

**CONTACT INFORMATION:**

Kerry O'Neill  
President and CEO  
Earth Markets, LLC  
[kerry@earthmarkets.com](mailto:kerry@earthmarkets.com)  
(203) 258-2550

**Energy and Technology Committee****Public Hearing**

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Public Comments on Raised Bill No. 6603 by Kerry O'Neill, Representing Earth Markets, LLC

Good afternoon and thank you for the opportunity to address the Energy & Technology Committee. My name is Kerry O'Neill, President and CEO of Earth Markets and I am speaking in support of Raised Bill No. 6603 "An Act Concerning the Class III Renewable Portfolio Standard."

First, I would like to commend the Committee members for being such strong advocates of market-based policies on behalf of residential ratepayers.

Earth Markets was involved in DPUC docket 05-07-19RE01 last year advocating for residential energy efficiency measures to be eligible for REC status in the Class III RPS. We are a Connecticut-based startup developing and financing residential energy efficiency using community-based marketing strategies combined with environmental markets such as Class III RPS.

Earth Markets was founded with the belief that public policies that residential ratepayers pay for, such as the Class III RPS, should provide a direct financial benefit to those ratepayers, too. We want to provide residential ratepayers with the same kind of benefits that are afforded UTC or IBM or other large commercial and industrial companies.

The DPUC's decision to allow privately financed residential energy efficiency measures to participate in this market and receive 100% of the value of the RECs has spurred not just Earth Markets to enter the residential sector in Connecticut, but also two other companies: Cool nrg and Efficiency 2.0. This private sector innovation is an exciting development for residential energy efficiency in Connecticut. To ensure this innovation continues, and that there is no ambiguity that residential ratepayers can benefit from this policy, we support amending the legislation as this bill indicates with two modifications.

The modifications are outlined in the written testimony we submitted, titled "Proposed Amendments by Earth Markets, LLC" and include:

1. Replacing the phrase "customer's market-based provider" with the phrase "customer's designated agent." Earth Markets believes "customer's designated agent" is more reflective of the type of companies pursuing a business model using the Class III RPS as a financing tool.
2. Adding the concept of aggregating credits from multiple residential customers with a minimum aggregation of 100 kW. Earth Markets believes this helps support the goal of peak demand reduction by encouraging privately financed residential measures to be aggregated.

Earth Markets has submitted some additional policy proposals for your consideration that we believe will further advance privately financed residential energy efficiency in the state. Proposed language is included in the document titled “Proposed Amendments by Earth Markets” and the background for each proposal is covered in detail in the document titled “PolicySmart Proposals to Advance Privately Financed Residential Energy Efficiency”

The highlights of these proposals include:

1. Extending the Class III RPS Beyond the 2010 4% Target to 20% by 2020  
Increase energy efficiency in Connecticut with the goal of 20 percent below 2005 levels by the year 2020 through the Class III Renewable Portfolio Standard. *(Please see pages 14-16 in the PolicySmart document for more information.)*
2. Advancing “All Fuels” Efficiency Benefits to Residential Ratepayers by Including Heating Oil and Natural Gas Measures in the Class III RPS  
To advance energy independence, “green job” development, and global warming goals by allowing homeowners an ability to monetize non-electric efficiency actions as a Class III resource, providing an “All Fuels” market mechanism. *(Please see pages 18, 20-22 in the PolicySmart document for more information.)*
3. Acknowledging Behavior as an Energy Efficiency Resource  
Acknowledge the importance for behavior-based smart energy strategies. I believe you will be hearing from a colleague from Efficiency 2.0 on this proposal. *(Please refer to pages 11-12 in the PolicySmart document for additional information on this.)*
4. Establishing a Cap of 25% of the Market for RECs Registered and Sold by the Connecticut Energy Efficiency Fund  
To encourage private sector investment in energy efficiency in Connecticut. This is being driven by feedback from investors who are concerned about the transparency in this market, specifically the extent to which there will be an opportunity for private players to participate in the market if there is a potential for C&LM projects to flood the market with RECs. *(Please refer to pages 16-18 in the PolicySmart document for additional information on this.)*

The inclusion of these policy recommendations will provide the necessary elements for the Class III RPS to operate efficiently, effectively, and competitively while also encouraging additional private sector investment in residential energy efficiency, conservation and load management measures. By allowing residential ratepayers an opportunity to participate in the Class III RPS, policymakers will encourage private sector investors to support least-cost residential energy efficiency and conservation actions in Connecticut that will provide a full home energy solution above and beyond the existing programs of the Connecticut Energy Efficiency Fund.

I thank you for your time today and the opportunity to address the members of this committee. I am available to answer any questions you may have.