March 4, 2014

State of Connecticut General Assembly
Committee on Energy and Technology

RE: HB 5412 Shared Clean Energy Facilities

Ladies & Gentlemen:

Clean Energy Collective is pleased to have the opportunity to provide comments on the proposed legislation HB 5412, the Act Concerning Shared Clean Energy Facilities. Clean Energy Collective (CEC) is the company that built the first community-owned solar garden in the US, has built the largest community-owned solar garden and has built the most community-owned solar gardens. I mention this simply to demonstrate that we are one of the few companies that have direct experience in developing and operating shared renewable energy facilities.

First and foremost, we are in support of HB 5412. Taken as a whole, it addresses the issues necessary to create community-owned solar facilities and to provide some of the key protections for consumers. Our comments or suggestions for consideration are offered only as possibilities to further refine the program, and are based on our direct experience in Colorado, Minnesota, New Mexico, Vermont and Massachusetts.

Our comments are as follows:

As it relates to Subscribers, we would suggest that subscribers should be measured in capacity they are contracting for, rather than in kWh produced. Capacity is a constant and allows for the fractional allocation of actual production each month, whereas production is variable.

As it relates to updating the list of subscribers with the serving utility for bill crediting, we would suggest it needs to be done monthly. We currently update our utility partners every month, and it is a simple transfer of computer file information. Xcel Energy updates their subscriber roles in real time, and the effect takes place at the end of the month. We don't see any reason why subscribers in Connecticut should be denied their bill credits for up to 90 days.

With regard to the monthly calculation of the bill credits for subscribers, we would suggest that you make it the responsibility of the subscriber organization. We would also suggest that the subscriber organization provide a monthly file to the serving utility which contains all of required data fields for the serving utility to post the on-bill credits for each subscriber. Placing the responsibility on the subscriber organization aligns the workload with the benefit, and will enable rapid development of facilities.

With regard to the purchase of production from unsubscribed capacity, we would suggest that the price be set at the same rate as the bill credit rate for subscribers. The purchase of unsubscribed power is what provides the financial backbone for the developer. Without this component, the developer does not have a means to provide debt service protection for the construction lender, and the tax equity investor. Developers are restricted from using subscriber's funds to build a project, as that would be

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putting consumer's funds at risk, so developers must utilize financial institutions to provide the necessary capital to build the projects.

The purchase of unsubscribed power is essential to the development of shared facilities and it must be at a rate high enough to provide some level of debt service for the project. Projects will not be built if developers are unable to secure the necessary capital. The use of the locational marginal price will not provide the necessary backing for developers to build the projects. There are a number of ways in which the purchase of unsubscribed power can be managed to ensure developers are motivated to sell their capacity to subscribers, and not use it as a means to a different end. We would be happy to discuss those methods in detail with the committee at any time.

Finally, we would suggest that the facilities be designated as tax-exempt for purposes of property taxes. Most solar energy systems are tax-exempt when installed on a customer's home or business and shared facilities should be treated in the same fashion.

We applaud your efforts to date, as this is an excellent piece of legislation, and has the potential to open up renewable energy ownership to the 75% of rate payers who cannot participate today. We are looking forward to participating in the development and operation of shared clean energy facilities in Connecticut.

Respectfully submitted by,

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I am available at your convenience, as is my staff to answer questions or provide any assistance you may need.

Sincerely,

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