



"The Bedding Plant Capital of Connecticut"

TOWN OF CHESHIRE

Department of Public Works and Engineering
84 South Main Street, Cheshire, Connecticut 06410
Phone: 203-271-6650 Fax: 203-271-6659

Testimony by George Noewatne
Director of Public Works and Engineering
Judiciary Committee
March 10, 2016
State Legislative Office Building

Re: Raised Bill No. 394
Stranded Communities
Virtual Net Metering

Senator Doyle, Representative Reed, Senator Formica, and Representative Ackert, I am George Noewatne, Director of Public Works and Engineering for the Town of Cheshire and I am here today to speak in favor of SB 394, An Act Concerning Virtual Net Metering and Certain Low Emission Generation Projects.

This bill offers relief to Cheshire and eight other communities that, in good faith, have entered into agreements to construct solar facilities in their towns and subsequently learned that Virtual Net Metering (VNM) credits, which are a cornerstone of the financial viability of these projects, may not be available for these projects. This situation could very well result in our project being cancelled and the loss of 1 MW of renewable energy coming on line and being available to Cheshire residents.

Cheshire is at the forefront of communities that have moved ahead in an effort to meet our Clean Energy Communities Municipal Pledge (CECMP). We achieved the Gold Level of accreditation through numerous energy saving programs, including our recent \$10M Energy Performance project which reduced energy usage at municipal and school buildings by more than 30%; the installation of energy saving pumps and blowers at our Water Pollution Control Plant, saving 800,000 kWh/year; and the conversion of 1,772 streetlights to LED's, which is currently underway.

We are now in jeopardy of losing a solar project which is a vital part of the CECMP and critical to our cost saving efforts. Unfortunately, since there is no transparent way for Cheshire, or any community, to view what Virtual Net metering credits are available until after they are well into design and permitting, we and our energy partners are left expending considerable resources pursuing renewable energy projects without the benefit of knowing what credits exist. This project began over a year ago and the process is well underway; in fact, we have been awarded ZREC credits at auction and were planning to begin construction this summer. The potential loss of VNM credits, which we recently learned about,

has a tremendous impact on the financial viability of this project, as well as the credibility of the entire Virtual Net Metering program.

The planned construction of a 1 MW solar facility in Cheshire would produce more than 16% of our municipal buildings' electrical energy usage. This would improve the reliability of the electric grid and help eliminate the need to construct and operate power generating facilities, especially to meet peak power periods. The project will also relieve stress on the overall electric distribution system by reducing the need to use primary electric supply lines across other parts of Connecticut.

In conclusion, the Town of Cheshire is excited about the opportunity to construct a renewable energy facility that will provide a significant percentage of our Town's buildings' needs; that will put the vacant land of our closed solid waste landfill to a higher and better use; and that will help stabilize the cost of electricity for all Cheshire residents for the next 20 years. We are hopeful that this modification to the method used to assign Virtual Net Metering credits will allow us to continue down the road of energy efficiency and independence!

Sincerely yours,



George Noewatne
Director of Public Works and Engineering
Town of Cheshire



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