



Connecticut Business & Industry Association

**TESTIMONY OF ERIC J. BROWN
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BEFORE THE
ENVIRONMENT COMMITTEE**

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Good afternoon. My name is Eric Brown and I am associate counsel with the Connecticut Business and Industry Association (CBIA). CBIA represents thousands of businesses of all sizes throughout Connecticut that provide hundreds of thousands of Connecticut citizens with good jobs and good benefits.

CBIA appreciates this opportunity to inform the committee of our opposition to the current version of:

SB-382, AN ACT REQUIRING BIODIESEL BLENDED HEATING OIL AND LOWERING THE SULFUR CONTENT OF HEATING OIL SOLD IN THE STATE

This bill proposes to change the heating oil sulfur standard from 3000 ppm to 50 ppm, and later to 15 ppm. It also contains a bioheat mandate, beginning at 2% in 2011 increasing to 20% by 2020.

CBIA appreciates the Environment Committee's willingness to address air emission issues that go beyond just the industrial sector and, in fact, would impact residential activities as well. Further, we appreciate the bill's recognition, in section 2, regarding the proposed bioheat mandate, that such proposals must be considered from a regional perspective and not make Connecticut an "island" of tougher fuel standards.

Unfortunately, both sections 1 and 2 fail to recognize another reality of the marketplace and the fuel industry. It is our understanding that approximately 4 years of lead-time is typically needed to make the necessary refinery upgrades associated with producing fuel with significantly new fuel specification. Further, mandating a sulfur content in home heating oil that is equivalent to that for diesel fuel is likely to create very strong price pressures on both diesel and heating oil, because various economic sectors, including transportation, industry and residential, will all competing for the same fuel.

CBIA recommends the Committee consider alternative language that would reduce sulfur content to a significantly lower level but not to an equivalent degree as diesel fuel, and allow sufficient time for refineries to upgrade their facilities to accommodate the new standards and increased demand.

Thank you for this opportunity to testify.