

Renewable Energy and Efficiency Business Association, Inc.

**Written Testimony of the
Renewable Energy and Efficiency Business Association, Inc.
Senate Bill 9
Thursday, March 1, 2018**

Senator Paul Formica, Senate Co-Chair, Senator Gary Winfield, Senate Co-Chair, Representative Lonnie Reed, House Chair, Representative Tim Ackert, House Ranking Member and the Energy and Technology Committee, the Renewable Energy and Efficiency Business Association, Inc. (REEBA) appreciates the opportunity to provide its comments and recommendations in response to Senate Bill 9.

REEBA is a renewable energy business trade association based in Connecticut. Our mission is to promote the sustainable deployment of renewable energy and energy efficiency in the state. We have over 50 members, which include behind-the-meter solar companies, 2 MW to 20 MW grid-connected solar and fuel cell companies, fuel cell manufacturers, energy services companies, microgrid companies, and municipalities.

REEBA's comments focus on the Class I Renewable Energy development aspects of Senate Bill 9 as follows:

1. Behind-the-Meter Class I Renewable Energy Projects.

REEBA strongly believes that the size of the behind-the-meter tariff program proposed in Senate Bill 9 is much too small to support a sustainable and robust solar and fuel cell industry in Connecticut. The proposed tariff, if not greatly increased, will doom the state's solar and fuel cell industries, ensure that Connecticut does not meet its RPS goals, and will cause the state to fall further behind its neighbors, including Massachusetts, New York, and Rhode Island, that have much more ambitious and robust renewable energy development programs.

Section 5 of Senate Bill 9 proposes a 20-year tariff for behind-the-meter Class I renewable energy projects that are less than 2 MW in size and sized so as not-to-exceed the load of the customer. Aggregate tariff purchases under the proposed tariff cannot exceed \$35 million per year for the RECs and Energy produced by these projects. REEBA projects that, if enacted, the tariff's lackluster annual budget of \$35 million proposed in Senate Bill 9 would result in about only 14 to 18 megawatts of Class I renewable energy projects being deployed for a total of only 168 to 216 megawatts of capacity over twelve years. This is paltry compared to other renewable energy programs. For example, Massachusetts set its renewable energy capacity target at 1,600 MWs, to be achieved in half the time!

In conclusion, to avoid a bust in the solar and fuel cell industries in Connecticut, and to make the state somewhat competitive with its neighboring states, REEBA recommends, at a minimum, that the proposed tariff program budget be increased to \$100 million per year. This would allow about 480 MWs to 600 MWs of behind-the-meter Class I renewable energy capacity to be installed in the state, which may be just enough to maintain a sustainable renewable energy industry in the state.

2. Grid- Connected (2 MW to 20 MW) Class I Renewable Projects.

Glaringly absent from Senate Bill 9 was any mention of a competitive solicitation program to promote Grid-Connected (2 MW to 20 MW) Class I renewable energy projects in Connecticut. This was surprising to REEBA considering that the current competitive solicitation program has proven to be the best approach for the state to achieve the cheapest prices for renewable energy due to the economies-of-scale for these projects. The larger size of these projects also goes a long way in helping the state meet its RPS goal. These benefits led the Department of Energy and Environmental Protection (DEEP) to prominently feature large-scale, grid-connected Class I renewable energy projects in the recent Comprehensive Energy Strategy (CES).

REEBA understands that DEEP currently already has the statutory authority to implement competitive solicitations for 2 MW to 20 MW Class I renewable energy projects. However, the timing of these competitive solicitations is unpredictable and elusive, and the current process does not lend itself to a sustainable and robust renewable energy industry in Connecticut.

To create a 2 MW to 20 MW Class I renewable energy competitive solicitation process that creates a predictable and certain framework for the creation of a sustainable and robust solar and fuel cell industry in Connecticut, REEBA strongly recommends that the legislature implement the following 2 MW to 20 MW competitive solicitation program for the state where revenue certainty and a long-term commitment will create the lowest cost Class I renewable energy generating projects. The existing 2 MW to 20 MW Competitive Renewable Energy Solicitation Process should be modified in statute as follows:

Solicitation Size:	100 MW
Number of Solicitations per year:	Two - mandatory
Bundled Price:	RECs, Energy, and Capacity
Size Segments:	2 MW to 10 MW 11 MW to 20 MW
Contract Length:	20 Years
Off-takers:	Eversource and UI
Price Adders:	2 cents - Brownfield and Landfills
Transparency:	Full – All proposal prices should be made public 30 days after each solicitation
Program Length:	12 Years

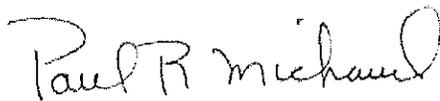
REEBA strongly believes that the above statutory changes to the current 2 MW to 20 MW competitive Class I solicitation program would dramatically lower the cost of renewable energy because it will create revenue certainty, economies of scale, and increased competition over the long-term. Having two solicitations per year for the length of the program will create market predictability for the renewable energy industry in Connecticut, which is currently lacking, resulting in greatly increased competition and lower energy prices. Once fully implemented, this revised program would result in 200 MW of renewable capacity per year for 12 years for a total of 2,400 MWs of cheaper and cleaner energy for the state.

The attached analysis sheet performed by Pine Gate Renewables, a REEBA member, demonstrates how a robust and sustainable 2 MW to 20 MW competitive solicitation program would generate clean power, local jobs, and economic stimulus throughout Connecticut. The data sheet shows that a competitive Class I solicitation program as proposed by REEBA would create over 1,500 jobs and result in the investment of over \$200 million in the state for every 100 MW of installed solar capacity.

3. Fuel Cells Should Remain Class I.

The Comprehensive Energy Strategy (CES) contemplates downgrading fuel cells from a Class I to Class III technology under Connecticut's RPS. The benefits of fuel cells to the electric distribution system are well-documented, including their value to many municipal and government microgrids. Furthermore, the growth of fuel cells is an important economic driver in Connecticut. Thus, to downgrade fuel cells would be disastrous and only add to the states downturned economy. Accordingly, REEBA urges the legislature to make a point of signaling their continued support for the fuel cell industry in the state.

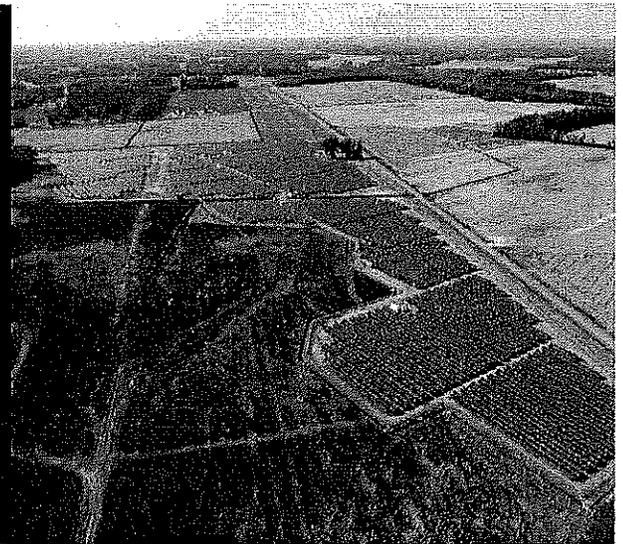
Sincerely submitted,

A handwritten signature in black ink that reads "Paul R. Michaud". The signature is written in a cursive style with a large, looped initial "P".

Paul R. Michaud, Esq.
Founder and Executive Director

Choosing Solar Power Today for a Stronger Tomorrow

Solar can generate clean power, local jobs and economic stimulus throughout Connecticut. The solar industry will create over 1,500 jobs and invest over \$200 million in the state for every 100 MW of installed capacity. Pine Gate Renewables is committed to working with and for the communities of Connecticut to create a stronger, more secure energy future.



Proudly Supporting Connecticut's Economy

Impact of 100 MW of Utility Scale Solar Installed Annually	2019	2020	Total Impact
Total kWh's Generated for Connecticut Ratepayers:	162,500,000	324,200,000	486,700,000
Annual estimated Lease Payments to Connecticut Property Owners:	\$2,340,000	\$4,720,000	\$7,060,000
Annual estimated Property Taxes after negotiated abatements:	\$1,000,000	\$2,000,000	\$3,000,000
Annual Operations & Maintenance Payments to local businesses	\$1,050,000	\$2,120,000	\$3,170,000
Total Investments made during Development and Construction:	\$240,000,000	\$235,000,000	\$475,000,000

What do the Numbers Mean?

- Eliminating 150 million pounds of Carbon annually
- Removing 6,000 cars from the road for 1 year
- Planting 40,000 trees in U.S. forests
- Powering 620,000 light bulbs for one year

