



SIERRA CLUB

March 13, 2018

VIA ELECTRONIC MAIL

To: Co-Chair Demicco, Mike.Demicco@cga.ct.gov, Co-Chair Miner, Craig.Miner@cga.ct.gov, Co-Chair Kennedy, Kennedy@senatedems.ct.gov, Env. Committee, envtestimony@cga.ct.gov

RE: Testimony of the Sierra Club to the Connecticut Legislature’s Environment Committee on Senate Bill 7 and House Bill 5363

On behalf of the Sierra Club and our more than 36,000 members and supporters in Connecticut, thank you for the opportunity to provide written testimony regarding the bills under consideration by the Committee for the public hearing on March 14th, 2018. Increasing efficiency, clean energy, and reducing carbon pollution are vital strategies to create jobs, grow the economy, improve public health, and meet Connecticut’s commitments to help avoid the worst impacts of climate disruption. Hundreds of our members and supporters have already contacted their representatives in support of those goals and some parts of Senate Bill 7 (S.B. 7). Consistent with our comments to the Governor’s Council on Climate Change (GC3) and on the Comprehensive Energy Strategy (CES), **the Sierra Club submits these comments in support of S.B. 7 with suggested changes, but not in support of House Bill 5363 (H.B. 5363) unless it is significantly amended.**¹

In 2015 Connecticut established the GC3 with the express purpose of recommending “policies, regulations, or legislative actions” to assist in meeting the legislature’s requirements under the Global Warming Solutions Act (GWSA).² The GC3 has appropriately identified a midterm target of reducing carbon pollution from the economy 45% from 2001 levels by 2030. Reaching that goal will create jobs, grow the economy, and help the state’s fiscal situation:

Combined Sector Economic & Fiscal Impact (2020 – 2030)		
Economic or Fiscal Variable	40% Midterm Target	45% Midterm Target
	Average Level & % Change	Average Level & % Change
Total Employment (Jobs)	12,600 0.52%	19,220 0.8%
State GDP (millions current \$)	\$1,720 0.45%	\$2,906 0.75 %
State Revenue (millions current \$)	\$65 0.22%	\$122 0.42%
State Expenditure (millions current \$)	\$62 0.24%	\$109 0.42%

¹ http://www.ct.gov/deep/cwp/view.asp?a=4423&q=568078&deepNav_GID=2121

² http://www.ct.gov/deep/lib/deep/climatechange/gc3/executive_order_46.pdf

S.B. 7 would help ensure that the state meets that beneficial goal, making Connecticut's communities, families, and businesses more prosperous and healthier. Unfortunately the bill also includes provisions that would undermine that necessary progress. Section 20 would continue to allow the Public Utilities Regulatory Authority (PURA) to force consumers to pay higher prices for fuel cells. Fuel cells are powered by fracked gas which is doing tremendous harm to public health and air quality in communities throughout the region. Moreover, since they're fueled by gas, fuel cells do not increase electric supply diversity or protect against price volatility and supply disruption, as clean renewable power does. **The Committee should amend S.B. 7 to end any continued subsidy for gas, whether through fuel cells, pipelines, or heating conversions.**

Last session the Sierra Club provided testimony to this Committee in support of H.B. 7247 with some suggested changes, which would have required polluters to pay for carbon pollution and invested a portion of any revenues in programs to help families and businesses save energy and money.³ Unfortunately H.B. 5363 is a step backwards for climate progress relative to that previous bill, as it would not invest any of the revenues to help those who have been overburdened by pollution or underserved by our current system. **Therefore the Sierra Club will not support H.B. 5363 unless it is substantially improved.**

For more than ten years the Sierra Club has supported policies that use market-based mechanisms to limit, price, and reduce climate-disrupting pollution. We have extensive experience working on such policies, including the popular, successful, and effective Regional Greenhouse Gas Initiative (RGGI), and have learned a number of lessons in that process. Two of those lessons stand out as particularly important when it comes to HB 5363:

- Climate policies should be designed to help achieve the greenhouse gas reductions science says are necessary to effectively minimize the impacts of climate disruption. For Connecticut, at a minimum, these policies should be consistent with the goals of the GWSA and GC3. The more extensive and ambitious the scope of the policy and the impact it has on consumers, the more important this is. A proposal that aims to ensure nearly all polluters pay an appropriate price for their climate pollution, as HB 5363 does, should meet or exceed those greenhouse gas reduction targets. Unfortunately, without specific limits on greenhouse gases and investment in clean technologies and opportunities, relying on the impacts of pricing alone would fall well short of that mark.
- Policies should ensure that those who are most overburdened by pollution and underserved by our current energy and economic systems are better off as a result of actions to stabilize the climate. This includes communities that are most at risk from rising seas, higher temperatures, and/or more extreme weather events as a result of climate disruption. It includes communities that have large sources of pollution, or poor air and water quality, and whose economic prosperity may currently be disproportionately dependent on facilities that produce greenhouse gases. It includes the workers whose livelihoods and families have been dependent on jobs and money from dirty energy companies. It includes those who struggle every day to provide for their families and loved ones, who don't have good access to credit, transportation, or even housing.

³ <https://www.cga.ct.gov/2017/ENVdata/Tmy/2017HB-07247-R000313-Kresowik,%20Mark%20,%20Eastern%20Region%20Deputy%20Director-Beyond%20Coal%20Campaign,%20Sierra%20Club-TMY.PDF>

Ensuring this environmentally just outcome requires using any revenues from a market-based climate policy like HB 5363 for a number of purposes, and not primarily only for remittances to residents and businesses.

Application of these lessons has led to the popularity, success, and effectiveness of programs like RGGI. Climate-disrupting pollution from power plants has plummeted in the region, in part thanks to the pollution limits and investment of revenue in energy efficiency and clean energy. Communities are breathing easier, families and businesses are saving money, and the economy has grown. Those lessons can and should help guide the current regional effort to reduce carbon pollution from motor fuels through the Transportation and Climate Initiative.⁴

We have much more work to do to meet the 45 percent reduction goal of the GC3, and to stabilize and protect the climate. We know that we have to increase our energy efficiency and the amount of clean, renewable energy supplying Connecticut. We know that we need access to affordable, rapid, frequent, and clean transportation options like electric vehicles, public rail transit, and electric buses, and safer and more welcoming areas for walking and biking. We know that we have to deploy electric heat pumps to lower costs and pollution from heating and cooling our buildings. And we know that all of those things take investment and support, particularly to ensure that overburdened and underserved constituencies can and do benefit.

Therefore, to earn our support, the Sierra Club requests that HB 5363 be amended to:

- 1) Invest at least 50 percent of the revenues in opportunities to reduce pollution, increase access to the benefits of clean energy, and help workers and communities move beyond dirty energy, with a minimum level for overburdened and underserved communities.
- 2) Provide rebates only for residents in the lower income quintiles and small businesses, to ensure those who are most disadvantaged by our current energy and economic systems are better off.

Respectfully submitted,



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⁴ <http://www.transportationandclimate.org/northeast-and-mid-atlantic-states-see-public-input-they-move-toward-cleaner-transportation-future>