

**STATE OF CONNECTICUT  
ENERGY & TECHNOLOGY COMMITTEE**

Governor's Bill No. 9 (LCO No. 340) –  
An Act Concerning Connecticut's Energy Future

**Public Hearing Testimony  
of  
Kimberly-Clark Corporation**

Sponsored by:

James S. Schneider  
Kimberly-Clark Corporation  
1400 Holcomb Bridge Road  
Roswell, Georgia 30076  
Phone: 770-587-7283  
Email: james.schneider@kcc.com

**March 1, 2018**

**PUBLIC HEARING TESTIMONY OF JAMES S. SCHNEIDER  
ON BEHALF OF KIMBERLY-CLARK CORPORATION  
ON GOVERNOR'S BILL NO. 9 (LCO NO. 340)**

On behalf of its New Milford, Connecticut tissue mill, Kimberly-Clark Corporation ("K-C") appreciates this opportunity to offer K-C's perspective on Governor's Bill No. 9 (LCO No. 340) ("the Bill"). The Bill proposes, among other things, to: (i) extend Connecticut's Class I and Class II Renewable Portfolio Standard ("RPS") requirements from 2020 to 2030; and (ii) increase the purchase obligations for Class I from 20 percent in 2020 to 40 percent in 2030 and for Class II from 3 percent in 2020 to 4 percent through 2030.

As recognized in the recently released Comprehensive Energy Strategy, the RPS is one of Connecticut's primary policy tools for encouraging the development and continued operation of renewable generation.<sup>1</sup> Recognizing the benefits of various types of resources, Connecticut's RPS supports renewable generation that qualifies under Class I, Class II, or Class III, as defined by statute. Based on the Bill's focus on Class I and Class II resources only, K-C is concerned that Class III's contribution to realizing Connecticut's environmental and energy objectives may have been overlooked. As Connecticut contemplates its energy future, K-C urges the Committee to recognize the important role of Class III resources now and in the coming decade.

K-C shares the Bill's goals of promoting renewable generation development and support for a cleaner environment. Throughout K-C's 140-year history, sustainability has been a core corporate value. K-C has a longstanding energy and climate program to transform financial and environmental performance through energy efficiency, conservation, and alternative energy initiatives that reduce greenhouse gas ("GHG") emissions and climate impacts from both K-C's operation and along K-C's supply chain.<sup>2</sup> As part of this effort, K-C has embraced the use of state-of-the-art natural-gas fired generation using combined heat and power ("CHP") technology at several of its manufacturing facilities, including the mill in New Milford, Connecticut.

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<sup>1</sup> See Comprehensive Energy Strategy at 111 (issued Feb. 8, 2018).

<sup>2</sup> See *generally* K-C's 2016 Sustainability Report at [https://www.sustainability2022.com/-/media/sustainability-files/pdf/kimberly-clark-sustainability-report\\_2016.pdf](https://www.sustainability2022.com/-/media/sustainability-files/pdf/kimberly-clark-sustainability-report_2016.pdf).

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As this Committee may recall, K-C was encouraged by Public Act 05-01 to build a 35 MW Class III CHP system at K-C's New Milford mill, which is proud to employ approximately 350 highly skilled workers at family-sustaining wages. For K-C, and likely many other large commercial and industrial customers with energy-intensive business operations in the State, energy costs represent a significant percentage of total operating costs. The CHP unit has played, and continues to play, a critical role in allowing the New Milford mill to fulfill K-C's corporate sustainability and environmental stewardship policies as well as controlling its energy costs. K-C's CHP unit helps the mill remain competitive against other K-C tissue mills as well as other companies' tissue mills operating in lower cost energy markets.

In planning for Connecticut's energy future, lawmakers would be remiss in overlooking the critical role of Class III CHP sources in realizing Connecticut's energy policy goals into the next decade.<sup>3</sup> Class III CHP sources are environmentally preferred resources under Connecticut's RPS and, as such, Connecticut's long-standing policy has been to promote CHP development. Connecticut should continue to do so beyond 2020.

Thank you for your consideration of K-C's testimony on Governor's Bill No. 9. As the owner, operator, and developer of a Class III CHP unit at its New Milford, Connecticut, manufacturing facility, K-C appreciates the opportunity to share its perspective with the Committee.

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<sup>3</sup> In 2017, all Class III renewable energy credits were produced by CHP units. See Comprehensive Energy Strategy at 142.