

**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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My name is Thomas Jacobsen, and I am here today representing Element Markets, a leading developer and operator of bio-methane projects throughout the United States, as well as a member of The Connecticut Thermal-Renewable Energy Coalition ("CT-REC"). I appreciate this opportunity to voice our support for Raised Bill No. 6535 ("Bill 6535") and its proposal to redefine Class I Renewable Energy Sources in the State's renewable portfolio standard ("RPS").

As detailed by other coalition members testifying today, Connecticut is in a unique position to significantly advance its renewable energy strategy by adopting thermal energy resources as part of its RPS. Beyond environmental considerations, the adoption of Bill 6535 provides three key benefits: (1) increased support for in-state resources with no new funding required, (2) reduced ratepayer expenditures for RPS compliance, and (3) more efficient utilization of fuels that are already eligible under existing RPS guidelines.

Element Markets owns and manages multiple landfill gas-to-energy projects throughout North America as well as a large Anaerobic Digestion Facility in Texas, and combined represents one of the largest portfolios of renewable natural gas in the country. These projects collect the methane emissions associated with the decay of natural organic materials and process it into a useful energy resource. We also have significant expertise in the renewable energy, renewable fuel, greenhouse gas, and emissions credit markets. In Connecticut we have partnered with a number of hospitals, as well as commercial and industrial businesses for whom we help to capture the benefits associated with their on-site renewable energy generation.

In exploring opportunities to develop biogas projects in Connecticut, I have personally had numerous fruitful conversations with wastewater treatment facilities and municipalities in the state. There is a significant level of interest to take the next step and look at project details. When we examine the numbers, project economics improve considerably for plans to utilize biogas to generate heat as compared to the generation of electricity. Currently, biogas is eligible to create Renewable Energy Credits ("RECs") when used as fuel for electric generators, but is up to 3.5 times more efficient if used to generate heat in thermal applications.

Biogas is well recognized for its environmental benefits in significantly lowering Greenhouse Gas emissions, and is even considered to be “carbon-negative” in some applications. By adopting provisions to incorporate RECs from thermal applications including biogas as a Class I resource, Connecticut can maintain its commitment to the goals of the state’s Global Warming Solutions act while also supporting Public Act No. 11-80’s mandate to reduce energy costs, advance environmental goals, and recognize the value of in-state renewable electricity sources, including the benefits of additional jobs.

Connecticut’s RPS utilizes market-based incentives to accomplish defined public policy objectives. The most recent RPS compliance report published by DEEP showed that more than 96% of all funds associated with Class I RECs leave the state of Connecticut. Using data from sources including Bloomberg New Energy finance, we estimate that Connecticut ratepayers could pay as much as \$150 million to meet Class I RPS compliance obligations for 2013. I encourage the legislature to take action now to ensure that these RPS dollars are re-directed to invest in the sustainable energy future here in Connecticut, creating local jobs and contributing to the local economy while still meeting Connecticut’s environmental commitments. And just as importantly, by increasing the supply of credits available, the cost to Connecticut ratepayers of complying with these mandates most likely will decrease as a result of recognizing these clean, renewable energy resources.

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. Maryland and New Hampshire designate thermal RECs as Class I resources and the Massachusetts legislature is currently considering thermal energy as part of its renewable strategy – as are the states of Maine, Oregon, Illinois, New Mexico and Colorado. Thus, Bill 6535 is consistent with similar efforts in other states, and Connecticut should take this opportunity to lead in the creation of a truly regional effort by including the benefits of these widely acknowledged applications into its existing RPS.

Thank you for your consideration of my testimony in support of Raised Bill No. 6535. I respectfully encourage the Committee to adopt measures to support in-state renewable energy opportunities. I am available to answer questions regarding my testimony.