

An Act Redefining Class I Renewable Energy Sources

Mr. Chairman; Madame Chairwoman; members of the committee: My name is Larry Richardson, and I am Chief Executive Officer of ReEnergy Holdings LLC. ReEnergy owns and operates facilities that use biomass and other residual fuels to produce renewable energy in three states in the Northeast, including a plant in Sterling, CT. Our facility in Sterling produces 200,000 MWh of electricity per year -- enough to supply nearly 30,000 homes -- and employs approximately 30 local residents and supports many more indirect jobs. As of last fall, our Sterling facility became the first utility-scale power plant in the state of Connecticut to generate in-state Class 1 RECs from biomass. It also now serves as an important in-state resource for the disposal of woody storm debris.

We are testifying today regarding House Bill 6535. Section 2 of this bill calls for a modification to existing statute Sec. 16-1 (45) so that certain renewable energy facilities using wood recovered from construction and demolition debris, known as recovered C&D wood, would be allowed to continue to sell Class I Renewable Energy Certificates into the Connecticut REC market. We believe it is important to preserve the ability of currently eligible facilities (specifically two of our power plants in Maine) to participate in the Class I REC market, as these facilities help Connecticut to both achieve its REC targets and support in-state jobs.

If Section 2 is not enacted, these facilities will not be able to use recovered C&D wood and create Class I RECs once the new power plant in Plainfield comes on line later this year. In addition to creating an artificial advantage for the Plainfield plant in the use of recovered C&D wood as a fuel, the maintenance of the existing statute will send Connecticut backward in its work toward meeting REC targets.

Enactment of the Section 2 provision also would continue to encourage recycling. A good deal of Connecticut C&D wood is currently being landfilled. If more than one facility is allowed to sell Class I RECs generated with recovered C&D wood, we would see more recovery and recycling of that material, creating a competitive commodity market and new jobs. Connecticut C&D processors will find that it makes sense -- both economically and environmentally -- to recycle their recovered wood, both inside Connecticut and in adjacent states. Recycling and solid waste issues often require interstate solutions.

For these reasons, we support this provision of the legislation because it would help us to continue to deliver much-needed Class 1 RECs while encouraging the recycling and recovery of waste wood to the benefit of the state's economy and environment.

Finally, the other provisions in the bill relating to thermal energy are troubling to us. While we do not oppose consideration of RECs from thermal energy produced by renewable fuels, we adamantly oppose RECS for thermal energy from fossil fuels. This would undermine the intent of the RPS program.

I also wish to note that we have filed written comments in opposition to House Bill 6532. We thank you for the opportunity to comment. If we can be of any further assistance, please don't hesitate to contact us.