



GLOBAL PARTNERS LP, 800 South Street, Suite 500, P.O. Box 9161, Waltham, MA 02454-9161

**Environment Committee
PUBLIC HEARING
March 14th, 2018**

**H.B. No. 5363, AN ACT ESTABLISHING A CARBON PRICE FOR FOSSIL
FUELS SOLD IN CONNECTICUT**

Testimony in Opposition of HB 5363

To: The Environment Committee.

From: Shawn Driscoll (Government Relations and Public Affairs Associate)

Global Partners LP, based in Waltham, MA is a leading distributor and marketer for a variety of energy products in the Northeast and Mid-Atlantic. Within Connecticut, Global owns 2 wholesale petroleum terminals located in Wethersfield and Bridgeport, operates several gas stations and convenience stores, and has over 650 employees across the state.

Global takes great pride in providing Connecticut residents with competitive, fair prices for gasoline, diesel, and home heating oil. This proposed bill, which would apply a starting tax of \$15 per ton of carbon dioxide emitted from fossil fuels (and increase by \$5 each year), jeopardizes our ability to continue doing so. As a result, we oppose H.B. 5363 for the following reasons:

- For gasoline, the carbon tax would increase the cost per gallon by 14.7 cents in Year 1, followed by increases of 4.9 cents in each subsequent year. While Connecticut already possesses the 9th highest gas taxes in the nation, the state would have the 2nd highest taxes after Year 1 and the highest overall after Year 3.
- Based on current gasoline consumption, the tax would cost each driver an initial \$96 in Year 1, followed by a \$32 increase each year thereafter.
- For diesel and heating oil, the carbon tax would increase the cost per gallon by 16.8 cents in Year 1, followed by increases of 5.6 cents in each subsequent year. Although Connecticut has the 9th highest diesel taxes in the nation, the state would have the 3rd highest taxes after Year 1 and the highest overall after Year 7.
- Based on current heating oil consumption, the tax would cost each home an initial \$134 in Year 1, followed by a \$45 increase each year thereafter.

Furthermore, we believe the proposed carbon tax would be a catastrophic blow for the state's economy. In all likelihood, the tax will eventually just be passed down to the consumer. Residents in Connecticut are



GLOBAL PARTNERS LP, 800 South Street, Suite 500, P.O. Box 9161, Waltham, MA 02454-9161

already paying an exorbitant amount of money energy prices compared to other Americans. Consider the following:

- For retail energy prices, Connecticut's average rate of 17.24 cents/kWh is already the highest in the continental United States, trailing only Alaska and Hawaii¹.
- With respect to the main sources of energy (electricity, natural gas, home heating oil, and motor fuels), Connecticut's combined monthly sum of \$380 not only leads the nation, its \$48 higher than second place Alaska².

Since low-income families pay a disproportionate amount of their overall income on energy compared to the wealthy, this is a regressive tax. Put simply, it will become more and more difficult for working class families to save money after paying for gas, keeping the lights on, and staying warm in the winter. Similar to local businesses, many residents could be forced to leave Connecticut for a friendlier economic environment.

Finally, until the rest of the world changes its energy consumption and carbon dioxide emissions, there is little upside to putting the Connecticut economy at such a disadvantage.

Thank you for your time and consideration.

¹ <https://www.eia.gov/electricity/state/>

² <https://wallethub.com/edu/energy-costs-by-state/4833/>