



Connecticut Department of
**ENERGY &
ENVIRONMENTAL
PROTECTION**

DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

Public Hearing – March 4, 2014
Energy & Technology Committee

Testimony Submitted by Interim Commissioner Robert J. Klee
Presented By Deputy Commissioner Katie Dykes

House Bill No. 5412 (Raised) - AN ACT CONCERNING SHARED CLEAN ENERGY FACILITIES

Thank you for the opportunity to present testimony regarding Raised House Bill No. 5412 – **AN ACT CONCERNING SHARED CLEAN ENERGY FACILITIES**. The Department of Energy and Environmental Protection (DEEP) welcomes the opportunity to offer the following testimony.

This bill seeks to establish a new regulatory regime that would combine elements of submetering and net metering and apply them to what essentially is a clean energy electric distribution company. Current law has allowed submetering when the entity charging submetered accounts was merely charging each customer its portion of the electricity it used but which was delivered to that submetering entity by the electric distribution company. Under this arrangement the electric distribution still collects the same amount of revenue whereas in the proposed bill the electric distribution company would collect no revenue from the subscriber if the subscriber organization's clean generation was sufficient to cover all of its subscribers electric use even though the company's transmission and distribution charges would remain practically the same. In this circumstance the subscribers would also not be contributing to numerous other programs funded through utility rates that cover unpaid bills, federally mandated congestion charges, or those run by the Energy Efficiency Board and CEFIA. As proposed, the subscriber organization would receive all of these amounts plus transmission and distribution charges from subscribers even though none of those services would be provided by the organization.

DEEP does however believe that the State's regulations regarding submetering and net metering need to be updated to reflect new circumstances and to appropriately promote expanded deployment of clean distributed generation while ensuring the health and integrity of the traditional electric grid. Connecticut is not alone in exploring these issues and DEEP internal analysis and discussions are taking place within a broader regional and national discussion that involves utilities, clean energy advocates and providers, energy analysts, policy think tanks, academics, elected officials and public utility regulators. DEEP's commissioner, policy director and PURA's chairman are actually participating in such a high level regional discussion today in Cambridge, MA.

Discussions such as the one DEEP and PURA are engaged in today reflect a widespread consensus that today's regulatory scheme must be changed if it is to address a variety of new realities including the

State's and region's desire for additional transmission to access large amounts of clean generation, society's demand for a more resilient distribution grid and the desire to realize the reliability and environmental benefits that additional smaller scale clean distributed generation can contribute to the electric system. These are complicated and sometimes competing circumstances and warrant more in depth and comprehensive discussion before establishing a new regulatory scheme that only addresses one of the many circumstances we face.

While the circumstances that this bill seeks regulate are important and must be resolved, DEEP does not support their adoption at this time, or as proposed. Instead we would invite the committee to engage with the department and others over the months ahead as we seek to draft a report that develops a comprehensive policy approach that can inform the tariff structure that PURA should put in place to support our practical needs and policy goals.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact Robert LaFrance, DEEP's Director of Governmental Affairs, at 860.424.3401 or Robert.LaFrance@ct.gov (or, Elizabeth McAuliffe, DEEP Legislative Liaison, at 860.424.3458 or Elizabeth.McAuliffe@ct.gov).