The Energy and Technology Committee

March 5, 2008

Raised Bill Nos. 5785 and 5788 : AAC SOLAR PANEL REBATES AND AN ACT ESTABLISHING A SOLAR ROOF PROGRAM

Testimony of

The Office of Consumer Counsel

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The Office of Consumer Counsel (OCC) has carefully reviewed and would like to advance a few cautionary notes about **Raised Bill Nos. 5785 and 5788**, which seek rebates for homeowners who install solar panels and for the Renewable Energy Investment Board to provide funding for 10,000 solar roof installations, respectively.

OCC supports a greater focus on solar energy usage in Connecticut. Connecticut has greater solar potential than some might suspect, and is a place that achieves its electricity peak during the hot, summer season. Solar panels have the advantage of being available for most hours during Connecticut's peak electricity usage times: hot, sunny days.

For these reasons, it is OCC's understanding that the Clean Energy Fund has already established a successful solar rebate program for residents and small businesses, and has advanced solar installations for larger businesses through the On-Site Renewable Distributed Generation Program.

OCC would support a greater focus by the Clean Energy Fund on solar energy, including an expansion of the programs discussed above, subject to the details and within present budgetary limits. In this regard, OCC notes that the Legislature just reconstituted the Renewable Energy Investment Board last year, in Public Act 07-152. The Consumer Counsel is one of fourteen members of the reconstituted board. With the Legislature having just reconstituted the Renewable Energy Investment Board (Board), OCC respectfully suggests that additional time is needed to examine and possibly adjust the Clean Energy Fund's priorities, including a greater focus on solar installations.

As to Raised Bill No. 5788, which calls for the Renewable Energy Investment Board to "provide funding for ten thousand solar roof installations in the state by 2012," OCC respectfully suggests that this figure of "ten thousand by 2012" first be examined by the Board for

technological and financial feasibility before adoption of any such mandate. Moreover, the definition of "solar roof" in Raised Bill No. 5788 includes "solar hot water heaters," yet the funding under Raised Bill No. 5788 would come solely from electric ratepayers through the Clean Energy Fund. It is vital, in OCC's view, for electric ratepayer funds to be used only for electric needs, including electric generation or electric efficiency. By requiring electric ratepayers to pay for solar hot water heaters would violate that principle.

Raised Bill No. 5785 also creates some concerns. First, this bill would also arguably make homeowners who install solar panels for water heating eligible for Clean Energy Fund rebates. Since funding for the Clean Energy Fund comes solely from electric ratepayers, OCC reiterates its opposition to this approach, as electric ratepayer funds should be used only for electric needs. In this regard, OCC notes that the Clean Energy Fund's current solar program properly does not provide a rebate for a solar water heating system. OCC respectfully suggests that the Clean Energy Fund's approach is correct. Second, Raised Bill No. 5785 would remove some of the Clean Energy Fund's oversight over the program by limiting the installer to "certification of the installation." Presently, the Clean Energy Fund's designated solar installers provide guidance on safety, efficient location, likely rebate amounts, etc. It is not clear whether this guidance would continue under Raised Bill No. 5785, which could lead to inefficient use of ratepayer funds and frustration on the part of the customer who expects a larger rebate than will actually be available.

Finally, it is OCC's understanding that the target in Raised Bill No. 5785 could be quite expensive, and it is not clear where funding would come from other than the "Renewable Energy Investment Fund." OCC notes that it would not support at this time a significant increase in the charge for clean energy on ratepayers' bills from the present level. Ratepayers are already struggling with their electric bills and other energy bills, as well as other aspects of their household finances and business expenses.

Again, OCC does indeed support greater use of solar energy in Connecticut, and a change in priority toward this end is an appropriate subject for the newly-constituted Renewable Energy Investment Board. OCC respectfully suggests that that Board ought to be able to consider greater use of solar resources through its processes rather than through these bills.