



Connecticut Department of  
**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

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

Public Hearing – March 1, 2016  
Energy & Technology Committee

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

**House Bill No. 5427 – AN ACT CONCERNING THE SHARED CLEAN ENERGY FACILITY PILOT PROGRAM**

Thank you for the opportunity to present testimony regarding **House Bill No. 5427 – An Act Concerning the Shared Clean Energy Facility Pilot Program**. 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 DEEP. DEEP supports the deployment of clean energy as an essential component to meeting our energy and environmental goals. We also support a procurement process that is open, transparent, and competitive to bring forward clean energy projects that are cost-effective and in the best interests of ratepayers. We would make minor revisions necessary to implement Public Act 15-113, *An Act Establishing a Shared Clean Energy Facility Pilot Program*, which passed in the 2015 legislative session and requires DEEP to initiate a pilot program for shared clean energy facilities.

On September 30, 2015, DEEP initiated a proceeding to implement Public Act 15-113 and outlined policy objectives of the program, including expanding access to clean energy resources for customers. DEEP heard public comment on these policy objectives and conducted a technical meeting on October 21, 2015 to receive stakeholder feedback and respond to questions about the program. On December 9, 2015, DEEP issued another notice responding to stakeholder comments and outlining a broad overview of the program mechanics and requirements DEEP intends to include in the request for proposals.

For example, DEEP concluded that implementation of the pilot program requires the electric distribution companies (EDCs) to play a role in delivering billing credits to subscribers. Further, in order to attract a variety of proposals to identify and evaluate shared clean energy facility

structures that are replicable and scalable for Connecticut, DEEP concluded it is likely that some competitive bids will require the EDCs to purchase the output from the facility.

However, several stakeholders, including the EDCs, noted that Public Act 15-113 was silent on cost recovery for the EDCs for costs associated with implementing the pilot program. In order for the EDCs to compensate a shared clean energy facility for the output of the facility and provide on-bill crediting to any subscribers, they need cost recovery language in statute for the Public Utilities Regulatory Authority (PURA) to authorize any costs to be recovered from ratepayers.

On December 9, 2015, DEEP petitioned PURA for a declaratory ruling on whether Public Act 15-113 authorized the EDCs to recover their costs associated with the program and manage the billing credits distributed to subscribers. On February 3, 2016, PURA declined to issue a declaratory ruling because Public Act 15-113 does not mention PURA having a role in implementing the program and suggested that DEEP seek a legislative clarification.

After consulting with PURA and the EDCs, DEEP presents this proposal to clarify that the EDCs are authorized, subject to PURA approval, to purchase the output from a shared clean energy facility, manage the billing and crediting to subscribers, and recover their costs associated with implementing the program. Further, the proposal clarifies that PURA has a role in reviewing and approving any tariff mechanisms used to implement the pilot program. Finally, this proposal makes it clear that the billing credit for subscribers will be determined by the competitive solicitation run by DEEP that is mandated by the statute. While this legislative proposal is under consideration by the General Assembly, DEEP continues to work on developing a draft request for proposals and other steps for implementation.

In summary, DEEP supports **House Bill No. 5427 – An Act Concerning the Shared Clean Energy Facility Pilot Program** and look forward to taking this step to implement the shared clean energy facility pilot program through a procurement process that is open, transparent, and competitive to bring forward clean energy projects that are cost-effective and in the best interests of ratepayers, and increasing customer access to clean energy resources.

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).