



**Testimony of RENEW Northeast before the  
Energy and Technology Committee in support of**

**Senate Bill 10**

***An Act Concerning Certain Recommendations Regarding Climate Change***

**March 5, 2020**

Chairmen Needleman and Arconti, Ranking Members Formica and Ferraro, and members of the Energy and Technology Committee, my name is Francis Pullaro and I am here on behalf of RENEW Northeast (RENEW),<sup>1</sup> its Executive Director, to testify in support of Senate Bill 10, *An Act Concerning Certain Recommendations Regarding Climate Change*, offered by Governor Lamont. RENEW strongly favors the bill language that requires (1) Connecticut’s electric power supply be non-emitting by the year 2040; and (2) gives the Commissioner of Energy and Environmental Protection the authority to procure energy storage systems.

- RENEW recommends the 100 percent zero emissions by 2040 requirement be coupled to a long-term renewable energy and energy storage procurement program based on planned annual solicitations to meet that 2040 obligation.

Neighboring states have begun setting ambitious long-term renewable goals.<sup>2</sup> This Committee’s recent policies are already achieving success with low-cost energy resources eligible under the Renewable Portfolio Standard (RPS) having been secured under long-term contracts at low prices. New renewables and maintaining the region’s legacy small hydropower and off-contract wind units will enable Connecticut to meet greenhouse gas reduction requirements under its Global Warming Solutions

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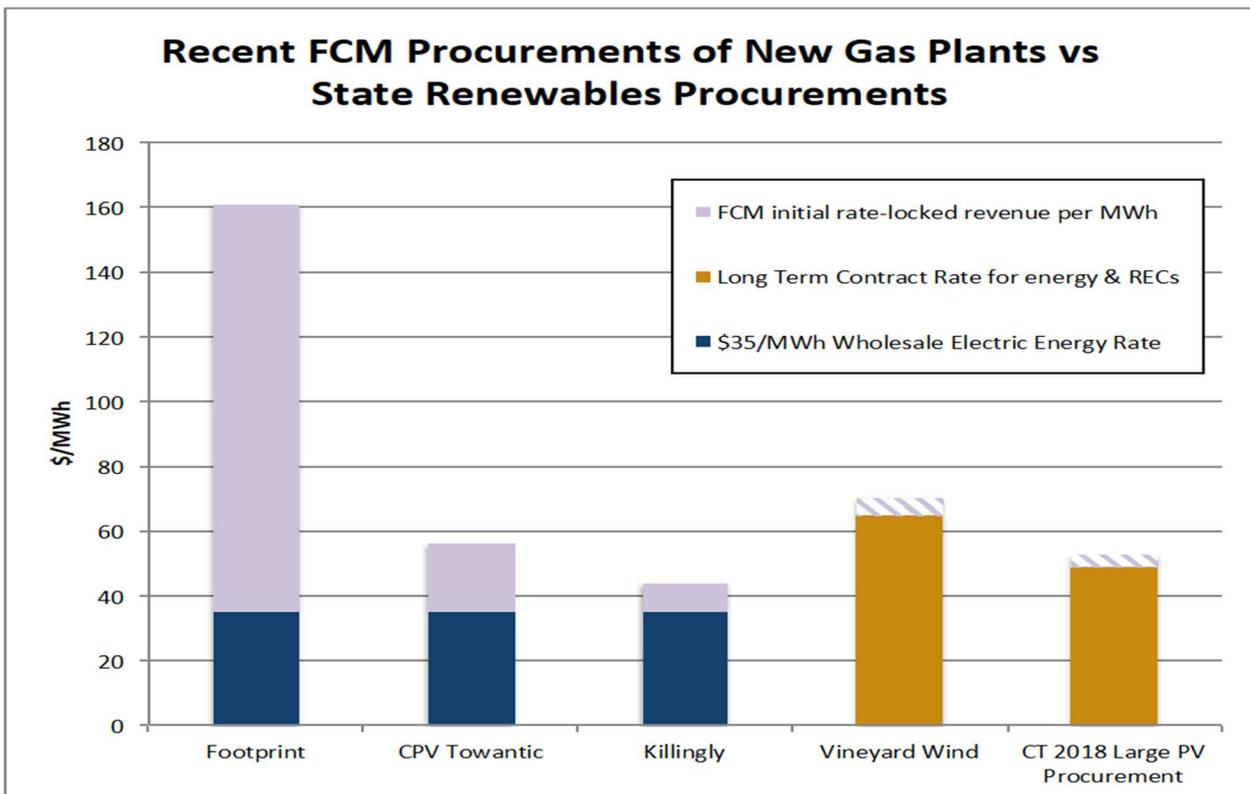
<sup>1</sup> The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW. RENEW is a non-profit association uniting environmental advocates and the renewable energy industry whose mission involves coordinating the ideas and resources of its members with the goal of increasing environmentally sustainable energy generation in the Northeast from the region’s abundant, indigenous renewable resources. RENEW members own and/or are developing large-scale renewable energy projects, energy storage resources and high-voltage transmission facilities across the Northeast. They are supported by members providing engineering, procurement and construction services in the development of these projects and members that supply them with multi-megawatt class wind turbines. RENEW seeks to promote policies that will increase energy diversity, promote economic development, and achieve the Commonwealth’s policy goals including those found in the Renewable Portfolio Standard (RPS) and the Global Warming Solutions Act (GWSA).

<sup>2</sup> See e.g., New York’s *Climate Leadership and Community Protection Act* will support the development of 9,000 megawatts of offshore wind energy by 2035. In New Jersey, Executive Order #92 set New Jersey’s offshore wind energy goal at 7,500 megawatts by the year 2035.

Act (GWSA) while providing local economic development benefits and increasing power system reliability by lessening our heavy dependence on natural gas-fueled electric power generation.

New renewable energy projects will provide Connecticut with positive economic benefits to host communities including much needed new tax revenue. The stream of projects supports local construction and service jobs during development and new opportunities in operations and maintenance once projects are supplying clean energy. Abundant offshore wind can connect to multiple points in Southern New England, which includes Connecticut locations, and provide opportunities for the state to be involved in the construction, maritime and service sector activities related to the construction of offshore wind generation and transmission facilities. The states that go first in establishing this new growth industry will likely capture the largest amount of this market share.

Today’s level of installed renewable energy pales in comparison to the region’s wind and solar potential. Recent competitive solicitations reveal wind and solar developers are providing renewable energy at cost comparable to new natural gas power plants. This chart compares the all-in revenues of recent natural gas power plants secured under ISO New England’s Tariff for capacity (FCM) to recent large renewables competitively procured under state contracts.



\* Assumes wind and solar qualify for limited exemption being phased-out to earn capacity revenue (striped boxes); otherwise various ISO capacity rules have made it impossible for renewables to earn capacity revenue

Competitive clean energy procurements complement Connecticut's RPS requirements by lowering cost and improving the chances of projects receiving financing. Like ISO New England's highly regulated capacity Tariff does for new natural gas generation, contracts for renewable energy provide greater revenue certainty that reduces investor exposure to commodity market price risk for backing renewable energy projects. These contracts increase the chances of projects getting financing and at a lower rate. Lower financing costs and the competitive nature of the procurement lowers consumer costs.

RENEW supports the Governor's Council on Climate Change December 2018 recommendation that the Department of Energy and Environmental Protection (DEEP) should "exercise its full discretionary procurement authority for grid-scale renewable and zero-carbon energy. Continued investment in diverse, zero-carbon, renewable energy technologies will be necessary for Connecticut to meet its GHG emissions reduction goals."

RENEW recommends DEEP: (1) hold near-term procurements for the remaining 1,200 megawatts of offshore wind; and (2) issue by the end of this year two parallel procurements for land-based wind and solar resources that will capture renewable energy at today's low prices. One should be for resources above 20 megawatts and the other for resources in the 2 to 20-megawatt range that can ensure a component for local economic development benefits from the state's own land-based wind and solar resources.

Thank you for the opportunity to offer these comments.

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