

STATE OF CONNECTICUT
ENERGY & TECHNOLOGY COMMITTEE

Raised Bill No. 6535 – An Act Redefining Class I Renewable Energy Resources

Public Hearing Testimony of

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Apricus Inc a Manufacturer of Solar Thermal Equipment located in North Haven, CT and a member of The Connecticut Thermal-Renewable Energy Coalition ("CT-REC"), appreciates this opportunity to support Raised Bill No. 6535 ("Bill 6535") and its proposal to redefine Class I Renewable Energy Sources in the State's renewable portfolio standard ("RPS").

I am Eric Skiba, an engineer at Apricus, a Connecticut company that manufactures, and distributes, equipment for solar thermal systems, commonly known as solar hot water systems. The company has been manufacturing solar thermal equipment since 2002 and began work in the US in 2007 with our offices in Connecticut. Our systems are well recognized for their environmental benefits in significantly offsetting the energy consumed by buildings for heating hot water and other thermal loads such as space heating, cooling and other processes requiring thermal energy.

Connecticut can significantly advance its renewable energy strategy by adopting provisions to incorporate Renewable Energy Credits (RECs) from applications including solar thermal technology as a Class I resource under the state's RPS. By allowing thermal RECs to be generated from solar thermal systems, the industry will be in a better position to make plans for growth. Other states have begun to allow thermal RECs and while the industry growth has not been exponential, the future stability of the market has allowed us to plan for expansion into these areas. I estimate the RECs generated in one year of a systems operation will be about 10% of the installation cost which will help increase the installed solar capacity in the state. In addition, growth in the solar thermal field will create a high demand for qualified installers, many of whom come from a trades backgrounds.

As detailed by other CT-REC members testifying today, Bill 6535 provides increased support for in-state resources with no new funding required, reduces ratepayer expenditures for RPS compliance, and allows for the more efficient utilization of fuels that are already eligible under existing RPS guidelines.

Connecticut's RPS utilizes market-based incentives to accomplish defined public policy objectives. Currently, more than 96% of all funds associated with Class I RECs leaves the state of Connecticut. I encourage the legislature to take action now to ensure that these RPS dollars contribute to the economic development of in-state renewable generation.

Currently, only Renewable Energy in the form of electricity is currently eligible to receive CT RPS credits, thus denying the natural gas and fuel oil providers from benefiting from the use of renewable fuels. Solar thermal has the ability to replace energy used by commercial, residential and industrial buildings with a renewable source of fuel at a high efficiency, and relatively low cost.

The concept of non-electric thermal RECs has been accepted in both the Federal Executive Order on Renewable Energy as well as fifteen state level RPS programs. Both Maryland and New Hampshire enacted legislation last year designating thermal RECs as Class I resources from specific in-state resources. The Massachusetts legislature is currently considering the inclusion of thermal energy into its renewable mandate, as is Maine, Oregon, Illinois, New Mexico and Colorado. Thus, Bill 6535's legislative solution is consistent with similar efforts in other states and Connecticut should take this opportunity to proactively include the benefits of these widely acknowledged applications into its existing RPS.

I believe that Bill 6535 represents a significant opportunity for Connecticut to advance its clean energy goals without collecting additional funds from ratepayers and taxpayers.

Thank you for your consideration of my testimony in support of Raised Bill No. 6535. I respectfully encourage the Committee on to adopt reasonable measures to respond to the State's renewable energy challenges in a timely and cost-effective manner. I am available to answer questions regarding my testimony.