

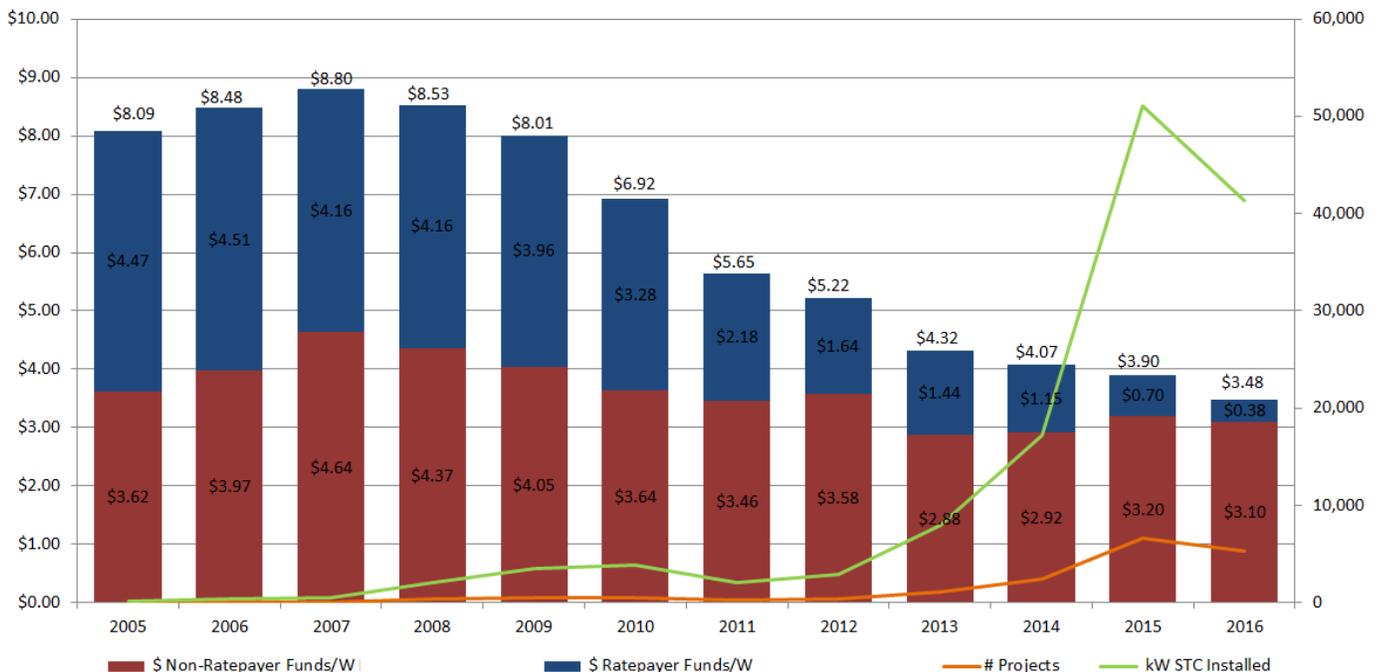


Statement of the Connecticut Green Bank on House Bill 5309
AN ACT CONCERNING FACILITATION OF THE MUNICIPAL RESIDENTIAL SOLAR APPLICATION PROCESS
Energy & Technology Committee
March 1, 2016

As the nation’s first green bank, the Connecticut Green Bank (“Green Bank”) leverages the limited public resources it receives to attract multiples of private investment to scale up clean energy deployment. Connecticut’s residents, businesses and institutions now have easier access to affordable capital to finance clean energy projects. We play an essential role in reducing the costs of clean energy investment, increasing private capital investment, and lowering costs to consumers. The Green Bank looks forward to supporting the legislature’s and Governor’s vision of cleaner, cheaper and more reliable energy sources for Connecticut – while creating jobs and supporting local economic development.

Under Public Act 11-80, the Green Bank was directed to deploy a minimum of 30 MW of new residential rooftop solar photovoltaic systems (“solar PV”) by 2022 – a mandate that was met and exceeded eight years early and under budget. Public Act 15-194 expanded solar PV project deployment, directing the Green Bank to incent up to 300 MW of projects by December 31, 2022, using a state subsidy that continues to decline over time (see Figure 1) as the projected volume of installations increases. These state incentives have already declined by 80% from 2011 levels.

Figure 1. Residential Solar PV Costs by Fiscal Year (non-cumulative)



With the December 2015 renewal of the 30% federal Investment Tax Credit for both customer-owned and 3rd party-owned systems, the Green Bank is not anticipating the same crush of project applications for 2016 as it did during last year's legislative session, as installers rushed to claim the tax credit and complete projects by December 31, 2016. However, this means the volume of installations in 2017 – on both the state and national level – is no longer projected by outside industry observers to drop and then take years to recover its previous growth rate. Instead many observers see a continuation of previous trends with steady and robust year-over-year increases. This means municipalities will likely continue seeing increases in permit requests; thus it is important to continue building off of last year's work in PA 15-194 to streamline local permitting processes.

We appreciate the opportunity to comment on House Bill 5309.

Facilitation of the Municipal Solar Application Process

The Green Bank supports the objective of HB-5309, given that our agency has already accomplished the directive the bill seeks to codify – creating a standardized residential solar PV permit application.

For the past three years the Green Bank has been working under a federal grant project to reduce non-hardware or “soft costs” for residential solar PV in Connecticut. Through research under this grant the Green Bank has identified variation in municipal permitting as a barrier to solar PV deployment in Connecticut, and engaged in multiple initiatives to streamline and standardize solar PV permitting throughout the state.

In May 2014 the Green Bank released the Connecticut Rooftop Solar PV Permitting Guide. This guide contains best practices, recommendations and tools municipalities can use to improve their solar permit process. The Green Bank also partnered with the Office of the State Building Inspector to develop and release a solar PV permit application supplement that municipalities can use to capture solar-specific information on their permit application form. This form is also available as a standalone permit form on the Connecticut Green Bank's website (www.energizect.com/sunrisene).

To assist municipal inspectors in reviewing solar PV permit applications and ensuring all systems are code-compliant, the Green Bank also worked with the Office of Education and Data Management and the CT Fire Academy to provide over 20 trainings on residential solar PV between July 2014 and December 2015. In 2014 the Green Bank held three trainings on solar PV permitting and the 2011 National Electric Code that trained over 125 code officials. The Green Bank also partnered with the CT Fire Academy to develop a program on fire safety for solar PV. The program has been used in 14 seminars that reached over 750 fire officials statewide.

In 2015 PA 15-194 required the Connecticut Green Bank to plan, implement and host at least five residential solar PV training seminars for code officials. The Green Bank partnered with the Office of Education and Data Management and the Renewable Energy and Efficiency Business Association, Inc.

(REEBA) to host 7 regional trainings between September and December 2015. Over 420 code officials attended these trainings.

As a follow up to the trainings the Green Bank has provided individual consultation to 50 municipalities on their solar permit process and is creating custom solar “permit packages” for each town. These permit packages outline each town’s unique process for obtaining a solar permit, and include all required forms. Municipalities are posting the packages on their municipal websites, and the Green Bank is compiling the permit packages to create a central hub for accessing each town’s instructions.

Lastly, the Green Bank is working with Yale University to develop a “Solar-Friendly” rating system for Connecticut municipalities. These “score cards” will rate municipal efforts to encourage solar PV deployment in their communities and the ease of each municipality’s solar permit process. To date, Yale and the Green Bank have collected permit data for 164 Connecticut towns. Yale anticipates publishing this data and the score cards in May 2016. The results of the surveys will be made public to drive municipalities towards greater consistency in municipal permitting across jurisdictions.

Summary

The lack of standardization in municipal permitting processes throughout Connecticut leads towns to create their own paths for approval of a solar PV installation. The result is 169 municipalities with wide variation in the amount of money and time required of applicants to complete a town’s unique process. In effect this creates “cold spots” in the state where installer companies see disincentives to pursuing business within the borders of certain jurisdictions and where Connecticut homeowners may pay more to go solar than their neighbors. According to a 2015 study in the journal *Energy Policy*, variations in local permitting procedures can produce price differences of \$0.18/watt for residential solar PV.¹ For an average sized 7.6 kilowatt system in Connecticut, this price differential equates to \$1,368 per project.

The Green Bank recognizes that resource and capacity constraints limit the potential for total consistency across municipal building department procedures; however, the Green Bank strongly supports greater standardization in municipal permitting practices for solar PV. Consistent permitting procedures across the state will accelerate solar deployment, lower the cost of solar for Connecticut residents and save municipalities time and money while processing permit applications for solar. The Green Bank recommends that industry leaders in the public and private sector continue to provide guidance and direction on solar permitting to Connecticut municipalities and looks forward to continued collaboration with the Office of the State Building Inspector, the Connecticut Building Officials Association, solar contractors, municipal organizations and municipalities on this issue.

¹ Burkhardt, J., Wiser, R., Darghouth, N., Huneycutt, J., 2015. Exploring the impact of permitting and local regulatory processes on residential solar prices in the United States. *Energy Policy*. 78, 102–112.