



The Energy and Technology Committee

Public Hearing, March 17, 2015

Testimony of

Consumer Counsel Elin Swanson Katz

Presented by Consumer Counsel Elin Swanson Katz

Proposed Governor's Bill no. 6838, *An Act Concerning the Encouragement of Local Economic Development and Access to Renewable Energy*
Proposed S.B. 928, *An Act Concerning Shared Clean Energy Facilities*
Proposed H.B. 6940, *An Act Establishing a Shared Clean Energy Facility Pilot Program*

Consumer Counsel Elin Swanson Katz and the Office of Consumer Counsel (collectively "OCC") support further development of solar power in Connecticut. There are two approaches to solar development captured in these bills. The first is residential rooftop solar, through expansion of the existing Green Bank program. The second is shared solar, which allows customers to support solar power without installing solar panels on their roof. I believe that both should be part of a carefully planned portfolio of generation options in Connecticut.

The optimal approach to larger scale renewable development is to determine the mix of resources that meets our clean energy and reliability goals with the most cost-effective resources for Connecticut ratepayers. This is generally achieved through integrated resource planning (or implementation of the State of Connecticut's Comprehensive Energy Strategy). Part of this process should include making

subsidies fully transparent and doing a thorough cost-benefit analysis for each potential resource, including recognition and limitation of the costs shifted to non-participating ratepayers, the relative reliability of each resource, and each resource's interaction with the grid, in a proceeding with the ability for participation and comment by all interested parties. From just a cost perspective, while the residential rooftop solar program as proposed would cost approximately 25-30 cents per kWh, grid-side solar could cost approximately half of that amount, and out of state wind could cost a third of that amount. While cost is not the only consideration, and rooftop solar should absolutely be part of the mix, integrated resource planning would be the best way to analyze and determine the optimal mix.

In a similar vein, OCC maintains that the State should in most circumstances try to avoid having more than one program that provides similar incentives to develop similar resources. Thus, OCC would respectfully recommend that the legislature consider the potential interaction between the Governor's Bill and the portion of the zero renewable energy credit ("ZREC") program, sections 16-244r and 16-244s, that supports residential or small commercial projects. It is possible that the two programs ought to be coordinated or combined.

OCC also recommends one tweak to the Governor's Bill. In Section 2, adding new 16-245gg(f), the purchase price of solar home renewable energy credits is capped at the "lesser of the price of small zero-emission renewable energy credit projects for the preceding year or the alternative compliance payment." The alternative compliance payment level is defined by statute as 5.5 cents per kilowatt hour, or \$55 per renewable energy credit. OCC respectfully recommends that the

legislature consider lowering the proposed cap slightly to the “lesser of the price of small zero-emission renewable energy credit projects for the preceding year or fifty dollars per renewable energy credit.” The difference between \$50 and \$55 would enable the solar renewable energy credit program to serve as a small hedge for ratepayers against renewable energy credit shortage conditions and resulting high prices. OCC does not anticipate that this small change would dampen interest in program participation.

With regard to shared solar, this would be a new approach for Connecticut. There are technical, cost and consumer protection issues that need to be investigated thoroughly before a large-scale program should be rolled out. Thus, I support a pilot program for shared solar akin to the one proposed in H.B. 6940, with a DEEP process to determine the appropriate incentive, in order to provide local experience and data to help instruct further development.