



Testimony
Elizabeth Gara
Connecticut Water Works Association
Before the Energy Committee
March 7, 2013

The Connecticut Water Works Association (CWWA) respectfully submits the following comments relative to **HB-6360, An Act Concerning Implementation of Connecticut's Comprehensive Energy Strategy**.

As stewards of the state's water resources, we appreciate that Governor Malloy's 2012 Connecticut Comprehensive Energy Strategy recognizes that, treating and distributing water is very energy intensive. As noted in the full report, EPA found that water utilities' biggest cost is energy and that those costs can represent as much as 65% of a utility's annual budget.

Clearly, energy efficiency programs are critical to water utilities in controlling costs and customer rates as well as in promoting water conservation. Accordingly, water utilities are pursuing efforts to reduce energy costs, improve the efficiency of equipment such as pump stations, reduce leaks and adopt other measures that save energy as well as water. We are also interested in developing new strategies to utilize energy efficiency programs to reduce costs and promote water conservation.

CWWA **supports the following provisions in HB-6360** which will assist water companies in reducing energy costs and consumption:

➤ **Combined Conservation Plan**

HB-6360 specifies that the combined conservation plan developed by the electric and gas companies may include water conservation programs in addition to energy. Given that energy costs are huge component of overall water treatment and distribution costs, CWWA supports efforts to include specific efficiency programs for water and wastewater utilities, and water conservation measures, in general, rather than just those that reduce energy use related to heating water. This recommendation will enhance opportunities for water companies to utilize energy efficiency programs to reduce costs and promote water conservation.

➤ **Virtual Net Metering**

Section 5 of the bill broadens eligibility for "virtual net metering," expands the maximum size of the generating unit that can take advantage of virtual net metering, and potentially increases the value of the electric bill credit that participating customers receive.

Under current law, municipalities are eligible for virtual net metering which allows them to share the billing credit among their electric accounts, although the number of municipalities eligible to participate is limited due to the cap. Therefore, under existing law, municipal water departments are eligible to utilize virtual net metering but regional water authorities and private water companies are not. Given the considerable benefits to the state, the environment and water utility customers in reducing energy costs and consumption, allowing all water utilities to utilize virtual net metering makes good sense.

CWWA therefore urges lawmakers to expand eligibility for virtual net metering to include regional and private water companies, as defined under Section 25-32a of the Connecticut General Statutes.

➤ **Microgrids**

Under current law, municipalities can share the billing credit with no more than five other municipal accounts. Under the bill, municipal or state accounts connected to a microgrid may share the credits with up to five additional non-state or municipal critical facilities, which may include water and wastewater facilities. Although this may benefit water treatment facilities in some areas, water utilities that serve smaller communities in which microgrids are not viable would not be able to benefit. **We recommend that this provision be amended to allow municipal accounts to share credits with additional facilities in areas in which microgrids are not feasible.**

CWWA also supports provisions in the bill which adopting alternative ways of incentivizing Virtual Net Metering projects and reducing the subsidy that is paid for by other ratepayers to allow additional virtual net metering capacity within the current cap.

Thank you for the opportunity to comment.

The Connecticut Water Works Association, Inc. (CWWA) is an association of private, municipal and regional public water supply utilities serving more than 500,000 customers, or population of about 2½ million people, located throughout Connecticut.