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

March 8, 2011

Written testimony supporting SB 1141, An Act Concerning Net Metering

Senator Fonfara, Representative Nardello, Senator Witkos, Representative Hoydick, and members of the Committee:

Thank you for the opportunity to offer this testimony supporting SB 1141. Environment Connecticut is a member-supported non-profit environmental advocacy organization.

Environment Connecticut strongly supports adoption of a virtual net metering policy in Connecticut. Virtual net metering can help many families, businesses and municipalities who would be otherwise unable to do so, to use Connecticut-based distributed renewable generation to meet their electric needs. This would help break our dependence on oil and other increasingly scarce, expensive and polluting energy sources. It would also help reduce energy costs for families and businesses while also creating jobs supporting renewable energy businesses here in Connecticut.

We do have some specific suggestions and concerns regarding two provisions in the bill and respectfully offer the following comments and suggestions.

- At lines 426 and 460, the bill inappropriately prohibits a renewable generation “host facility” from serving more than five virtually net metered “beneficial accounts.” This provision is too restrictive and could have the perverse effect of reducing the cost-effectiveness of virtual net metering to ratepayers generally by limiting the ability of virtually net metered generation facilities to take advantage of efficiencies of scale by serving more than 5 accounts. – Environment Connecticut urges the committee to remove the restriction limiting the number of accounts served by a virtual net metered facility.
- At line 453, the bill requires that host facilities be compensated “at the retail rate of electric power generation” for any excess unassigned generation accumulated at the end of the calendar year. This is inconsistent with Connecticut’s existing

net metering law which requires this end of year “true up” to be paid at the wholesale rate. If such true-up is paid at the retail rate it could, particularly in conjunction with the restriction that no more than five accounts be served by a net metered facility, create a perverse incentive to overbuild such facilities and result in a far too-lucrative subsidy for the host facility. – Environment Connecticut suggests resolving this issue by replacing the word “retail” at line 453 with “wholesale.”

- We also suggest that language be added to section 57 clarifying that “virtual net metering facilities” may be sited at locations where there is no load to be served such as landfills, municipal parking lots, etc. This is a key element of maximizing the public benefit of a virtual net metering policy.

Thank you for the opportunity to offer this testimony supporting SB 1141. Environment Connecticut urges the committee to approve this bill as a step towards breaking Connecticut’s dependence on oil and other increasingly costly and polluting energy sources in favor of home-grown renewable energy.

Sincerely,

Christopher Phelps  
Program Director  
Environment Connecticut