



STATE OF CONNECTICUT

DEPARTMENT OF ENVIRONMENTAL PROTECTION



Public Hearing – March 14, 2011
Environment Committee

Testimony Submitted by Acting Commissioner Daniel C. Esty
Department of Environmental Protection

House Bill No. 6386 - AN ACT ESTABLISHING THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.

Thank you for the opportunity to present testimony regarding House Bill No. 6386 - AN ACT ESTABLISHING THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION. The Department of Environmental Protection (Department) strongly supports this bill because it fills a critical void between the development and implementation of cohesive energy policy, and centralizes the effort within a new agency that will be mission oriented and results driven. In support of this bill, the Department is pleased to offer the following testimony.

This bill provides the mechanism to implement the Governor's vision for a single cohesive energy planning agency and the opportunity to outline a coherent policymaking framework for energy and environment. The Governor's energy game plan, as part of a broader vision to improve Connecticut's economy, recognizes the close link between energy, the environment and the economy. For our state's economy to reach its potential, we should not be forced to choose between reasonably priced reliable energy or a clean environment – we can have both. The Department firmly believes that both goals are achievable under the unified Department of Energy and Environmental Protection (DEEP). Raised Bill 6386 will empower DEEP to set the stage for reducing energy rates/costs while investing in a clean energy future for Connecticut that will foster economic growth and create jobs. This effort will occur against a backdrop of system safety and reliability.

For too long, the State of Connecticut has lacked the basic ability to develop and implement a cohesive energy policy. Our existing energy policies are the result of numerous disparate planning entities working independently and segmenting energy, environmental and economic goals. We need to put together all of the pieces of the energy puzzle and look at a holistic picture in order to develop a strategic road map for our future. The citizens of Connecticut have a right to expect clean air, clean water, reasonably priced and reliable electric service. A single entity that is charged with overseeing the development and implementation of policies can deliver on these expectations.

Traditionally, energy production has been viewed as the enemy of environmental interests. But in the twenty-first century, energy production holds the potential to be the strongest ally of the

environment. I have long spoken of energy and environment as “two sides of the same coin.” What I mean by this is that a twenty-first century energy infrastructure is no longer separable from the environmental realities that we face as a state and as a nation. Energy and environment cannot be addressed separately, but instead must be viewed as a synergistic relationship.

If Connecticut can take the lead in establishing a clean energy economy, we will provide a strong example to the rest of the country. This economy will nurture a broad portfolio of approaches, including clean generation, efficiency, and electrification of our transportation fleet. By tending to these industries, Connecticut can set an example for the rest of the country and increase American competitiveness with the rising giants of the global clean energy economy.

This clean energy economy will help drive the state’s broader economy. The proposed consolidation before you is a transition from the one ‘E’ approach of the DEP to a two ‘E’ approach, or DEEP. Implicit in this consolidation, however, is a third ‘E’—the economy. We have an opportunity to help establish a clean technology and energy economy in Connecticut, which would bring jobs to the state, increase the quality of life for all of our residents, and establish Connecticut as a leader in the next great American economic growth opportunity. This added dimension is not only consistent with, but reinforces our department’s vitally important work of conserving our precious natural resources and championing pollution control in a manner that ensures Connecticut’s leadership on issues of environmental stewardship.

Connecticut can no longer afford to treat energy policy in a disparate fashion. Too much is at stake for us to continue with business as usual. Creating an entity that can take advantage of the synergies produced by combining energy and environmental policy, Connecticut can go a long way toward fulfilling the Governor’s mission to put the economy at the forefront of all of our efforts. And this can be accomplished while staying true to the core mission of environmental protection that this proud agency has delivered on so reliably in the past. Raised Bill 6386 provides the initial framework to implement the Governor’s vision and bring a diverse set of energy entities under the newly formed DEEP. As Governor Malloy said in his budget address, “Right now we have seven separate state government entities that deal with energy. That’s six too many.” This bill works in the spirit of the Governor’s pledge to make government more efficient so as to best serve the people of Connecticut. This bill also enables the Department to maximize its impact when better economic days return again. To more completely fulfill the Governor’s vision for DEEP, I look forward to working with the Committee to finalize a bill that delivers a single cohesive energy and environmental planning and protection agency for Connecticut.

My department has developed a summary of recommendations to make sure that the Governor’s vision is fulfilled. I remain committed to working with this committee in order to achieve our shared goals for the state:

- *Establishment of a Public Utility Control Authority (PUCA) within DEEP-* Substitute language will be recommended to address the complexities in the current DPUC statutory charge, ensuring the continuity of specific regulatory functions. The Commissioner of DEEP will retain all discretion and full authority to review and organize the new PUCA as deemed necessary and appropriate.
- *Consolidation of Various Energy Entities- HB 6386* provides the framework to merge energy entities to address comprehensively energy resource, energy efficiency and renewable policy planning and implementation. To more completely fulfill the Governor's vision, additional language will be recommended to transfer the underlying energy policy planning functions to DEEP. A unified approach is critical to realizing the Governor's vision for an efficient and effective energy planning agency in Connecticut without sacrificing the equally important mission of environmental protection.
- *Creation of Advisory Councils on Energy and Environment-* To ensure environmental and energy plans created by DEEP are properly vetted by Connecticut's diverse stakeholder community, advisory councils for each will be proposed. Both stakeholder councils will serve in an advisory capacity to the DEEP commissioner, providing technical and policy input. Membership will include representatives broadly from the energy and environmental communities and Commissioners of key state agencies that have a critical relationship to either the development or implementation of energy and environmental policy.

In my short time in office as Acting Commissioner of the Department of Environmental Protection, I have been overwhelmed by the support within the agency for this consolidation that is being considered. The talented and hard-working employees of this Department and the Department of Utility Control have reinforced my belief that we have the opportunity to do something truly special in the state by taking full advantage of the positive net effects that accrue at the intersection of energy and environment.

Thank you for the opportunity to present this testimony. Should you require more information please contact my office at (860) 424-3000.

