

Connecticut Geothermal Association

P.O. Box 268 Rocky Hill, CT 06067

March 19, 2013

COMMENTS before the

ENERGY & TECHNOLOGY COMMITTEE

SUBSTITUTE BILL 1138:

AN ACT CONCERNING CONNECTICUT'S CLEAN ENERGY GOALS

Senator Duff, Representative Reed, Senator Chapin, Representative Hoydick and esteemed members of the Energy & Technology Committee:

My name is Guy Wanegar and I am President of the Connecticut Geothermal Association (CTGEO). I regret that I am unable to appear before you today in person and appreciate your consideration of CTGEO's comments in opposition to Substitute Bill No. 1138 (LCO 4767) *An Act Concerning Connecticut's Clean Energy Goals*.

CTGEO is an organization of geothermal heat pump system installers and related trades-people organized to promote the growth of the ground source heat pump industry in Connecticut.

The Substitute Bill before you today restricts the eligibility pool of Class I resources and carves out a portion of Class I requirements to accommodate imported, utility-scale hydroelectric power. CTGEO believes the bill as written will stop the Renewable Portfolio Standard (RPS) program's incentive to create new, clean and renewable projects and jobs in Connecticut. By taking away a market incentive for new project development, the program essentially exists as a ratepayer subsidy to existing projects. For these reasons, the CTGEO opposes the bill in its entirety.

The Substitute Bill restricts Class I renewable energy sources to "electricity", rather than "energy". This change in terminology significantly alters the program to specifically exclude clean, renewable technologies that deliver substantial net energy benefits to the very customers that fund the REC program. The restriction of REC eligibility to electric sources has produced local benefits for the electric renewable sector as evidenced by the significant investment in solar deployment in the state. By opening up the program to technologies that reduce heating and cooling loads, we can incentivize the local installation of projects that serve to reduce peak load and prices for Connecticut's electric consumers. Therefore, CTGEO supports keeping the current "energy" terminology in place and expanding Class I status to include technologies that decrease fossil fuel dependence for supporting critical heating and cooling loads. (See CTGEO's testimony earlier this Legislative Session in support of HB 6535: *An Act Redefining Class I Renewable Energy Sources*.)

Similarly, the Substitute Bill restricts REC eligibility to currently existing facilities. For the reasons stated above, CTGEO opposes changes to the program that do not incentivize new development of local, in-state renewable projects.

Finally, the Substitute Bill creates a new Class I contracted tier renewable energy source including imported Canadian hydropower that is permitted to serve a portion of the RPS Class I requirements. CTGEO believes that this restriction amounts to the State picking winners in the REC market. In addition, we are concerned that Connecticut ratepayers who fund the REC program will contribute more revenues than necessary to one producer located out of the Country and, in the process, create fewer local jobs and customer-sited renewable projects.

Thank you for receiving my testimony today. I appreciate your attention.