

El Instituto: Institute of Latina/o, Caribbean and Latin American Studies College of Liberal Arts and Sciences

27 April 2025

Representative James Sanchez Connecticut State General Assembly

## **Renewable Energy Standards Reforms**

Dear Representative Sanchez,

I am writing on behalf of my colleague Volodymyr Gupan and the UConn Puerto Rican Studies Initiative (UConnPRSI) in response to your request to clarify some of our recommendations for energy report in Connecticut. As per our conversation, we identified two core areas of reform that could be achieved without significant costs to the state. Unlike other reforms that focus on the tail end of electrical markets, we believe that the focus should be on the *supply end* of energy. This memo focuses on **Renewable Energy Standards Reforms**.

We believe that these reforms could help to significantly lower costs for consumers and can still foster the expansion of renewable energy sources in Connecticut. This is crucial because upwards of 64% of Puerto Rican and Latinos in Connecticut are renters, and like other renters in the state, they pay for energy subsidies that they cannot enjoy because Connecticut energy policy is primarily designed to support homeowners. The proposed energy reforms that can lower cost for renters will also lower costs for homeowners.

### Why Connecticut's Current Renewable Energy Policy Is not Working

Connecticut has made big promises when it comes to clean energy. On paper, we have ambitious goals, detailed rules, and a plan to transition to renewables. But when you look closer, it's clear the system is not delivering real results.

# 1. Renewable Energy Certificates (RECs) – a cornerstone of Renewable Policy Standards (RPS) Are a "Paper" Solution, not a Real One

Each REC represents one megawatt-hour (1000 kilowatt-hours) of renewable energy generated somewhere in the country. *The problem?* That energy might be produced in Florida or California, but if Connecticut buys the REC, it counts toward our clean energy goals, even though no actual clean electricity might ever reach our grid.



This creates a false appearance of progress:

- Fossil fuel use, especially natural gas, has gone up between 2018-2022 and beyond.
- But Carbon emissions in Connecticut haven not meaningfully dropped since the 2009 Great Recession.
- Most of the electricity generated in-state is sold out-of-state, which means REC purchases do little for Connecticut's actual energy mix or environmental health.

RECs let us pay for the **illusion of clean energy** without requiring any clean energy to be built or used here. **It's an accounting maneuver, not a real climate action.** 

## 2. Renewable Portfolio Standard (RPS) Without Local Generation Goals Doesn't Work

The state requires that a certain percentage (about 38%) of electricity sold to consumers comes from renewables—but there's no rule that says it has to be generated here. That means utilities can meet the requirement **by importing electricity** from neighboring states or by buying RECs from anywhere in the country. So again, it looks good on paper, but fossil fuels keep powering the lights somewhere else or in state but with an added premium.

## 3. State's Power Purchase Agreements (PPAs) Rarely Deliver

PPAs are special fixed-price contracts that pay renewable developers a set amount for their power. However:

- Very few of these projects are actually built.
- If they are built, their construction takes years.
- When the projects are built, the **prices are usually high,** and ratepayers pick up the tab.

## 4. We are Ignoring Zero-Carbon Power That Already Exists in the State of Connecticut

Nuclear and hydropower provide carbon-free electricity. They already exist in Connecticut and do not need to be invented or imported. But our current energy policy does not count such electricity towards clean energy goals. That makes it harder and more expensive to hit targets we could otherwise meet more easily. Despite 2018 legislation that created Zero Carbon Resources concept in state policy, these resources are not integrated into the existing RPS or any other electric retail state policies.

## 5. Natural Gas Plants Are Still Central, with No Real Plan to Reduce Their Emissions

Natural gas is still the backbone of electricity generation in Connecticut. These plants aren't going anywhere, because of strong regional demand. But there is no roadmap in current policy for cutting their emissions, transitioning them to cleaner technologies, or even how to utilize them for the state's advantage.

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# A Smarter Path Forward: The Comprehensive Energy Standard (CES)

Connecticut needs an energy policy that leads to actual emissions reduction yet keeps electricity costs in check, if implemented carefully these policies can lower the cost of electricity by anywhere between 40% and 50%. The Comprehensive Energy Standard (CES) does exactly that.

### Solutions and Recommendations:

# 1. Only Count Local or Directly Connected Renewable Generation Towards Clean Energy Goals

Tie clean energy goals to **electricity that's generated in Connecticut**, or from companies with direct transmission into our grid. That way, we stop pretending progress is being made and start making it for real.

## 2. Make Renewable Energy Contracts Competitive

Instead of offering fixed, high-price contracts, let renewable developers compete in open auctions. The best projects win based on price, location, and grid needs. This approach drives innovation and keeps costs low.

# 3. Use Market-Based Pricing with Built-in Protections for Projects that Win Competitive Auctions

Let renewable energy producers get paid at real market prices, but with a price floor to protect them from market crashes. It also protects regional markets from negative price curves. This ensures fairness for both ratepayers and developers—and stays compliant with federal rules.

### 4. Create Smart Renewable Energy Zones

**Designate "renewable energy corridors"** in the state areas best suited for solar, wind, or other renewables. Focus development there and plan grid upgrades at the same time. This kind of local planning saves money and avoids waste.

### 5. Prioritize Local Economic Impact

Projects that win contracts should:

- Be built and staffed by **in-state residents/workers**.
- Use local construction firms first.
- Establish headquarters near the communities they serve.

This turns energy investment into economic development for Connecticut.

### 6. Protect and Include Zero-Carbon Energy Already in the State

We should be locking in fair contracts with nuclear and hydro plants, like Millstone. They are providing stable electric current, the energy is carbon-free, and is already part of the grid. We just need to



recognize their value and make sure they are not overlooked in the policy, and that what they offer is part of the Standard Service at all times and not part of Public Benefit Charge.

### 7. Chart the Path Forward for Fossil Fuel Electricity Generators

Allow those natural gas power plants that are ready to implement carbon sequestration technology when it becomes market viable paired with renewable resource generation such as pumped storage to be designated as zero carbon or carbon neutral facilities. If they do not comply heavily tax their emissions.

Let us reiterate a central point here, *the proposed recommendations can reduce energy costs without changing Connecticut's green or renewable energy goals.* These reforms can result in lower energy costs for utilities that distribute energy in Connecticut, while at the same time significantly reduce rates for consumers throughout the state. Please feel free to contact us if you have any additional questions or queries.

Sincerely,

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