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Written Testimony of Christopher Phelps, Program Director
Before the Connecticut General Assembly Appropriations Committee

Tuesday, February 17, 2009

Written testimony regarding H.B. 6365, An Act Concerning The State Budget For The Biennium Ending June 30, 2011, And Making Appropriations Therefor.

Senator Harp, Representative Geragosian, and members of the Appropriations Committee:

On behalf of Environment Connecticut's more than 8,000 members statewide, I am submitting this testimony regarding funding for agencies and programs that protect Connecticut's environment.

In this particularly difficult economic and budget year, Environment Connecticut urges this committee, the entire General Assembly and Governor Rell to carefully consider the impact of its budgeting decisions upon Connecticut's environment. Funding for environmental protection impacts the quality of life in every community and for every family statewide. Our state parks and forests already suffer from the effects of years of neglect and a failure to restore funding cut in previous years. Environmental enforcement in Connecticut lags behind many other states due in no small part to inadequate staffing levels at the Department of Environmental Protection. For example, our research shows that Connecticut consistently ranks near the bottom of all states in terms of the proportion of facilities that violate permits to discharge pollutants into the state's waterways and Long Island Sound.

The DEP is also tasked with a lead role in implementing Connecticut's landmark anti-global warming legislation, the Connecticut Global Warming Solutions Act (PA #08-98.) This bill mandates that the state reduce emissions of global warming pollutants to levels 10% below what they were in 1990 by the year 2020. It further requires an 80% reduction by the year 2050. As the lead agency tasked with implementing policies to achieve these pollution reductions, DEP desperately needs sufficient resources to allow it to accomplish this task.

When Governor Rell released her fy2010 – fy2011 budget proposal, we were disappointed to see potentially significant reductions in the ability of DEP to adequately ensure the quality of our state's water, air and natural resources. In addition, the governor's proposal effectively eliminates the Council on Environmental Quality (CEQ) as an independent environmental watchdog. The governor's budget does attempt to fix structural problems in the DEP budget by ending the over-reliance on programs funded from special funds outside the general fund appropriation. The CEQ is one of many entities in recent years that have identified the urgent need to address this issue. We are pleased the governor's proposal attempts to fix this problem.

CEQ serves an important role as an independent watchdog of the state's efforts to protect the environment. In recent years, CEQ has played an important role in highlighting the urgent need to

reinvest in our neglected state park and forest system and improve funding for enforcement of environmental laws. Unfortunately, the governor's proposal is for the functions currently performed by CEQ to be folded into existing DEP operations. This would effectively silence this independent and effective voice for Connecticut's environment.

HB 6365 also assumes a "raid" of revenues from the Connecticut Clean Energy and Energy Efficiency (Conservation & Load Management) funds. The governor's proposal would take \$40 million from energy efficiency programs in each of the next two years and another \$10 million each year from clean energy programs. In addition, the proposal would raid hundreds of millions from these funds in future years through securitizing, or borrowing against revenue from the systems benefit charge.

The clean energy and energy efficiency funds are supported by a systems benefit charge on utility bills. That charge pays for the programs provided by these funds to help ratepayers reduce their energy bills and to install clean energy generation systems. By diverting that money to the general fund, the governor's proposal, in effect, reduces the systems benefit charge and creates a new utility tax in the amount of that reduction.

The transformation of a significant portion of the systems benefit charge for clean energy and energy efficiency into a utility tax would gut important programs that cut energy costs for homeowners and businesses, increase generation of renewable energy, and reduce emissions of global warming pollutants.

On behalf of Environment Connecticut, I respectfully urge the committee to:

1. Reject Governor Rell's proposal to raid the energy efficiency and clean energy funds by not relying on revenue from either a direct "raid" or future securitization of these funds.
2. Maintain funding for the Department of Environmental protection at levels sufficient to enable the agency to effectively operate our state parks, enforce clean air and clean water laws, and implement the Connecticut Global Warming Solutions Act.
3. Reject the proposal to eliminate the Council on Environmental Quality as an independent environmental watchdog.

Sincerely,

Christopher Phelps
Program Director
Environment Connecticut