

FOR IMMEDIATE RELEASE September 25, 2017

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Draft energy strategy "overwhelmingly falls short," says CFE

Plan should set target of a minimum of 45 percent renewables by 2030, establish state-wide shared solar, and ramp up electric vehicles and energy efficiency

New Haven, Conn. — Connecticut Fund for the Environment has formally submitted its <u>comments</u> on the state's <u>draft 2017 Comprehensive Energy Strategy</u> to the Connecticut Department of Energy and Environmental Protection. The plan is intended to shape the state's energy policies and investments for the next three years.

"The draft energy strategy includes some important recommendations that will reduce dependence on outdated fossil fuels, landfill gas, and biomass, but it still doesn't map out how the proposed policies will put Connecticut on a path to achieve the greenhouse gas reduction targets of the Global Warming Solutions Act," said Claire Coleman, climate and energy attorney at CFE. "Meeting these goals isn't optional—it's required under state law that's been on the books now for almost a decade. State agencies and lawmakers need to get serious about rapidly ramping up renewables and energy efficiency, cutting emissions from cars and trucks, and clearly identifying how state policies will work together to meet the 2020 and 2050 targets. That's what we'll be looking for in the final plan."

The final CES should do the following to sustain Connecticut efforts to combat climate change, CFE said:

- Incorporate a quantitative analysis of how its policies will achieve the emissions reductions necessary to meet Connecticut's 2020 commitment under the Global Warming Solutions Act;
- Go forward, not backward, on renewable energy by proposing a more ambitious annual increase to the renewable portfolio standard, with the minimum goal of powering 45 percent of Connecticut's needs from renewable sources by 2030;
- Recommend a full-scale shared solar program to allow access to renewable energy for the 80 percent of Connecticut residents who can't install solar panels on their own roofs, and remove the proposed cap on behind the meter solar;
- Bring Connecticut's energy efficiency investment in line with neighboring states;
- Create incentive and marketing programs to encourage consumers to switch to efficient heat pumps; and
- Rapidly get more electric vehicles on the road by strengthening the CHEAPR rebate program, expanding charging infrastructure, and establishing a regional cap-and-trade program for fuels to reduce emissions.

The Connecticut Electric Vehicle Coalition, of which CFE is a founding member, submitted its own comments last week. The coalition emphasized the urgency of more specific plans to get EVs on the road and meet the state's commitments under the Zero Emissions Vehicle Memo of Understanding to get have 150,000 EVs on Connecticut roads by 2025.

CFE, Consumers for Sensible Energy, RENEW Northeast, and Sierra Club also released an <u>analysis by Synapse Energy Economics</u> on Monday which concluded that a 2.5 annual increase in Connecticut's renewable energy growth would yield significant public health, economic, and climate benefits. On its own, however, this rate of growth will not meet Connecticut's goals. Additional investments in the building heating sector will be critical, the allies noted.

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Executive summary of CFE's comments:

The draft 2017 Comprehensive Energy Strategy (the "draft CES") released on July 26th contains important acknowledgements regarding the need to reduce our greenhouse gas (GHG) emissions, and the importance of continued investment in clean energy resources. Importantly, the draft CES confirms the Department of Energy & Environmental Protection's (DEEPs) commitment to a long-term vision of a zero-carbon economy. The draft CES also reflects an important and positive deviation from the 2013 CES's focus on building out natural gas infrastructure, recommends important proposals to: (a) clean up Connecticut's Class I renewable energy classification to phase-out polluting biomass and landfill gas; (b) implement a conservation fee for oil customers to equitably contribute to efficiency programs; and (c) take further steps to modernize Connecticut's electric grid and improve the resilience of Connecticut's electricity infrastructure.

Despite these important recognitions and recommendations, the draft CES overwhelmingly falls short of proposing the specific policies needed in the next three years to sufficiently scale up renewable energy growth and to achieve greater electrification of building thermals (cooling and heating) and the transportation sector.

CFE recommends that the final CES reflect the following critical improvements to strengthen the state's plan to tackle climate change:

- 1. The Final CES Should Contain Quantitative GHG-reduction Analysis. While the draft CES acknowledges that Connecticut energy policy must "put the State on a clear path to meet the Global Warming Solutions Act (GWSA) to reduce GHG emissions 10 percent below 1990 levels by 2020 and 80 percent below 2001 levels by 2050," it does not demonstrate how the CES will ensure the 2020 target will be met. Because the 2020 target is within the three year period of the CES, specific quantitative analysis of GHG emissions data must be incorporated into the final 2017 CES to demonstrate how DEEP's policy recommendations will achieve the needed GHG emission reductions.
- 2. The Final CES Should Propose a More Ambitious Annual Increase to the Renewable Portfolio Standard (RPS) to Speed Renewable Energy Deployment. DEEP should recommend a minimum of a 2.5% annual increase in the RPS, setting a target of 45% renewables by 2030. The Synapse Energy Economics ("Synapse") report concludes that over the ten year period, in combination with other regional policies, a 2.5% annual increase would generate an additional 1,400 megawatts (MW) of wind and solar power in New England and create 710 more additional jobs per year than DEEP's proposal of a 1% annual increase. A 2.5% annual increase would also lower emissions by 14% and decrease reliance on imported natural gas by 43%, with only minor impacts on electricity bills. Even an annual RPS increase of 2.5% will not guarantee that Connecticut is on track to meet its legally required reductions without additional electrification of the heating sector.

- 3. The Final CES Should Remove the Proposed Cap to Behind the Meter (BTM) Solar. More BTM solar is vital to help reduce our in-state GHG emissions, create a resilient and affordable electric grid, and strengthen our local economy. DEEP's cost assessment of BTM solar is incomplete and short-sighted, and its conclusions regarding cost-shifting are premature without a true and complete value of solar analysis that fairly assesses all of the benefits from distributed energy and BTM resources.
- 4. The Final CES Should Recommend the State Adopt a Full-Scale, State-wide Shared Solar Program. Shared solar provides resiliency benefits to the state, and is an important mechanism to equitably distribute the benefits from solar across Connecticut. The final CES should recommend the establishment of a state program that will advance jobs, renewable energy generation, greenhouse gas reductions, and solar access.
- 5. The Final CES Should Propose an Increase in Connecticut's Energy Efficiency Savings Targets. Connecticut's current investment level of 1.5 percent energy savings does not capture all cost-effective measures. Connecticut's energy efficiency investments should be on par with neighboring states like Massachusetts and Rhode Island, which support over 2.5 percent annual savings reductions. More ambitious energy efficiency savings programs will help Connecticut achieve its mandatory greenhouse gas emissions target for 2020 without overreliance on environmentally outdated sources like nuclear.
- 6. The Final CES Should Effectively Promote the Conversion of Fossil-Fuel Based Heating to Efficient Electricity. The final CES should recommend specific policies to promote renewable thermal technology development and deployment for all customers in all buildings, not just for customers currently using traditional electric resistance heat. The final 2017 CES should incentivize utilities to prioritize heat pump conversions over converting customers to gas heating, including deploying "partial-load" strategies. The final CES should also recommend establishing coordinated incentives and financing to promote renewable thermal technology development and deployment, as well as an aggressive marketing and education campaign to explain the significant benefits of converting to new renewable thermal technologies.
- 7. The Final CES Should Include Specific, Final Policy Proposals to Electrify the Transportation Sector. The EV Roadmap sets forth important concepts for ramping up Electric Vehicles (EVs), but the urgency of putting EVs on the road cannot be overstated. The final CES should recommend strengthening and institutionalizing the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program, recommend specific programs to build out our state's EV charging infrastructure to make EVs more appealing to Connecticut consumers, and recommend that Connecticut help lead regional efforts to reduce GHG emissions from transportation through a regional cap-and-invest program for transportation fuels modeled after the successful Regional Greenhouse Gas Initiative (RGGI).

CFE recognizes DEEP's hard work in constructing this detailed, analytical draft CES. In order to attain the zero carbon future envisioned by this strategy, the final CES must include more ambitious and detailed policy recommendations, as well as a sustained commitment by Connecticut's citizens, businesses, and government agencies to take the necessary actions to transition Connecticut to a clean, efficient, and healthy renewable energy economy.