

March 4, 2021

Senator Norm Needleman, Senate Chair
Representative David Arconti, House Chair
Energy and Technology Committee
Legislative Office Building, Room 3900
Hartford, CT 06106

Public Testimony of Brookfield Renewable

Chair Needleman, Chair Arconti and Members of the Energy and Technology Committee:

Brookfield Renewable appreciates the opportunity to provide comments on S.B. 882, *An Act Concerning Climate Change Mitigation and Home Energy Affordability* and S.B. 952, *An Act Concerning Certain Solar Energy Projects*.

Brookfield Renewable owns and operates more than 1,600MW of carbon-free resources in ISO-NE, as well as 1,000MW that can be imported to New England from New York and Quebec. Our hydro, wind, solar and pumped hydro and battery storage resources are available to help meet the energy needs and environmental objectives of Connecticut and the region.

S.B. 882, An Act Concerning Climate Change Mitigation and Home Energy Affordability

Brookfield Renewable supports the provision of S.B. 882 codifying Governor Lamont's directive to achieve a zero-carbon electricity grid by 2040. As proposed, the provision offers appropriate flexibility for Connecticut to leverage both new and existing renewable energy resources such as the region's existing small-scale hydropower and pumped hydropower. However, given the anticipated dependence on electrification for the achievement of economy-wide greenhouse gas reductions – including reductions in the transportation and building sectors – Brookfield Renewable recommends the Legislature consider establishing a more aggressive timeline than 2040.

S.B. 952, An Act Concerning Certain Solar Energy Projects

Brookfield Renewable supports directives in S.B. 952 that incentivize the deployment of distribution-connected and transmission-connected energy storage systems. To support robust and competitive offerings, and to limit risks to Connecticut ratepayers, we encourage language requiring any targets and associated procurement(s) be limited to private developers and to explicitly exclude energy storage resources that may be developed by electric distribution companies pursuant to Public Act No.19-35. In addition, given the reliability and renewables integration benefits provided by the region's pumped hydropower fleet, we urge inclusion of the region's pumped hydropower fleet under any transmission-connected energy storage procurement.

Brookfield Renewable opposes the provision of S.B. 952 authorizing electric distribution companies to own one or more solar energy facilities, up to an aggregate of 150 MW, and rate base the costs associated with these facilities. This represents a needless and significant departure from Connecticut's long-standing commitment to private development and ownership of generation resources. New renewables are being developed all over the region in reaction to evolving public policies and falling technology costs and existing renewable resource owners are investing millions of dollars annually in order to maintain and optimize existing renewable generation. In each of these circumstances private capital is being deployed and investors are shouldering the risk. We urge the Committee to acknowledge the merits of competition and prevent backsliding – even on a limited basis – toward a paradigm that leaves captive ratepayers on the hook.

Small-Scale Hydropower

As the Committee explores legislation impacting renewable energy policies, Brookfield Renewable encourages the Committee to revisit RPS Class I eligibility of hydropower sized 30 MW or less. The first consideration should be the arbitrary commercial operations date requirement applicable to small-scale hydropower (currently, no earlier than July 1, 2003). This vintage restriction targets hydropower, specifically, as all other eligible technologies participate without consideration of online date. In the absence of addressing the vintage restriction,

however, Brookfield Renewable encourages the Committee to pursue an enhancement to the eligibility standard applicable to relicensed hydropower.

In 2018, the Legislature updated the eligibility of hydropower under the RPS Class I program to include run-of-river hydropower that receives a new license from the Federal Energy Regulatory Commission on or after January 1, 2018.¹ This provision acknowledges the extensive process undergone to obtain a new hydropower license, including detailed and costly environmental analysis, stakeholder engagement and often substantial changes to facility operations and capital investment commitments. The result is a resource operating in a manner consistent with a new resource.

Brookfield Renewable supported this change in eligibility at the time as a sensible step toward acknowledging the value of hydropower and its potential role in meeting Connecticut's clean energy goals. However, the inclusion of relicensed run-of-river hydropower was limiting for two reasons: i) relicensed hydropower resources with reservoir storage capabilities, which offer valuable grid reliability capabilities, were excluded from eligibility and ii) the statute embedded a limitation on the amount of relicensed hydropower that could be leveraged for RPS Class I compliance (not to exceed 1% of Connecticut electricity load), creating additional arbitrary and unique restrictions on the treatment of hydropower in the RPS program. We urge the Committee to amend the relicensed hydropower provision to more adequately incentivize retention of the region's small-scale hydropower. Suggested revisions include:

- Allowing eligibility of relicensed reservoir hydropower in addition to run-of-river hydropower; and
- Removing or increasing the limitation on relicensed hydropower that can be used for RPS compliance; and
- Incorporating a 30 MW facility size limitation to ensure the relicensed hydropower provision is limited to small-scale hydropower and aligns with the 30 MW eligibility limitation applicable to run of river hydro with a COD of not earlier than July 1, 2003.

¹ Connecticut Public Act No. 18-50

Given Connecticut's aggressive RPS and greenhouse gas reduction mandates, expanded reliance on existing small-scale hydropower is necessary and appropriate. In addition, increasing eligibility of small-scale hydropower would align well with the anticipated steep decline in biomass RECs that will be sold for Connecticut Class I RPS compliance through 2030 – described in detail in the December 2020 Draft Integrated Resource Plan issued by the Department of Energy and Environmental Protection.²

Thank you for your consideration of these comments. Please contact me directly if you would like to discuss any of these issues further.

Sincerely,



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² Draft Integrated Resources Plan at pg. 136-139