveraging their money between 5:1 to 20:1.

Connecticut should coordinate any financing programs we create with existing Clean Energy Fund and Energy Efficiency Fund programs. The public is confused enough about what help is available and how to access it. I wouldn't assume that if financing becomes available (no matter how attractive the terms) that anybody will use it- without concerted public outreach efforts or coordination with the two funds uptake will likely be quite low. There also need to be standards to ensure that the forms of renewable energy we are investing in make sense; we don't want to put solar panels in the shade, wind turbines where there is no wind, or efficient boilers in leaky buildings. Coordinating financing with existing programs is the only way to ensure the money is well spent and that people will use the financing.