



**TESTIMONY**  
**OF THE**  
**CONNECTICUT CONFERENCE OF MUNICIPALITIES**  
**TO THE**  
**APPROPRIATIONS and ENERGY & TECHNOLOGY COMMITTEES**

May 4, 2009

CCM is Connecticut's statewide association of towns and cities and the voice of local governments - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population. We appreciate this opportunity to testify before this joint committee on issues of concern to towns and cities.

**American Recovery and Reinvestment Act of 2009: State Energy Program Formula Grants Application**

**Connecticut's towns and cities support Connecticut's proposed allocation plan for the Energy Efficiency & Conservation Block Grant (EECBG).** This proposal would appropriately allocate 90% of this critical federal funding directly to municipalities -- via a municipal sub-grant program -- and allocate the remaining 10% on a regional basis. The goals of this allocation plan are prudent and accent the priorities of local officials throughout the state which are, among other things; to reduce consumption -- both electric-peak and fossil fuel, and to improve the efficiency of residential and commercial heating fuel.

Municipalities across the state - big, small and in between, urban, rural and suburban - are faced with rising costs of all forms of energy - oil, natural gas, gasoline, diesel, and electricity. Some examples:

- Despite the practice of locking in rates, towns are reporting increases in oil costs for this coming season compared to last, with a range for such increases of 27% to 99%. For example; Tolland will incur a 99% increase in oil costs this year, Meriden a 84% increase, Prospect a 75% increase, New Milford a 61.9%, Putnam a 36% increase, and Fairfield a 30% increase.
- The range of increased costs for gasoline for this year compared to last is between 18% and 87% -- with Meriden reporting a 68% increase. Diesel costs have risen too -- with Tolland reporting a 97% increase in the cost of diesel this year from \$2.11 per gallon to \$4.17.
- Natural gas costs are also skyrocketing. Plainfield reports a 26% increase in costs this year compared to last, while New Milford will incur a 66.2% cost increase this year. Even the price of propane has increased, as Tolland has reported a 14% increase in per unit costs (\$3.49 last year to \$3.99 this year).
- Electric rates for towns have ranged between a 7% to 30% increase compared to last year. Larger municipal facilities (those with demands that equal or exceed 500 kW in a billing period), such as schools, default to what is called the "standard offer last resort." These municipalities with facilities

in that category incurred an increase for on-peak rates of 21.6% and for off-peak rates at 27.1%. Prospect is reporting a 30% increase in electric costs for the upcoming season.

As all government officials work to weather this economic storm, Connecticut's hometowns – the recession's frontlines – are ready and willing to not just 'hold the line' – but to move forward and improve our communities' way of life. This crisis has afforded local, state and regional leaders the invaluable opportunity to fundamentally change our energy management policies. Local officials are up to the challenge – as local conservation, efficiency and renewable projects are on stand-by and ready to go.

**The proposed EECBG allocation plan can be a vital catalyst that would initiate such fundamental change throughout the State.**

CCM urges you to approve Connecticut's EECBG plan as proposed.



If you have any questions, please call Bob Labanara or Gian-Carl Casa of CCM, at (203) 498-3000.