

Public Hearing – February 21, 2019
Energy and Technology Committee

Testimony Submitted by Commissioner Katie S. Dykes

S.B. No. 845 – AN ACT CONCERNING THE PROCUREMENT OF ENERGY DERIVED FROM ANAEROBIC DIGESTION

Thank you for the opportunity to present testimony regarding S.B. No. 845 – An Act Concerning the Procurement of Energy Derived from Anaerobic Digestion. This bill requires the solicitation of proposals from providers of energy derived from anaerobic digestion.

The Department of Energy and Environmental Protection (DEEP) welcomes the opportunity to offer the following testimony. DEEP **supports** this proposal's concept to expand anaerobic digestion (AD). The Department's 2016 Comprehensive Materials Management Strategy states that to contribute to meeting the state's statutory waste goals, a minimum of 300,000 tons/year of new organics processing capacity – focused on food waste – would need to be built by 2024. This is roughly equivalent to 10 MW in power generation from anaerobic digestion facilities, depending upon the technology used. So far, only a small fraction of that capacity has been built. AD facilities receive revenues from the receipt of organic materials and may also derive revenue from the sale of natural gas, an option which DEEP is beginning to explore. As with other emerging technologies, we expect that the cost of the technology may also decrease over time. Therefore, it is unclear the extent of procurement authority necessary at this time to achieve the state's statutory waste goals.

DEEP therefore recommends the following **modifications** to the proposed language:

- Any DEEP-run procurements and potential selections of AD should be informed by the state's Comprehensive Materials Management Strategy, as well as the energy planning documents already noted in the proposed language including the Integrated Resource Plan and the state's Comprehensive Energy Strategy.
- To ensure flexibility to meet market needs and ensure the best interest of ratepayers, this procurement authority should be discretionary rather than mandatory. Section 16a-3h of the Connecticut General Statutes already authorizes DEEP to conduct a solicitation for any combination of the listed resources, including anaerobic digestion. DEEP has approximately 0.6% of electric load remaining under this authority, which equals approximately 20 MW in electricity derived from anaerobic digestion. DEEP recently conducted a procurement using a portion of this authority and selected a 1.6 MW anaerobic digestion facility. In addition, AD projects under 2 MW will also have access to new utility-run auctions (up to 10 MW/year for AD and fuel cells) in 2020 as part of the suite of new behind-the-meter programs authorized in P.A. 18-50.

In sum, DEEP **supports** S.B. No. 845 – An Act Concerning the Procurement of Energy Derived from Anaerobic Digestion with the above noted modifications.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact Mandi Careathers, DEEP's Legislative Liaison, at Mandi.Careathers@ct.gov.