

TESTIMONY OF GUY WANEGAR, PRESIDENT  
CONNECTICUT GEOTHERMAL ASSOCIATION (CTGEO)

before the

ENERGY & TECHNOLOGY COMMITTEE

**HOUSE BILL 6532: AN ACT CONCERNING CERTIFICATION OF CLASS I AND CLASS II  
RENEWABLE ENERGY SOURCES AND CLASS III SOURCES, RENEWABLE ENERGY  
CREDITS AND ALTERNATIVE COMPLIANCE PAYMENTS**

Senator Duff, Representative Reed, Senator Chapin, Representative Hoydick and esteemed members of the Energy & Technology Committee:

My name is Guy Wanegar and I am President of the Connecticut Geothermal Association. CTGEO is an organization of geothermal heat pump system installers and related tradespeople organized to promote the growth of the ground source heat pump industry in Connecticut. Thank you for the opportunity to speak before you today.

On behalf of CTGEO, I would like to share my concerns with you regarding HB 6532. It is important to note that my comments here are based on the assumption that the Legislature moves to include geothermal heat pumps as a Class I resource under the Renewable Portfolio Standard (RPS) as is proposed in HB 6535, for which CTGEO has offered its support under separate testimony today.

In addition, I preface the following comments with the reality that it is CTGEO members' *customers* that will participate in the Renewable Energy Credit (REC) program, not our members themselves. Therefore, these comments are meant to help this Committee ultimately design legislation that facilitates participation by these customers, who are largely small, residential homeowners.

**Section 1**

CTGEO supports the Committee's efforts to require verification and certification of projects that apply to participate in the REC program, which is ultimately funded using ratepayer dollars. However, we are concerned that the \$500 application fee for certification and the process outlined for receiving and maintaining certification may be prohibitive for residential customers wishing to participate in the program.

As noted above, CTGEO members' customers will ultimately be responsible for REC program application and compliance. These customers also pay their fair share of the REC program through their electric rates. Given this reality, CTGEO encourages the Committee to consider certification processes and fees from the perspective of a residential rate-payer, recognizing that the more cumbersome and expensive the process is, the less likely it is to provide an incentive for customers to choose renewable technologies over traditional energy systems. As a suggestion for further consideration, CTGEO suggests that implementing a sliding fee scale based on the size of the project and owner characteristics may help protect residential customers from unduly burdensome application costs.

CTGEO respectfully offers new language (below) requiring the PURA to evaluate and determine the appropriate standards by which geothermal heat pump installers shall be certified and that evidence of certification be required on project eligibility application. CTGEO offers this language to emphasize its concern that the State take appropriate steps to ensure that the rate-payer investment dollars that fund the REC program ultimately result in well functioning, quality installations. We offer this language to be included here, in Section 1, so it will be tied to the project certification process.

*(NEW) Geothermal heat pump system installers must be certified under the applicable standards of a nationally recognized professional organization such as the International Ground Source Heat Pump Association (IGSHPA), which shall be specified by the Connecticut Public Utilities Regulatory Authority.*

### **Section 5**

CTGEO is concerned that lowering the Alternative Compliance Payment (ACP) may have the impact of reducing the value of the RECs themselves. Therefore, we encourage the Committee to consider the ACP cap adjustment carefully before potentially diminishing the value of this new incentive for customers.

### **Section 10**

CTGEO reiterates its concern from Section 5 (above) in that an expansion of the market may have a depressing effect on the value of RECs. From CTGEO's perspective, it is imperative that RECs continue to carry meaningful value that will provide benefits to Connecticut's energy-conscious consumers interested in transitioning to renewable energy systems.

Thank you, once again, for the opportunity to testify before you. CTGEO is ready and willing to assist this Committee and the Legislature in ultimately drafting legislation that works for consumers and achieves additional renewable energy deployment in the state.