



CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

**Statement of the Connecticut Clean Energy Finance and Investment Authority
Regarding Raised H.B. 6532 and H.B. 6535**

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

and

AN ACT REDEFINING CLASS I RENEWABLE ENERGY SOURCES

The Clean Energy Finance and Investment Authority (CEFIA) hereby provides the following comments regarding H.B. 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 and H.B. 6535 An Act Redefining Class I Renewable Energy Sources.

The two aforementioned bills both address Renewable Portfolio Standard (RPS) program matters. We would like to first recognize that there is a long history in Connecticut, regionally, and across the country. The RPS markets have certainly matured over the years as clean energy (broadly defined) has also matured.

CEFIA's goal is to attract and deploy capital to finance the clean energy goals of Connecticut by helping scale-up the deployment of renewable energy in the state. CEFIA seeks to support the RPS program by leveraging private capital to support the deployment of clean energy. Our efforts in part rely on the RPS Renewable Energy Certificate (REC) market and thus we are interested in the general RPS policy. Additionally, our clean energy definition incorporates C.G.S. 16-1(26).

Section 12(5)(B) of H.B. No. 6532 requires each market participant that purchases or sells RECs certified in the state of Connecticut to disclose to the PURA each month (emphasis added), among other things, the source of the REC, date of transaction, and purchase price. CEFIA respectfully requests the committee consider modifying this to no more than every quarter—to better align with quarterly PURA REC Docket compliance filings. This would lessen the administrative burden on the market participants, of which CEFIA is one.

CEFIA would also like to note we recently went through a competitive RFP to qualify an independent metering company for solar thermal that we believe is revenue quality for RECs. We would be glad to share what we have learned and work with this committee

and PURA to establish effective metering criteria to support the implementation of the RPS as it applies to solar thermal technologies.

To support the implementation of the Comprehensive Energy Strategy and specifically microgrids and the diversification of Class I resources deployed in Connecticut, the Energy & Technology Committee should consider modifying Section 71 of PA 07-242 “An Act Concerning Electricity and Energy Efficiency.” This section allows the electric distribution companies (EDC) to engage in long-term contracts for no more than fifteen (15) years for Class I, II and III renewable energy sources. The Department of Public Utility Control (DPUC) Docket No. 07-06-61 “DPUC Examination of Electric Distribution Company Contracts for Renewable Energy Certificates,” established a process for the implementation of Section 71 of PA 07-242 allowing, but not requiring, the EDCs to procure long-term contracts between 4 to 10 years for Class I resources only. CEFIA recommends that for Class I and III technologies that provide grid reliability benefits (i.e. fuel cells, solar PV with battery back-up, CHP, etc.) during times of a natural disaster, or for projects that diversify the state’s capacity to meet our RPS goals with domestic resources that the Committee consider modifying Section 71(g):

- From “...each electric distribution company may procure renewable energy certificates from Class I, Class II, and Class III renewable energy sources through long-term contracting mechanisms.”
- To “...each electric distribution company shall procure renewable energy certificates from Class I, Class II, and Class III renewable energy sources through long-term contracting mechanisms that provide grid reliability benefits to Connecticut residents.”

Regarding H.B. No. 6535, CEFIA supports this bill as CEFIA believes the addition of thermal energy into Class I of the RPS provides many benefits. CEFIA has performed economic development/job studies, which indicate that thermal energy deployment provides very good economic activity (see Table 1).

Table 1. Job and Emission Benefits from the Deployment of Various Clean Energy Technologies

Clean Energy Resource	Direct Jobs (FTE) / \$1M Invested	CO ₂ Emissions / MMBTU (pounds)	CO ₂ Weighted Average*
Solar PV – Non Residential	3.4		
Solar PV – Residential	5.9	303.84	
Fuel Cell @ FCE	4.8	28.41	
Fuel Cell @ UTC	4.8	24.38	
GSHP vs. Natural Gas	8.3	86.37	140.63
GSHP vs. Oil	8.3	144.70	140.63
GSHP vs. Electric	8.3	234.27	140.63

Resistance Heat			
Solar Thermal vs. Natural Gas	7.6	180.00	266.07
Solar Thermal vs. Oil	7.6	298.18	266.07
Solar Thermal vs. Electric	7.6	320.45	266.07

As indicated above, CEFIA’s goal is to attract and deploy capital to finance the clean energy goals for Connecticut. A subset of this goal is to support the deployment of in-state resources, the clarification of solar thermal¹ and addition of geothermal will provide additional opportunity to local contractors.

CEFIA is pleased to be a part of the new energy, environmental and economic development landscape in Connecticut and looks forward to supporting the legislature’s and Governor’s clean energy vision to deliver cleaner, cheaper and more reliable sources of energy.

We thank you again for the opportunity to provide these comments and look forward to continuing to work with this committee.

¹ The 2012 Integrated Resource Plan for Connecticut identifies solar thermal as a Class I resource in Connecticut – Appendix D (D-5).