NECEC's 2016 Connecticut Clean Energy Policy Priorities

NECEC's mission is to create a world-class clean energy hub in the Northeast delivering global impact with economic, energy and environmental solutions. As a clean energy business, policy and innovation organization, we work to accelerate the clean energy economy in Connecticut and throughout the Northeast region to ensure that Connecticut citizens, businesses and industries can reap the economic, energy and environmental benefits it delivers. NECEC is committed to working with the Connecticut General Assembly to achieve this mission, supporting the following policy directions:

Growing Connecticut's Solar and Distributed Generation Markets: With 191 MW of solar installed, Connecticut is ranked 15th in the US in terms of the number of homes powered by solar. In 2015, Connecticut saw a 21.9 percent increase in solar jobs, which now employ 1,951 people in the state. Connecticut also has a demonstrated track record of success in deploying other distributed generation, such as fuel cells, with 18 projects in the last two years. However, significant employment and energy potential remains to be tapped by expanding and improving the state's solar programs. The following legislative actions will help Connecticut continue its solar leadership and growth:

Remove Barriers Stalling "Stranded" Municipal Virtual Net Metering Projects:

- **The General Assembly should enact legislation that creates an additional 26 MW in Virtual Net Metering credits and earmarks these new credits specifically for "stranded" municipal projects.**
- Connecticut's Virtual Net Metering (VNM) program, coupled with the availability of Zero Renewable Energy Credits (ZRECs), has enabled Connecticut municipalities to take advantage of solar, savings millions of dollars in energy costs over the life of the projects for these participating towns and cities. 14 towns have quickly consumed the existing VNM credits available under the program's municipal category. Unfortunately, at least 11 additional Connecticut towns have "shovel-ready" VNM projects, including several using ZRECs, which are now stranded because the VNM municipal cap has been met. If the projects do not move forward soon, many may lose their ZRECs, threatening them with cancellation. This would result in a loss to towns of the benefits of cost effective solar energy to power town buildings and a waste of taxpayer funds spent to date to develop the projects.

Streamline the Permitting Process for Residential Solar Photovoltaic Systems:

- **The General Assembly should work with the State Building Inspector, the Connecticut Conference of Municipalities, the Council of Small Towns, the solar industry and local building inspectors to make the residential permitting process more efficient and cost effective. NECEC supports Raised Bill 5309, *An Act Concerning Facilitation of The Municipal Residential Solar Application Process*, but believes that cooperation among stakeholders is critical to a healthy residential solar industry.**
- Local permitting processes for residential solar installations of smaller projects (generally 12 kilowatts or less) can be inconsistent, cumbersome, time-consuming and costly, without providing compensating benefits for customers and the general public. Possible permitting delays place an unnecessary brake on a SHREC program that calls for an additional 300 MW of residential solar (roughly 40,000 new home installations) not later than 2022.

Implement and Expand Connecticut's Community Shared Solar Demonstration Program:

- **The General Assembly should enact legislation to make it clear that distribution utilities can recover the cost of implementing the Shared Clean Energy Facilities pilot program authorized last year**
- Community shared solar/clean energy projects allow customers that do not have a suitable roof for solar, renters, residents in multi-unit buildings, and businesses that do not own their roofs to access the benefits of solar. In 2015, the General Assembly enacted legislation creating a pilot program for Shared Clean Energy Facilities. DEEP sought a declaratory ruling from PURA to make it clear that distribution utilities can recover the costs of implementing the program, but PURA declined to rule, suggesting that the Legislature adopt "necessary revisions to the language in the Public Act to clarity legislative intent". It is critical that the legislature clarify the ability of the utilities to recover their costs so that they will move forward with the pilot.
- The General Assembly should also consider action to implement larger and broader deployment of community shared solar so that more citizens and businesses can take advantage of solar.

Continue to Advance Grid Modernization: Last year's consideration of proposed SB 570, *An Act Concerning Electric Fixed Bill Fees And Grid Modernization*, resulted in the grid side enhancement pilot program directed by Section 103 of Public Act 15-5. This is an important beginning to Connecticut's grid modernization process.

- **NECEC urges the General Assembly to encourage DEEP to take further action on grid modernization that would enable integration of increasing amounts of distributed energy resources being deployed by customers, optimize demand, and enhance the efficiency, resiliency and reliability of the grid.**

Promote Energy Efficiency and New Financing Mechanisms: Energy efficiency is the easiest, cleanest and cheapest way to meet Connecticut's energy needs, save customers money and create local jobs in the regional economy. The region's nation-leading energy efficiency policies have spurred more than $3.3 billion in energy efficiency investments, which are expected to deliver $19.5 billion dollars in economic benefits. The General Assembly should take action that builds on Connecticut's existing successes, including:

- **The General Assembly should update the residential Property Assessed Clean Energy (R-PACE) statute to enable homeowners to access energy efficiency financing.**
- The Connecticut Green Bank plans to expand on its nation-leading Commercial PACE program by creating a Residential PACE program for homeowners. This program introduces a new way for homeowners to finance clean energy upgrades, which will result in more contracting jobs; improve home values; help address deferred maintenance; and save homeowners money on their monthly energy bills.

Clean Energy Innovation: Continued investment in Connecticut's burgeoning clean energy innovation sector is key for the growth of the state's overall economy. NECEC urges the General Assembly to continue support for University of Connecticut's innovation activities:

- Leading examples are the Center for Clean Energy Engineering, and Fraunhofer Center for Energy Innovation at UConn. These centers are involved in leading-edge research enabling technological breakthroughs and start-up formation in fuel cells, anaerobic digestion, nano-filtration, and energy storage.

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