



Connecticut Department of  
**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

**STATE OF CONNECTICUT  
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION**

Public Hearing – March 17, 2015  
Energy and Technology Committee

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

**Raised House Bill No. 6989 – AN ACT CONCERNING DISTRIBUTED ENERGY RESOURCES**

Thank you for the opportunity to present testimony regarding **Raised House Bill No. 6989 – An Act Concerning Distributed Energy Resources**. The Department of Energy and Environmental Protection (DEEP) welcomes the opportunity to offer the following testimony.

We appreciate the Committee's willingness to raise this bill at the request of the DEEP. DEEP conducted detailed analysis in the 2014 Integrated Resources Plan (IRP)—which DEEP recently finalized after considering the comments of dozens of stakeholders—which recommended several of the proposals in this bill as important means to secure a cheaper, cleaner, more reliable energy future for Connecticut families and businesses.

This proposal, which we strongly support, would increase the amount of distributed generation in our state by: (1) authorizing approval of submetering with clean distributed generation that conforms to existing net metering provisions; (2) providing incentives for combined heat and power (CHP) distributed generation; (3) authorizing the Public Utilities Regulatory Authority (PURA) to establish a self-certification application process for new generators of solar, wind, or fuel cells; (4) authorizing DEEP to use bond money to be applied towards clean generation and energy storage in its microgrid program; and (5) clarify the meaning of host aggregation under the virtual net metering program. DEEP does offer language suggestions on some of the sections, as detailed below.

Section 1

This proposal amends Section 16-19ff of the general statutes to distinguish between submetering of electricity from the grid by an electric distribution company and submetering of electricity generated from behind the meter Class I resources such as solar. In the near future, DEEP intends to initiate a process for establishing a value for distributed resources, but until that is completed and implementing legislation and regulations are in place, this change would enable PURA to approve submetering of behind the meter projects that conform to existing net metering provisions.

Section 2

CHP systems produce useful heat and power from the same system, which is more efficient than purchasing both separately. One goal of DEEP's 2013 Comprehensive Energy Strategy is to promote the use of CHP, which

can help Connecticut businesses improve their competitiveness by cutting their energy costs. This proposal would strengthen existing CHP programs in order to support cost-effective CHP deployment. An existing DEEP-administered CHP incentive program could not be implemented because a funding source was not identified in the enabling legislation; the limits on project size (no more than 1MW) and incentives (no more than \$200 per kW) were also too restrictive to attract projects, DEEP believes.

Under this proposal, DEEP would be authorized to deploy grants decline each year, with \$450 per kW for the first 30 MW in 2016, \$250 per kW in 2017, \$150 per kW in 2018, and an option for \$100 per kW thereafter if it is consistent with state energy policy. The program is capped at \$15 million annually and \$60 million for the entire program.

### Section 3

Section 3 of this legislation would streamline the application process for small Class I generators by allowing facilities to self-certify their eligibility as Class I resources. Applications for new generating units like solar contain similar information about the generating units but require substantial staff resources to review and approve the applications through a docketed proceeding, especially when there are many of these small generating applications being submitted. This proposal would enable implementation of a key recommendation coming out of DEEP's LEAN Initiative to create efficiencies and eliminate time consuming administrative steps in process for certifying projects as Class I eligible. The proposal would eliminate the lengthy PURA docket process for standard solar, wind, and fuel cell applications. DEEP has effectively implemented similar self-certification application processes in its other branches and it has the authority to audit any licensed power generators to ensure compliance.

### Section 4

DEEP's microgrid program provides grants to support local distributed energy generation for critical facilities during times of electricity grid outages. Currently, the program only funds interconnection distribution infrastructure. For a microgrid to maintain power when the larger grid goes down, there must be a local power source to provide power to the buildings. This proposal would allow microgrid funding to be used for the construction of clean distributed generation or a fuel cell. In implementing this section, DEEP would look forward to coordinating with the Connecticut Green Bank to ensure that funds for microgrid generation could be effectively provided to support and attract Green Bank financing of such generation where possible.

### Section 5

Virtual net metering is a program that allows for multiple electric customers to reduce their electric bills by using the energy from a Class I distributed generation source to offset their consumption, even though their meters aren't connected to the power source. In Connecticut, this program is only available to state, municipal, and agricultural hosts, and is capped at \$10 million.

In the PURA docket implementing the virtual net metering program, the final decision requested legislative clarification on the meaning of virtual net metering host aggregation. The existing statute allows for a virtual net metering host to aggregate all electric meters billable to that host rather than include additional host meters as a beneficial account and, thus, taking up a slot in the maximum allowable beneficial accounts. Host meter aggregation is helpful for a farmer with acres of land and multiple meters, but it can be complicated with state and municipal hosts. This proposal clarifies that only meters located on the same property can be aggregated as the host. This change would clarify that DEEP, for example, cannot aggregate its New Britain office and its Hartford office meters as the same host. Such a clarification would help to achieve the purpose of the original virtual net metering enabling legislation.

In summary, DEEP strongly supports **Raised House Bill No. 6989 – An Act Concerning Distributed Energy Resources** and looks forward to taking these steps toward encouraging development of clean distributed generation throughout the state. DEEP is happy to work with members of the committee on the language of the bill.

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](mailto:Robert.LaFrance@ct.gov) or, Elizabeth McAuliffe, DEEP Legislative Liaison, at 860.424.3458 or [Elizabeth.McAuliffe@ct.gov](mailto:Elizabeth.McAuliffe@ct.gov).