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Written Testimony of Christopher Phelps, Program Director  
Before the Connecticut General Assembly Energy & Technology Committee

March 3, 2011

Written testimony concerning SB 1079, An Act Concerning Operations of Public Service Companies

Senator Fonfara, Representative Nardello, Senator Witkos, Representative Hoydick and members of the Committee: Thank you for the opportunity to offer this testimony regarding SB 1079. Environment Connecticut is a member-supported non-profit environmental advocacy organization.

**Section 1**

Environment Connecticut supports the requirement in Section 1 that the Department of Public Utility Control implement full decoupling of revenue from sales. By implementing this provision, Connecticut would remove a disincentive for utilities to support energy efficiency efforts that reduce energy demand.

**Sections 2 & 3**

These sections allow the electric distribution companies to construct, own and operate grid-connected renewable generation facilities as well as customer-sited distributed generation facilities. While Environment Connecticut strongly supports policies that would result in new renewable electric generation serving our state, we have some concerns about the impact of this legislation as currently conceived.

In particular, we are concerned that the provisions of Section 3 of SB 1079 could have the effect of restraining growth in renewable energy sectors such as the solar industry here in Connecticut. As the committee is aware, legislation creating market-based policies for development of customer-side distributed solar power was approved by the committee in both 2009 as well as 2010. Section 3 of this bill appears to abandon this approach and instead encourage EDC control of the market for customer-side distributed generation systems, including solar systems.

We are concerned that this bill moves away from the goal of establishing clear goals and encouraging development of resources to meet those goals in a manner that reduces

ratepayer costs by leveraging private investment to construct solar and other in-state distributed generation resources. Instead, SB 1079 could stifle private investment and slow growth in the amount of in-state distributed generation resources that get built in Connecticut.

We urge the committee to continue its support for the market-based approach to development of in-state distributed resources it supported for solar power incentives in 2009 and 2010. We would note that it would be perfectly appropriate for the EDC's to compete to develop of solar and other distributed generation systems by, for example, establishing affiliated entities to compete for development of such systems.

Sincerely,

Christopher Phelps  
Program Director  
Environment Connecticut