Why Raiding Connecticut's Energy Efficiency Fund Is a Bad Idea

June 19, 2017

Connecticut's General Assembly has closed its legislative session for the year, but still has the state's budget to negotiate and vote on in the coming weeks. Legislators are leaving no stone left unturned as they try to balance the two-year budget, but one option proposed by the Senate Republicans should NOT be up for consideration: sweeping $136 million over the next two fiscal years from utility ratepayer-funded Connecticut Energy Efficiency Fund.

This move would put those dollars into the state's General Fund, which in reality would impose a new energy tax on consumers. Energy efficiency programs are funded primarily through a small charge on electric and natural gas bills, not by any state taxes. These funds are an investment by utility consumers in energy efficiency programs. Redirecting these funds to the General Fund would take money collected from ratepayers for a specific use and give it to the state — creating an energy tax on ratepayers at the expense of cost-saving, job-boosting programs.

A raid of the Energy Efficiency Fund would cripple Connecticut's clean energy economy. A 2017 U.S. Department of Energy report found that Connecticut's efficiency programs created nearly 34,000 jobs. We would see immediate job losses if proposed cuts were enacted. These job losses, combined with lost bill savings, would be felt statewide, as about $930 million in Gross State Product would be lost. That's new economic growth Connecticut sorely needs.

In the end, a $136 million cut to our energy efficiency programs to help fill an unrelated state deficit will set Connecticut's clean energy economy back for years and transform a prudent investment with a strong return on investment for ratepayers into a harmful energy tax. OCC is working to urge members of the General Assembly to reject this transparent budget gimmick. Connecticut's consumers deserve better.

Please visit OCC's website.