

SENATOR HERRON KEYON GASTON

Twenty-third District

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State of Connecticut

SENATE

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Environment Committee

Judiciary Committee

Transportation Committee

Commissioner Katie Scharf Dykes

Connecticut Department of Energy and Environmental Protection

79 Elm Street

Hartford, CT 06106

Dear Commissioner Dykes,

In collaboration with our esteemed colleagues from the House, we, the undersigned Senators, wish to express our endorsement for the eligibility of NuPower Bridgeport FC LLC to receive CLM funding under Conn. Gen. Stat. 16-258d(a)(1). We also align ourselves with the Legislature's intent in enacting this Statute.

As articulated in the House's communication, NuPower has already formalized thermal supply agreements with a diverse range of essential South End stakeholders. These stakeholders are relying on the thermal loop to replace their natural gas services with cost-effective and environmentally superior thermal heating services via the thermal loop system. Among these stakeholders are the City of Bridgeport Department of Education's new Bassick High School, currently under construction, the University of Bridgeport along with its entire campus, and ASW, Connecticut's sole in-state medical waste remediation facility serving the state's hospitals and medical offices. In the interest of these stakeholders, the City of Bridgeport, and the State of Connecticut, it is imperative that we extend every possible support to facilitate the progress of the thermal loop and refrain from any hindrance.

As highlighted in the letter from our fellow legislators, the legislative intent behind the Statute and its language is to encourage active participation from both developers and consumers in thermal loop projects. Therefore, any interpretation of the Statute's plain language should not impede the very essence of this legislative intent.

To qualify as a District Heating System under the Statute, a system must fulfill four specific criteria, all of which the NuPower Project complies with:

- i) The project's location must fall within a Designated Area, such as Bridgeport.
- ii) The project must contribute to a reduction in natural gas demand by displacing legacy fossil-based heating systems.
- iii) The system must possess a minimum waste heat thermal capacity of 30 MMBTU.
- iv) At least 75% of the captured waste heat must be distributed to the end consumers.

The NuPower Project not only meets but surpasses all of these criteria. There is no ambiguity in these criteria, including the last one, which was intended to be agnostic regarding the source of the thermal system's waste heat. The Statute's plain language clearly indicates that the 75% waste heat requirement pertains to the waste heat utilized within the thermal loop, rather than the source of the waste heat. This criterion ensures the efficient distribution of waste heat to consumers. Applying the minimum requirement to the waste heat source not only contradicts the Statute's plain language but also undermines its fundamental purpose of promoting the capture of waste heat from any source and its efficient distribution (at least 75%) for practical use.

While both the Department of Energy and Environmental Protection (DEEP) and the Energy Efficiency Board (EEB) possess the authority to approve each gas company's incentive program for district heating under the Statute, it is the clear intention of the General Assembly to establish unequivocal qualifications for a district heating system eligible for this incentive program.

We are aware that UI (United Illuminating) has already conducted an extensive review, confirming the NuPower Project's capacity to reduce the natural gas usage of their existing customers and has proposed an incentive amount under the program.

We join our esteemed colleagues in wholeheartedly urging DEEP not only to approve UI's submission for the district heating incentive program as proposed in the forthcoming CL&M Plan but also to actively champion such endeavors, for the mutual benefit of the City of Bridgeport and the State of Connecticut.

Sincerely,



Rev. Dr. Herron Gaston
CT State Senator- 23rd District