



March 16, 2015

Co-Chair Paul R. Doyle
Co-Chair Lonnie Reed
Senator Paul M. Formica
Representative Tim Ackert

Energy Committee:

We are submitting testimony in **opposition to H.B. 6985**, AN ACT INCREASING NATURAL GAS TRANSPORTATION CAPACITY and **S.B. 1078**, AN ACT CONCERNING AFFORDABLE AND RELIABLE ENERGY.

The Connecticut Energy Marketers Association (CEMA) represents 576 petroleum marketers and their associated business in Connecticut. CEMA members employ over 13,000 people in our state.

We are opposed to these bills primarily because it appears to be another attempt to subsidize privately held corporations like Kinder Morgan through fees paid for by electric ratepayers.

Constraint issues in Connecticut have been exacerbated because of the state's current energy policy to convert nearly 300,000 homes and business to natural gas by building 900 miles of new pipelines.

Last year, we asked that a moratorium be placed on natural gas conversions until such time that the interstate pipeline constraint issues are addressed. Instead, regulators at the Public Utility Regulatory Authority (PURA) were pushed to reduce ratepayer safeguards so that conversions could move forward at an accelerated pace.

Today, you are being asked to allow costs to be passed along to your constituents with the promise that it will ultimately lower electric rates. Do you really believe that? Spending billions of dollars to build natural gas infrastructure will only do one thing – increase costs!

If this project made any sense, Kinder Morgan (a \$300 billion corporation) would use their own private equity to do it. A project that needs ratepayer subsidy to work is not likely worth doing.

When we asked that a moratorium be placed on conversions, we stated that the state was “putting the cart before the horse” and this legislation is proof of that. Utilities in Massachusetts have enacted conversion moratoriums in the western part of the state and on Cape Cod because of the same constraint issues that face Connecticut.

You have a tool to address these issues, and that is to suspend the natural gas conversion plan until private equity comes to Connecticut and invests in additional capacity without burdening ratepayers.

Many legislators over the last several months opposed increases on fixed rate charges on residential electric bills. This legislation will clearly defeat the good intentions that so many of you have through your support of legislation that would cap those costs.

Our own state policy to build intrastate pipelines and convert customers to gas is to blame. Oil prices are down over a dollar from last year's highs, we reduced the sulfur content of heating oil by 84% this past year, Bioheat® fuel just received approval to blend up to 20% renewable content, and there are no constraint issues when it comes to liquid fuel.

Solving interstate pipeline natural gas constraints issues does not require billions of dollars in ratepayer money – it requires the will to manage the current policy that is in place and to look at alternative sources of energy that can be used to alleviate electric rates.

CEMA asks that the Environment Committee to oppose **H.B. 5733, AN ACT REQUIRING THE STATE TREASURER TO DIVEST FUNDS FROM FOSSIL FUEL COMPANIES.**

Respectfully,

A handwritten signature in black ink, appearing to read "Christian A. Herb". The signature is written in a cursive, flowing style.

Christian A. Herb
President