

Senator Donald E. Williams, Jr.
Senate President Pro Tempore

On

Senate Bill 1: An Act Concerning Connecticut's Energy Future

Energy and Technology Committee

March 15, 2011

Senator Fonfara, Representative Nardello and Members of the Committee: Thank you for this opportunity to testify in support of Senate Bill 1: *An Act Concerning Connecticut's Energy Future*.

Connecticut is at an important crossroads in shaping energy policy. We have an Administration that is engaged and interested in working with the legislature to construct common sense policies that will benefit generations to come. I look forward to working with Governor Malloy and Commissioner Esty on these important issues and I am encouraged by the many thoughtful ideas that have been presented and discussed over the past months by my colleagues on both sides of the aisle. The complex nature of our current energy situation requires input from many because there is no "one size fits all" solution.

I realize that important aspects of energy policy are outside of the state's control, whether it is because of federal regulations, the fluctuating prices of fossil fuels, or events in the Middle East. While these factors contribute to our electric rates, there is much we can do to control the cost and use of electricity. In fact, data shows that Connecticut's economy is one of the most energy efficient in the nation. In addition, when you examine electricity use per capita, Connecticut households and businesses use far less electricity than the national average. We need to build on these successes.

Senate Bill 1, *An Act Concerning Connecticut's Energy Future*, contains provisions that will have a positive impact in both the short-term and long-term. SB 1 is expansive in scope – it includes programs and incentives that assist homeowners, businesses, low-income residents, farmers, and state buildings. The bill also focuses on lowering energy costs overall in addition to electricity costs. For example, there are provisions to help people with heating costs and incentives to help them invest in furnaces and equipment with higher efficiency levels.

The bill provides for the creation of the Department of Energy and Environmental Protection (DEEP) as proposed by Governor Malloy, which includes moving the Department of Public Utility Control and other energy-related offices under one roof. This will help ensure that cohesive and compatible environmental and energy policies are created and executed. The mission of the energy side of the department will be to reduce rates and decrease costs for ratepayers, ensure the reliability and safety of the state's energy supply, increase the state's use of clean energy, and create jobs and develop the state's energy related economy.

The bill also addresses the burden of electric rates on our low-income residents in a cost-effective and efficient manner. It does this by requiring DEEP to conduct a proceeding regarding the feasibility of a low-income discount rate. As part of the proceeding, the department must determine if other existing low-income programs ought to be consolidated, modified or terminated depending on the impact on the program's participants. SB 1 also requires the Commissioner of DEEP to administer a state program to provide fuel assistance to elderly and disabled people who do not qualify for the CT Energy Assistance Program but whose income does not exceed 200% of federal poverty guidelines (\$29,420 for a family of 2).

Our competitive retail supplier market has finally started to flourish in Connecticut. As of December 2010, 38 percent of customers have chosen their own electric supplier and have seen actual savings on their electric bills. In order to provide additional protections for consumers, the bill requires that a supplier must provide a written contract with clearly stated terms, rates, and cancellation policies.

SB 1 creates a residential solar program with the goal of installing at least 30 megawatts of new power generation on or before December 31, 2022. This program will offer incentives to residents that will help defray upfront costs of installing solar. Ratepayers will be investing in renewable energy that will help to reduce our electric load, shave the peak on those days when the state's energy use is high, and make Connecticut more energy independent.

To help jumpstart the solar industry in Connecticut, the bill requires each electric distribution company to solicit and file with DEEP one or more long-term power purchase contracts with owners or developers of customer-sited solar generation projects. This provision reduces the barrier that developers may have in receiving funding for their projects. In addition, each distribution company must propose a five-year solicitation plan for additional solar contracts and credits through 2022. This bill also requires DEEP, in consultation with OPM and the Department of Public Works, to perform a solar feasibility survey of state facilities.

SB 1 requires DEEP to encourage long-term generation contracts for other renewable energy technologies, including wind, fuel cells, biomass, and geothermal, and to review best practices in other states for financing programs for renewable energy and conservation. This legislation also requires DEEP to analyze the potential for repowering the so-called "sooty-six" power plants to add to the state's portfolio of clean, in-state generation for greater security on peak power days and base-load generation.

I look forward to working with you on this critical issue this session.

Thank you.