

Connecticut's Energy Future

Energy needs—how they will be met and at what cost economically and environmentally—are at the forefront of international, national and local policy debate.

Given the particularly high cost of energy in Connecticut that debate is not new to the state. Recent dramatic price increases and their impact on Connecticut consumers—from households, to business, to state and local governments—has lent a new urgency to it.

In addition, we have become increasingly aware that our energy consumption is one of the major contributors to global warming. Obviously the impacts of global warming are universal and will affect different regions differently. The Union of Concerned Scientists reported in *Confronting Climate Change in the U.S. Northeast* if global warming emissions continue to grow unabated, Connecticut can expect dramatic changes in its climate. Rising temperatures and sea levels will have an adverse effect on our state's tourism, agricultural, and industrial sectors. Therefore, any plans regarding Connecticut's energy future must also consider the repercussions that energy choices will have on climate change and the future our children inherit.

There are a number of factors that contribute to Connecticut's high energy costs. The most significant is the fact that most of our state's energy generation relies on imported fossil fuels—specifically oil and natural gas—and the world-wide demand for both has caused prices to rise dramatically. In addition, a shortage of sufficient transmission capacity in the southwest corner of the state resulted in the imposition of the federal government's "congestion charge" on Connecticut customers. The mandated federal congestion charge will remain until sufficient generation and transmission capacity is in place to meet peak demand.

State lawmakers, regulators, and utilities worked together to address the congestion issues, and now new transmission lines are being built and new "peaking" power plants await approval.

However, it was the landmark legislation enacted in 2007 (PA07-242), that dramatically changed Connecticut's energy policy and approach. The most important change the new law made was the requirement that Connecticut Light and Power (CL&P) and United Illuminating (UI), the two major utilities responsible for purchasing and distributing power to most of the state's consumers, invest in all cost effective efficiency measures before purchasing additional generation.

The historic law also greatly expanded funding mechanisms for Connecticut's energy efficiency programs, widely considered among the best in the nation. These programs are largely funded by a surcharge on CL&P and UI ratepayer bills, and include opportunities for free energy audits, rebates, tax-credits, grants, and low-interest loans to benefit all types of customers—from residential to commercial to industrial. Program highlights are contained in the Consumer Guide pages that follow.

Efforts to publicize the success of these programs, together with increased concerns about climate change and rising energy prices have created a measurable demand for the state's efficiency programs. And that's good news! Helping homeowners, businesses, and local governments conserve energy saves money, reduces greenhouse gas emissions, and lessens the need for additional electric generating and transmission facilities.

Experts agree that for every \$1 spent on efficiency up to \$4 is saved in energy costs. Yet, despite the many benefits of Connecticut's expanded energy efficiency programs, at time of publication, many are concerned that funding for these popular programs may be in jeopardy. In recent months, state regulators have been reluctant to authorize any additional monies to fund nearly oversubscribed programs, and utility companies are fearful that they may have to halt projects because of overspending and budget constraints. Both parties agree they need to find the right

balance between continuing to keep these helpful programs available, and costs to the ratepayer—and neither wants to discourage people from conserving energy.

Connecticut has taken significant steps to promote energy efficiency and the use of renewable energy. Our state residents and businesses have heard the message of conservation loud

and clear. Recognizing the state budget challenges that lie ahead, we must encourage our Governor and lawmakers to fight the urge to turn back the clock on an environmentally and economically secure energy future. Connecticut's energy consumers must make sure that our state leaders remain committed to funding energy conservation and efficiency programs at levels that meet the ever-growing demand.

For every one dollar
invested in efficiency,
the results are \$4 in
cost savings.
