

2/28/2018

HPACT Statement against S.B.9

S.B.9 does not help us now: Why:

S.B.9 fails to give Energy Efficiency contractors the help we need right now. It does not solve the current crisis – the two-year, \$127 million legislative diversion of electric ratepayer funding for EE programs.

1. Cuts of this size are already causing us to lay off employees, cut back operations, and consider leaving the state.
2. If these raids remain in place for the next two years, many of us will simply go out of business.
3. RGGI Funds have been taken and no means of restoration is addressed in this Bill. As a result, Home Energy Solutions Contractors are forced to turn away almost 60% of their business which represents most oil heated rate payers in the state of CT.

The bottom line: We cannot support a bill that doesn't help our industry, our workers, or the ratepayers of CT, particularly the oil heated homes.

S.B 9 will make Energy Efficiency more expensive: Why:

S.B.9 does not include funding for EE and will, in fact, adds a new ratepayer cost of a 2 MIL increase to be funneled to the Clean Energy Fund (Green Bank).

1. How will this new mill rate be spent? Although this is large amount of funds (tens of millions of dollars) there is no mandate of how the funds will be allocated and no oversight.
2. Utilities will be collecting this new tariff and ratepayers will be assuming that their utility is responsible when in fact it's going to another entity with no strings attached.

The bottom line: These new costs mean that S.B.9 will make it more expensive to pursue the same amount or less energy efficiency in the State of CT. That is bad deal for the state, ratepayers, and the EE industry.

S.B 9 worsens uncertainty for EE industry: Why:

S.B. 9 creates even more uncertainty for EE contractors by experimenting with an untested, risky approach – an annual RFP for up to 25 MW of EE conducted at the sole discretion of DEEP, a state agency with an uneven track record for actually getting things done and many failures.

The bottom line: The Energy Efficiency industry needs multi-year, transparent regulatory planning with comprehensive, long-running programs to create certainty for EE business planning and development, employee training, and marketing and customer acquisition.

S.B 9 Fails to stabilize and safeguard EE investments: Why:

S.B. 9's RFP process will be controlled solely by one state agency, DEEP, without accountability or ratepayer oversight.

1. DEEP's RFP evaluation and decision making will be done in a "black box" and the EE industry and the public will have much less insight into EE decisions than they do now.
2. DEEP will draft, issue, and manage the RFP process and will then be the sole decision maker on bids. S.B. 9 grants major new unaccountable authority to DEEP; this opens the RFP process to unfairness and poor results for customers.
3. DEEP's unchecked discretion is also a major vulnerability for EE with any new gubernatorial administration.

Thank you,

Michael Murray
New England Smart Energy Group LLC
203-292-8088 Office
203-292-8089 Fax
MikeM@ne-smartenergy.com