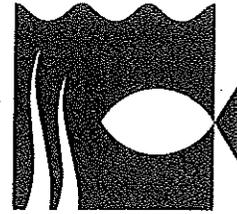


**Connecticut Fund
for the Environment**



Save the Sound®
A program of
Connecticut Fund for the Environment

Environment Committee

Public Hearing

March 4, 2009

Submitted by: Charles J. Rothenberger, Staff Attorney

In *Opposition* to:

**Raised Bill No. 794: An Act Concerning The Regional Greenhouse Gas Initiative And
Electric Ratepayer Relief**

Connecticut Fund for the Environment (“CFE”) is a non-profit environmental organization with over 6,500 members statewide. For more than twenty-five years, CFE has used law, science and education to protect and preserve Connecticut’s natural resources.

CFE *opposes* Raised Bill No. 794, which would divert Regional Greenhouse Initiative (RGGI) auction revenue from the state’s energy efficiency and clean energy programs in order to provide direct rebates to electric consumers. While the concept of providing rebates to consumers to blunt the impact of rising utility rates is superficially attractive, accomplishing that goal by diverting funds from energy efficiency programs is just bad public policy. Energy efficiency reduces costs, is cost-effective and also addresses air quality issues and reduces greenhouse gas emissions. While rebates provide a one-time “fix” to address energy costs, investing in energy efficiency and clean energy reduces costs year in and year out over the life of the measures. Energy efficiency and clean energy investments help pay for energy audits, solar panels, and efficiency measures for homes, businesses and municipalities.

Connecticut's energy funds are proven to save money for ratepayers, support business growth, and create jobs. As a result of our current investments in efficiency, Connecticut residents and businesses will realize 31 billion kWh in electricity savings. That amounts to approximately \$63.9 million in savings annually for Connecticut's businesses and consumers. At current funding levels, the energy funds support at least 1,000 "green collar" jobs in Connecticut. Additional funding is essential to growing this necessary, talented labor pool.

The state's efficiency programs are also incredibly popular. In the past decade, the efficiency fund has served 45,000 households. The demand for the state's energy efficiency programs consistently outstrips the available funding. Last year, the program performed an additional \$25 Million dollars worth of energy efficiency improvements and still wasn't able to meet the demand. Demand for clean energy incentives was so high – up 200% for residences and 300% for schools and businesses- in 2008 that the Renewable Energy program had to stop taking new applications.

Finally, improving efficiency is the most cost-effective way to meet our greenhouse gas reduction mandates. Since 1998, the state's efficiency programs have reduced energy demand equal to the generating capacity of a 500 MW power plant, roughly equivalent to taking 37,000 cars off the road each year.

Diverting funding away from investments in energy efficiency and renewable energy is exactly the wrong approach in a financial crisis. We must continue to make wise policy decisions and investments if we are to build a better, sustainable place to live and work. Last year, the American Council for an Energy Efficient Economy ranked Connecticut's efficiency programs the third-best in the nation. Connecticut is recognized as a leader in clean energy and efficiency, and we must continue to support these programs to maintain our competitive advantage. Connecticut must not surrender its leadership position in the emerging energy economy.

According, CFE urges the Committee to preserve the original intent with respect to the use of RGGI auction proceeds and to keep these proceeds committed to energy efficiency and clean energy investments.