



Remarks of Consumer Counsel Elin Swanson Katz on Draft Comprehensive Energy Strategy

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Good morning, my name is Elin Katz, and I am the Consumer Counsel for the State of Connecticut and head of the Office of Consumer Counsel.

First of all, I appreciate the opportunity to offer some public comments on the draft Comprehensive Energy Strategy. It is obvious that a great deal of thought and hard work went into the document, and I especially thank the DEEP staff, who I know labored long and hard over this.

Let me start by saying that OCC is deeply committed to supporting clean energy initiatives. We have worked on several clean energy procurements with DEEP, supported clean energy legislation, and have a significant role on the Energy Efficiency Board. We commend DEEP for continuing to support clean energy growth in CT, including the proposed 30% by 2030 standard in the Draft CES.

We need only look at the events of the last couple weeks, and the devastating hurricanes Harvey & Irma, the intensity of which meteorologists attribute to the very warm oceans, to know that we have a moral imperative to global warming with all possible expediency.

At the same time, the resources of Connecticut consumers are far from unlimited. We have an extraordinarily high uncollectible problem right now, despite the fact that generation rates relatively lower over the last few years than they have in more than a decade. The uncollectible “bill,” if you will, is tens of millions of dollars per year – sometimes more.

Many customers must struggle with paying electric bills while also paying medical bills, grocery bills, and/or children’s education bills. Within a few blocks of this hearing room there are thousands of citizens who struggle to pay their electric bills. We meet these people throughout Connecticut, we hear their stories, and we see the toll it takes on them and their families.

Given this situation, we have to make hard choices about how we will spend each ratepayer dollar, and renewable energy can be no exception. To a reasonable extent, the grid-side clean energy approach must compete against the rooftop or behind-the-meter approach. A “Comprehensive” Energy Strategy should indeed explore the least cost paths to achieving our electricity goals. We can and should continue to support both grid-side and rooftop, but we agree with DEEP that our primary focus should be on grid-side because of the lower expense. In other words, we need the most renewables for every dollar to achieve our clean energy goals.

With this in mind, I look at Slide 8 from DEEP’s presentation from the last session, and you see where we have been able to bring down large scale projects below 10 cents per kWh, down as low as 8.48 cents per kWh, and then you compare that to the cost of our-behind the meter programs, over 20 cents per kWh, and it is a pretty staggering difference. And I know that people may quibble with some of the bars, what should or shouldn’t be included as a “cost.” But, even if you go to the other extreme and take generation fully out of the net metering equation for behind-the meter units and reduce the bars by an 8 or 9 cents generation charge, grid-side is still significantly cheaper than the behind-the-meter programs with net metering.

Now, people often say that you have to look also at the benefits of behind-the-meter, but, like DEEP, I don’t see where the benefits stream for electric customers would be that different between grid-side renewable and rooftop renewable. They are both zero carbon, and they have both reduced the peak usage. I would invite a fuller evaluation of the electric-related costs and benefits, but I too find it hard to believe that behind-the-meter solar will have net benefits exceeding those of grid-side solar especially since grid-side benefits accrue more evenly to all customers. To the extent that people would like to raise broader economic costs and benefits, as opposed to electric and emission-related costs and benefits, that would raises a concern for me in terms of whether we are talking about items or benefits that should be funded by ratepayers as opposed to taxpayers.

I support replacing net metering on a going forward basis, with ample grandfathering. Net metering is a blunt instrument which does not drive the costs of rooftop solar down. Net metering was a good policy for getting rooftop solar off the ground, but now the market is

maturing, and it's time to do something that better reflects the fact that rooftop solar customers indeed use the distribution system and the transmission grid in most hours of the year. A renewable energy tariff approach can help drive efficiencies in the rooftop solar market and can be adjusted each year (for new units) to reflect technological upgrades. A tariff could also provide more certainty for lowest-cost financing and accurate savings projections for customers.

“Value of solar” conversations are interesting, but if someone is willing to put up solar panels for fifteen cents per kWh, there is no reason that the ratepayers should pay twenty-five cents per kWh because of some study or report. Again, we need to get the most bang for our buck, the most renewable energy for every ratepayer dollar we invest. We need to use strategic methods of reaching our clean energy goals less expensively. I applaud DEEP for tackling this difficult and potentially divisive issue and for coming up with some creative solutions in the Comprehensive Energy Strategy. Conversations about alternatives to net metering are happening all over the country, and Connecticut needs to be a leader in this area, just as we've been a leader in clean energy development. We look forward to commenting further at the end of the month.



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