



## Dannel P. Malloy

GOVERNOR  
STATE OF CONNECTICUT

March 1, 2018

### **Re: S.B. 9, An Act Concerning Connecticut's Energy Future**

Senator Winfield, Senator Formica, Representative Reed, Representative Ackert and members of the Energy and Technology Committee. Thank you for the opportunity to submit testimony in support of Senate Bill 9 An Act Concerning Connecticut's Energy Future.

For the last seven legislative sessions, your committee and my administration have collaborated time after time to forge an entrepreneurial and forward-looking path for Connecticut's energy policy. It is thanks to your leadership and willingness to be open to new ideas and dialogue that we have made such progress over the years. I hope we can come together one more time, and lock in a collective legacy of progress on energy.

As I said in my State of the State Address last month, the science behind climate change is undeniable. If we are to keep with a tradition of Connecticut Fairness, we must leave this state in a better place than we found it. Our climate is changing, and we are obligated to do everything we can to stem the pace and ferocity of that change.

Over the last decade, Connecticut has made great strides to address climate change. We have prioritized clean energy like never before, deploying over a billion dollars in low or zero emission generation, we have ensured energy efficiency is a vital goal, and we have done all of this while looking out for the ratepayer. The bill before you today builds off our successes and learns from our missteps to ensure that Connecticut remains on the cleaner, cheaper, more reliable path.

Connecticut must continue to take bold action including deployment of solar, wind, other renewable energy technologies, and energy efficiency. Concurrently, steps must be taken to contain the costs for ratepayers for these ambitious mitigation investments to succeed. Connecticut cannot afford to ramp up renewables without new, more economically sustainable models for compensating our smaller-scale, distributed generation resources, and a competitive procurement program for energy efficiency.

S.B. 9 proposes several ways to sustain this path. By setting an interim Renewable Portfolio Standard target at 40% by 2030, it allows the industries that rely economic forecasts the certainty to plan ahead. It guarantees that clean energy deployment continues at the pace Connecticut has been enjoying for the past several years. And, it increases fuel diversity, which moves to protect our residents from the sometimes volatile natural gas market, upon which we are increasingly reliant.

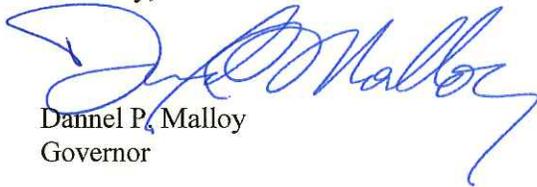
This proposal will make the compensation for clean distributed generation simpler, fairer and more sustainable by (1) simplifying the current net metering / virtual net metering structures through the introduction of one competitive auction process resulting in a long-term contract for winning bids; (2) establishing a fixed rate for residential programs (i.e. rooftop solar) through a PURA rate-setting process that ensures that developers cover their costs and earn a fair rate of return; and, (3) most significantly, this

proposal will increase the megawatts deployed of renewable energy at a savings of over \$1 billion in ratepayer dollars over 20 years compared with the continuation of current programs.

In an effort to remedy the devastating short and long term consequences of the CT Green Bank sweeps that threaten jobs and private investment in our state, this proposal provides a time limited Mill increase. With a leverage rate of 8:1, this will allow the CT Green Bank to establish a sufficient portfolio to become a self-sustaining enterprise by 2025 and restore the confidence of private capital, reducing the need for future ratepayer support while continuing to be an economic engine for Connecticut. Furthermore, to mitigate the impact of the 2017 energy efficiency fund sweeps this proposal establishes a procurement process for efficiency as a resource, and sets a minimum efficiency target based on current investment levels.

I am proud of the progress that we have made together, and I am grateful for the partnership of this committee. I look forward to working with you this session to ensure this progress continues into the future, for us, and for the next generation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dannel P. Malloy". The signature is fluid and cursive, with a large initial "D" and "M".

Dannel P. Malloy  
Governor