

Hearing before Committee on Energy and Technology

(Regarding Governor's Bill No. 882. An Act Concerning Climate Change Mitigation and Home Energy Affordability)

Testimony of Attorney Wendy W. Wanchak

Recommended Action:

**Support Raised Bill No. 882 An Act
Concerning Climate Change Mitigation and
Home Energy Affordability**

Connecticut Legal Services (CLS) helps low-income households¹ in Connecticut by providing legal advice and services in civil matters. We support Raised Bill No. 882, and more specifically Sections 3 & 4 regarding “home energy labeling” as a means of protecting utility customers against unexpected utility costs, and addressing the serious issue of energy unaffordability in Connecticut. This is a positive move in the right direction.

This bill reflects the awareness that, unfortunately, Connecticut ranks near the top among all of the states in terms of highest energy costs per household. These costs have helped create an overall unmanageable housing affordability burden on the poor, as they spend a considerably higher percentage of their income both on rent and on energy, than middle and upper income households. Providing energy cost data to potential tenants and homeowners is a step toward educating them, creating awareness and creating choice for some utility customers.

Unfortunately, for Connecticut's poorest residents, due to the critical shortage of affordable housing and the fact that increasingly tenants are being forced to assume utility costs such as water, sewer and trash, in addition to electric and heating costs, that kind of knowledge does not necessarily translate into choice.

By contrast, while higher income households in this state spend about 3% of their income on energy costs, the poorest of our state's poor spend up to fourteen times as much.² In cities such as Hartford, New Haven, Waterbury and Bridgeport energy costs on average eat between 8 and 10% of low-income households' income, or 3 times as much as higher income households.

¹ CLS assists households whose income is at or below 150% of the Federal Poverty Level

² Applied Public Policy Research Institute for Study and Evaluation (APPRISE), “Meeting the Needs of Low-Income Households in Connecticut”, December 2016, prepared for Operation Fuel.

Most low-income renters cannot afford to be choosy about energy efficiency. Approximately sixty percent of low-income households in this state are renters. Two-thirds of these renters are households of color. According to a study prepared by the CT. Department of Public Health in 2012 (*CT Healthy Homes Data Book*), housing stock in Connecticut is statistically older than most of the rest of the country, with over seventy (70%) of the homes in this state built before 1978. These houses are leaky and energy inefficient, and more likely to contain lead and other contaminants, but are the only housing choice for many of Connecticut's low-income renters. Poor households who must rent are disproportionately exposed to higher energy bills and housing hazards and lack the financial flexibility to be energy shoppers.

Energy unaffordability among low-income populations, in particular, can severely, negatively impact the efforts of these families to achieve educational, medical and financial stability and equity. It comes at a high cost in terms by contributing to a higher cost of living for low-income individuals overall, creating severely limited housing opportunities, and contributing to loss of housing, loss of educational opportunities, and loss of employment opportunities, among others.

By exposing actual energy costs of all housing stock (including rental units) through this bill, a light will hopefully be shone on the staggering costs of housing for state's poor, including the elderly, disabled and most vulnerable low-income populations so that more can be done to help alleviate their suffering.

The burden of unaffordable energy costs continues to weigh unnecessarily on the working poor and other low-income households even though they pay all of the same systems charges on their energy bills but get few of the benefits.

To the greatest extent possible, it is hopeful that this bill will help uncover the truths about energy and housing unaffordability among our state's low-income residents and prompt more action to address these problems.