

Testimony of IPR-GDF SUEZ North America in Opposition to S.B. No. 102 An Act Expanding the Definition of a Class I Renewable Energy Source

IPR- GDF SUEZ North America is the owner of FirstLight Power Resources, Inc. (FirstLight), which owns or operates approximately 1,500 MWs of generating capacity in New England. Its New England generation fleet consists mostly of hydro-electric facilities and it is the largest owner of hydro-electric generation in Connecticut.

We appreciate the opportunity to express its opposition for Senate Bill 102, which would expand the definition of Class I renewable resources in Connecticut to include energy derived from waste heat from a public wastewater treatment plant. Our company is quite familiar with the Connecticut Class I market as it currently owns and operates two small hydro units in the State that are classified as Class I resources - Tunnel located on the Quinebaug River in Preston and Taftville on the Shetucket River in Norwich. Both qualify because they began operation after July 1, 2003 and are at or under 5 megawatt (MW) run-of-river facilities, meaning that the units' turbines are rotated by naturally flowing water.

The Connecticut Class I RPS was established in large part to provide an economic incentive to those developing particularly clean sources of electricity. Current qualifying sources include solar power, wind power, fuel cells, and, as mentioned above, certain types of hydropower, all of which result in no, or extremely low, emission of greenhouse gases. Expanding the definition would put the State down a path divergent from these goals.

For instance, in contrast to run-of-river hydro facilities, the energy ultimately derived from the waste heat at wastewater treatment plants can actually be traced back to fuels which most would not consider "renewable." The process to remove contaminants from wastewater usually involves machinery that is operated by natural gas or oil. Therefore, this legislation, if approved, would technically be awarding renewable energy credits to a fossil fuel-based source.

In addition, it is also important to note that out-of-state resources are allowed to qualify for CT Class I RECs. Therefore, when making changes to RPS laws, it is critical to always determine a reasonable estimate of how many facilities in the region ultimately may qualify for the program and how this would impact the current price. An abundance of resources could detrimentally impact the price and therefore discourage renewable energy developers from building new projects.

Finally, the Committee should be aware that Rutgers University recently was selected as the winner of an RFP put out by the Connecticut Energy Advisory Board to complete a review of Connecticut's Renewable Portfolio Standards (RPS) and related renewable energy policies. It would be wise for the CT General Assembly to carefully review the Rutgers' study, which will not be completed for several months, prior to advancing legislation that alters the current RPS.

IPR-GDF SUEZ North America urges the Committee to oppose S.B. 102 so that the Class I REC market remains competitively priced and reserved for only the most environmentally friendly renewable energy sources.

Thank you.

Submitted by:

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