NECEC'S 2018 CONNECTICUT CLEAN ENERGY POLICY PRIORITIES

NECEC is dedicated to growing the clean energy economy in Connecticut and across the Northeast. A vibrant clean energy industry will ensure that Connecticut citizens, businesses, and industries can take advantage of the economic, energy, and environmental benefits of clean energy. We are committed to working with the General Assembly and state officials to achieve an affordable and secure clean energy future for Connecticut, supporting the following policy priorities. For more information, contact:

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Strengthening the Role of Renewables in Connecticut's Energy Future

Renewable energy and other clean, advanced energy technologies can help Connecticut achieve both its economic development and environmental goals. NECEC urges the legislature to:

Extend and expand Connecticut's Renewable Portfolio Standard (RPS)

- Renewable Portfolio Standards are the foundation for clean energy markets and a proven policy tool to support successful, cost-effective renewable energy development at the state level. Connecticut's RPS is slated to end at 20% in 2020.
- **Connecticut should extend and expand the RPS to achieve 50% renewable energy by 2030, increasing at a rate of 2% to 3% per year**. Doing so will create jobs, lower wholesale energy prices, increase energy diversity, and help reach Connecticut's goals to lower greenhouse gas emissions.
- NECEC supports the 2%/year RPS extension and increase proposed in SB9, and we urge the Legislature to strengthen the RPS further to achieve 50% by 2030.

Accelerate the procurement of new renewable/non-emitting resources

- We commend Connecticut for recently issuing the procurement for offshore wind, fuel cells, and anaerobic digestion.
- Connecticut should expand/accelerate its procurement of renewables to take advantage of the strong oversubscription in recent regional RFPs.
- Connecticut must not diminish support and development opportunities for new clean energy resources as it considers support for large, existing zero-emissions generators such as the Millstone Power Station.
- All procurements should be open to participation from renewable energy, energy storage, and combinations thereof.

Supporting Connecticut's Solar and Distributed Generation Markets

With 388 MW of solar installed, Connecticut's solar industry is ranked 18th in the US. There are currently more than 147 solar companies working in Connecticut with 2,170 jobs; however, no solar job growth took place in 2017. Connecticut has a demonstrated track record of success in deploying other distributed energy resources, such as fuel cells and microgrids. In 2018, Connecticut finds itself at a crossroads as it considers the next generation of policies and programs for distributed generation (DG). The following legislative actions will help Connecticut solidify its leadership and secure future growth:

Reauthorize ZREC/LREC as a bridge to a long-term successor incentive program

- The Legislature should extend ZREC/LREC for two years (at the original $8m ZREC authorization) to give DEEP the time it needs to design and implement a successor program without disrupting the market.
- The successor program should be tariff-based, complementary to net metering, and sizeable enough to provide a robust pathway for the coming years, around 1,600 MW.
- DEEP's incentive program proposal in SB9 needs modifications to achieve these goals: it must be compatible with net metering; which allows customers to use the energy they generate for themselves and take advantage of new technologies like energy storage and demand management; the program size should not be capped at the status quo level of $35m per year; and it should not impose overly restrictive rules on project size and the number/type of customers that can participate.

Launch a full-scale, 300 MW community shared clean energy program

- Every Connecticut energy consumer, including those who rent, live or work in apartment buildings, or have unsuitable roofs, should have the option to choose clean, homegrown power from local community shared clean energy and access the resulting bill savings.
- Legislation should be advanced to expand solar access through a full-scale, 300 MW community shared clean energy program, including a targeted policy and programmatic focus on serving low-income consumers.

Protect Energy Efficiency Funds and Undo Harmful Actions

Energy efficiency is the cleanest and cheapest way to meet Connecticut's energy needs, save customers money, and create local jobs. Although Connecticut boasts 12,460 energy efficiency-related jobs and a #6 ranking from the American Council for an Energy Efficient Economy's (ACEEE), the General Assembly the Connecticut General Assembly raided $63.5 million from the Energy Conservation and Load Management Fund (Energy Efficiency Fund), $14 million from the Clean Energy Fund (Green Bank), and $10 million from Regional Greenhouse Gas Initiative (RGGI) proceeds from budget years 2018 and 2019.

- **The Legislature must protect the Energy Efficiency, RGGI, and Green Bank funds from future raids and, to the extent possible, undo the raids from last session**. These critical funds must be stabilized and guarded through renewed support of Connecticut's national award-winning residential and commercial Energy Efficiency programs and the Green Bank Financing programs.

The Legislature must also take action to undo or remedy the "ratepayer impact statement" provisions enacted in PA 17-144 last year. This problematic language requires the Office of Fiscal Analysis (OFA) to prepare a ratepayer impact statement for any bill before the General Assembly that would have a fiscal impact on electric ratepayers. While costs are required to be evaluated, nothing in the law instructs OFA to consider the fiscal benefits of proposed bills that affect electric ratepayers. Requiring a ratepayer impact statement would be unduly burdensome, difficult to implement, and will add unnecessary administrative cost.

- Ratepayer impact statements should only be required in the rare instance of a proposal that is expected to have significant ratepayer impacts, such as an increase or decrease greater than 5%. OFA should only be required to conduct the impact statement analysis in these circumstances, and it should include benefits and costs.

Additional Support

- Set a new interim GWSA target, requiring 45% emissions reductions below 2001 emissions levels by 2030 (as proposed in SB7).
- Reduce restrictions limiting solar development on agricultural land and core forests enacted last year in PA 17-218
- Increase opportunities and budget for Virtual Net Metering (VNM).
- Work with DEEP and PURA to initiate robust grid modernization and energy storage proceedings to capture their benefits for Connecticut residents and businesses.