The Energy and Technology Committee

Public Hearing, March 20, 2012

Office of Consumer Counsel

Elin Swanson Katz, Consumer Counsel

Testimony of Elin Swanson Katz

S.B. 451, *An Act Concerning the Establishment of a Heating Furnace and Boiler Replacement Program*

The Office of Consumer Counsel ("OCC") supports the underlying principle of this proposed bill, which would save residents money by giving them access to no-interest loans for replacement of heating systems with more efficient systems. OCC notes that the Energy Efficiency Board has a relatively new on-bill repayment residential loan program in place for this purpose, at reduced interest rates, for gas and electric ratepayers. Fuel oil customers currently pay the market interest rate, since they don't contribute to the energy efficiency programs for their fuel use, but only for their electric use. OCC understands that S.B. 451 seeks to offer loans for fuel-blind heating system conversions at zero percent interest, whereas the EEB offers loans for fuel oil conversions at a higher interest rate to reduce electric and gas ratepayer subsidies for fuel oil customers.

OCC suggests, rather than passing through the cost of such loans for oil customers to electric ratepayers through the system benefits charge, that the Fuel Oil Conservation Board ("FOCB") be charged with implementing such a loan program for the benefit of fuel oil customers using any funding received as proposed in S.B. 450. The FOCB should be instructed to coordinate with the Connecticut Housing Investment

Fund for administration of the loan program and with the EEB in order to take advantage of the EEB's existing residential program infrastructure.