



CLEAN WATER ACTION

CONNECTICUT

21

Testimony of Roger Smith, Co-Director, Clean Water Action Commerce Committee March 19, 2013

In Support of H.B. No. 6650 (RAISED) AN ACT CONCERNING ENERGY EFFICIENCY PROGRAMS.

Clean Water Action is an environmental non-profit with 15,000 Connecticut members. Since 1997 we have worked on energy policy in Connecticut. We have also promoted clean energy and energy efficiency at the town and residential level through the Clean Energy Communities initiative.

We strongly support this bill to provide a stable funding source for heating oil efficiency programs. Last legislative session, the legislature passed a one-time fix to allow heating oil customers to continue to have access to CT Energy Efficiency Fund programs to help them find the best energy solutions for their homes. This fix expires on June 30th.

Without a permanent funding source for oil, heating oil and propane customers will lose all access to CT Energy Efficiency Fund assessments, rebates and financing on July 1, 2013.

Back in 2005 the oil dealers warned the legislature that prices are already high so we cannot afford to invest pennies per gallon in efficiency. The reason? Oil prices had skyrocketed to a near record high of... \$2.13 per gallon in March 2005. Fast forward eight years and the price is near \$4.00 per gallon with no relief in sight. This increase in prices is like a hidden tax that goes straight to oil producing nations from Canada to Venezuela to the Middle East.

How much longer can our economy delay in hopes that things will somehow get better? The oil dealers have discussed a voluntary heating oil fund for years but have taken no action. In public hearings on the Comprehensive Energy Strategy they claimed to support energy efficiency over natural gas conversions, but now refuse to put their money where their mouths are. All Connecticut can control is how much energy we use, so our solution is to help businesses and households use less energy.

While high oil prices have the attention of the 50% of the state that heats with oil and propane, high prices alone aren't enough to drive efficiency. Consumer education, quality standards for contractors, incentives and financing are all key. We need programs.

I run a grassroots outreach effort to encourage people to make their homes more energy efficient. We have helped 3000 households complete the Home Energy Solutions program, which provides a comprehensive energy assessment and also saves an average of 10% energy per home. We have helped hundreds more also insulate their homes, saving on average an additional 15% per oil-heated home (total of 25% energy savings.)

While many oil customers realize they have an energy problem, they do not know what to do. Many think that expensive items like windows (which save little energy) are where they need to start, or don't know how to find a high-quality contractor. A significant number of people are spending so much on oil that they don't have enough money to pay for improvements like insulation out of pocket and need low-cost financing. With smart programs we can help make choices to save the most energy with limited dollars.

Customers who heat with natural gas and electricity contribute to the Energy Efficiency Fund and have full access to their programs. Heating oil customers also contribute on their electric bill, but pay less. As a matter of fairness, oil and propane customers should also contribute to the Fund, and then have access to rebates for oil boilers and furnaces, insulation, water heaters, as well as low-cost financing (currently at 0%, 2.99% and 4.99%).

A conservation charge of only 3.5 cents/gallon (**less than 1%**) will fully fund heating oil efficiency. For an average heating oil customer, that would mean less than \$25 a year compared to the \$2500 they spend on oil each year. It's a drop in the oil tank. The alternative is no help for those who need help the most.

This modest charge will ensure that help is available when heating oil customers are ready to upgrade their home or business. This bill is a tremendous step towards lower heating costs for all.