



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

**Testimony of Kevin R. Hennessy
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My name is Kevin Hennessy. I am assistant counsel for the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 10,000 member companies in virtually every industry. They range from large, global corporations to small, family owned businesses. Approximately 90 percent of our member companies have fewer than 50 employees. All of our members are energy consumers and rely on energy for their respective day-to-day operations.

Thank you for the opportunity to comment on:

- **HB-6544, AAC Energy Efficiency**

HB 6544, AAC Energy Efficiency, is an energy efficiency bill with many sections and impacts. For ease and clarity, I am going to address the various sections separately.

Section 1

Section 1 mandates the adoption of new regulations disclosing the energy consumption of residential and commercial buildings before the sale of such buildings. All real property owners in Connecticut will be required to have their energy consumption evaluated within five years of the sale of the property. The bill is silent regarding who pays for the evaluation and how much it costs. It is also unclear whether or not other states have similar mandates and what impacts they have on property transfers. Given Connecticut's current economic conditions, it is not prudent to adopt laws or regulations that will impede economic development or growth. CBIA is very concerned about this mandate and its potential impacts on our economy.

Section 3

Section 3 mandates that each electric and gas utility maintain records of the energy consumption data of all nonresidential buildings to which they provide service. The data is supposed to represent the most recent thirty-six months of use and protect the confidentiality



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of the customer. Again, the bill is silent as to who pays for the record keeping. Additionally, there are very real concerns regarding privacy. The data will be made available to the public “in a manner that preserves the confidentiality of the customer.” Does this mean that the data will be aggregated? Even if data is confidential, it would be easy to determine a certain customer via process of elimination. For instance, there is one, large university in Storrs. For private businesses, they might not want their energy information exposed. Increases or decreases in energy usage could give a glimpse into their business activity. CBIA is concerned about this mandate and its potential impacts on businesses.

Section 5

Section 5 enables municipalities to adopt an ordinance requiring all new residential construction to meet certain federal Energy Star requirements. CBIA is concerned that this could negatively impact the construction sector of our economy. Rather than mandating consumers, CBIA would rather educate them and utilize incentives and the market to change their habits.

Section 6

Section 6 establishes a standardized energy performance contract process for state agencies and municipalities. CBIA is very supportive of this measure because it creates a template for a market-based approach to energy conservation. Performance contracting requires little or no capital investment. Instead, the investment is paid off via the energy savings. During the life of the performance contract, the end-user’s energy bills will remain flat. However, once the project is paid off, they will realize the benefits of their reduced energy use and lower costs. Performance contracting is a great tool for cash-strapped customers who plan to be in a facility for a long-time (i.e. municipal buildings, state agencies, etc.). CBIA strongly supports this section of the bill.

Again, thank you for the opportunity to comment. I am pleased to answer any questions.