

State of Connecticut

Raised Senate Bill 571

An Act Authorizing Bonds of the State for Alternative Energy Sources

Public Policy Position Statement

Connecticut Hydrogen-Fuel Cell Coalition

Administered by

Connecticut Center for Advanced Technology, Inc.

March 9, 2006

CONNECTICUT HYDROGEN FUEL CELL COALITION
POSITION STATEMENT

The Connecticut Hydrogen-Fuel Cell Coalition (“CHFCC”), administered by the Connecticut Center for Advanced Technology, Inc. (CCAT), offers this position paper, to the general public, in strong support of public policy that encourages the development and use of hydrogen and fuel cells as it relates to Raised Senate Bill 571, An Act Authorizing Bonds of the State for Alternative Energy Sources.

Hydrogen and fuel cell technology is a viable Class I renewable resource that can provide on-site renewable distributed generation. With strategic guidance, applications using hydrogen and fuel cell technology would improve efficiency, reduce consumption of fuel, and improve the environmental profile for energy production. Fuel cells and hydrogen technology offer the following benefits:

- Fuel cells and hydrogen technology are clean and nearly emission free.
- Fuel cells and hydrogen technology are efficient, will conserve on fuel costs, and can reduce the import of foreign oil.
- Fuel cells operating on natural gas will be a bridge that can lead to widespread use of renewable fuels including methane or ethanol from biomass, and hydrogen produced by solar and wind energy.
- Fuel cells and hydrogen technology can help to provide uninterrupted power to critical load centers without the need to build and rely on electric transmission lines, and can improve transportation efficiency.
- The strategic placement of hydrogen and fuel cell technology in the State can reduce Federally Mandated Congestion Charges.

Further, it is the policy of the State to support hydrogen and fuel cell technology. The legislative decision to support the hydrogen and fuel cell industry is appropriate because the hydrogen and fuel cell industry is a key industry that contributes to the economy of the State of Connecticut. The use of hydrogen and fuel cell technology supports manufacturing and economic development activities in the State, and therefore State support for fuel cell and hydrogen technology is justified.

Economic indices, developed in conjunction with the hydrogen and fuel cell industry, with assistance from the Connecticut State Department of Economic and Community Development (“DECD”), suggest that the hydrogen and fuel cell industry can be an emerging economic cluster. Currently, the hydrogen and fuel cell industry contributes to the State’s economy by providing approximately 1,000 jobs associated with research and development, and the manufacture of equipment; approximately \$29

million annually in State tax revenue; approximately \$2 million annually in local tax revenue; and over \$340 million annually in gross State product¹. The economic value of this industry should not be underestimated or taken for granted in that this industry is the envy of many other states that continually develop incentives to encourage relocation away from Connecticut.

The CHFCC is supportive of these public policy measures that increase the opportunity for the manufacture and use of hydrogen and fuel cell equipment in the state. The CHFCC believes that funds should be made available to supplement the current Renewable Distributed Generation program, and other existing and future programs designed to advance the manufacture and deployment of fuel cells in Connecticut. The CHFCC will make itself available upon request to assist in the strategic development of public policy positions.

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¹ These figures represent the economic value to the State for 2005.