



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

Energy and Technology Committee
Legislative Office Building, Room 3900
Hartford, CT 06106

Re: Sunrun Inc. Testimony on SB 9 for Public Hearing on Thursday, March 1, 2018

Dear Chairs Formica, Winfield and Reed and Ranking Member Ackert:

Sunrun is a leader in residential solar, storage, and energy management. We pioneered the “solar-as-a-service” model 10 years ago, and today Sunrun is the largest dedicated residential solar company in the United States. Sunrun believes there is a better, less expensive, cleaner way for families to power their homes and with Sunrun’s residential rooftop solar, storage and energy services, homeowners are saving money while dramatically reducing the amount of air pollution and carbon dioxide released into the atmosphere. As a leader in residential distributed energy resource (“DER”) deployment, Sunrun has a high interest in the evolution of the electric grid, utility business models, and rate design.

Sunrun entered the Connecticut market in April 2015, and we currently have thousands of customers across the state. We have a Branch Office located in Hartford and employ dozens of Connecticut residents. Sunrun appreciates the opportunity to provide testimony on SB 9 and looks forward to working with this body to develop a sustainable and long-term set of policies that will foster a business-friendly climate to support rooftop solar growth.

Sections 4 and 5: Distributed Generation (DG) Tariff Program Proposal

Eliminating Net Energy Metering (NEM) is premature and threatens to eliminate the growth and existence of the residential solar market and the local jobs it has and will continue to create in the state.

NEM supports consumer choice and energy choice. Eliminating NEM will strip Connecticut homeowners of the opportunity to choose how their electricity is produced. The changes proposed in SB 9 threaten the creation of future jobs. With over 2,000 solar jobs in Connecticut it is critical that this body implement policies that will sustain and grow the

number of solar jobs in the state. The growth of the residential market in CT has been quite successful in creating new economic development opportunities.

The timeline to establish a new rate for residential solar customers is too short and will not result in a thorough and robust evaluation of the costs and benefits of DG solar to shape a sustainable long-term rate design.

SB 9 proposed to eliminate NEM in December 2018 and initiate a proceeding to create a new export rate in September 2018; however, Sunrun believes that these several months is not enough time to develop a long-term, sustainable rate design to promote the growth of rooftop solar. Sunrun has engaged in many proceedings across the country to determine the costs/benefits of rooftop solar and it is a timely process. New York's REV process is a multi-year evaluation of how the state can diversify its energy mix and advance and evolve its grid while minimizing costs for ratepayers.

The National Association of Regulatory Utility Commissioners Manual on Distributed Energy resources directs that best practice is to have a thoughtful approach to evolving NEM.¹ The notion to cut-off NEM before a comprehensive replacement has been worked out is not in keeping with best practices and threatens to result in widespread devastation of the solar industry. We've seen the ramifications of this in Nevada 2015. Without a thoughtful process, the industry was eliminated overnight resulting in thousands of job losses.²

We encourage Connecticut to implement a thoughtful transition. There is no need to make a determination on NEM until we have a comprehensive process in place. It is critical that solar developers understand what the future program looks like before any significant changes are made to the program.

Allowing PURA to establish an "interim rate" prior to the expiration of the RSIP program will result in significant business uncertainty for solar developers as there is no visibility as to what the rate will be and if it is viable to operate in the market.

It is critical that stakeholders have visibility and the opportunity to engage in a process on any program rate design changes. As laid out in SB 9, there is a significant risk that the "interim rate" will not serve the development of the residential solar market and may result in layoffs.

¹ <https://pubs.naruc.org/pub/19FDF48B-AA57-5160-DBA1-BE2E9C2F7EAO>

² <https://www.greentechmedia.com/articles/read/Nevada-Regulators-Eliminate-Retail-Rate-Net-Metering-for-New-and-Existing-S#gs.PDIZGEM>



Conclusion

We appreciate the opportunity to provide these comments on the implications SB9 threatens to impose on the rooftop solar industry in Connecticut. We welcome the opportunity to work with this body to find solutions that will support the growth of the rooftop solar industry and the local jobs it has and should continue to create in Connecticut.

Sincerely,

Grace Walovich
Manager of Public Policy