

Testimony of

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Connecticut Center for Advanced Technology, Inc.

Before the

Energy and Technology Committee

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Regarding

House Bill No. 6989 - An Act Concerning Distributed Energy Resources

The Connecticut Center for Advanced Technology, Inc. (CCAT), offers this testimony in support of House Bill No. 6989 - An Act Concerning Distributed Energy Resources.

CCAT is a nonprofit corporation that provides services and resources to entrepreneurs, businesses, industry, academia, and government. The Energy Initiative of CCAT has been established to improve the economic competitiveness of the region through solutions that lower energy costs and increase long-term energy reliability. This CCAT Initiative also provides assistance to businesses and manufacturers regarding energy use and energy efficiency; promotes use of sustainable and renewable distributed energy technologies; and undertakes energy planning, including planning for microgrid development.

CCAT supports the development and use of distributed generation, especially ultra clean and high efficiency combined heat and power applications using fuel cells, which provide Class I renewable electricity and thermal energy to end users to enhance energy reliability and reduce energy costs. Locations where distributed generation/fuel cell installations are both technically and economically viable include a wide range of private, state, and federal facilities, including offices, manufacturing, data management, warehousing, education, food sales and services, lodging, in-patient healthcare, public order and safety, wastewater treatment plants, telecommunications sites, seaports, high-traffic airports, and electric grid service.

CCAT is supportive of the concepts raised in this Bill to:

- allow submetering of electricity to commercial, industrial, multifamily residential or multiuse buildings where the electric power is provided by a Class I renewable energy source or a combined heat and power system;
- establish a program to grant awards to end use customers of electric distribution companies to fund the capital costs of combined heat and power systems, with a premium for critical facilities in a microgrid; and
- provide matching funds or low interest loans for new generation, energy storage or both for microgrids, provided such generation is derived from a Class I renewable energy source.

The proposed Bill could significantly benefit Connecticut's emerging hydrogen and fuel cell industry, which provides significant employment and economic activity in the State. Currently, Connecticut has at least 600 companies that are part of the growing hydrogen and fuel cell industry supply chain in the Northeast region. Based on an IMPLAN economic analysis, these companies are estimated to have realized approximately

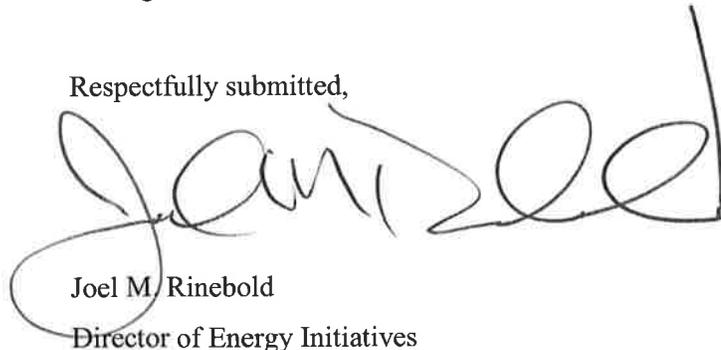
\$604.34 million in revenue and investment, contributed more than \$22 million in state and local tax revenue, and generated over \$211.23 million in gross state product from their participation in this regional energy cluster in 2011. Additionally, eight (8) of these companies are original equipment manufacturers (OEMs) of hydrogen and/or fuel cell systems, and were responsible for supplying 1,010 direct jobs and \$311.65 million in direct revenue and investment in 2011.

CCAT suggests that any programs established to support the use of distributed energy resources should consider the following:

- Technology that can be dispatched to support the grid with provisions for potential ownership by an electric service company as a grid reliability asset;
- Technology manufactured in the State;
- Class I renewable energy resource;
- High capacity / availability factor;
- Distribution of funds to municipalities and energy reliant end users, such as institutions and mission critical facilities that serve the public; and
- Technology that provides both heat and power for end users.

CCAT will make itself available to the Committee and legislature upon request to assist in the refinement of this legislation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joel M. Rinebold". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

Joel M. Rinebold

Director of Energy Initiatives