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**TESTIMONY OF ENE (ENVIRONMENT NORTHEAST)
TO THE COMMITTEE ON FINANCE, REVENUE AND BONDING
S.B. 1157 (RAISED)
*AN ACT CONCERNING THE RESTORATION OF
THE ENERGY CONSERVATION AND LOAD MANAGEMENT FUND***

March 21, 2011

Good afternoon Senator Daily, Representative Widlitz, and members of the Committee. My name is Jessie Stratton, and I am Director of Government Relations for ENE (Environment Northeast), a non-profit research and advocacy organization that focuses on energy, air quality and climate change solutions for New England and Eastern Canada. ENE appreciates the opportunity to provide testimony to the Committee on Finance, Revenue and Bonding on *S.B. 1157 (Raised), An Act Concerning the Restoration of the Energy Conservation and Load Management Fund.*

ENE strongly supports the spirit and intent of this bill, and applauds the leadership this Committee has demonstrated in its attempt to restore the Energy Efficiency Fund. Unfortunately, the Energy Efficiency Fund has often been a tempting piggy bank for the State to visit during difficult economic times. The logic seemed to be that the 3 mill C&LM charge (pursuant to Conn. Gen. Stat. § 16-245m) already gets paid by electric ratepayers on their utility bills, so it wouldn't hurt the pocketbooks of Connecticut's residents and businesses to divert the fund for purposes of patching our budget deficit. However, diverting C&LM dollars from their intended purpose—that is, investments in cost-effective energy efficiency—effectively imposes on our residents and businesses a three- to four-fold penalty in the future and stunts economic and job growth. It also means more pollution, higher greenhouse gas emissions, that cause more health and environmental problems.

Every \$1 invested in energy efficiency saves consumers \$3 to \$4 in energy costs. This means more money stays in the pockets of our residents and businesses, and less money leaves the state to pay for fossil fuels. And because those energy savings stay in Connecticut, discretionary spending at, for example, local restaurants and shops increases, meaning that our efficiency investments support job growth in both the efficiency sector and economy wide. Thus, every \$1 invested in energy efficiency contributes \$5.6 to the gross state product, and for every job that provides efficiency services, five to six jobs elsewhere in the State's economy are supported. In 2009 alone, the Energy Efficiency Fund served over 348,000 households and 3,100 businesses to yield \$533 million in lifetime energy savings and 1.9 million fewer tons of CO₂ into the atmosphere. Meanwhile, the Energy Efficiency Fund is piloting innovative financing programs and sponsors programs for all ratepayers—large industrial, small business, new homes, and existing residences, including no-cost limited income weatherization programs for those in our communities that need those savings the most. We have some of the best, most well-vetted programs in the country, and the Energy Efficiency Fund is something in which we can and should take pride.

We respectfully encourage this Committee to work with the Office of the State Treasurer, the Department of Public Utility Control, and appropriate bond counsel to ensure that the bill reflects the most accurate and current financial information available in order to repeal the 35% C&LM fund diversion in Conn. Gen. Stat. § 16-245m(a)(3). This change, we believe, could be accomplished by first striking § 16-245(a)(3) in its entirety, then amending the definition and composition of the Economic Recovery Revenue Bond in §§ 16-245f(b) and 16-245e(a)(2), and reflecting any change in the necessary bond amount in § 16-245e(a)(19). An appropriate statutory authorization regarding how this change is made pursuant to the September 2010 financing order should also be considered.

ENE applauds this Committee and its leadership for its foresight in understanding that saving for rainy days and investing in our future is essential—even on rainy days themselves, when it can be difficult to remember that what we do today has certain and lasting impacts. We appreciate this opportunity to testify and would be pleased to do whatever we can to assist you in reversing last year's action in a timely manner.

For more information contact:

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