



STATE OF CONNECTICUT DEPARTMENT OF ENVIRONMENTAL PROTECTION



Public Hearing – March 15, 2011
Energy and Technology Committee

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

Committee Senate Bill No. 1 - AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE

Thank you for the opportunity to present testimony regarding Senate Bill Number One (Committee) - AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE.

I believe this draft legislation puts Connecticut on the path to leadership in a clean energy future. The bill offers a range of provisions to move us toward cleaner and cheaper energy. Beyond advancing programs for energy efficiency and renewable power, it offers a pathway to lower electric rates, a better business climate, and new jobs.

It is no coincidence that this bill is Senate Bill Number One. This bill is the number one tool that Connecticut can use to create a platform for economic growth and to create jobs; it's the number one tool that can enable a cleaner and safer environment for future generations; and it's going to make Connecticut number one in the nation when it comes to incentives for clean energy. It's incredibly heartening to be able to work with a Governor and an Assembly that are so focused on achieving a common priority, which is the transition to a cleaner and cheaper energy future.

This bill provides a foundation for energy policy in Connecticut. It highlights the need to pursue lower electric rates, closing the state's budget deficit, creating a path toward a clean energy future, and providing a platform for economic growth and jobs. It promotes a portfolio approach to funding clean energy generation and energy efficiency and a range of programs to advance these goals. These initiatives offer robust incentives to help innovative technologies transition to cost-competitiveness through natural marketplace competition, as well as bending the technology development curve to pull future energy sources into our present day.

In Senate Bill One, we have a platform that offers a range of funding sources without burdening ratepayers. Additionally, we would like to work with the committee to flesh out mechanisms for tapping private capital markets through creative, low-cost financing as well as direct incentives that promote both deployment of existing clean technologies and the creation of innovative new technologies.

Other promising elements in this bill include: strengthening the power-procurement process, helping low-income residents with their energy needs, consumer protections for ratepayers,

repowering of existing generation facilities, conversion of electric heating systems, and innovation hubs to encourage local centers of clean tech development.

There are some points that I believe could be refined or strengthened. In particular:

- Matters relating to the structural consolidation of the state's disparate energy programs into one coherent Department of Energy and Environmental Protection should be addressed in the DEEP consolidation bill that was the subject of yesterday's Environment Committee hearing.
- As opposed to technology-specific programs or incentives, we would prefer the broadest possible portfolio of incentives for clean energy generation and efficiency technologies. We do not believe that the government should pick winners. Rather, all technologies should be able to compete and the widest range of companies, creative spirits, and entrepreneurs invited to bring forth their breakthrough ideas.
- We very much like the action orientation of Senate Bill One. But in this spirit, we would prefer to see fewer plans, studies, and reports. Rather than the 21 new plans, studies, or reports the bill currently calls for, we would like to see a focus on a tightly defined action agenda with studies only where issues need to be further developed.
- We would like to ramp-up energy efficiency focused on state and municipal properties, as well as residential, commercial and industrial buildings and their components (e.g. lighting, heating, air conditioning, furnaces, boilers, and combined heat and power units).
- The bill would also benefit from an entity that will both aggregate existing un-utilized or under-utilized existing funding sources, as well as tap into the private capital to provide low-cost, long-term financing for clean energy and energy efficiency projects within the state.

Thank you for the opportunity to present this testimony. I am very pleased to be able to speak on behalf of the Governor and to express his commitment to work with the Committee to make our clean energy future a reality. This bill will substantially improve the quality of life for the citizens of Connecticut, cut operating costs for the government and private sector, reduce harmful emissions that threaten our environment, and create jobs immediately in the state. Should you require more information, please contact my office at (860) 424-3000.