



Written Testimony of SolarCity

In Support of Governor's HB No. 6360 – An Act Concerning Connecticut's Comprehensive Energy Strategy; Particularly Sec. 5 Section 16 – 244u

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Senator Duff, Representative Reed, and members of the Joint Energy Committee, SolarCity offers this written testimony in support of HB No. 6360 An Act Concerning Connecticut's Comprehensive Energy Strategy. We are particularly supportive of Sections 5. Section 16-244u; as it pertains to Virtual Net Metering.

My name is Shaun Chapman; I serve as Deputy Director of Government Affairs for SolarCity. We sell renewable energy to our customers at prices below utility rates. We currently serve customers in 14 states, and we intend to expand our footprint internationally, operating in every market where distributed solar energy generation is a viable economic alternative to utility generation. We generate revenue from a mix of residential customers, commercial entities such as Walmart, eBay and Intel, and government entities such as the U.S. Military. We structure these customer agreements as either leases or power purchase agreements. Our lease customers pay a fixed monthly fee with an electricity production guarantee. Our power purchase agreement customers pay a rate based on the amount of electricity the solar energy system actually produces.

We are a leading provider of clean energy services in Connecticut; one of the key policy improvements that allowed SolarCity to do business in Connecticut was the passage of PA 11 – 80. As of the start March 2013, we now employ over 50 Connecticut workers. We offer both solar installation and energy efficiency services to homeowners throughout the country. Through our services, we make it easy for customers to switch to cleaner energy by taking a comprehensive look at our customers' energy usage and identifying opportunities for improvement.

We are pleased to offer this testimony of support for HB No. 6360 An Act Concerning Connecticut's Comprehensive Energy Strategy, as we believe it is in keeping with Connecticut's top-to-bottom strategy for deploying least cost clean energy systems. Public Act 11 – 80 went a

long way to encouraging the deployment of these systems, following up on this bold leadership with the passage of this bill will continue to drive consistent, responsible deployment of cost effective renewable energy.

We are supportive of the arrangement known as Virtual Net Metering (VNM) as we believe it is another policy tool that allows all citizens to participate in the solar value proposition, further democratizing the choice to go solar. Participating in clean renewable energy should not be limited to those with access to a large roof, a big back yard, or those willing to cut down trees. We believe this is an area where PA 11 – 80 attempted to make improvements, but fell short given unanticipated challenges.

We are supportive of some of the changes in the bill, and offer just a few other suggestions, based on successful projects in other jurisdictions:

- We believe that those who may participate in the program should be expanded to include commercial projects.
- We believe that, in keeping with a sound and important micro-grid strategy, that a VNM project should be able to allocate credits to TEN accounts, and FIFTEEN for micro-grid enabled projects.
- We believe the other changes, as proposed in sections Sections 5. Section 16-244u as submitted, are important and necessary for a meaning VNM program to exists
 - In Particular, host customers of solar projects must be given the ability to lease or enter into a power purchase agreement with project developers in order to take maximum advantage of tax incentives, particularly the credit known as the Federal ITC (Investment Tax Credit). For towns, municipalities, churches, non-profits and schools this represents a 30% savings on their energy bill they are not able to recoup, without a lease or PPA a structure, given they are not taxable entities.

We thank the committee for their time and leadership in this matter.

Sincerely Yours,



Shaun Chapman Deputy Director, Government Affairs for SolarCity