



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
REGARDING
HB-6360, AAC IMPLEMENTATION OF CONNECTICUT'S COMPREHENSIVE ENERGY
STRATEGY
BEFORE THE
ENERGY & TECHNOLOGY COMMITTEE
MARCH 7, 2013**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut generally supports the intent of a statewide energy plan as an attempt to assist struggling small businesses that face some of the highest electrical and other energy costs in the nation. In the 2012 edition of *"Small Business Problems & Priorities"* by the NFIB Research Foundation, energy-related topics ranked in the top 10 problems faced by all small business owners nationally. "Cost of Natural Gas, Propane, Gasoline, Diesel, Fuel Oil" – otherwise referred to as "Energy Costs, Except Electricity" ranked as the 3rd most severe problem of concern from small business owners. Though this is a national survey of small businesses, owners in the Northeast region (CT, MA, ME, NJ, PA, RI and VT) find "Reducing Energy Costs in a Cost-Effective Manner" more burdensome than owners in any other region. Many owners in this region are also limited in their ability to reduce energy costs due to older building construction, historic preservation efforts, and other limited factors unique to the area. Anecdotally, however, we know that these problems are indeed greatly exacerbated for Connecticut's small businesses.

Generally, small business owners use energy for a number of purposes essential to their business, including lighting, heating and/or cooling and operating equipment. Rising electricity costs in particular have great consequences for small businesses.

Regarding the natural gas expansion component of the comprehensive plan, some small business owners may have some reservations. Some have stated that Connecticut will need a



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broad based energy strategy involving more than natural gas in order to ensure its energy security. They have also reasoned that the cost of the expansion of the natural gas infrastructure, along with repair and replacement of existing infrastructure, should be borne entirely by a utility's shareholders and ratepayers and, therefore, totally without state taxpayer funding of any sort. Others, however, feel that natural gas expansion in Connecticut has the potential to be a cheap, clean fuel source that would benefit many residential and commercial customers throughout the state. Additionally, for businesses whose products or services run or rely on natural gas, there is a potential for new markets, additional work and new jobs to emerge, all the while aiming to control energy costs for businesses that use gas as an energy source. They note, however, that such anticipated savings are only speculative and dependent on ever changing market conditions. Furthermore, some small business owners are gravely concerned that their livelihoods could be adversely impacted by such a major expansion that seeks to artificially edge out other fuel sources.

The results of a recent state-wide survey of our members, all Connecticut small business owners, show solid support for the Governor's plan to expand access to natural gas in Connecticut. As previously stated, the cost of energy is a major concern for small business owners in Connecticut and natural gas offers them an affordable option. Competition is a consumer's best friend and small business owners understand that better than anyone. Connecticut should permit more competition between energy sources and let households and businesses decide for themselves. That said, NFIB/Connecticut questions the necessity of using state funds, in the form of tax credits as contemplated in Section 18 of SB-843, AAC Concerning The Governor's Recommendations On Revenue, to allow for the conversions to take place.

The NFIB/Connecticut survey results showed that sixty seven (67) percent of members support the idea of the natural gas expansion contained in the energy plan, while only 15 percent disagree. That is a fairly lopsided result and as such, NFIB wants legislators to know that small business owners strongly agree with the need for more affordable energy in Connecticut. In addition, it is worth mentioning that NFIB has been strongly supportive of the burgeoning natural gas industry in other states like North Dakota and Pennsylvania. While Connecticut may not have shale gas, it will benefit from America's growing domestic supplies. Energy policy is economic policy and we ask that legislators do not forget that here in Connecticut. Our state's economy runs on traditional fuels, and while some residents and small businesses may be able to afford expensive renewable-energy systems and products, and by all means should be able to make that choice, the rest of us should have choices that are better for our family budgets and our businesses, and that includes traditional and fossil fuel sources.

Thank you for your consideration of our comments.