

TESTIMONY
OF
AVANGRID/UII HOLDINGS, INC.

Regarding

Raised House Bill 5363
AN ACT ESTABLISHING A CARBON PRICE FOR FOSSIL FUELS SOLD IN
CONNECTICUT

Before the
Environment Committee
Legislative Office Building
March 14, 2018

My name is Alan Trotta and I am the Director of Wholesale Power Contracts for UIL Holdings Corporation (UIL), the parent company for The United Illuminating Company (UI), and a wholly-owned indirect subsidiary of Avangrid, Inc. I thank you for this opportunity to offer this testimony in opposition to **Raised House Bill 5363, AN ACT ESTABLISHING A CARBON PRICE FOR FOSSIL FUELS SOLD IN CONNECTICUT.**

Raised House Bill 5363 collects dollars from energy consumers and allocates those dollars to employers and residents in the state. While there is a limited environmental component to the bill, it is secondary to the transfer of dollars from energy consumers to residents and employers in the state through a tax credit. UIL opposes this bill because it will significantly raise rates for UIL's electric and gas customers through a hidden tax on energy usage, while providing a very uncertain environmental benefit. The Bill establishes a "clean energy and jobs account," but that account appears to have no linkage whatsoever to clean energy and jobs. Rather, 95% of the dollars collected and placed into the account simply get utilized for "dividends" paid to residents and employers in the state, while another 5% (initially up to 10%) of the funds are consumed through the administration of the energy tax and dividend payments. Completely absent from the Bill is any requirement that the recipients of the dollars from the clean energy and jobs account to use the disbursements for clean energy or jobs.

UIL and its parent company AVANGRID are supportive of reasonable and effective efforts to combat climate change and improve the environment through the reduction of emissions, including carbon dioxide. It's questionable whether this bill will have an appreciable effect on carbon dioxide emissions over time, but it is absolutely certain to have an adverse impact on the already high cost of energy for Connecticut consumers. The state should be finding ways to reduce, not increase, energy costs for its businesses and consumers. There are better ways to address climate change than creating a wasteful and inefficient hidden tax program like the one devised in Raised House Bill 5363.

Thank you. If you have any questions, please contact me at 203-499-3271. You may also contact Albert Carbone, Manager, AVANGRID/UIL Connecticut State Government Relations at 203-671-4421.