

TESTIMONY OF  
VINCENT PACE  
ASSOCIATE GENERAL COUNSEL  
EVERSOURCE ENERGY  
Energy and Technology Committee  
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**RE: Senate Bill No. 9, An Act Concerning Connecticut's Energy Future.**

Good afternoon and thank you for the opportunity to speak with you today. My name is Vincent Pace and I am Associate General Counsel, for Connecticut State Regulatory matters, for Eversource Energy. I am offering Eversource's testimony on Senate Bill 9, that has been raised for public hearing.

Eversource transmits and delivers electricity to 1.2 million customers in 149 cities and towns and provides natural gas to 222,000 customers in 72 communities in Connecticut. Eversource harnesses the commitment of its approximately 8,000 employees, 3,300 in CT, across three states to build a single, united company around the mission of delivering reliable energy and superior customer service. Significant progress has been made in Connecticut for a cleaner, more resilient system and Eversource has been a committed partner in the deployment of renewable technologies through several programs and initiatives.

Eversource agrees with the conclusions in the 2018 Comprehensive Energy Strategy that payments to net metering customers are currently significantly in excess of the payments needed to purchase and install the generation equipment. Further, these excess payments are hidden costs that are paid for by non-participating customers, and without change, these hidden costs will escalate. The Governor and the Department of Energy and Environmental Protection's Bureau of Energy and Policy Technology are to be commended for recognizing that changes are necessary to protect non-participating customers from these escalating future costs.

Eversource therefore supports Senate Bill No. 9, as the approach of the bill strikes an appropriate balance between the desire to incent new renewable technology deployment and to provide greater transparency for customers.

In Section 1, Eversource supports the increase in Renewable Portfolio Standards requirements as outlined in the bill.

In Section 4 of the bill, Eversource supports the proposed changes, which provide a bright line for applicability of the current net metering requirements and for the transformation to service under Section 5 of the bill, whereby customers are provided better transparency with respect to the amount that will be paid and services provided to participating customers, and for support provided by all customers. The new compensation method for distributed energy resources described in Section 5 will provide for clearer measurement of energy transactions and limit the amount of subsidies paid by non-participating customers, and allow customers and stakeholders to more easily understand the benefits and costs associated with their arrangements for distributed energy resources. This will generally facilitate better cost estimates for project development and daily use. Eversource also recommends that the legislation confirm that the new program offerings under Section 5 will replace existing net metering programs for future projects.

Additionally, Section 5 of the bill proposes changes that create long term or 20-year tariffs for Class I renewable technologies that produce energy or renewable energy certificates. Eversource supports these changes in Section 5, which synthesize and will eventually replace the many existing renewable energy certificate programs, such as the LREC/ZREC program, the Shared Clean Energy Facilities pilot and the Solar Home Renewable Energy Credits program, into a successor initiative that continues to encourage the deployment of Class I renewable technologies. The bill should specifically outline the phase out of the current LREC/ZREC program and the Solar Home Renewable Energy Credit program to ensure that potential bidders are clear about their eligibility to enroll under these new tariffs. Otherwise, customers can experience confusion if programs continue to run simultaneously with the approval of these new tariffs. In addition, there should be requirements for eligibility that help ensure that new generation is actually built and matches the new load associated with the operating Class I facility. Also, in the agency proceedings where they will develop the details for implementing Sections 4 and 5, among other things, they will need to determine the appropriate service and metering requirements to facilitate implementation of this new program, which will also ensure that important energy usage and production information is provided to customers.

Sections 7 and 8 of the bill create a competitive procurement process that would result in contracts being awarded to providers of passive demand response measures, funded by amounts collected from ratepayers for the state's Conservation and Load Management Plan.

Eversource believes the competitive procurement of passive demand response has the potential to benefit the state and ratepayers. Although Eversource supports the use of a competitive procurement process, it recommends the following modifications to Section 8 of the bill to provide several protections typically included in competitive solicitations for long-term contracts. First, Section 8 of the bill should explicitly state, in greater detail, the objective and quantifiable factors by which competitive bids will be evaluated and contracts awarded. If it is not possible to determine those criteria at this time, then the bill should require a robust stakeholder input process at DEEP to help determine those criteria before an RFP is issued.

Second, we appreciate that Section 8 appropriately recognizes that all stakeholders will benefit from DEEP's retention of an independent consultant to support the evaluation and selection of bids. Third, Section 8 of the bill should include an explicit cap on the maximum portion of the 6mill ratepayer charge that would be available to fund these new contracts over the full 20-year term, so that stakeholders have a more clear understanding of the maximum dollar amount of the contracts that would be procured.

Finally, Section 9 of the bill increases charges to be collected from ratepayers for the Green Bank's Clean Energy Fund. Eversource believes any such increase should be applied pro-rata to all entities that were required in 2017 to provide their utility bill funding to the General Fund, and not to a single entity only.

In conclusion, Eversource believes the bill introduces the next iteration and successor initiative that will continue to facilitate the deployment of renewable technologies that is more transparent for customers and stakeholders.

Thank you.