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**Testimony of Shirley Bergert¹
Before the Energy & Technology Committee
Regarding H.B. #5958**

**AN ACT CONCERNING ENERGY UPGRADES, WEATHERIZATION AND FUEL
ASSISTANCE FOR RESIDENTIAL HOMES AND MUNICIPAL AND STATE BUILDINGS
March 17, 2011**

Connecticut Legal Services serves low income households in Connecticut, providing legal advice and assistance in civil matters. Energy services are a necessity for all classes of customers, but they have become increasingly unaffordable for low income households. The average annual shortfall between actual and affordable home energy bills is nearly \$2,100 per household for households at or below 185% of the federal poverty level, considerably below the eligibility cap for energy assistance.²

Recommended action: Support with suggested modifications

Note bill language modification is needed - suggested language is provided in the testimony text.

This bill is nearly identical to sections 84 and 85 of Senate Bill #1. We recommend adopting the approach in SB #1. The differences between SB #1 and this bill are as follows:

1. *Responsibility for the energy assistance and weatherization programs in SB #1 is assigned to the new Department of Energy and Environmental Protection, while this bill assigns it to the Department of Public Utility Control.*

We recommend assigning responsibility for the energy assistance and weatherization programs to DEEP, rather than the DPUC, to allow the new DEEP commissioner to determine the most appropriate placement within the newly merged agency. Particularly if the DPUC role in the new DEEP is largely adjudicatory, it may be more appropriate for another section of the agency to handle these programs. Program responsibility involves development of an annual plan for expenditure of federal energy assistance dollars and another

¹ Member of the Low Income Energy Advisory Board, Energy Conservation Management Board, Fuel Oil Conservation Board, and the Advisory Board for the Institute for Sustainable Energy.

² This gap is well-documented in a recent report: HOME ENERGY AFFORDABILITY GAP: 2010, p.1, Roger D. Colton, Fisher, Sheehan & Colton, January 2011 (available at www.operationfuel.org).



annual plan for expenditure of federal weatherization assistance dollars, contracting arrangements with the Community Action Agencies (CAAs) for administration of these programs, monitoring implementation and oversight of coordination with other resources and programs (e.g., conservation programs for low income programs administered by utilities pursuant to Conn. Gen. Stat. sec. 16-245m), and reporting results. Appeals regarding grants or denials of assistance are possible, but rare, typically resolved at the CAA level under a process known as a "desk review".

2. *This bill has a reporting provision to the legislature related solely to weatherization. SB #1 section 50 provides for the new DEEP to conduct a comprehensive proceeding regarding development of a low income discounted rate in a context considering various programs which attempt to meet aspects of the problem of affordability of energy costs, and it includes a reporting requirement to the legislature.*

We recommend the more comprehensive approach in SB #1 section 50 which will consider the range of programs for the poor related to energy affordability and conservation, as these programs have not been effectively coordinated in the past. SB #1's approach allows for planning of effective steps for coordination and provides for a more comprehensive report to the legislature.

Suggested bill language modifications:

The bill moves the State Appropriated Fuel Assistance program (SAFA) to the DPUC. This program has not been funded since winter 2001-2002. Historically it provided a benefit for households with an elderly or disabled member and income just above the former eligibility limit for CEAP. The income limit for CEAP is now above the SAFA limit in the statute. While we would be very pleased if SAFA is funded, we understand this may not be possible this year. However, we recommend DEEP be provided the authority to run the program in the future, and further that the following language in section 2 be deleted to provide DEEP with the flexibility to design a program that meets need (changes are highlighted):

(a) The [Department of Public Utility Control] Commissioner of Energy and Environmental Protection shall administer a state-appropriated fuel assistance program to provide, within available appropriations, fuel assistance to elderly and disabled persons whose household gross income is above the income eligibility guidelines for the Connecticut energy assistance program [but does not exceed two hundred per cent of federal poverty guidelines]. The income eligibility guidelines for the state-appropriated fuel assistance program shall be determined, annually, by the [Department of Public Utility Control] commissioner, in conjunction with the Secretary of the Office of Policy and Management. The [department] Commissioner of Energy and Environmental Protection may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of this subsection.

(b) The [department] commissioner shall administer a state-appropriated weatherization assistance program to provide, within available appropriations, weatherization assistance in accordance with the provisions of the state plan implementing the weatherization assistance block grant program authorized by the federal Low-Income Home Energy Assistance Act of 1981, and programs of fuel assistance and weatherization assistance with funds authorized by the federal Low-Income Home Energy Assistance Act of 1981 and by the United States Department of Energy in accordance with 10 CFR Part 440 promulgated under Title IV of the Energy

Conservation and Production Act, as amended, and oil settlement funds in accordance with subsections (b) and (c) of section 4-28 of the general statutes. The [department] commissioner shall adopt regulations in accordance with the provisions of chapter 54 of the general statutes, (1) establishing priorities for determining which households shall receive such weatherization assistance, (2) requiring that such weatherization assistance for energy conservation measures other than the retrofitting of heating systems be provided only for any dwelling unit for which an energy audit has been conducted in accordance with the provisions of sections 16a-45a to 16a-46c, inclusive, of the general statutes, (3) requiring that the only criterion for determining which energy conservation measures shall be implemented pursuant to this subsection in any such dwelling unit shall be the simple payback calculated for each energy conservation measure recommended in the energy audit conducted for such unit, (4) establishing the maximum allowable payback period for such energy conservation measures, and (5) establishing conditions for the waiver of the provisions of subdivisions (1) to (4), inclusive, of this subsection in the event of emergencies. The programs provided for under this subsection shall include a program of fuel and weatherization assistance for emergency shelters for homeless individuals and victims of domestic violence. The [department] commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement and administer the program of fuel and weatherization assistance for emergency shelters.

Section 3 of the bill provides for a report regarding weatherization to the legislature. If the legislature decides to adopt section 3 in this bill, rather than the provisions in SB #1 section 50, we recommend the following, which includes direction to include reporting on coordination of weatherization programs for the poor (changes are highlighted):

Sec. 3. (*Effective from passage*) The Department of Energy and Environmental Protection [Public Utility Control] shall conduct a study of the progress of state-appropriated weatherization assistance programs in the state. Said study shall include, but not be limited to, an examination of the costs, implementation and effectiveness of such programs, and the department's recommendations for outreach efforts, coordination with other sources of weatherization, and program expansion. Not later than February 1, 2012, the department shall report its findings and recommendations, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

To effect a transfer of responsibility regarding the energy and weatherization programs to DEEP, Conn. Gen. Stat. §16a-41a must also be modified as follows (changes are highlighted):

(a) The Commissioner of [Social Services] Energy and Environmental Protection shall submit to the joint standing committees of the General Assembly having cognizance of energy planning and activities, appropriations, and human services the following on the implementation of the block grant program authorized under the Low-Income Home Energy Assistance Act of 1981, as amended:

(1) Not later than August first, annually, a Connecticut energy assistance program annual plan which establishes guidelines for the use of funds authorized under the Low-Income Home Energy Assistance Act of 1981, as amended, and includes the following:

(A) Criteria for determining which households are to receive emergency and weatherization assistance;

(B) A description of systems used to ensure referrals to other energy assistance

programs and the taking of simultaneous applications, as required under section 16a-41;

(C) A description of outreach efforts;

(D) Estimates of the total number of households eligible for assistance under the program and the number of households in which one or more elderly or physically disabled individuals eligible for assistance reside; and

(E) Design of a basic grant for eligible households that does not discriminate against such households based on the type of energy used for heating;

(2) Not later than January thirtieth, annually, a report covering the preceding months of the program year, including:

(A) In each community action agency geographic area [and Department of Social Services region], the number of fuel assistance applications filed, approved and denied, the number of emergency assistance requests made, approved and denied and the number of households provided weatherization assistance;

(B) In each such area and district, the total amount of fuel, emergency and weatherization assistance, itemized by such type of assistance, and total expenditures to date; and

(C) For each state-wide office of each state agency administering the program[,] and each community action agency [and each Department of Social Services region], administrative expenses under the program, by line item, and an estimate of outreach expenditures; and

(3) Not later than November first, annually, a report covering the preceding twelve calendar months, including:

(A) In each community action agency geographic area [and Department of Social Services region], (i) seasonal totals for the categories of data submitted under subdivision (1) of this subsection, (ii) the number of households receiving fuel assistance in which elderly or physically disabled individuals reside, and (iii) the average combined benefit level of fuel, emergency and renter assistance;

(B) Types of weatherization assistance provided;

(C) Percentage of weatherization assistance provided to tenants;

(D) The number of homeowners and tenants whose heat or total energy costs are not included in their rent receiving fuel and emergency assistance under the program by benefit level;

(E) The number of homeowners and tenants whose heat is included in their rent and who are receiving assistance, by benefit level; and

(F) The number of households receiving assistance, by energy type and total expenditures for each energy type.

(b) The Commissioner of [Social Services] Energy and Environmental Protection shall implement a program to purchase deliverable fuel for low-income households participating in the Connecticut energy assistance program and the state-appropriated fuel assistance program. The commissioner shall ensure that no fuel vendor discriminates against fuel assistance program recipients who are under the vendor's standard payment, delivery, service or other similar plans. The commissioner may take advantage of programs offered by fuel vendors that reduce the cost of the fuel purchased, including, but not limited to, fixed price, capped price, prepurchase or summer-fill programs that reduce program cost and that make the maximum use of program revenues. As funding allows, the commissioner shall ensure that all agencies

administering the fuel assistance program shall make payments to program fuel vendors in advance of the delivery of energy where vendor provided price-management strategies require payments in advance.

(c) Each community action agency administering a fuel assistance program shall submit reports, as requested by the Commissioner of [Social Services] Energy and Environmental Protection, concerning pricing information from vendors of deliverable fuel participating in the program. Such information shall include, but not be limited to, the state-wide or regional retail price per unit of deliverable fuel, the reduced price per unit paid by the state for the deliverable fuel in utilizing price management strategies offered by program vendors for all consumers, the number of units delivered to the state under the program and the total savings under the program due to the purchase of deliverable fuel utilizing price-management strategies offered by program vendors for all consumers.

(d) If funding allows, the Commissioner of [Social Services] Energy and Environmental Protection, in consultation with the Secretary of the Office of Policy and Management, shall require that, each community action agency administering a fuel assistance program begin accepting applications for the program not later than September first of each year.

(e) The Commissioner of [Social Service] Energy and Environmental Protection shall submit each plan or report described in subsection (a) of this section to the Low-Income Energy Advisory Board, established pursuant to section 16a-41b, not later than seven days prior to submitting such plan or report to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology, appropriations and human services.