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Connecticut Energy and Technology Committee
Legislative Office Building -- Room 3900
300 Capitol Avenue
Hartford, CT 06106

**RE: Written Support Testimony for SB 394: Ameresco and Bethel, CT Project
An Act Concerning Virtual Net Metering and Certain Low Emission
Generation Projects**

Dear Committee Members:

Senator Doyle, Representative Reed, Senator Formica, and Representative Ackert, I am Jim Daylor representing Ameresco and I am here today to speak in favor of SB 394, an Act Concerning Virtual Net Metering and Certain Low Emission Generation Projects. Ameresco is a nationally recognized solar developer and we have been working in close partnership with the community of Bethel, Connecticut for over a year to develop an approximately 1MW solar photovoltaic project on an otherwise unusable closed landfill in their community. My comments today will be from the position of a solar developer and intend to illustrate the volume of work completed to date, the investment made to get to this point, and articulate why this bill is critical to allow us to deliver a project that will benefit this community for the next twenty years and beyond.

Over the past year, Ameresco has worked in close partnership with community leadership and volunteer community representatives to offer education on the economic, sustainable, and environmental benefits of solar photovoltaic projects, develop a conceptual project on a specific parcel in the community, and take the necessary steps to ready this project for design, permitting, construction, and commercial operation. These efforts have resulted in a real project that is for all intents and purposes “shovel ready” today. Ameresco views this project as such because we have entered into a Power Purchase Agreement with Bethel, we have secured a ZREC award and made a Performance Assurance Payment to secure this award, secured site control from the host community, secured financing for the project, and made preliminary filings with local boards and agencies that have been favorably received. Again, projects with this level of entitlement show the commitment from the developer as well as the commitment from a third party off-taker (Bethel) to purchase the electricity generated by the project, therefore it is indicative of a real project. Ameresco is fully committed to moving forward with completing permitting once the risk related to the uncertainty surrounding virtual net metering program has been alleviated.

So, from a developer’s perspective, why has this uncertainty surrounding the virtual net metering program derailed this and other projects at this point? Due to the risk of virtual net metering currently being fully subscribed, and requiring an act of the legislations to move



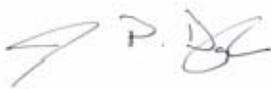
the stranded projects forward, it is not appropriate for developers to incur the additional costs and time to fully permit projects to get them commercially operationally. Any further expenditure by the developer or host community would be fully at risk until this matter is resolved. This additional permitting falls under the detailed design, permitting, and construction phase of the project following the project surety afforded by the above contractual agreements and include local ministerial permits such as site plan review, planning and zoning review, natural resource permits, and building and electrical permits. Moreover, for landfill sites such as is the case in Bethel, a post closure use permit from DEEP would be required as would stormwater and erosion control plans.

As of today, Ameresco has incurred expenses that are fully at risk of almost \$100,000. This investment includes performance assurance payment of \$14,924.80 to secure the ZREC award, fees associated with utility driven interconnect applications and studies that are exceeding \$15,000, engineering, sales, project management, and internal legal labor of almost \$50,000 and external legal expenses for contract and financial review of over \$15,000. Ameresco will still need to invest an additional \$125,000 or more to complete design and permitting to be fully construction ready. This additional expense includes the engineering, permitting, management, and legal fees required to complete detailed permitting. Our business is not prepared to make this additional investment all at risk given the current uncertainty surrounding virtual net metering program.

Ameresco and Bethel fully intend to move forward and build this project when this bill passes and the virtual net metering program is restored. Doing so will allow the community to finally realize the economic, sustainable, and environmental benefits that were interested in when discussions began well over a year ago. Moreover, as an ancillary benefit, this project and all the stranded projects will create additional local economic benefit in terms of new tax revenue and local construction jobs.

Thank you for your consideration and attention to this important issue.

Sincerely;

A handwritten signature in black ink, appearing to read 'J.P. Daylor', is written over a faint, light-colored signature line.

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