Testimony Submitted By Suzanne Bates, Policy Director of the Yankee Institute for Public Policy, to the Energy and Technology Committee on SB 140.

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The Yankee Institute for Public Policy is a Connecticut think tank that develops and advances policy solutions to promote smart, limited government; fairness for taxpayers; and an open road to opportunity for all the people of our state.

I am here today to speak in support of Senate Bill 140, which would provide greater transparency for our state's ratepayers regarding the cost of the state's many renewable energy programs, including the Renewable Portfolio Standards (RPS).

Our state's residents pay the highest electric rates in the continental United States. The only state with higher rates is Hawaii. We know there are a number of factors that contribute to the high cost of electricity in Connecticut, but many of those factors are outside the control of this body. However, one of the factors driving up electric rates – the Renewable Portfolio Standards – is entirely within your control.

The Yankee Institute published a study earlier this year on the RPS requirements. The standards dictate that by the year 2020, electric utilities must purchase 27 percent of their power from an approved list of renewable energy sources. These requirements drive up the cost of electricity for consumers here in Connecticut.

Our study was conducted by researchers from Suffolk University using a state tax analysis modeling program (STAMP), which determined a statistically valid estimate of the costs of the RPS requirements.

Our study says that in the year 2020, Connecticut's residents will pay an additional $250 million for their electricity because of RPS. The conclusions in our study are similar to the conclusions reached in a 2013 study issued by Connecticut's Department of Energy and Environmental Protection, which showed that

Connecticut's ratepayers paid $168 million to support RPS generation sources in 2012. That year only 16 percent of the power supplied by utilities had to be purchased from RPS approved sources.

As federal subsidies for solar and wind energy projects are reduced starting in 2017, we will likely find the cost of purchasing electricity from these sources increasing. Right now these industries are heavily reliant on federal and state investments, further increasing the burden on taxpayers.

Our study shows that higher electricity costs are a drag on our state's economy. Besides the higher cost for ratepayers, there is also a cost in jobs and income when electricity rates go up.

When the Renewable Portfolio Standards were instituted in 1998, it was thought that these standards would create "green jobs" in Connecticut. But the promised jobs never materialized. Only 3.8 percent of the power purchased to satisfy the RPS requirements comes from Connecticut. Most comes from out of state.

In addition, the state will have to put in thousands of miles of transmission lines just to deliver the power generated by renewable energy sources to our markets.

We encourage this committee to pass Senate Bill 140. We believe the additional information gained by studying renewable energy costs will be of substantial benefit to lawmakers and residents.