

THE PROBLEM

High energy prices have driven demand for EnergizeCT's energy efficiency program to historic highs, but the program is facing a \$40 million budget deficit, which will have the following consequences:

- Fewer families will have access to energy-efficiency programs that reduce energy bills and improve health and comfort.
- Layoffs of skilled workforce trained with CT funding.
- Almost half of the deficit will be felt by low-income residents who need it most.
- CT will fall further behind meeting its legislated climate and weatherization goals.

BACKGROUND

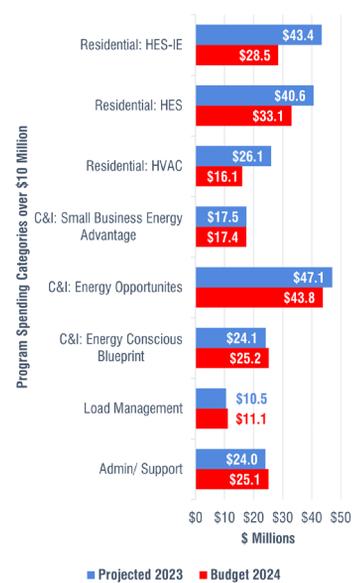
EnergizeCT's efficiency programs are long term investments for Connecticut residents and businesses to reduce their utility bills and associated carbon pollution.

- Every \$1 invested in efficiency results in \$2.35 in lifetime benefits, which means fewer residents need to rely on ratepayer-funded hardship programs and other state assistance programs.
- The main funding mechanism supporting EnergizeCT is a fixed on-bill charge which has been eroded by inflation and has failed to keep up with increased program demand brought on by high energy bills.
- The program is the sole vehicle for the state to meet its climate pollution reduction goal for Connecticut's building stock and its goal of weatherizing 80% of residential units by 2030.
- The program is a key lever to redress deep-seated inequities in housing quality and affordability.
- Massachusetts funds their energy efficiency programs at twice the rate per capita.



Program Budget Comparison

* as of 1/2/2024



Above: Funding and spending differences between 2023 -2024. Notice the biggest cuts are in residential programs, especially for income eligible (HES-IE)

LEGISLATIVE PROPOSAL

The EnergizeCT program needs an emergency injection of at least \$40 million to maintain its current level of families and businesses served, and to avoid painful and disruptive layoffs.

- In 2017, the legislature diverted \$147 million in ratepayer energy-efficiency to balance the state's budget. This diversion is a major cause of the deficits being experienced today.

In the 2024 legislative session:

- The legislature should restore the \$147 million beginning with a general fund appropriation of at least \$40 million in this fiscal year.
- Beyond this short-term injection, the legislature should continue to repay the diverted funds, and consider measures to provide stable funding for EnergizeCT and to ensure that the program is adequately funded to meet the state's climate and weatherization goals.

