

March 19, 2013

Connecticut Legislature – Energy and Technology Committee

**Testimony Regarding Proposed Substitute Bill 1138
An Act Concerning Connecticut’s Clean Energy Goals**

Thank you for considering these comments, expressed on behalf of the Connecticut Geothermal Association.

Last year, Governor Malloy announced, in his Comprehensive Energy Strategy, that we need to broaden the definition of Class I renewable energy sources. It was a good idea then, and it still is a good idea. Restricting that definition strictly to electricity, as Substitute Bill 1138 does, accomplishes the opposite. If only electricity is allowed for payment of Class I Renewable Energy Credits (RECs), most of that REC money will be spent outside of Connecticut. But broadening the definition of Class I renewables to include systems that *extract thermal (heat) energy*, and make that energy available to Connecticut residents and businesses, will provide benefits to Connecticut homeowners, businesses, workers, and electric rate payers.

- Connecticut’s supply of indigenous energy sources is limited. Geothermal, Solar Thermal, Bio fuel in the form of recycled vegetable oil, and Bio mass are the primary sources of renewable thermal energy here.
- Connecticut’s job market and tax base have dwindled, largely as the result of high energy costs and an unfriendly business climate. Installing and operating renewable thermal energy systems here in Connecticut helps to restore opportunities for businesses and jobs as well as increasing the tax base.
- Making sources of renewable thermal energy eligible for Class I Renewable Energy Credits will provide incentives for people and businesses to invest in these technologies, resulting in:
 - Business opportunities and job creation;
 - Fewer greenhouse gasses emitted;
 - Competition for Class I RECs, resulting in lower REC prices;
 - Decreased dependence on fossil fuels;
 - Greater flexibility for achieving the targets of the RPS;
 - Actual broadening of the definition of Class I renewables.

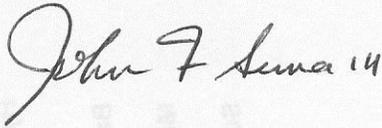
There are some things we need to be cautious about. Renewable credits need to be measured from actual system performance. For example, the thermal energy extracted by geothermal and solar heating systems can be measured and verified. The American Society of

Testing Materials (ASTM) is working now on specific standards for that. No credits should be paid based on assumptions, estimates or 'modeled' performance.

Systems that extract thermal energy must be installed by persons who are qualified, by training and experience particular to those systems, to design, install and repair them. It will not be sufficient to hold general trade licenses, as these are specialized trades. Participation in REC payment programs must require certification by organizations that are nationally recognized for training and certification.

Please include renewable thermal energy in Class I renewable energy sources, and do not exclude them as Proposed Substitute Bill 1138 would require.

Respectfully Submitted

A handwritten signature in cursive script that reads "John F. Sima III". The signature is written in dark ink on a light-colored, slightly textured background.

John F. Sima III