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**Testimony of David Sutherland – Director of Government Relations
Before the Energy and Technology Committee**

March 10th, 2016

**In Support of Bill 394-
AAC VIRTUAL NET METERING AND CERTAIN ZERO OR LOW EMISSION
GENERATION PROJECTS**

On behalf of The Nature Conservancy, I would like to express our support for Bill 394, and urge the committee to also permanently raise the current annual cap on virtual net metering, particularly for municipal customers.

Controversies regarding virtual net metering highlight the critical need for a comprehensive study of the value of various distributed generation sources to our electrical grid, electricity consumers, and our state.

To meet its critical greenhouse gas emissions reduction goals, Connecticut will need to import renewably-sourced power generated elsewhere; but it must also greatly and rapidly increase its in-state deployment of clean, renewable distributed energy sources. These sources will reduce energy costs for customers who install them and if deployed widely enough will reduce the vulnerability of our electricity supply systems to various threats. Net and virtual net metering will be crucial tools to enable sufficient deployment to occur.

Our electric distribution companies have valid concerns about various aspects of renewable deployment, including the implications of costing and compensating for renewable generation on their entire customer base and shareholder return, and the mechanical repercussions of distributed generation on an aging grid.

Without a comprehensive study that assesses the full range of distributed energy sources and the full range of their impacts - on projected need for new fossil fuel source capacity, on peak load demand, on natural habitats, and other factors; the discussion about fair compensation for distributed energy sources and for distribution utilities will be seriously under-informed. It is far too important and urgent a discussion to our economy, our security, and our climate to continue without the best possible information and assessments.

Such a study of the value of customer-side renewable energy sources was proposed last year in Bill 6023 and in more detail in Bill 570. We would note that the relevant section of Bill 570 carried no fiscal note.

We strongly urge the committee to revive that proposal as a part of this or other legislation so that we can continue to move towards a truly modern electrical grid and fair ratemaking system. We would not have to start from scratch - such studies have been done for other jurisdictions; the Acadia Center has studied many important factors regarding solar energy in Connecticut - but it is essential that the legislature mandate a comprehensive independent study for all distributed generation sources for Connecticut.