



FuelCell Energy

**March 1, 2016**

**To: The Honorable Paul R. Doyle  
The Honorable Lonnie Reed  
Co-Chairs, Energy and Technology Committee**

**Re: RAISED SENATE BILL NO. 224  
AN ACT CONCERNING THE CAPACITY AND CRITERIA FOR CERTAIN  
RENEWABLE ENERGY GENERATION FACILITIES**

FuelCell Energy, Inc. (FCE), a manufacturer of ultra-clean high efficiency fuel cell power systems with operations in Danbury and Torrington, is pleased to provide these comments with respect to Raised Senate Bills 224.

FCE employs more than 600 people worldwide in the fields of research, development manufacturing, installation, and servicing of clean energy technology. We currently generate more than 300MW of power across three continents. Here in Connecticut, there are over 500 companies in the state that are part of the hydrogen and fuel cell supply chain, contributing approximately 1,500 additional indirect jobs.

FCE is highly supportive of the intent of SB 224 which seeks to further expand avenues for the deployment of clean energy and distributed resources. Through the issuance of the 2013 Clean Energy Strategy and a multitude of legislative initiatives, Connecticut has signaled its unambiguous intent to pursue a variety of energy and environmental goals – not the least of which is improving the reliability of the grid and environmental conditions while creating clean energy jobs here at home. The proposal that is before you is helpful to these purposes.

Apart from advancing the important goals of complying with our state's Renewable Portfolio Standard (RPS) goals, permitting our state's electric distribution companies to own and operate a moderate amount of distributed Class I renewable generation resources serves a variety of practical goals including improvements to voltage control efforts, improvements to grid security, and certainly system reliability. Indeed, FCE's experience in this area shows us that programs of this nature bring benefits that are generally not derived from the more traditional procurement models.

FCE believes that this specific proposal – which enables but does not require utility ownership of renewable sources – is both thoughtful and responsive to a current programmatic need. That is, within the policy and programmatic framework currently in place we believe there is something of a gap between the development activity that is incentivized through the larger-scale RFPs and that of the LREC/ZREC programs which this proposal help to address. FCE therefore welcomes this program and its proposed

expansion of the capacity criteria as a means to enact policies that meet that programmatic need.

However, FCE respectfully asks for an important amendment to the draft language. Specifically, we ask that the bill's language which currently refers to projects that emit "no pollutants" be altered to apply to projects "using Class I renewable energy sources as defined in section 16-1. (Please see the attached.)

Connecticut has long recognized fuel cells nox and sox emissions as de minimis and thus a Class I renewable resource. Moreover, we know you appreciate the importance of Connecticut availing itself to all opportunities to close the gap without respect to its RPS goals, of which this is one. Taken together, we are confident that you will recognize the appropriateness of expanding this section to include all Class I resources, which includes fuel cells.

Finally, as mentioned earlier Connecticut's fuel cell industry is an important and growing member of Connecticut's economy. The state has invested in our industry and likewise we have invested heavily in Connecticut. This proposal, with the proposed change with respect to eligibility, honors that relationship.

FuelCell Energy appreciates the opportunity to provide these comments.

Respectfully Submitted,

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**AN ACT CONCERNING THE CAPACITY AND CRITERIA FOR CERTAIN  
RENEWABLE ENERGY GENERATION FACILITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (a) of section 16-244v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) An electric distribution company, or owner or developer of generation projects ~~[that emit no pollutants]~~ using Class I renewable energy sources as defined in section 16-1, may submit a proposal to the Department of Energy and Environmental Protection to build, own or operate one or more generation facilities up to an aggregate of ~~[thirty]~~ two hundred megawatts ~~[using Class I renewable energy sources as defined in section 16-1]~~ from July 1, ~~[2011]~~ 2016, to July 1, ~~[2013]~~ 2019. Owners or developers of generation projects shall act with the support of the host municipality in submitting proposals under this section. Each facility shall be greater than one megawatt but not more than ~~[five]~~ sixty-five megawatts. Each electric distribution company may enter into joint ownership agreements, partnerships or other agreements with private developers to carry out the provisions of this section. The aggregate ownership for an electric distribution company pursuant to this section shall not exceed ~~[ten]~~ sixty-five megawatts. The department shall evaluate such proposals pursuant to sections 16-19 and 16-19e and may approve one or more of such proposals if it finds that the proposal serves the long-term interest of ratepayers. The department (1) shall not approve any proposal supported in any form of cross subsidization by entities affiliated with the electric distribution company, ~~[and]~~ (2) shall give preference to proposals that make efficient use of existing sites and supply infrastructure and support the goals outlined in the Comprehensive Energy Strategy, prepared pursuant to section 16a-3d, and (3) shall maximize production of in-state electricity to support the achievement of the 2020 renewable portfolio standard goals of the state established in section 16-245a, including improving grid reliability and voltage stabilization. No such company may, under any circumstances, recover more than the full costs identified in a proposal, as approved by the department. Nothing in this section shall preclude the resale or other disposition of energy or associated renewable energy credits purchased by the electric distribution company, provided the distribution company shall net the cost of payments made to projects under the long-term contracts against the proceeds of the sale of energy or renewable energy credits and the difference shall be credited or charged to distribution customers through a reconciling component of electric rates as determined by the authority that is nonbypassable when switching electric suppliers.

