

Environment Committee JOINT FAVORABLE REPORT

Bill No.: SB-1145

AN ACT CONCERNING THE ESTABLISHMENT OF SECTOR SPECIFIC
SUBTARGETS FOR GREENHOUSE GAS EMISSIONS REDUCTIONS AND

Title: REGULATING EMISSIONS OF SMALL-OFF ROAD ENGINES.

Vote Date: 3/24/2023

Vote Action: Joint Favorable Substitute

PH Date: 3/10/2023

File No.:

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SPONSORS OF BILL:

Environment Committee

REASONS FOR BILL:

To enforce the state's greenhouse gas emissions goals through the establishment of certain sector sub targets and authorize emission standards for certain small of-road engines.

Substitute Language-LCO 6259

Removed Sections 8-10 concerning Small Off-Road Engines and required the adoption of regulations for the establishment of subsector targets.

RESPONSE FROM ADMINISTRATION/AGENCY:

Katie S. Dykes, Commissioner, CT Department of Energy& Environmental Protection

The Commissioner states that the purpose of SB 1145 is to strengthen Connecticut's Global Warming Solutions Act to give the state the tools necessary to meet its greenhouse gas targets. As currently written, the bill proposes to do the following:

1. Sections 1-4 introduce and define negative emissions for reporting and policymaking purposes; establish a goal of economy-wide net zero greenhouse gas (GHG) emissions by 2050, while maintaining the current goal of an 80% reduction from 2001 levels by 2050; mandate DEEP to publish sector-specific sub-targets; expand and clarify the definitions of "direct" and "indirect" emissions to allow DEEP to address a wider range of GHG sources; and provide DEEP with the authority to adopt regulations to reduce indirect and direct emissions of greenhouse gases.

2. Section 5 requires the evaluation of alternatives for fossil fuel electricity generation units applying for or renewing air quality permits.
3. Section 6 requires municipal utilities to report on an annual basis their progress in reducing GHG emissions.
4. Section 7 codifies alignment between the Connecticut Green Bank's financing programs and Connecticut's GHG targets; and 5. Sections 8-10 attempts to encourage the electrification of small off-road engines.

The Commissioner appreciates the intent of sections 8 of the bill but would require DEEP to adopt California's small off-road engine emission regulations. While small off-road engines do produce criteria pollutants and GHG emissions, an amendment to the feral Clean Air Act section 209{9} inserted in an agriculture appropriations bill in 2004 preempts states, other than CA, from regulating small engines of 50 horsepower or less. DEEP recommends removing the requirement for the adoption of California's small off-road engine emission regulations in section 8. Sections 9 and 10 are unclear where the \$10 Million in funding would come from to fund the zero-emissions for small off-road engine account.

NATURE AND SOURCES OF SUPPORT:

Nathan Frohling, Director of External Affairs, The Nature Conservancy in CT

The Nature Conservancy in CT strongly supports SB 1145, but they have recommendations to strengthen the bill. They have 5 provisions that they believe are needed: 1. Update Emission Reduction Targets. 2. Require consideration of climate impacts for state agency action and mitigation for adverse impacts. 3. Ensure compliance with GWSA requirements. 4. Complete a Connecticut Decarbonization Roadmap. 5 Establish needed regulatory authority for state agencies to adopt regulations to meet our climate targets.

Aziz Dehkan, Executive Director, Connecticut Roundtable on Climate and Jobs

The Connecticut Round Table on Climate & Jobs supports SB 1145. They would also like the bill to include a provision for citizen enforcement of the Global Warming Solutions Act. Creating a pathway for citizen enforcement provides consequences for a failure to meet statutory targets and accountability to Connecticut's residents who are affected by the impact of climate change.

Aaron Goode, New Haven, CT

Mr. Goode supports SB 1145. He commented on section 8 of the bill. He cited results in California on rebates that have been increased to 75% per tool. When districts paired that rebate with an outreach program and encouraged landscapers to test electric equipment, they began to see the desired results.

Charles Rothenberger, Climate & Energy Attorney, Save the Sound

Save the Sound supports SB 1145 but feels we need the comprehensive updates that our neighboring states have already adopted. Save the Sound believes we must update our emissions goals, and establish a framework of accountability, authority, and enforceability.

Lilian Ruiz, Executive Director, CT Council on Soil and Water Conservation

CT Council on Soil and Water Conservation supports SB 1145. They believe if this bill is enacted, the bill supports the Governor's Council on Climate Change (GC3) Working and Natural Lands reports and recognizes the role of working and natural lands in both climate change mitigation and adaptation. They understand that soils are the largest sink of atmospheric carbon that can be managed to promote carbon sequestration.

Several more people spoke or submitted testimony in support of SB 1145. They also believe in strengthening the bill by updating emission reduction targets, requiring consideration of climate impacts for state agency action and mitigate adverse impacts, ensure compliance with GWSA requirements, complete a Connecticut decarbonization roadmap and establish regulatory authority for state agencies to adopt regulations to meet our climate targets.

Lori Brown, Executive Director, CT League of Conservation Voters

Ruth Canovi, Director of Advocacy, American Lung Association CT

Susan Eastwood, Ashford Clean Energy Task Force

Ann Gadwah, Advocacy & Outreach Organizer, Sierra Club Connecticut

Ann Hulick, CT Director, Clean Water Action

Ana McMonigle, Staff Attorney, Conservation Law Foundation

Amy Blaymore Paterson, Executive Director, CT Land Conservation Council

Anne Schmidt, Environment-Climate Specialist, League of Women Voters CT

Black and Brown United in Action

59 Connecticut Residents submitted testimony in Support of SB 1145 An Act Concerning The Establishment of Sector Sub targets For Greenhouse Gas Emissions Reductions And Regulating Emissions Of Small Off-Road Engines

NATURE AND SOURCES OF OPPOSITION:

Leslie Anderson, President & CEO, Propane Gas Association of New England

Propane Gas Association of New England opposes SB 1145. Particularly Section (e) because it sifts authority from the legislature to DEEP by allowing them to enter into agreements with other states and the Canadian provinces on emissions programs that will increase the cost of energy and allow them to implement "market-based compliance mechanisms", which is cap and trade tax, without legislative approval. The CT legislature decided to not move forward on the Transportation Climate Initiative, which is a cap-and-trade program, yet this bill section would allow DEEP to make decisions to participate in such programs as TCI.

Molly Connors, Policy Analyst-Manager, New England Power Generator Association

The New England Power Generator Association opposes SB 1145 especially Section 5. The power plants targeted in section 5 of SB 1145 receive no guarantee of cost recovery. Rather, they were built by investors who compete in wholesale electricity markets, which are designed to provide reliability at the lowest cost to ratepayers. Unlike the state's wire and poles distribution utilities, Eversource and United Illuminating, power generators do not receive a guaranteed recovery of prudently incurred costs. Rather, they compete in a variety of competitive markets designed and operated by ISO New England and regulated by the FERC, in accordance with technical requirements laid out by the NERC.

The changes outlined in Section 5 are so profound from an engineering perspective that a power plant that pursues a DEEP-mandated, zero-carbon/battery storage change would require an extensive reliability study by ISO New England – a process that would add years to the permitting. And, in the circumstance that the asset owner decides instead to retire the generating station, the plant will also need to undergo a study by ISO New England, which reviews whether a retiring power plant is needed for the reliability of the grid and has tools available to postpone that retirement if necessary.

Michael O'Friel, Senior Vice President & General Counsel, Waste Innovations

Waste Innovations opposes SB 1145 as written. They would like the bill amended to specifically exclude waste-to-energy (WTE) facilities. WTE facilities should be excluded from the bill because they already significantly reduce GHG emissions within the State.

Furthermore, if the requirements in the bill are applied to WTE facilities it will require the facilities to make material capital investments to comply impairing their ability to provide the key solid waste management services they do today. They are concerned because even though WTE facilities are not mentioned specifically the provisions in the bill could apply to WTE facilities.

Joseph Harding, Technical Director, Portable Generator Manufacturers Association

Portable Generator Manufacturers Association oppose SB 1145 because Section 8 should not be applicable for portable generators. Federal law does not permit Connecticut to establish emissions standards for small off-road engines less than 50 horsepower. Portable generators are a unique product because a large majority of consumers use portable generators for emergency back-up power. Lawn and garden equipment are discretionary tools whereas portable generators are not. A spark-ignited generator can provide home backup power for an extended period; ZEE Generator cannot, and ZEE generators are not cost-effective. The California ISOR's conclusion the "manufacturers will be able to offer zero-emission generators at a price and capability comparable to existing SORE generators by MY 2028 is unfounded.

Greg Knott, Vice President, Standards and Regulatory Affairs, Outdoor Power Equipment Institute

The Outdoor Power Equipment Institute opposes SB 1145. The outdoor power equipment is a leader in the deployment of electric equipment. However, due to the wide range of lawn and garden equipment types and use cases, there is currently no one-size-fits-all power source-approach. Codes and bills that propose gas-powered equipment bans and dictate equipment purchase choices ignore technical feasibility challenges. They do not take into consideration landscape and construction professionals, emergency response workers, and rural small engine powered equipment users.

Connecticut House Republican Caucus

Connecticut House Republican Caucus opposes SB 1145. They oppose implementing California's emission standards for Small Off-Road Engines and creating a rebate program for the purchase of electric or zero-emission engines. They also object to certain changes that would happen if this proposal would pass:

- Change the definitions of "direct emissions" and "indirect emissions" to include combustible heating and transportation fuels,
- Allow the Commissioner to establish sector specific greenhouse gas emissions sub targets,
- Empower the Commissioner to establish sector specific regulations for the purpose of reducing "direct" and "indirect" emissions,
- Require the DEEP Commissioner to conduct an evaluation of the replacement of fossil fueled electricity-generating units with non-emitting energy or energy storage, and
- Mandate Municipal Utility companies to issue an annual report on their greenhouse gas reduction process.

Several people testified or sent in testimony in Opposition to SB 1145. They object to shifting authority from the legislature to DEEP.

Christian Herb, President, CEMA

Donna Hamzy Carroccis, Chief Strategy Officer, CCM

Lee D. Hoffman, Environmental Attorney, Pullman & Comley, LLC

Jim Perras, CEO, Home Builders & Remodelers Association of CT

Valerie Stolfi Collins, Executive Director, Connecticut Recreation & Parks Association

Gerald Richard, Connecticut Resident

Erik Cafarella, Connecticut Resident

Reported by: Judith Ganswindt

Date: April 3, 2023

