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Testimony to the Energy and Technology Committee

Senate Bill 415, An Act Concerning the Operations of the Department of Energy and Environmental Protection, the Establishment of a Commercial Property Assessed Clean Energy Program, Water Conservation and the Operations of the Clean Energy Finance and Investment Authority

March 15, 2012

The South Central Connecticut Regional Water Authority (SCCRWA) is a non-profit, public corporation and political subdivision of the State. Our mission is to provide our customers with high quality water at a reasonable cost while promoting the preservation of watershed land and aquifers. We provide approximately 50 million gallons of water per day to over 425,000 consumers in our region. The source of this water is a system of watershed and aquifer areas that cover about 120 square miles within 24 municipalities. More than 27,000 acres of these watershed and aquifer areas are protected as open space as a result of the Authority's efforts and efforts with partners. Within the 20 member towns of our water district, we own and operate a public water system, which includes 10 active reservoirs, 4 surface water treatment plants and 6 ground water treatment plants.

The South Central Connecticut Regional Water Authority (SCCRWA) appreciates the opportunity to express our **support** for the proposed changes in Section 48 of **Senate Bill 415, An Act Concerning the Operations of the Department of Energy and Environmental Protection, the Establishment of a Commercial Property Assessed Clean Energy Program, Water Conservation and the Operations of the Clean Energy Finance and Investment Authority.**

Section 48 looks to broaden the eligibility of those entities that can participate in virtual net metering (VNM). "Virtual Net Metering" is a variation on basic (physical) net metering. In a basic net metering configuration, an electric customer who has installed an on-site behind-the-meter renewable resource (e.g. solar panels, a fuel cell or a wind turbine) can "run the utility meter backwards" during times when the output of the generator exceeds the instantaneous electric loads at the premises. For example, a building that had a 400kW fuel cell installed and had a peak electric demand of 600kW and a minimum electric demand of 200kW would be able to run the fuel cell at its full output at all times. During the hours when the output of the fuel cell exceeded the building's electric demand, power would be exported to the grid. However, rather than selling the exported power to the local electric utility or into wholesale markets at a relatively low price, that exported power would effectively be banked with the utility until the building needed to import power from the grid.

In Virtual Net Metering, the netting process of imports and exports is quite similar to physical net metering as described above but the main difference is that the electric load and generation resource need not be located at the same premises. Thus, for example, if a fuel cell in the above example were installed at a water treatment plant in one municipality, the net metering process could occur not only with respect to electric loads at that treatment plant, but also at other facilities such as pump stations and other treatment plants the water utility owns.

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As a public water supplier serving the greater New Haven area, RWA operates more than 120 pumps and treatment facilities throughout the water district. Not all of these geographic locations within the water district are well suited for the placement of renewable energy equipment because of shading related to surrounding trees or structures or inadequate sun exposure due to north-facing slopes or valleys which can dramatically decrease the amount of natural energy utilized. In addition, the individual sites may have constraints due to local building codes or other property restrictions or covenants that can limit the viability of a planned renewable energy installation.

With Virtual Net Metering, the RWA would be able to take advantage of renewable energy efficiencies by siting these installations at appropriate geographic locations while taking advantage of lower costs associated with less equipment used such as the number of energy inverters, less electric distribution cables, and fewer remote monitoring/reporting instruments.

The existing legislation for VNM only provides benefits for municipalities. By **broadening it to include “governmental customer”** as is done in lines 2587 through 2589, **it will enable the Regional Water Authority, as a “political subdivision” of the State, to benefit as well.** Thank you for your consideration of Section 48 of SB 415 which will incrementally advance the State of Connecticut’s pursuit of reduced reliance upon fossil and other non-renewable sources of energy.