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Testimony of Shirley Bergert¹ Before the Energy & Technology Committee Regarding Senate Bill #1 An Act Concerning Connecticut's Energy Future March 15, 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

This testimony is focused on the provisions in this comprehensive energy bill which are of particular concern in ensuring access to necessary energy services by low income households.

Recommended action: Support the following sections addressing energy affordability for the poor and coordination of resources to meet energy needs:
32, 50, 84, 85, 52 and 53

Note in discussion of section 85 that bill language modification is needed.

Section 32 -- DEEP Commissioner responsibility for ensuring energy affordability: Section 32 adds important energy policy responsibilities to the commissioner of DEEP, the combined DEP and DPUC agency. Critical in this listing is: "(18) ensure that low-income household can meet essential energy needs."

Low income discounted rate proceeding and resource coordination:

- **Section 50** requires DEEP to conduct a proceeding regarding development of a low income discounted rate in a context considering various

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).



programs which attempt to meet aspects of the problem of affordability of energy costs. This proceeding will be the first effort to comprehensively coordinate and evaluate resources assisting low income households in meeting energy needs. No one knows the actual cost of a low income rate if such resources are effectively coordinated. For example, although the electric deregulation law provided the state would aggregate its needs to obtain discounted electricity purchases (Conn. Gen. Stat. §16a-14e), which it has done. The same section of law requires the discounts be offered to low income households, which has never been done. There may be other creative approaches that can be explored to make these essential services more affordable.

- **Sections 84 and 85** move the state appropriated fuel assistance (SAFA) program, the CT Energy Assistance (CEAP) program and federally funded weatherization to DEEP. This may allow for better coordination of resources to help low income households meet energy needs. *Adjustments in proposed bill language are needed to effect the intent of these section, provided below.*

1. **SAFA** 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 was funded, we understand this may not be possible this year. However, we recommend DEEP be provided the authority to run a program in the future and further that the following language in section 85(a) be deleted to provide DEEP with the flexibility to design a program that meets need (changes are highlighted):

(a) The 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...

2. **To effect this transfer of responsibility 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.

Sections 52 and 53 -- End of ratepayer billing subsidy for generation suppliers: Sections 52 and 53 end the electric utility ratepayer subsidy of billing related expenses of electric aggregators and suppliers, resulting in reduced costs for most residential electricity customers, including low income customers.