

Governor Ned Lamont State of Connecticut



FACT SHEET 2023 Legislative Session

SENATE BILL 979 AA PROMOTING ENERGY AFFORDABILITY, ENERGY EFFICIENCY AND GREEN CITIES

The Problem

Connecticut residents and businesses are experiencing high energy prices due to international conflict and extreme weather. Governor Lamont is proposing reforms that will make our homes and buildings more affordable to heat and cool; increase energy independence by improving clean energy access in the New England electric grid; and expanding tree canopies in communities vulnerable to extreme heat.

Governor Lamont's Solution

Transmission

Many of the lowest cost and most efficient future clean energy resources—such as hydropower and offshore wind--are inaccessible due to adequate transmission infrastructure. To obtain the most cost-effective renewable energy resources, we must build out needed transmission. Upgrades to existing transmission lines are needed to better integrate clean energy resources already under development.

This bill will extend DEEP's authority to procure competitively electric transmission services and infrastructure to secure more affordable, clean energy for the grid, enabling the State to better take advantage of competitive federal funding for transmission. Consistent with other DEEP clean energy procurement statutes, the bill makes clear that any selection would have to be approved by PURA. Notably, this proposal should help Connecticut secure significant financial incentives through the federal Infrastructure Investment and Jobs Act for to build out and upgrade electric transmission systems.

Home Energy Labels

For many Connecticut residents, energy bills are the highest annual housing cost aside from mortgage or rent. And the lowest income households bear the highest burdens. According to the U.S. Department of Energy, the average household earning 60 to 100% of state median income spends more than 5% of its income on energy bills; the average household between 30-60% spends more than 9%, and the average household below 30% spends more than 20%. Those energy burdens increased during the COVID-19 pandemic. More hours at home and a more precarious economy forced energy consumers more than \$600 million into arrears.

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Energy bills can be particularly severe for renters, who have no way of estimating what energy costs will be in a new apartment and few opportunities or incentives to invest in even the small renovations that can make an apartment much more energy efficient. Imagine renting a modest, two-bedroom home within your means, only to find that the winter heating bills are over \$500 per month. Unexpectedly high energy bills can force tenants to fall behind on rent and lead to utility shutoffs, which are one of the primary causes of homelessness in the United States. Affordability challenges are heavily concentrated in communities with access to fewer resources.

This bill would require landlords to provide a home energy label when they list homes or apartments for rent. This label is likely to increase the energy efficiency of the state's housing stock over time by making energy efficiency visible to the housing market. Renters also will be able to make better-informed financial choices. The home energy label disclosure requirement for landlords would be phased in over four years, starting with residential buildings in those municipalities whose residents have the highest energy burden. Energy burden means a percentage of average percentage of gross household income spent on home heating and electricity costs.

Decarbonizing Home Heating

Energy efficient and low-carbon options for the home continue to grow. Rebates and tax incentives expected from the Inflation Reduction Act could incentivize Connecticut residents to replace older technology with decarbonized options like heat pumps. It's critical for our home HVAC workforce to be up to date on the latest technology.

This bill would require electricians and plumbers to include some hours on non-fossil-fuel, non-electric-resistance technologies in their next round of continuing education, without increasing the number of hours. For HVAC professionals, the proposal requires a one-time, light-touch education opportunity on the same topic before the professional is next relicensed. For all of these categories of workers, approved manufacturer certifications would satisfy the requirements.

Stretch Codes

Current Connecticut law requires uniformity in its building code among all municipalities, an efficient policy that enables uniformity across the state. However, the federal Inflation Reduction Act offers funding for municipalities that adopt and implement "stretch" building codes, which provide for greater energy efficiencies than standard building codes.

This proposal empowers municipalities to adopt a "stretch" building code that requires greater energy efficiencies and incorporation of renewable energy for buildings than the statewide building code does. Unlike prior years' proposals, a municipality may only look to the zero energy provisions of the International Energy Efficiency Code, an established high efficiency code, if it seeks to institute efficiencies beyond the current State Building Code. Municipalities may adopt a building code that includes zero energy residential or commercial building provisions. This proposal will allow Connecticut's municipalities to take advantage of federal funding to support adoption of stretch codes. It will also increase the energy efficiency of new

construction and large renovation projects thereby reducing long-term operational costs for Connecticut residents, and reduce greenhouse gas emissions, helping to meet Connecticut's climate goals.

<u>Urban Tree Canopy</u>

Currently, Connecticut's low-income communities have significantly less tree cover than higher income neighborhoods. The state has some of the worst disparities in income, tree cover, and temperature in the nation. Lack of tree cover contributes to a "heat island effect" that can expose vulnerable populations to high temperatures during heat waves, a growing concern as climate change accelerates. The benefits of urban tree canopies include improved air and water quality, improved health outcomes for urban populations, protection of biodiversity, and temperature reduction. Temperature is only expected to increase with climate change.

The Governor seeks to eliminate the state's disparity in tree cover by making adequate tree coverage in low-income communities a policy goal of the state. This proposal calls for an increase of urban tree canopy coverage by 5% by 2040 in environmental justice communities. Adopting this target would achieve DEEP's Urban Forestry canopy cover goals and implement the recommendation of the Policy on Resilient Forests for Connecticut's Future (PRFCT Future) Working Group.