

March 1, 2016 --TESTIMONY BEFORE THE CONNECTICUT GENERAL ASSEMBLY'S ENERGY & TECHNOLOGY COMMITTEE FROM SOLARCONNECTICUT, INC. EXECUTIVE DIRECTOR MICHAEL TRAHAN.

Chairman Reed and Chairman Doyle, members of the Committee, my name is Michael Trahan. I am executive director of the state's solar industry business association -- SolarConnecticut. We represent nearly 50 solar-related Connecticut businesses including 17 of the top 20 home solar installers operating in this state. I wish to comment on two bills on today's agenda:

H.B. No. 5309 (RAISED) AN ACT CONCERNING FACILITATION OF THE MUNICIPAL RESIDENTIAL SOLAR APPLICATION PROCESS**H.B. No. 5427 (RAISED) AN ACT CONCERNING THE SHARED CLEAN ENERGY FACILITY PILOT PROGRAM.**

HB 5309, your home solar application bill, appears to be a follow up to the 2015 Energy committee bill HB 6435. 2015's 6435 was in response to our members' years long request to cut the excessive permit costs installers are charged and then pass on to homeowners as part of the expense to install a basic home solar system. This year's 5309 requires the Connecticut Green Bank to approve a standardized solar photovoltaic system permit application form for use by municipalities thought to be necessary to reduce the time and cost to permit a basic home solar system.

This permit application as described in HB 5309 is not necessary. The Green Bank created a standardized home solar permit application for municipalities more than a year ago.

And while the Green Bank's intentions were good, in many cases, local building officials added the new Green Bank standard application on top of the municipality's existing application requirements. So, instead of streamlining the process, the Green Bank's new voluntary standard application made the home solar permit process more time consuming for installers and more expensive for homeowners. Again, we recognize the significant and positive efforts the Green Bank has made to create and manage innovative home solar programs.

Since the Green Bank already has a solar permit application standard, we see no value in asking the Green Bank to create another one that would lead to additional time and expense to permit home solar. And therefore no need for 5309 as currently drafted.

If the committee wishes to streamline the process, and lower consumers cost to install the average, cookie-cutter home solar system, we suggest the committee revisit language originally drafted by SolarConnecticut and submitted to the Energy committee last year. That language included a number of specific cost-cutting measures already part of state law in California (second largest solar market in the world) and endorsed by the Connecticut Green Bank in its 2014 "*Connecticut Rooftop Solar PV Permitting Guide*." This *Permitting Guide* was funded by a U.S. Department of Energy grant. It offers realistic methods to reduce the cost consumers pay for home solar permitting by more than \$1,500.

Cost cutting permit streamline comments from numerous SolarConn members were submitted on 2015's HB 6435 and still available in the committee's archives section. Those comments are still accurate as last year's streamline permit bill, again well-intended, has had negligible impact on reducing consumer costs. The one item we would remove from the bill language we suggested last year is the section on expedited review.

HB 5427, is the third CGA attempt to create a program that increases electric ratepayer options for using renewable energy through the use of shared distributed generation (DG) currently allowed in 25 U.S. states.

All Connecticut electric ratepayers and/or taxpayers have funded the great decline in installed solar costs. Most though will never see a solar system on their rooftop. As a matter of equity, there should be solar energy programs that allow all contributors to participate including the more than 70-percent of electric ratepayers who rent, or lease their homes, or own roofs that are either too small, too old, too shaded or simply don't face the sun. To repeat, the large majority of electric ratepayers that pay into the benefits surcharge on electric bills are not candidates for rooftop solar. Community solar provides fairness to ratepayers.

Our central concern with 5427 is in Section 2 (d) "(1) Such pilot program shall utilize one or more tariff mechanisms with the electric distribution companies for a term not to exceed fifteen years, ..."

Developers I talk to feel that limiting the economic life of a project to 15 years is a death-blow, as it forces all of the costs to be recovered in a truncated period far shorter than the life of the equipment. We made this point two years ago, in 2014, when a 15-year power purchase agreement was suggested during community solar stakeholder meetings. I arranged for developers that construct these projects across the country and national policy experts that have written community DG state legislation to attend these meeting. They stated, emphatically, that no community solar projects in America were tied to a 15-year term.

Today's solar modules have a life of 25+ years. Under the bill as drafted, developers would need to fit 25 years of cash flow into 15 years to make the project pencil out. The cost per credit would have to go up and in the end state ratepayers would be spending more per year than if they went with the 25 year tariff which more accurately reflects the useful life of the project.

It is this 15-year clause that in 2014 drove community solar developers out of Connecticut including one national community solar developer that committed to investing more than \$100M in community DG Connecticut projects.

We also feel that language should be added to HB 5427 that provides a carve out for low or moderate income ratepayers. Many city dwellers, who are renters, currently pay into the benefits surcharge off their electric bill will never see a solar system on their home. Community DG, in this case, community solar, would be a big benefit to them. In addition, the pilot should also seek to prove the viability of smaller community DG projects in the 50kw-200kw range. Community solar began with small groups of homeowners partnering up to site clean generation in their neighborhoods to reduce their electric bills. Large solar fields are important. So are small and medium size projects. We need to learn how various community DG project sizes can be beneficial to ratepayers. An independent shared renewables study ("*SHARED CLEAN ENERGY FACILITIES*", March 2015) by the Connecticut Academy of Science and Engineering (CASE) supports the broad development of shared solar projects.

Finally, I would add that last week, Xcel Energy in Colorado announced it will accept proposals for up to 60 megawatts of new community solar power this year. Up to four megawatts will be carved out to serve low-income customers and nonprofits. David Eves, president of Public Service Co. of Colorado, an Xcel Energy subsidiary, described the deal this as, "... a prime example of Xcel Energy's efforts to deliver to its customers more choices for their energy needs, including our low-income and non-profit customers."