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**TESTIMONY OF ENVIRONMENT NORTHEAST
TO THE FINANCE COMMITTEE
S.B.484 AAC THE GOVERNOR'S REVENUE PLAN**

March 22, 2010

Good morning Senator Daily, Representative Staples and members of the Committee. My name is Jessie Stratton, Director of Government Relations for Environment Northeast (ENE). ENE is a non-profit research and advocacy organization that focuses on energy, air quality and climate change solutions for New England and Eastern Canada. ENE appreciates the opportunity to provide testimony to the Finance Committee in opposition to S.B. 484 AAC The Governor's Revenue Plan.

First and foremost, I want to applaud you and others in the General Assembly for repeatedly rejecting calls to divert electric ratepayer monies for use to help balance the state's budget. And not surprisingly, I am here today to ask you to once again reject such a transfer of non-state revenues and to restate the numerous reasons that enactment Sec 1 of SB 484 would be counterproductive.

First, CT electric consumers -- businesses and residents have saved more than \$500 million a year on their energy bills as a result of the measures that have been funded by these programs over the last twenty years -- that is an average of four dollars for every dollar invested. Yes, CT's electric rates are very high but everyone's bills are lower than they would have been without these programs.

Second, while we have always known that many jobs in delivering energy efficiency services were created as a result of these investments, it was not until ENE undertook an in depth analysis last year, that we fully understood the much broader job growth that is supported when the money Connecticut consumers save on their energy cost is spent on goods and services in the state rather than sent to Louisiana or overseas to buy fossil fuels for electric generation. My colleague, Jamie Howland, who authored our report has testified in greater depth about the significant macroeconomic benefits of energy efficiency investments. The full report, Energy Efficiency: Engine of Economic Growth, is on our website (www.env-ne.org).

Third, energy efficiency investments have eliminated the need for the equivalent of a 595 megawatt power plant. Obviously that also eliminates significant emissions that contribute to global warming as well as Connecticut's ozone non-attainment status. DEP has estimated the cost of non-compliance as about \$450 million a year -- energy efficiency measures are the cheapest way to achieve the NOx emission reductions that would otherwise have to come from tighter regulation of other major emission sources.

Lastly, Connecticut has historically led the nation in its commitment to energy efficiency and our programs have often been oversubscribed. Our neighboring state of Massachusetts recently adopted a three year plan that will increase that state's investment in energy efficiency by 287%. The repeated threats to Connecticut's programs undermine the confidence of potential customers – particularly business and commercial ones – and perhaps more importantly, the efficiency service providers who understandably debate whether they would be better off moving north where there is a strong commitment to not only maintaining, but expanding, these program investments. In addition, as I am sure you appreciate, the future ability to fund worthwhile efforts through a dedicated funding source is severely impacted as citizens rightfully wonder whether those funds will later be “raided” for some other un-related purpose.

In sum, while I do appreciate the very difficult choices you are faced with in addressing the state's economic circumstances, and further recognize that there are likely to be negative impacts of some of the actions you will have to take, we would urge you to evaluate and make those choices in ways that at least do the least harm. Energy efficiency investments save all consumers money, support thousands of jobs, grow the state's economy and make it more competitive while also providing the least cost way to meet our environmental goals. These investments essentially provide a “no cost” stimulus to the state's economy - and as such are a part of the solution to our economic and environmental challenges.

To put it simply, **energy efficiency helps secure Connecticut's future, S.B. 484 “securitizes” that future.** Thank you for the opportunity to testify on this proposal.

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