Energy and Technology Committee – Tuesday March 20, 2012

ACT CONCERNING ENERGY CONSERVATION AND RENEWABLE ENERGY

SB 450

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Senator Fonfara and Representative Nardello and other distinguished members of the committee, my name is Steve Rosentel and I am the President of Leahy's Fuels, Inc. in Danbury, CT. We are in the retail fuel oil and propane business for over 80 years. I am a member of the board of the ICPA (Independent CT Petroleum Association). My testimony today relates to **SB 450 ACT CONCERNING ENERGY CONSERVATION AND RENEWABLE ENERGY.**

I strongly encourage you to OPPOSE this legislation.

Section 1 of the bill opens the door to establishing a new tax on heating oil. This section starts off taking "excess" gross receipts tax money from the gas tax. If there is any "excess" gross receipts tax money from the higher than expected gasoline prices we all pay, it should go to pay back the tank fund so station owners cleanup costs can be paid. They operated under the presumption they had insurance and now are told they cannot be reimbursed for approved claims because the State took the money! In the world of private insurance this would likely be illegal. Because it was by state statue it is not; however, it is still unjust and unethical. For the state to propose dragging the fuel oil customers into the gross receipts boondoggle is unconscionable! The state has lost credibility on gross receipts. Please do not position this tax to be exposed to any more abuse!

Section 1(b) goes on to claim the funds would be used to replace heating oil equipment with oil equipment "not less than eighty-five percent efficient". This is not a standard that is easily met with today's oil equipment options. In principle I question - Should the state be using taxpayers' money to subsidize the equipment upgrade for other citizens? This is an especially critical question due to the state's dire financial condition!

Please remove Section 1from this bill.

Section 4 of the bill requires DEEP to "examine costs and benefits of developing programs to encourage conversion of buildings using heating oil to natural gas". The question of principle is this - Should the state be in the business of taking customers away from one business and hand them to another?

I am one of the 600 independently owned and operated, mostly several-generation family heating oil businesses in Connecticut that employ 13,000 Connecticut citizens. We earn our living here, pay taxes here, vote here, create and maintain jobs here. Should we just close and lay off employees and watch the state hand our customers over to multi-state natural gas monopolies?

For 17 out of the last 20 years heating oil was less expensive than natural gas. Natural gas has a temporary, current price advantage. I have been the President of Leahy's Fuels, Inc for 25 years and watch the energy markets every single day. What has all this study taught me? That nobody, including the government can predict the price of energy 10 or 20 years from now! The government using taxpayer money to support one fuel over another is poor public policy and creates an uneven playing field. Let the customers and the market place be efficient and sort itself out.

Please remove Section 4 from this bill.

Please feel free to call me at 203-748-3539 extension 208 and I would be happy to answer any question that you or your staff may have. Thank you.