

***SB 7 An Act Concerning Climate Change Planning and Resiliency***  
**Environment Committee, March 16, 2018**

Testimony by Paul Horowitz

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Co-Chairs Kennedy and Miner, Co-Chair Demicco, Committee Members and staff, my name is Paul Horowitz. I am an independent energy consultant, here representing only myself. During the course of my consulting I have worked on behalf of governmental agencies and stakeholders to analyze, develop, and oversee the deployment of energy efficiency program portfolios and/or clean energy projects. Prior to that I served in several Connecticut state agencies, as economist at the (now) Siting Council, analyst at the Office of Policy and Management/Energy, and as Assistant Director of Rates and head of the Policy and Analysis Division of the Department of Public Utilities Control (now PURA).

Cost-effectiveness analysis, which compares the benefits and costs of program strategies or design approaches, is a useful tool for decision-makers. However, the resulting options must be considered in the context of other statutory guidance and of the real-world implications of additional decision criteria that may be applied in the decision-making process.

My comments on SB 7 focus on the latter point. In lines 42-43 the proposed phrase “in the most cost-effective manner” is introduced in the context of meeting environmental goals and standards; in line 53-54 it is again used, here in the context of meeting the state’s greenhouse gas emission reduction requirements. The use of both “the” and “most” are directional and absolute, and (statutorily) would not allow for any deviation from the single solution (that is, single technology, single strategy, sole and specific policy directive, etc.) that is found to be the most cost-effective.

To enable this flexibility, lines 42-43 should be amended to read: “The Integrated Resources Plan shall seek to lower the cost of electricity while cost-effectively meeting such environmental goals and standards in the most cost-effective manner.”

Likewise, lines 50-54 should be amended to read: “section 16a-35k, [and shall] provide any analysis and recommendations necessary to guide the state's energy policy to meet greenhouse gas emission reduction requirements cost-effectively, as established in section 22a-200a, as amended by this act, in the most cost-effective manner and incorporate (1) an assessment and plan for all energy”

These amendments will appropriately align the use of the concept of cost-effectiveness in these two portions of Section 2 with its use in Section 20 at line 716 and in Section 26 at line 981.

The lesson of past decades in Connecticut and elsewhere is that there is no single approach, no magic bullet, no current reality, that has solved these critically important. Flexibility and a range of implementation approaches are required, each meeting the overall cost-effectiveness criterion that benefits must exceed costs. The above proposed modifications to SB 7 will enable them.