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Testimony to the Energy and Technology Committee

Proposed House Bill 6023 An Act Concerning Distributed Generation

February 24, 2015

Representative Reed, Senator Doyle, distinguished Vice Chairs and Ranking Members, and members of the Energy and Technology Committee, my name is James Albis, State Representative for the 99th district in East Haven. Thank you for raising HB 6023, AN ACT CONCERNING DISTRIBUTED GENERATION, and for the opportunity to testify in support of the bill.

This legislation would require the Commissioner of Energy and Environmental Protection to determine a market value and demand for distributed generation in the State of Connecticut and enact market incentives for customers to install, use, and receive financial credit for distributed generation technology. The purpose of this is to begin laying the framework for integration and expansion of energy generation more localized, renewable, and efficient for Connecticut consumers as opposed to our current aging infrastructure, which is dependent on fossil fuels. As part of our commitment to reducing Greenhouse Gas Emissions by 80% by 2050, as outlined by the state's Comprehensive Energy Strategy, moving forward on making distributed generation available and affordable should be a priority for achieving our emission goals and bringing our residents a long term solution to the cost of energy consumption.

Today in Connecticut, we have the second highest electric rates in the nation. Despite having a lower rate of energy consumption per capita and an ongoing campaign to reduce energy consumption, ratepayers are facing an average increase of \$18 more per month for generation and \$7.12 more per month for Transmission and Distribution. In addition, revenue generated from those rates will go back to maintain and build on the energy and cost inefficient distribution system we have today. Moving to renewable energy in the status quo is problematic as the Comprehensive Energy Strategy itself noted regarding current energy consumption, "Utilities traditionally have made more money when they sell more electricity or gas, creating a powerful incentive to push for less efficient uses of energy or to avoid promoting energy efficiency measures."

While the Department of Energy and Environmental Protection has laid out a plan in the 2014 Integrated Resource Plan to determine the value of distributed generation, both the IRP and the CES operate within a regulatory structure where alternative energy options are penalized when consumers use less energy on the grid. It is a system that Representative Reed described herself as “old and tired and infuriating and unsustainable.”

Distributed generation produces energy on a smaller scale than the typical fossil fuel power plant. The concept favors the use of renewable resources as technology prioritizes, for example, local production of solar or wind technology vs. the large, heavy industry needed for fossil fuels. Last year’s efforts to enact shared solar legislation failed to pass as utilities lobbied for participants to pay higher rates for excess energy produced, creating a disincentive that would make solar technology an economically competitive alternative to power distributed from utility companies

The steps we have taken to increase renewable energy generation are small and incremental and not enough to achieve our policy objectives. Right now, renewable technology is affordable and a competitive alternative. Connecticut’s ratepayers should know the full value of Distributed Generation and its technology and be afforded the ability to take advantage of what that technology has to offer. Acting now to create incentives for this technology is a smart, common sense investment for consumers and citizens, and moves us toward a healthier, more sustainable Connecticut. I thank the Committee for your time and consideration of this important matter.