



Testimony of:  
Connecticut Fund for the Environment



**In Support of**

- S.B. No. 839, An Act Concerning Statutory Changes to Advance Connecticut's Energy Policies
- S.B. No. 1037, An Act Concerning the Procurement Plan, Integrated Resources Plan and Comprehensive Energy Strategy and Minor and Technical Revisions to the Utility Statutes
- H.B. No. 6360, An Act Concerning Implementation of Connecticut's Comprehensive Energy Strategy
- H.B. No. 6533, An Act Concerning Hydraulic Fracturing

**In Opposition to**

- H.B. No. 6531, An Act Preserving and Retaining the Environmental Benefits of In-State Resources Recovery Facilities.
- H.B. No. 6532, An Act Concerning Certification of Class I and Class II Renewable Energy Sources and Class III Sources, Renewable Energy Credits and Alternative Compliance Payments
- H.B. No. 6535, An Act Redefining Class I Renewable Energy Sources

Before the Energy and Technology Committee

March 7, 2013

Submitted by Mark LeBel, Energy Fellow

*Connecticut Fund for the Environment (CFE) is a non-profit organization that, along with its regional program Save the Sound, works to protect and improve the land, air and water of Connecticut and Long Island Sound on behalf of its 5,500 members. We develop partnerships and use legal and scientific expertise to achieve results that benefit our environment for current and future generations.*

Dear Senator Duff, Representative Reed, and members of the Energy and Technology Committee:

CFE submits this testimony in support of bills and policies that would move Connecticut forward to a clean energy future by improving the energy efficiency of our buildings, and by facilitating cleaner electricity generation and heating options. These policies have the potential to clean our air and substantially lessen our state's contribution to global warming. Natural gas can be an important part of this future but there are simple steps that Connecticut can take to ensure that this is a transitional fuel and optimize any build-out of new natural gas. We oppose the three bills that would weaken the Class I Renewable Portfolio Standard (RPS) or otherwise use the RPS for inappropriate purposes.

**Advancing Energy Efficiency**

**H.B. 6360** contains an array of provisions that would enable Connecticut's energy efficiency efforts to reach the next level, further reducing local pollutants and greenhouse gas emissions and providing a wide range of local economic benefits. First, **Sections 10 through 16** are a comprehensive effort to bring energy usage into real estate transactions with benchmarking and energy use disclosure. These policies allow building owners and potential purchasers and tenants to

understand their energy costs and improve decision-making around energy. In addition, these policies benefit building owners who have installed energy efficiency measures by allowing them to fully incorporate these improvements into the value of their building. While we believe that these sections would be productive as written, there are alternative methods for achieving the same results. For example, with rental disclosure, Maine has developed a simple form that provides a prospective tenant with easily understandable information about the objective energy characteristics of the property. The Maine law and disclosure form are included as a part of electronically submitted testimony. Second, **Sections 2 and 3** would make important technical changes to the gas and electric energy efficiency programs to allow Connecticut to finally reach the statutory goal of all cost-effective energy efficiency measures and procedural changes to allow the planning for these programs to operate more smoothly. Third, **Section 1** would properly implement utility decoupling, an important measure which would make the utilities stronger partners in promoting energy efficiency programs. **H.B. 6360** does have one notable omission on energy efficiency, a permanent fix and funding stream to provide full access to energy efficiency programs for those who heat their homes with fuel oil. **S.B. 1037** does contain a partial fix for this issue, in **Section 17**, which would be necessary if the legislature declines to adopt a full and permanent resolution in this session.

### **Clean Energy Production**

**H.B. 6360** would also make significant changes to facilitate clean energy production, particularly localized generation from renewables and combined heat and power. **Section 4** would give the Department of Energy and Environmental Protection (“DEEP”) additional authority to write regulations to achieve the goals of the Regional Greenhouse Gas Initiative, the important region-wide program to reduce greenhouse gases from the electric sector. **Sections 5 through 9** would all greatly improve the economics of localized clean energy production by increasing the rates for virtual net metering, allowing submetering at large while still protecting tenants, and expanding the allowable scope of microgrids. **Section 18** would move up the sulfur standard for heating oil from the middle of 2014 to the middle of this year. Such a change will reduce pollution from existing oil heating equipment and allow for the possibility of better oil heating technology. An important measure on this front is contained in **Section 16 of S.B. 1037**. This section would add ductless heat pumps to the list of heating technologies eligible for the residential financing programs.

### **Ensuring Optimal Natural Gas Expansion**

Switching from fuel oil to natural gas can provide a number of environmental benefits, such as reductions in greenhouse gases and local pollutants. As a result, a prudent expansion of natural gas usage in Connecticut, as a transitional fuel, would be a welcome development. We should vigorously explore incorporating energy efficiency measures into each building converted in order to avoid wasting natural gas. **H.B. 6360, S.B. 1037, and S.B. 839** all contain provisions relating to the natural gas expansion contained in the 2013 Comprehensive Energy Strategy for Connecticut (“CES”). **S.B. 1037 and S.B. 839** both contain a provision which would allow a natural gas expansion plan for all sectors. This is a perfectly appropriate step to take. The CES contains many details on the substance of such a plan. Based on the information in the CES, the conversion of customers on existing mains from heating oil to natural gas should be pursued vigorously. The CES proposes a more detailed economic and environmental analysis to determine the proper scope of a build-out of new natural gas mains. It will be crucial that this analysis include additional heating investment alternatives beyond natural gas, such as new energy efficiency measures and ground source heat pumps. Comparable analyses must also be done for the employment impacts of these

alternatives. Only then will we be able to determine the appropriate scope for building new natural gas mains. In addition to the plan, **Section 19 of H.B. 6360** would make two permanent changes to the current regulatory framework. One of these changes is a twenty-five year payback period for connecting new customers to natural gas mains. The commitment to pay for these mains has the potential to inhibit the movement in decades ahead to even more environmentally friendly energy options. While we do not oppose all extensions to this payback period, there are sensible steps that could be taken to ensure that paying off natural gas mains does not interfere with Connecticut's long-run binding statutory targets for greenhouse gas emissions. This could include sunseting the currently proposed increase in the payback period, requiring that all natural gas mains must be paid off by a particular year (e.g., 2037), or a more general requirement that any expansion of natural gas use must not interfere with the long-run targets. As a related matter, we also support the ban on the disposal, treatment, or other usage of hydraulic fracturing waste contained in **H.B. 6533**.

### **Renewable Portfolio Standard Bills**

We must continue to encourage the growth of truly clean, regionally-produced renewable energy by protecting the integrity of the Renewable Portfolio Standard (RPS). Two bills under consideration at this hearing would directly impact the Class I RPS. **Sections 4 through 6 of H.B. 6531** would dilute and weaken the Class I RPS by reducing the alternative compliance payment. While such a step is generally counterproductive, this is particularly inappropriate when considering that DEEP is currently conducting a study around the economics of the RPS and this study has not yet been released in even draft form. **H.B. 6535** would dilute the Class I RPS by making new types of energy production eligible. While the intention of stimulating demand for anaerobic digestion and the other sources included is laudable, this bill could be rewritten to incentivize other forms of clean energy without lessening incentives for other Class I sources such as wind and solar. Lastly, we oppose **H.B. 6532**, which would increase subsidies for trash incineration facilities.

Thank you for your consideration.

Sincerely,

\_\_\_\_\_/s/\_\_\_\_\_  
\_\_\_\_\_

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**Appendix – Maine Residential Rental Unit Energy  
Efficiency Disclosure Statute and Form**

IN THE YEAR OF OUR LORD

TWO THOUSAND AND SIX

H.P. 1468 - L.D. 2074

**An Act Regarding Energy Efficiency Standards for Residential Rental Properties**

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 14 MRSA §6030-C is enacted to read:

**§6030-C. Residential energy efficiency disclosure statement**

**1. Energy efficiency disclosure.** A landlord or other lessor of residential property that will be used by a tenant or lessee as a primary residence shall provide to potential tenants or lessees a residential energy efficiency disclosure statement in accordance with Title 35-A, section 10006, subsection 1 that includes, but is not limited to, information about the energy efficiency of the property.

**2. Provision of statement.** A landlord or other lessor shall provide the residential energy efficiency disclosure statement required under subsection 1 in accordance with this subsection. The landlord or lessor shall provide the statement to any person who requests the statement in person and shall post the statement in a prominent location in a property that is being offered for rent or lease. Before a tenant or lessee enters into a contract or pays a deposit to rent or lease a property, the landlord or lessor shall provide the statement to the tenant or lessee, obtain the tenant's or lessee's signature on the statement and sign the statement. The landlord or lessor shall retain the signed statement for a minimum of 7 years.

Sec. 2. 35-A MRSA §10006 is enacted to read:

**§10006. Energy efficiency of rental properties**

**1. Residential energy efficiency disclosure statement.** The commission and the Maine State Housing Authority shall prepare a residential energy efficiency disclosure statement form for landlords and other lessors of residential properties to use to disclose to tenants and lessees information about the energy efficiency of the property in order to comply with Title 14, section 6030-C. The commission and the Maine State Housing Authority shall post and maintain the statement required by this subsection on the Internet in a format that is easily accessible by the public.

**2. Suggested energy efficiency standards.** The commission and the Maine State Housing Authority shall prepare suggested energy efficiency standards for landlords and other lessors of residential property that is used by the tenant or lessee as a primary

residence. The commission and the Maine State Housing Authority shall post and maintain the standards required by this subsection on the Internet in a format that is easily accessible by the public.

**Sec. 3. Report.** The Public Utilities Commission shall prepare and submit a report to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters before January 1, 2008 that provides the commission's assessment of whether the requirements of the Maine Revised Statutes, Title 14, section 6030-C are achieving the purposes of informing prospective tenants of the energy efficiency characteristics of residential properties used as primary residences. The commission also shall include in its report an assessment of whether the form that the commission and the Maine State Housing Authority submitted on January 31, 2006 to the Joint Standing Committee on Utilities and Energy as part of its report pursuant to Resolve 2005, chapter 109 and that, with changes suggested by the committee, will be used as the disclosure statement under Title 35-A, section 10006, subsection 1, requires adjustments to achieve the purposes of Title 14, section 6030-C.

# Energy Efficiency Disclosure Form for Rental Units in Maine

Address of Rental Unit: \_\_\_\_\_

This rental unit  meets/  does not meet/  partially meets (*check one*) the minimum energy efficiency guidelines suggested below for rental units in Maine.

You can expect your energy bills to be lower if your dwelling is insulated and has efficient appliances. There are several factors that affect energy costs. The areas below are the most important ones and indicate where this dwelling exceeds, meets, or falls below minimum efficiency guidelines suggested for Maine. *The bold items below are suggested minimum guidelines.*

## Heating Systems

### *Space Heat*

Tested heating system efficiency (minimum: 82%)  %  unknown Test date: \_\_\_\_\_

Exposed pipes or ducts in unheated crawl space insulated?  yes  no

Heating fuels:  oil  natural gas  propane  kerosene  wood  electric  other

### *Water Heat*

Accessible domestic hot water pipes insulated?  yes  no

Fuels:  oil  natural gas  propane  solar  electric  other

## Insulation

### *Walls*

Insulated? (minimum: cavity filled)  filled  partially filled  no insulation  unknown

Insulation thickness:  less than 3"  3-6"  more than 6"

### *Ceiling*

Insulated? (minimum: R-38 or cavity filled)  filled  partially filled  no insulation  unknown

Insulation thickness:  inches or R-\_\_\_\_\_

### *Floors over unheated areas*

Insulated? (minimum: R-21 or cavity filled)  filled  partially filled  no insulation  unknown

### *Basement wall*

Insulated? (minimum: 2' below grade)  yes  no  unknown

## Windows and Doors

*Windows* (minimum: 2 panes of glass)  single pane  single + storm  double (DG)  DG + low-e  
 (DG + low-e + argon gas)  triple or better

*Doors* (minimum: insulated or with storm)  insulated  storm  insulated + storm  neither

## Appliances

*Refrigerator* (minimum: post-1995)  yes  no  unknown  Energy Star rated

*Gas stove* (suggested electronic ignition)  electronic ignition  pilot light  no gas stove

You have the right to obtain a 12-month history of electricity used by this rental unit by calling your local electric company. If this unit uses natural gas, you have the right to obtain a 12-month history of natural gas used by the unit by calling your local natural gas company.

For further information about energy efficiency, contact *Efficiency Maine, 1-866-376-2463*

**Signatures: Landlord:** \_\_\_\_\_ **Tenant:** \_\_\_\_\_ **Date:** \_\_\_\_\_

*This information is accurate to the best of the landlord's knowledge.*

*Other comments about the unit's efficiency:* \_\_\_\_\_

## Guidelines and Explanation of Terms

**Tested heating system efficiency (minimum 82%):** This is the combustion efficiency test typically performed by a heating technician when servicing and cleaning the burner.

**Floors over unheated areas:** Examples are an enclosed porch or a crawlspace. Doesn't refer to a basement.

**Basement wall:** Basements in many new buildings are insulated all the way to the floor or footings (full height). Older buildings may have poor soil drainage, e.g. a wet basement. To avoid potential foundation damage from damp soils freezing and expanding, it is generally considered safe to insulate to 1'-2' below ground level. This still saves considerable energy.

**Windows:** Sealed double glazing sometimes has gas fill such as argon or krypton. Low-e storm windows are also available. Either exceeds the basic single glass + storm.

**Doors:** A solid wood door is only a bit more insulating than a single pane of glass. Adding a storm door cuts heat loss in half. An insulated door can equal almost 10 panes of glass.

**Refrigerator:** Refrigerators made before 1995 have the make and model information on a metal plate inside, usually on the door. From 1995 on, the information is on a sheet of metal foil.

**Gas stove:** According to the U.S. Department of Energy, piloted gas burners can use more than twice the energy used by electric ignition gas burners.