



CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

**Statement of the Connecticut Clean Energy Finance and Investment Authority
Regarding Raised Bill H.B. 6472**

**AN ACT CONCERNING THE COMMERCIAL PROPERTY ASSESSED CLEAN
ENERGY PROGRAM**

The Clean Energy Finance and Investment Authority (CEFIA) hereby provides the following comments regarding H.B. 6472, An Act Concerning The Commercial Property Assessed Clean Energy Program.

The changes proposed would allow district heating and cooling systems¹ to be eligible for low-cost long-term financing under the Commercial Property Assessed Clean Energy (C-PACE) Program. CEFIA is the statewide administrator of the C-PACE Program and is excited about the initial demand by municipalities, private capital providers and building owners.

The inclusion of district heating and cooling systems and micro-grids², as eligible community-based clean energy systems for C-PACE projects would allow for equipment that is not permanently fixed to the property to qualify for the C-PACE Program. CEFIA would like to suggest that if the legislature desires to allow equipment to qualify that is permanently fixed, but not necessarily permanently fixed to each commercial real property benefitting from the “energy improvements” (as defined in PA 12-2) as is common with district heating and cooling systems, that there may be other desirable projects that would also help Connecticut achieve its Clean Energy Goals. One example of this is the expansion of micro-grids, or other community-based clean energy sources. A broader definition would also be consistent with our technology agnostic approach as district energy and microgrids are essentially community-based energy systems that link multiple clean energy generating resources to multiple properties to provide electric and thermal energy.

CEFIA is not aware of other PACE programs across the country whereby some of the equipment (eg. the piping from one commercial property to another) is not necessarily permanently fixed to the commercial real property(s) benefitting from the “energy improvements” that would be eligible as a PACE financed project. If such language were to be adopted, it is CEFIA’s belief that a lien would be required on all of the

¹ District heating and cooling systems are energy distribution system that link one or more energy generation sources to multiple buildings to provide thermal energy.

² Microgrids are small, self-contained electricity, heat, and sometimes cooling distribution systems that coordinate and distribute energy supplied from multiple generation sources to a network of users in a spatially defined area.

properties realizing energy efficiency savings or clean energy production in order to be consistent with the PACE financing model.

CEFIA is currently examining the feasibility of performing a Savings to Investment Ratio (SIR) on multiple properties that would receive benefits from the larger coordinated clean energy systems such as, micro-grids and district heating and cooling systems. As existing projects in the United States have undergone a similar analysis to provide multiple customers on a shared system with energy performance guarantees below their current energy consumption, we believe performing an SIR will be feasible per industry practice.

CEFIA has been working diligently to develop relationships and opportunities with key stakeholders in an effort to adequately provide a well-designed and effective C-PACE Program and we look forward to continuing to work with the Energy and Technology Committee and the legislature to provide policies that enhance these opportunities.

It should be noted that CEFIA has provided funding for a feasibility study to develop a district heating loop in the City of Bridgeport.

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.