

Testimony of Environment Connecticut State Director Chris Phelps

Before the Connecticut General Assembly Energy & Technology Committee

September 8, 2020

Senator Needleman, Representative Acrconti, Senator Formica, Representative Ferraro, and members of the Energy and Technology Committee:

Environment Connecticut is a nonprofit citizen-based environmental advocacy project of Environment America. We work to stop climate change and for a cleaner, greener future for Connecticut and our nation. Thank you for the opportunity to offer these comments regarding the draft bill LCO No. 3920.

Connecticut's public policies have failed to adequately hold the state's electric distribution companies (EDC's) accountable to their obligation to put serving the public interest ahead of their self interest. The draft bill before you is a first step towards addressing that problem. However, it does not fully reflect Connecticut's changed circumstances and needs when it comes to energy policy. Instead, it largely pursues measures constrained by the existing energy policy paradigm that has repeatedly failed Connecticut's families and businesses.

During the August storm Isais outages, the EDC's failed to adequately prepare for, or react to, the damage caused by the storm. This happened despite far too many previous similar failures on the part of the EDC's, and many efforts by governors, legislators, and regulators to hold them accountable. The scales of Connecticut energy policy remain tilted in the favor of the interests of the electric utilities. LCO 3920, while containing a number of useful measures, does not fully commit to fundamentally rethinking the state's energy policy paradigm to put the public interest ahead of that of regulated utilities.

Regarding what is in this draft legislation, we are generally supportive of a number of provisions, including, but not limited to:

- Increased civil penalties and direct-to-consumer reimbursement and refunds for losses incurred due to the EDC's failures.
 - (However, the 72 hour "grace period" before such provisions take effect could constrain the effectiveness of this policy. An alternative approach, that would better serve the public, while also incentivizing the EDC's to correct their shortcomings, might be to begin requiring refunds after the

first 12 hours, but at a lower reimbursement level for shorter duration outages, with the amount of the reimbursement due to customers rising as the outage duration increases. This would provide an incentive for the EDC's to take measures to quickly restore service after an outage, and would provide the greatest compensation to those customers who experience the longest duration outages.)

- Expanded microgrid programs.
- Performance based regulation.

Measures such as these and others in the draft bill will take some steps towards holding the EDC's more accountable, but for the most part, they do not address significant energy policy changes that would benefit families and businesses in Connecticut. In particular, the draft bill does not include any provisions to ensure that Connecticut continues to expand the ability of the state's residents to free themselves from the mercy of the EDC's by turning to alternative energy solutions, notably rooftop solar combined with energy storage.

Imagine if, during the storm Isaias outages, families and neighborhoods had been able to keep the lights on by turning to rooftop and community solar systems combined with battery storage sufficient to meet their needs without being dependent upon the EDC's alone. The disruption to the lives, and economy, of Connecticut's residents would have been far less extreme. Unfortunately, the state's policy makers have not pursued policies supporting aggressive expansion of such "behind-the-meter" energy resources that would allow the state's families to free themselves from dependence on the unreliable and unresponsive EDC's.

Instead, the Residential Solar Investment Program (RSIP) has not been extended and, without action by the legislature this month, will end as early as October. After that date, families that want to take greater control of meeting their energy needs by installing rooftop solar will find it difficult, or impossible to do so.

Also, as the committee is aware, Connecticut policy has moved towards abandoning the "net metering" system that provides rooftop and other behind-the-meter renewable generation owners with fair compensation for their investment in resilient, renewable energy. While other states that previously made similar changes, are now moving to restore and extend net metering, without action by the legislature Connecticut will continue down a path that will further undermine the viability of the state's solar industry and the ability of its families to go solar. When considering how to hold the EDC's accountable for their actions, we would urge the committee to consider that those same EDC's spent enormous sums lobbying for the policy changes that now threaten the

immediate future for solar power in our state, and the ability of Connecticut's residents to take control of their own energy futures and gain a measure of independence from the electric utilities.

We urge the committee and legislature to take steps this month to stabilize Connecticut's solar power policies, maintain the continued viability of the industry in the state, and ensure that Connecticut's families can continue to choose to go solar. Specifically, we offer the following suggestions:

- Extend the Residential Solar Investment Program supporting residential rooftop solar installations. Rooftop solar plays an important role in enhancing grid resilience, reducing consumer utility bills, and moving closer to a 100% renewable energy future to combat climate change.
 - At a bare minimum, the legislature should expand the existing RSIP target by 100 MW to provide support for continued growth in rooftop residential solar. This could provide a foundation for further expansion, preferably tied to specific targets not just for megawatts installed, but number of residential consumers installing and benefiting from solar power. Looking beyond the existing RSIP program, Connecticut should consider adopting a goal of having at least 500,000 homes (including apartments) go solar by 2030.
- Adopt aggressive goals for energy storage in Connecticut. Particularly, energy storage paired with solar and other renewable energy. HB 5351, introduced in the 2020 regular session, would be a strong starting point for pursuing energy storage to improve grid reliability, and also to allow ratepayers to reduce their dependence on the grid through the combination of behind the meter solar generation and battery storage. The state should adopt a 1 GW energy storage goal along with policies promoting use of energy storage changes by customers of all sizes.
- Reconsider net metering changes. Connecticut should pause implementation of regulatory changes that would eliminate net metering for behind-the-meter generation such as rooftop solar. Those changes threaten to severely disrupt the solar marketplace and have distracted policy makers and regulators from more pressing needs. The implementation date for transitioning to a successor to net metering should be extended to at least 2023. In the interim, policy makers could consider whether the experience of other jurisdictions suggests that net metering should be largely retained in its current form for the foreseeable future.

Connecticut needs to both hold its electric distribution companies accountable for their failure to serve the public interest, and to pursue reforms to change the energy policy

paradigm in the state. In addition to the measures discussed above, policy makers should consider, whether in this draft bill or during the upcoming regular session, measures such as:

- Creating a publicly controlled entity as a successor to the investor-owned distribution companies.
- In addition to suggestions discussed above, remove barriers to both residential and commercial customers using behind-the-meter renewable energy, combined with storage, to reduce or eliminate their dependence on the electric grid. - Adopt specific and aggressive targets for the number of homes and businesses to go solar+battery by 2025 and 2030.
- Create an independent Citizens Utility Board, similar to the successful models in other states.

Thank you again for this opportunity to offer our thoughts on the draft bill, LCO 3920, and related policies. We look forward to further opportunities to work towards a more reliable and clean energy future for our state.

Chris Phelps, State Director

Environment Connecticut

56 Arbor St., #213

Hartford, CT 06106