

Comments of
NXG Solar LLC
Re:
Raised House Bill No. 6459
AN ACT CONCERNING RENEWABLE RESOURCE GENERATION

Before the Energy & Technology Committee

Legislative Office Building
March 1, 2011

My name is Dale Hollingsworth and I am President of NXGSolar, a Connecticut company that builds easy-to-install modular solar systems. I want to thank Chairpersons Fonfara and Nardello and the Committee for allowing me to come here today and make these remarks on Bill No. 6459.

As background, the founders of NXGSolar have been in the solar business since 2005. Our executive offices are in Norwalk, Connecticut and we have assembly operations in Brookfield, Connecticut. Our products are built entirely within the State of Connecticut, and our plan is to continue to grow and create jobs here in Connecticut. We produce unique modular solar systems that incorporate solar panels, electronics, and mounting system in one easy-to-install package. These systems can be delivered to a roof and installed in minutes, with no roof penetration. I've come here today to speak on behalf of a bill that I think will get the ratepayers of Connecticut the best and most solar energy for their investment.

From NXGSolar's experience working with residential, commercial, industrial, and utility customers, we have developed an understanding of the process, time and cost of installing solar energy. Site surveys, system design, permitting, installation, and inspection and approval of systems represent a substantial portion of the cost of a system. It takes as much time and money

to design, permit, install, and approve a small 4kW residential system as it does a 100kW commercial system. From this experience and commonly available industry metrics, it's clear that the least expensive way to implement solar energy has been in large installations. Our modular systems reduce these design and installation costs, offering the potential to make solar energy accessible, tangible and affordable to individual residential and commercial customers.

In our experience, incentives are a mixed blessing. On the plus side, they have increased the number of solar installations and the cost of solar panels has decreased by 50% over the last two years. However incentives have also cost ratepayers and have proven to be fickle, given changes in the economy, state deficits, energy demand, and other factors. The result is a stop-and-start process that sees periods of frenzied activity followed by periods of inactivity. When subsidies are available and lucrative, out-of State firms swoop in to take advantage of them, but they move out when the subsidies dry up. This is counter-productive to developing a sustainable solar infrastructure in the State of Connecticut. This Bill proposes something that minimizes costs to ratepayers and will see substantial, sustained development of solar resources -- without requiring money from the State of Connecticut's much stressed budget.

NXGSolar's business model is to work hand-in-hand with utilities to bring small solar installations across the state. Combining our modular systems with the utilities' operational, marketing and financing capabilities, green energy can be offered to more individual ratepayers at reasonable rates. We have been working with the United Illuminating Company on a pilot basis to demonstrate NXGSolar's technology and performance. We have explored ways of making solar solutions affordable, including leasing, which leverages the utilities' financial

abilities and their experience in leasing hot water appliances. We have been highly encouraged by the results thus far.

It's a fact that renewable energy costs more than traditional generation. Letting the utilities develop renewable energy under a fixed rate of return, using a rate-based methodology, gives ratepayers significant value: they can gain all the benefits associated with Federal and state incentives as well as the utility's operational efficiencies. While the limit of 5 MW seems insignificant, it's a step in the right direction.

The state of Connecticut has set itself ambitious Renewable Portfolio Standards. These standards define a market that is very large with room to play for all participants. The industry as it exists today with Clean Energy Fund Incentives can continue to function as it has. This Bill would allow the utility to offer renewable resources where other industry participants have minimal opportunity to do so.

In summary, this Bill proposes a way to increase the amount of solar energy in the State of Connecticut requiring minimal State subsidy, in a way that is scalable for the future, and will provide ratepayers with the most solar for their hard-earned buck. NXGSolar is a Connecticut company that wants to develop its business here and contribute to the economic development of the state. We support this bill which can translate to Connecticut jobs and Connecticut manufacturing. We will be happy to provide more information or answer any questions you may have.