

NECEC'S 2020 CONNECTICUT CLEAN ENERGY POLICY PRIORITIES



The 2019 legislative session saw the successful reversal of many of the restrictive clean energy policies of previous years, setting a brighter future for the state's clean energy programs. This year, Connecticut has the opportunity to implement previous legislation and further align all sectors of the clean energy economy to achieve emissions reduction commitments. NECEC's mission is to create a world-class clean energy hub in the Northeast and deliver global impact with economic, energy, and environmental solutions. A vibrant clean energy industry will bring investment and jobs to Connecticut and ensure that its citizens, businesses, and industries can take advantage of the benefits of clean energy. We are committed to working with the General Assembly and state officials to achieve a cleaner, cheaper, and more resilient energy future for Connecticut, supporting the following policy priorities.

Codify Emissions Reduction Goals

Governor Lamont signed Executive Order Number 3 on September 3, 2019, which, among other directives, required the Department of Energy and Environmental Protection (DEEP) to analyze pathways and recommend strategies to reach zero carbon from the electric sector by 2040. Enshrining this commitment into law will set the state on a path to a decarbonized electric sector, which, combined with plans to reduce emissions from the transportation and building sectors, is necessary to meet economy-wide emissions goals.

Support: SB10 provisions to decarbonize electric sector by 2040

Establish an Energy Storage Roadmap for Connecticut

Energy storage technology represents a significant opportunity to build a more resilient, dynamic, cost-effective electricity system. Storage, when paired with renewable resources like solar and wind, can transform intermittent renewables into dispatchable power. The State should consider the role of storage in clean energy policy, including how it interacts with the offshore wind procurements.

Establish a 1 Gigawatt by 2030 Energy Storage Deployment Target

- Establishing an aggressive, but achievable target for the deployment of energy storage will send a strong message that Connecticut is dedicated to realizing the potential of storage as part of its overall clean energy strategy.

Explore and Implement Regulatory Reforms to Fully Compensate Energy Storage

- The Public Utilities Regulatory Authority (PURA) is currently conducting an investigation into energy storage in Docket 17-12-03RE03. Energy storage is a nimble technology that is able to deliver significant customer and grid benefits when properly incentivized to capture certain value streams. Consideration of a variety of programs and rate designs should account for the many benefits storage can provide and ensure that the technology is an integral part of reaching clean energy commitments.
- PURA is similarly conducting an investigation of the State's interconnection standards in Docket 17-12-03RE06. As currently written, the interconnection tariffs do not explicitly delineate a process for standalone or paired energy storage. Having a standardized process for reviewing energy storage projects is essential for developer confidence that there is a development pathway for their resource.

Support: HB5351, with amendments, to promote energy storage deployment

Remove the Virtual Net Metering Cap

Virtual net metering is available only to state, municipal, and agricultural customers. With a limited set of beneficiaries, all of whom face increased hurdles to solar deployment, removal of the virtual net metering caps is warranted. For state and municipal customers, procurement regulations increase the time and cost of solar deployment, but virtual net metering allows flexibility in project design and offtake that allows state agencies and municipalities to demonstrate their commitment to clean energy.

Ensure That Future Incentive Programs Are Effectively Designed

Recent legislative action has outlined a pathway towards a new generation of clean energy incentive programs. PURA and DEEP are conducting a Value of Distributed Energy Resources (VDER) study to inform the design of these programs. It is vitally important to Connecticut's clean energy future that the VDER study be robust and that future program designs not be artificially restricted.

Modify Public Act 18-50 to Remove Restrictions on Program Design

- Public Act 18-50 established annual solicitation(s) as the only option for procuring the energy and renewable energy credits from eligible clean generating facilities. While this construct has been employed for the duration of the Low-emission Renewable Energy Credit (LREC) and Zero-emission Renewable Energy Credit (ZREC) programs, PURA should have the authority to consider other options for procuring energy and renewable energy credits. Annual solicitations may not be the most effective means of contracting with distributed energy resources and other constructs, such as declining block incentive structures, should be considered.

Evaluate the Value of Distributed Energy Resources in a Robust Manner

- Pursuant to Public Act 19-35, DEEP and PURA are required to conduct a proceeding jointly study the value of distributed energy resources and report to the General Assembly by July 1, 2020. A careful consideration of a variety of use cases as well as the full suite of value streams is important to ensuring that the results of the VDER analysis provide actionable data to the General Assembly.

Safeguard Against Lapses in the Residential Solar Incentive Program (RSIP)

Successor programs to replace net metering are to begin in 2022. However, the Connecticut Green Bank, which administers RSIP, estimates that the current authorization from the General Assembly will maintain the program only until mid- to late-2020. Without a legislative fix, this could lead to a prolonged lapse in incentives for residential customers to deploy solar.

The General Assembly should act to ensure that residential customers are able to deploy solar on their homes while the successor programs are being designed and implemented. An additional 50 megawatts of capacity would allow enough capacity to prevent against lapses in the residential program.

To maximize the value to customers and to the grid, RSIP should include a mechanism to encourage deployment of solar-plus-storage installations. The resilience, capacity, and emissions benefits of such paired installations would enhance the program.

Join the Transportation and Climate Initiative (TCI) and Address Transportation Sector Emissions

Transportation pollution impacts Connecticut residents through negative health effects, such as asthma, as well as through the consequences of climate change that are accelerated and worsened by transportation emissions. TCI is an efficient vehicle through which significant emissions reductions from the transportation sector can be achieved. Modeled on the successful Regional Greenhouse Gas Initiative (RGGI), TCI leverages the lessons learned in that program and applies them to the transportation sector. Further, the proceeds from TCI can be reinvested within the state to spark innovation, provide benefits to Connecticut residents, and accelerate the transition to a clean transportation future.

Support: HB5228 to include electric vehicle charging infrastructure as an eligible Property Assessed Clean Energy improvement

Build on Support for Energy Efficiency

We appreciate the successful efforts by the Governor and the General Assembly to cease the diversion of energy efficiency and clean energy funds away from Energize CT and the Green Bank, and for the commitment to continue the support for energy efficiency going forward. Stability and robust support for energy efficiency will lead to local jobs deliver cost savings to customers.

Improve Access to Energy Efficiency

- Implement a cap of \$300 on insulation upgrades for both low- and moderate-income (LMI) customers as well as for market rate customers
- Create a 'health barrier mitigation fund' for LMI customers to allow the energy efficiency programs to serve communities with significant barriers, such as asbestos, mold, and carbon monoxide
- Expand the pilot program for census tract qualification of low-income customers for HES-IE

Support: SB178 to update energy efficiency standards