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Testimony on H.B. 5025

AAC A GREEN TECHNOLOGY, LIFE SCIENCE AND HEALTH INFORMATION TECHNOLOGY JOBS LOAN FORGIVENESS PROGRAM.

Jessie Stratton, Director, Government Relations, ENE (Environment Northeast)

Good Afternoon Senator Handley, Representative Willis and members of the committee. My name is Jessie Stratton and I am the Director of Government Relations for ENE. Environment Northeast (ENE) is a non-profit research and advocacy organization that focuses on energy, air quality and climate change solutions for New England and Eastern Canada. Thank you for the opportunity on comment on H.B. 5025 which proposes to fund a loan forgiveness program for education related to "green" technologies, life science and health information technologies by raiding monies from the Connecticut Energy Efficiency Fund and the Connecticut Health and Educational Facilities Authority.

I will limit my remarks to the proposed diversion of ratepayer monies to fund the loan forgiveness program. The state, in conjunction with some regional and private partners, has received significant federal funding under ARRA grants to advance "green" job training and while the green technology field is certainly worthwhile, I would guess that the irony of taking away funds that support existing jobs in efficiency services in order to encourage preparation for potential future jobs has to be apparent to most everyone.

Connecticut has long been a leader in providing efficiency programs that have saved the state's business and residential customers an average of \$4.00 for every dollar expended. In addition to the direct savings, the money consumers save on their energy bills is redirected into the state's economy - rather than sent out of state to purchase fossil fuels for generation. As a result the funding for these programs supports both the jobs of individuals who actually carry out the energy efficiency work and jobs elsewhere in the economy that are supported as consumers spend their savings on non-energy related goods and services. Economic analysis published by ENE last fall demonstrates that for every job the efficiency fund supports in the efficiency services sector, five or six are created elsewhere in the economy as a result of increased consumers spending.

Proposals such as the one in this bill would not only result in the elimination of existing jobs, but undermine the long term confidence and predictability that business growth depends upon. The repeated proposals to divert the rate payer monies that fund our nationally lauded efficiency programs introduce an uncertainty into the state's commitment to these jobs that discourages employers in the field from firmly committing to growing their businesses in the state. Unfortunately, just as our neighboring states are increasing investments in energy efficiency in order to reap the job, economic and environmental benefits, the legislature is presented with this proposal - and another even more egregious one - that would reduce Connecticut's funding levels by a third.

As this committee considers the fund diversion proposed in H.B. 2025 we would ask that you do so with the following information in mind: diverting \$3 million of ratepayer funds to promote the educational/job goals in H.B. 5025 would rob consumers of \$9-12 million in energy savings, cost 123 job years, reduce the GSP by \$16.8 million -- and is in addition to the Governor's proposed securitization of 37% of the total Energy Efficiency Fund which would reduce the monies available to invest in efficiency by about \$34 million dollars a year for ten years. Those longer term reductions would cost Connecticut ratepayers hundreds of millions of dollars in energy savings and cause a loss of 1394 job years. In addition to those direct economic costs, the resulting failure to achieve anticipated reductions in electric use -- and hence emissions - will make it more difficult to meet state and federal emission standards, necessitating increased, and expensive, regulation of other sources and the potential loss of important federal funding.

In sum, we urge the committee to reject the diversion of funds proposed in H.B. 5025 and instead preserve the integrity of the Connecticut Energy Efficiency Fund to retain jobs, benefit our economy and environment and reduce energy costs for the state's residents and businesses.