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EXECUTIVE CHAMBERS

**TESTIMONY PRESENTED TO THE
ENERGY & TECHNOLOGY COMMITTEE**
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M. Jodi Rell
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Testimony Supporting S.B. 23
AN ACT CONCERNING GLOBAL CLIMATE CHANGE

Senator Fonfara, Representative Fontana, Senator Herlihy, Representative Williams and Members of the Energy and Technology Committee, my name is M. Jodi Rell, Governor, State of Connecticut. I am submitting this testimony in support of Senate Bill 23, An Act Concerning Global Climate Change.

This bill represents a common sense approach to implementing several basic strategies that will reduce green house gas emissions (GHGs), promote energy conservation, and reduce our dependence on fossil fuel. Climate change has the potential to negatively affect our economy and our environment. As energy consumers we all have a responsibility to reduce our carbon footprint and conserve energy. I have encouraged all Connecticut residents to implement "One Thing" to save energy, this bill will implement several "One Things" to reduce GHGs and conserve our vital energy resources.

Section one of this bill requires each state agency to adopt and update an energy conservation and climate change action plan on a biennial basis. This will be done under guidelines as established by the Secretary of the Office of Policy and Management in conjunction with the Commissioner of the Department of Environmental Protection. This initiative will formalize and codify steps I have already taken to have state agencies develop and adopt conservation plans. State agencies use approximately 650 million kilowatt hours of electricity annually accounting for up to 500,000 metric tons of CO2 emissions. This is

equivalent to the annual GHG emissions of over 54,000 passenger cars. This does not take into account additional GHG emissions generated by state government for heating and transportation fuels use. As a state government, we can do better in managing our GHG emissions. Building on concepts I introduced in my *Energy Vision*, this bill will allow state government to continue to “lead by example” by implementing a blueprint that promotes energy conservation and significantly reduces GHG emissions.

Section two of this bill calls for expanding the Energy Conservation Loan Fund to include the purchase of “technologies that reduce greenhouse gas emissions”. This provision will also increase the maximum loan available under this program from twenty-five to thirty-five thousand dollars and raise the eligibility requirement from one hundred fifty to two hundred percent of the median area income by household size. The expansion of this residential low interest loan program will allow more families at lower income levels to take advantage of additional opportunities to reduce energy use, save on energy bills and reduce GHGs. This expansion is a win-win situation, allowing those that may not be in a position to purchase energy and green house gas reducing technology to do so, while not requiring an additional bond authorization. There is currently close to two million dollars in this revolving loan fund and fifteen million available under the current bond authorization. The expansion of this program will be accommodated within the current authorization level.

Section three of this bill clarifies the Office of Policy and Management’s role providing technical expertise to municipalities regarding energy procurement. This past year OPM facilitated a reverse auction process to procure electricity for aggregated state government facilities. Using this approach maximized state government’s leverage in the electric supply market resulting in beneficial pricing, including 17% green power above the Renewable Portfolio Standard (RPS). Existing statute gives OPM the authority to provide such technical assistance to municipalities with regard to electric generation services. This provision clarifies that role and expands it to all energy procurement, not limited to electric supply.

Although Connecticut, through the Renewable Energy Investments Board, currently offers rebates to residential CL&P and UI customers for the purchase and installation of

photovoltaic electric generation systems, I believe increasing the available rebate for a limited period and advertising its availability will give this program a needed boost. In order to achieve this goal, I am submitting revised language for your consideration. Section four of this new language increases the maximum rebate available to residential customers from \$46,500 to \$51,500 for 10 KW systems for a qualifying project applied for between June 1, 2008 and December 31, 2008, and requires the state's electric distribution utilities to advertise the program in customer bill inserts. Distributed residential renewable generation is an ideal avenue to address energy surety and GHG emissions. However, there remain cost hurdles. Although increased electric costs have begun to make the cost of photovoltaic systems more competitive, without subsidies the return on investment to a residential customer is uneconomical. Continued product development, sales and demand should work to reduce future costs and level the playing field. At this time it is important to encourage demand for residential photovoltaic electric systems to address GHG emissions, energy surety and economic development.

Section five will establish a residential furnace and boiler replacement rebate program. This will make five hundred dollar rebates available to residential households for the purchase and installation of highly efficient propane, oil and natural gas furnaces and boilers. Increased investments in energy efficient heating oil equipment was one of the recommended actions of the Connecticut Climate Change Action Plan 2005. This program will be paid for through funds available under the fuel oil conservation account as administered by the Fuel Oil Conservation Board in consultation with the Energy Conservation Management Board. Again, this is "One Thing" the state can do to assist residential consumers implement "One Thing" to address GHG emissions and energy conservation, and will not impact the state spending cap.

Developing the expertise to support and promote Connecticut's burgeoning green industries is another very worthwhile initiative and section six of this bill will establish a "green collar jobs program". Climate change could potentially change the planet. However, it represents an opportunity to re-tool the state's economy and take advantage of a growing green industries sector. To do this we need to prepare Connecticut's workforce to meet these climate change and energy challenges. Developing the appropriate job skills to advance

green industry initiatives is paramount to meeting our future energy needs and reducing GHG emissions. If we do not establish the appropriate educational curriculum, the lack of needed skills will hinder our ability re-tool Connecticut's economy. Establishing a "green collar jobs program" through the state-wide system of regional vocational-technical schools will enable Connecticut to meet the needs of future green industry development.

Section seven of this bill will implement an anti-idling law for motor bus operators. Time spent unnecessarily idling has been identified as a significant contributor of GHG emissions and an unproductive use of fuel. As such, this law is aimed at eliminating unnecessary idling time for motor buses. Diesel exhaust is also a prime trigger for those with respiratory conditions such as asthma. Bus idling disproportionately impacts our urban residents who rely on buses for transportation providing a necessary benefit to our environmental justice communities. Reducing engine idling as little as 5 minutes can save hundreds of gallons of fuel and thousands of dollars a year for each bus.

Climate change has the potential for serious health and economic consequences. The adoption of this bill will support initiatives already underway under the *Connecticut Climate Change Action Plan 2005* and my *Connecticut's Energy Vision Plan*. Initiating conservation and climate change action plans for state agency activities, programs to assist residential consumers reduce energy use and GHG emissions, and motor bus anti-idling requirements are straightforward, common sense approaches to climate change. The passage of this bill will help to solidify and promote the mind set that "One Thing" will lead to another. We are responsible for taking appropriate measures to address climate change. The provisions in this bill will implement programs and policies that will encourage and require state government and Connecticut's energy consumers to do their "One Things" to reduce GHG emissions. I encourage Energy and Technology Committee Members and the General Assembly to support this bill.

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Proposed 'S' Language for S.B. 23: An Act Concerning Global Climate Change

Sec 4. (NEW) (*Effective upon passage*) (a) The Renewable Energy Investments Board, established pursuant to section 16-245m, as amended, shall establish a residential photovoltaic rebate program to encourage homeowners to install residential photovoltaic systems. The program may provide for a rebate up to \$51,500 for 10 kW system for qualifying projects. Applications shall be received from June 1, 2008 to December 31, 2008. The cost of said program shall be paid from the Renewable Energy Investment Fund.

(b) The state's electric distribution utilities shall include informational inserts supplied by the Renewable Energy Investments Board on the program established in section (a) above in utility customers' bills. All costs associated with this informational insert shall be at the expense of the Renewable Energy Investment Fund.

