

Reprinted from: CCM/ccm-ct.org.

Date: August 5, 2013

Monday, August 5, 2013

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CCM reports that local governments are being misled on cost and savings from Solar PV panel projects

The Connecticut Conference of Municipalities (CCM) today (Monday, August 4) said that:

- *Misunderstanding about the savings produced by Solar PV (Photovoltaic Panels) projects for Connecticut local governments is widespread, and that;*
- *Local leaders are reporting that some companies promoting Solar PV projects are taking advantage of this confusion, falsely asserting that a solar power purchase agreement can be set up for towns that can avoid most or all of the utility delivery charges by self-generating with a solar PV array.*

A Solar PV array can offer savings on Generation Service Charges (GSC) but offers relatively little savings on Transmission and Delivery (T&D) charges, according to CCM's analysis.

Actual savings are tied to the utility rate class. For most rate classes, the lion's share of the T&D cost is charged per kW (demand charges). Because solar arrays only produce power when the sun is shining, it is unlikely that a solar array will reduce these T&D demand charges.

CCM says municipal governments should follow this simple rule of thumb: to avoid any solar power purchase agreement in which the price for solar power is greater than the current utility GSC (currently \$.07766/kWh for CL&P Rate 30; \$.07646 for UI Rate GS).

To make matters worse, solar companies promoting unrealistic savings of T&D charges have been using unreasonably high solar power purchase prices to subsidize unrealistically low bids into the utility Zero Emission Renewable Energy Credit (ZREC) auctions. These auctions are the foundation of the State's ZREC Program.

"This type of misleading marketing to the power purchaser not only harms the consumer paying the high power purchase price, but also jeopardizes the viability of the State's ZREC Program," said Jim Finley, CCM Executive Director and CEO.

“We applaud the recent decision of the Connecticut Public Utilities Regulatory *Authority* (PURA) to provide more transparency regarding the ZREC bids,” noted Finley. “Within a few months, consumers will be able to determine which companies have been using unrealistically high power purchase prices to subsidize unrealistically low ZREC bids”