



**Testimony of AARP on SB 451, An Act Concerning the Establishment
of a Heating Furnace and Boiler Replacement Program
Energy and Technology Committee**

March 20, 2012

AARP is an organization that helps people 50+ live their best life. We are a nonprofit, nonpartisan social mission organization with nearly 600,000 Connecticut members. AARP has major areas of concern with 3 provisions of SB 451.

- Consumers who would take part in the Heating Furnace and Boiler Replacement program established in SB 451 would only pay back the principle on the money borrowed. The interest and administrative costs of the loan come from System Benefit Fund, paid for by all ratepayers. The System Benefit Charges on bills could get very large putting additional burdens on already high energy bills.
- One of the most egregious sections of SB 451 is section C 5. Under the proposed legislation, electric service can be shut off for nonpayment of the loan. The loan repayment plan would be a part of the borrower's utility bills. The legislation targets people below 150 percent of the federal poverty line. Financial circumstances for people at low- and moderate-incomes often fluctuate, raising the possibility that they may fall behind on the loan and risk service termination. This would in turn put their health and safety at risk.
- The loan would also create a lien on the borrower's property. This would leave people in worse financial circumstances than before they participated in the program.

AARP would be happy to work with the Committee on developing a loan program that would meet the intent of helping low- and moderate-income people participate in a replacement program, while addressing concerns with various aspects of SB 451, as it is currently written.