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CT energy strategy "improves targets for renewables; still room for stronger climate-driven policies," says CFE energy expert

Hartford, Conn. – On Thursday evening, the Connecticut Department of Energy and Environmental Protection issued its long-awaited <u>update to the Comprehensive Energy Strategy</u>. Related climate legislation requested by Governor Dannel Malloy's office was also submitted to the legislature this week.

The Global Warming Solutions Act set greenhouse gas reduction targets for 2020 and 2050, and the Governor's Council on Climate Change recently recommended an interim target for 2030. These carbon pollution caps must be a key driving force behind Connecticut's energy policy. CFE is pleased that both the final Comprehensive Energy Strategy and Governor Malloy's bill proposals reflect the state's intent to develop policies that can help Connecticut meet its climate mandates.

Claire Coleman, climate and energy attorney for Connecticut Fund for the Environment:

"The Global Warming Solutions Act has set the science-based carbon pollution targets and the Comprehensive Energy Strategy —which guides state energy policy, including strategies to meet greenhouse gas reduction requirements, to manage costs to consumers, and to ensure electric grid reliability—must lay out the plan to quickly ramp up renewables and cut emissions from the transportation, heating, and electric generation sectors.

"CFE is pleased that DEEP engaged with the environmental and clean energy communities to understand our concerns that the comprehensive energy strategy must be more directly tied to Connecticut's climate mandates. And, while there is still room to bolster these proposals even more, CFE applauds DEEP for strengthening two key policy recommendations that will support sustained renewable growth: increasing the Renewable Portfolio Standard's Class I renewable mandates to more closely align with the state's carbon pollution limits, and recognizing that shared solar is a key part of Connecticut's clean energy future.

"We do have concerns about the reforms DEEP has recommended for customer-sited solar compensation: eliminating net metering for residential solar and instead forcing consumers to sell the solar power they generate back to the grid. The right to produce and consume your own energy is fundamental and must be preserved. The state's climate goals will be at even greater risk if these

reforms slow the rate of solar adoption, and could hurt the clean energy economy as solar installers in Connecticut face increasingly challenging market dynamics.

"The final Comprehensive Energy Strategy connects the strategy to the state's climate goals at a general level, but falls short of assessing greenhouse gas emission impacts of the proposals specifically enough to determine whether the state will be able to meet its 2020 emissions-reduction mandate. With emissions inventories showing a *rise* in carbon pollution in recent years, it is even more critical to ensure policy proposals put Connecticut on track to meet both short-term and long-term targets.

"While the CES lays an important framework for the state's energy policy, to make essential progress on replacing outdated fossil fuels and nuclear power with home-grown renewable energy, state leaders must pass legislation this session to incorporate the 2030 carbon pollution target into the Global Warming Solutions Act, increase the Renewable Portfolio Standard, establish a full-scale shared solar program, procure more offshore wind, cultivate electric vehicle use, and strengthen commitment to efficiency programs that curb emissions while saving money for Connecticut families.

"Governor Malloy's climate vision as laid out in the proposed legislation is a strong start at making these goals concrete. We look forward to working with state legislators, Governor Malloy, and DEEP this spring to strengthen these bills and remove some of the provisions we view as counterproductive to sustainable, clean energy growth. Fundamentally, we are excited to be aligned on the need to enact aggressive targets and specific programs to meet our climate commitments, clean our air, and get Connecticut on track to thrive in a cleaner energy future."

Additional Details on Strengths and Areas for Improvement

The final Comprehensive Energy Strategy update makes some critical improvements over its 2013 predecessor and last summer's draft plan:

- Extends the state Renewable Portfolio Standard (RPS) past 2020 and strengthens the proposed increase in how much electricity distribution companies must get from renewable sources, from 30 percent to 40 percent by 2030.
- Recommends allowing shared solar to compete in their proposed auction structure, and appropriately acknowledge the worthwhile goal of using shared solar to help reducing the energy burden of low-income customers and small businesses.
- Reduces reliance on natural gas and other fossil fuels, as compared to the 2013 strategy.

Governor's climate bills released Wednesday:

On Wednesday, state legislative leaders introduced two bills to further Governor Malloy's climate vision. Senate Bill 7, An Act Concerning Climate Change Planning and Resiliency, would enact the 45 percent reduction in greenhouse gases by 2030 recently recommended by the Governor's Council on Climate Change. It requires the state to take the Global Warming Solutions Act mandates into account to the extent cost-effective, and updates directives on coastal flooding and sea level rise. Senate Bill 9, An Act Concerning Connecticut's Energy Future, sets yearly renewable energy targets for the Renewable Portfolio Standard—up to 40 percent by 2030. These proposals are consistent with the priorities as set forth in the final CES.

Room for improvement in CES and Governor's plan:

- CFE applauds DEEP for reversing its original proposal to decrease the rate of increase of Class I renewables and recommending a standard that moves the state closer to the GWSA carbon pollution reduction mandates. However, based on data provided by Synapse Energy Economics, CFE advocates that a stronger RPS—50 percent by 2030—is needed to ensure the state stays on track to meet the 2050 mandate in the GWSA.
- CFE supports a minimum annual efficiency goal, but believes DEEP and the Governor should propose doubling Connecticut's current investment levels to bring us in line with neighboring states like Massachusetts and Rhode Island—states that also have high electric rates but have reduced electric bills through ambitious energy efficiency.
- CFE supports additional procurements of energy efficiency as a resource, but these procurements should be on top of the current statutorily mandated ratepayer contributions.
- While CFE understands the importance of promoting continued growth of solar, we disagree
 with the approach DEEP and the Governor has chosen: eliminating net metering, which allows a
 residential solar owner to reduce the amount of energy purchased from the grid by producing
 and consuming some energy on-site.

Room for strengthening other CES recommendations:

- CFE agrees with DEEP's recommendation that the state should continue exploring equitable
 funding sources such as a fuel conservation fee, as well as carbon pricing programs. CFE believes
 a regional policy to reduce emissions from the transportation sector is critical, and would
 generate badly needed revenue for the state while tackling one of the biggest sources of air
 pollution.
- CFE is pleased that DEEP recommended allowing shared solar to compete in their proposed auction structure; however, the final energy strategy still ignores some key benefits of statewide shared solar. Namely, the importance of a market-driven tool to expand equitable access of solar and the economies of scale provided by shared solar as compared to rooftop solar.

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