HOMETRONICS Solar

Leading the way in Green Home Technology

March 14, 2011

The Honorable Senator John W. Fonfara
Co-Chair
Energy and Technology Committee
Connecticut Senate

The Honorable Representative Vickie Orsini Nardello
Co-Chair
Energy and Technology Committee
Connecticut House of Representatives

Dear Chairman Fonfara and Chairwoman Nardello:

I am writing to thank you for your leadership on SB 1, *An Act Concerning Connecticut's Energy Future. As a member of the solar thermal industry I would like to support this legislation, however I cannot do so unless the legislation is amended such that* solar water heating is an eligible tier one solar resource within Renewable Portfolio Standard and therefore eligible for Solar Renewable Energy Credits (SRECs). Twelve states, including the District of Columbia, currently include solar water heating generation in their RPS objectives and Connecticut, who has a growing solar water heating industry including three manufacturers based within the state, should take similar steps forward.

The market mechanism that the RPS provides is critical to sustaining a healthy solar water heating industry over the long term, and for companies to grow confidently and hire new employees. Unlike rebate dollars which can be reallocated to other programs or reduced via the state budget, the Renewable Portfolio Standard provides a stable, dependable mechanism that enables companies to plan and forecast growth. Companies cannot depend on the availability of public dollars for rebate programs, however SRECs provide a stable mechanism that will help both solar PV and solar water heating grow into sustainable industries overtime. See the recent example of how NJ Governor Christie recently cut solar rebate dollars, yet the industry was able to endure because of SRECs (http://www.thestreet.com/story/10711028/1/shelter-from-solars-political-storms-is-new-jersey.html)

I strongly believe in this budget neutral amendment as I know it will produce substantial benefits for Connecticut, the solar water heating industry, the broader Connecticut solar industry, and the many homeowners and businesses that will benefit from solar water heating. These benefits include:

Jobs. Solar water heating installations are very labor intensive, often requiring system engineers, panel installers, plumbers, welders, carpenters, roofers, and other trades people. These are local jobs that cannot be outsourced.

Reduce Costs to Ratepayers: Allowing solar water heating to count towards Connecticut's solar energy goals will enable energy suppliers to meet more of their solar requirements and pay less fines for missing those requirements, which reduces costs for Connecticut ratepayers.

Solar for All Economic Backgrounds. Solar water heating costs less than solar electric systems and if passed, this legislation will put solar within the reach of Connecticut families of all economic backgrounds, including lower-income residents and small businesses who otherwise might not be able to participate in the benefits of solar.

Reduced Energy Costs: Solar water heating can often reduce water-heating costs by 70% - 80% annually; this is energy that all households and many businesses use everyday.

Drive Investment Into Connecticut: Solar water heating will drive over a half-a-billion dollars worth of investment over the next ten years, and five millions dollars next year alone. This will help drive innovation in Connecticut as well as create more jobs and spur the development of many new companies to fuel Connecticut's economy. This investment will lead to significant economic development and revenues for the state.

Environmental Benefits: The National Renewable Energy Laboratory estimates that solar water heating, if adopted properly across the US, has the potential to save consumers $8 billion per year in retail energy costs due avoided efficiency losses. It is estimated that the installation of each residential solar water heating system is equivalent to taking one car off the road.

*** The Addition of Solar Water Heating in the RPS is Budget Neutral ***

As you may know, water heating is the second largest energy consumer in most homes, accounting for approximately 15% of all residential energy consumption, and some businesses spend an extraordinary amount of money on water heating. Solar water heating is the most efficient solar resource, turning approximately 60% of the sun's energy into usable heat that is an ideal application for most residences, multifamily residential buildings, hotels, hospitals, car washes, breweries, restaurants, and assisted living centers.

Thank you for taking into consideration the benefits of including solar water heating as an eligible Tier I solar resource within the Renewable Portfolio Standard.

Sincerely,

James B. Sweeney