



MARCH 14, 2014 TESTIMONY FROM MICHAEL TRAHAN EXECUTIVE DIRECTOR OF SOLAR CONNECTICUT, INC. IN SUPPORT OF RAISED SB 404 AN ACT CONCERNING BUILDING PERMIT FEES FOR CLASS I RENEWABLE ENERGY PROJECTS AND RENEWABLE ENERGY CREDITS FOR TRASH-TO-ENERGY FACILITIES.

Solar Connecticut is the state's business and education group working singularly to support policies that encourage awareness and use of solar power and promote a sustainable solar energy workforce.

In 2013, a little more than 1,500 residential solar electric systems were installed in Connecticut. That's twice the number of systems installed from the year before, and more than the previous three years combined. Another 2,000+ systems are expected to be installed this year.

Today, nearly 4,500 Connecticut homeowners have installed solar electric systems. And almost all of them have been charged a local permit fee that far exceeds the cost to towns to carry out this duty. SB 404 addresses this undue tax burden on property owners who install solar systems.

The federal government -- through the Investment Tax Credit (ITC) -- allows a 30-percent tax credit to home and business owners who install clean energy systems including solar electric generators. On the state level, Connecticut electric ratepayers fund programs that cut the cost of installing renewable energy systems that cut energy costs. The United States government, and our state government have taken extraordinary steps to reduce the cost that home and business owners pay to install clean, renewable energy.

These efforts have produced remarkable success in bringing down solar costs. Currently, homeowners in Connecticut are installing solar electric systems 50-percent larger than systems installed three years ago and pay 25-30 percent less than what homeowners were paying three years ago for those larger systems. 50 percent more clean, renewable, emission-free electric power for 25-30 percent less cost.

Unlike five years ago, the biggest costs associated with installing solar today is not the cost of solar panels. Panel prices have come down more than 60-percent since 2008. Soft costs like permitting, inspection, labor, and connecting to the grid make up the majority of costs for residential solar.

Many 'soft costs' can be improved via the efforts of state and local policymakers. We no longer need cheaper solar panels to lower the cost of solar. We need federal, state and local government policies that determine soft costs to be in sync. Aggressive soft-cost-reduction policies must be developed to lower the cost of solar, achieve state and federal clean energy goals, and most important, continue to validate the investment made by the taxpayer and ratepayer.

The U.S. Energy Department's (DOE) National Renewable Energy Laboratory (NREL) conducts ongoing soft-cost benchmarking analysis with a goal of cutting solar soft-costs in half. The DOE has funded a review of what Connecticut municipalities charge to recover their costs associated with permitting residential solar. Under the DOE funding, researchers at Connecticut's Clean Energy Finance and Investment Authority (CEFIA) spoke to local building officials as part of that review. CEFIA learned that it takes no more than two (2) hours for local officials to permit a residential solar installation.

This research was the catalyst for a bill last year before the Planning & Development committee to cap residential solar electric permit fees at \$200 (2 hours of building officials time @ \$100 per hour). And since the time that the 2013 bill was filed last year, more than 1,000 homeowners have been overcharged on the permit fee they're required to pay to their local building department.

Every day, the solar industry, in concert with first-in-the-nation financing policies developed by CEFIA, helps Connecticut home and business owners lower or steady their electric bills. We also employ hundreds of state residents and contribute to the economic development in the towns we work in. We're not asking for a local permit waiver mandate or a free pass. We're simply asking that the permit fee cost we're charged and pass on to local property owners, more closely resemble the actual cost to do the work.

