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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 334: Ameresco in favor of minor language corrections to energy and technology related statutes.

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 334, an act in favor of minor language corrections to energy and technology related statutes. Ameresco is a nationally recognized energy services company (ESCO) and we have been working in close partnership with many Connecticut communities on energy savings performance contracts. My comments today will be from the position of an energy services provider and intend to illustrate the additional leverage and savings opportunity available to government agencies and municipalities when the language for performance contracting is revised.

Performance Contracting is a powerful contracting tool in the energy efficiency industry that allows owners of real estate, particularly tax-exempt and government entities to monetize energy savings over time and repurpose those energy dollars back into their own facilities today instead of paying for inefficient technologies or wasted energy dollars leaking out of buildings. Moreover, performance contracting attracts third party capital to these projects freeing up local tax payer dollars for other important work central to the mission of public agencies and municipalities. Revising the language of these statutes will allow the capturing of more savings dollars, the upgrade and modernization of more facilities, and the opportunity to drive sustainable technologies through public facilities. All accomplished without costing the tax payer one more dollar than they are paying today.

The specific change we would support would be to reconcile the terms of the allowable contract term for performance contracting described under PA 11-80 Section 123. Currently, there is a disconnect between the definition of "cost-effective" for individual measures and the overall term of a performance contract. We would suggest language be clarified to allow for a twenty (20) year term for performance contracts. Making this language revision would allow municipalities and agencies, should they choose to engage in longer term projects, the ability to capture more of their own savings dollars and self-fund more energy efficient capital projects. Doing so would lessen the budget pressure for these types of projects and lessen the tax payer burden to upgrade public facilities. Again, this is accomplished by using the full leverage of performance contracting to draw in third party capital to self-fund energy efficient projects.



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

Sincerely;

A handwritten signature in black ink, appearing to read "J.P. Daylor". The signature is stylized with a large initial "J" and a prominent "D".

James P. Daylor – Senior Account Executive
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