



TESTIMONY OF ERIC J. BROWN
ASSOCIATE COUNSEL, DIRECTOR OF ENERGY & ENVIRONMENTAL POLICY
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION
before the
ENERGY & TECHNOLOGY COMMITTEE
March 7, 2013

Good morning. My name is Eric Brown and I serve as director of energy and environmental policy with the Connecticut Business & Industry Association (“CBIA”). On behalf of our 10,000 large and small member companies throughout Connecticut, we appreciate this opportunity to share our perspective regarding two bills on today’s public hearing agenda.

H.B. 6360: AN ACT CONCERNING IMPLEMENTATION OF
CONNECTICUT’S COMPREHENSIVE ENERGY STRATEGY

Section 3, among other measures, requires the Energy Conservation Management Board to review contractors to determine whether they are qualified to conduct work related to programs funded by the board. But this strikes us as off the mark from the Governor’s final Comprehensive Energy Strategy which calls for broadening and reinvigorating the Home Energy Solutions (HES) program.

CBIA respectfully suggests that this portion of Section 3 be replaced with language much more reflective of the priority discussed in the CES along the lines of:

“The commissioner, in conjunction with the Energy Conservation Management Board, the administrators of the Home Energy Solutions Program and the Department of Consumer Protection shall develop a plan and recommendations for transforming the Home Energy Solutions program into an open-market system. Such recommendations shall include objective criteria whereby any contractor who meets such qualifications is eligible to participate in energy efficiency deployment programs funded through the Energy Conservation

Management Board. Such qualifications shall be designed so as to promote significant expansion of the numbers of contractors participating in the HES and other such programs. The plan shall also include a process whereby the public has internet access to information maintained by the Department of Consumer Protection regarding the performance of such contractors.”

With the suggested revision, or something similar, CBIA supports section 3 of this bill.

Section 4 provides DEEP with the authority to adopt regulations establishing uniform emissions performance standards “or other requirements” to regulate the emissions of carbon dioxide from electricity generation in any North American location used to supply end use in Connecticut.

CBIA is very concerned about the breadth of this proposal as written. It is our hope that it is intended as a measure to help even the playing field between regulatory burdens on Connecticut energy generation units and those of other states – particularly those that are not subject to the same stringent standards and that inhibit, through air transport, Connecticut’s efforts to meet very stringent federal air quality standards.

However, as drafted appears to give DEEP unlimited authority to regulate energy generators in Connecticut through whatever measures they deem appropriate. CBIA opposes the granting of such authority.

Accordingly, CBIA opposes section 4 of this bill.

Section 5 extends virtual net metering (“VNM”) laws, currently limited to government facilities, to include agricultural facilities. CBIA believes a comprehensive plan for expanding access to VNM in Connecticut beyond government facilities to include privately owned buildings should be an important energy priority for our state. Such an expansion would promote further deployment of renewable energy and distributed generation. However, such an initiative has important and substantial implications for the operation of our electric grid and the price of energy - especially for sectors that remain

prohibited from taking advantage of the VNM. That is why we do not favor a piecemeal approach whereby access to VNM is expanded one sector at time.

CBIA urges this committee to reconsider this section of the bill in favor of calling for a study, perhaps by PURA, to determine a strategy for expanding access to VNM.

Sections 10-16 include a variety of provisions related to “rating”, “evaluating”, “benchmarking” and disclosure (both public and private) of energy consumption by a variety of categories of structures.

Section 11 proposes a voluntary pilot program with respect to residential buildings. However, the bill takes a more prescriptive approach with businesses, requiring commercial buildings above a certain size to conduct annual energy benchmarking that must be reported to DEEP and be published on the internet (section 15) and also mandates an evaluation of energy use prior to the lease or sale of all or any portion of such buildings (section 10).

CBIA supports providing tools for business and building owners to easily evaluate their energy usage and building efficiencies – along with education about energy efficiency technologies financing opportunities. But we do not support mandates that add to the burden and expense of owning commercial building.

Such owners already have ample incentives to make their buildings as efficient as possible and to promote those investments to their customers and the public if they choose to. Government should not be mandating such measures, in our view.

Accordingly, CBIA opposes sections 10, 15 and 16 of the bill.

Section 18 accelerates the compliance deadlines for sulfur content in number 2 heating oil. The bill also severs the condition of nearby states having adopted similar standards, for the Connecticut standards to take effect. The compliance deadlines and required prerequisite for other states adopting similar standards were put in place for a reason and through a lengthy negotiations process. Short-circuiting that compromise for what

appears to be an effort to make heating oil a more expensive, less competitive fuel source in the state is in our view, a mistake and counter to the diversity and customer choice goals of the CES. Accordingly, CBIA opposes this section of the bill.

Section 19 extends the existing “hurdle rate” for Connecticut gas utilities to 25 years. This measure would make the extension of gas distribution lines a more cost-effective option for both utilities and energy consumers in areas with sufficient demand. While we are sensitive to the arguments about whether taking such a step is best done through legislative versus regulatory action, Connecticut’s current hurdle rates are far too restrictive relative to other states and require, in our view, a quick and substantial increase. Therefore, CBIA favors this legislative action but would also not be opposed to future adjustments being made through a regulatory proceeding at the Public Utilities Regulatory Authority.

CBIA appreciates this opportunity to provide testimony on these bills and for your consideration of our positions.

H.B.6533: AN ACT CONCERNING HYDRAULIC FRACTURING

CBIA opposes this bill

Hydraulic fracturing wastes, like any waste material, needs to be properly managed and, where technologically and economically feasible, reused and recycled to mitigate the need for environmental or public health exposure.

Despite the fact that no hydraulic fracturing occurs or is foreseeable in Connecticut, this bill would ban any activity related to hydraulic fracturing wastes including, storing, recycling, neutralizing potential environmental or health risks associated with these wastes, or reusing them in accordance with any permitting or regulatory measures that exist currently or may exist in the future. In short, this bill would treat hydraulic fracturing wastes as a more serious health and environmental threat than spent nuclear fuel rods.

Additionally, if every state in the union adopted such a measure, it would effectively foreclose the opportunity for our state and our nation to take advantage of vast domestic, clean and affordable energy available to us through the use of hydraulic fracturing technology.

Surely, Connecticut's legislature does not wish to advance such an agenda.

Whatever the intent, **CBIA respectfully urges your rejection of this bill.**