Proposed Budget Raid Would Cost Connecticut Jobs, Economic Growth and Consumer Trust

HARTFORD, CT — A budget proposal released late yesterday by Senate Republicans would divert $160 million annually from Connecticut’s award-winning energy efficiency programs over the next two fiscal years—a staggering 64% cut in ratepayer funding levels that would devastate energy efficiency services for all residents and businesses. If enacted, a raid of this severity would cause significant and immediate job losses in Connecticut’s energy efficiency sector, deprive many consumers—especially residents with low or fixed incomes—of their best protection against high energy costs, stall Connecticut’s efforts to reduce carbon pollution and other air pollution, and force the state’s struggling economy to bear the increased burden of costly energy waste and higher grid infrastructure costs.

“This shortsighted budget proposal would effectively end Connecticut’s energy efficiency programs for the next two years, and perhaps beyond,” said Bill Dornbos, CT Director & Senior Attorney for Acadia Center. “Cost-effective energy efficiency is at the center of any modern clean energy strategy, and so this troubling cut would be a needless step backwards for Connecticut, almost certainly crippling the emerging clean energy economy that will be so crucial to our future.”

Evaluated annually for cost-effectiveness by state regulators, Connecticut’s energy efficiency programs, also known as its Conservation & Load Management programs, have produced significant economic, public health, and environmental benefits for almost two decades now. Energy efficiency investments made in 2016, for instance, will save consumers approximately $961.8 million in lifetime bill savings, meaning every $1 invested in energy efficiency will save another $3.89 on utility bills. Energy efficiency, which replaces imported fossil fuels with in-state labor, also creates local jobs, and the 2016 investments alone generated approximately 12,000 jobs in Connecticut’s energy efficiency sector. The 2016 investments will also help protect public health and the environment, reducing carbon pollution by 3.3 million tons, SOx pollution by 2,916 tons, and NOx pollution by 1,556 tons.

“Labeling these productive energy efficiency investments as ‘taxes currently paid on energy bills’ does a real disservice to the thousands upon thousands of people and businesses that they help each and every year. This funding is how the state’s utility companies procure the lowest-cost energy resource, efficiency,” said Dornbos. “The irony here is that raiding these electric ratepayer funds for the General Fund deficit actually does create the very electricity tax that some claim as the justification for this harmful proposal.”

For more on the performance of Connecticut’s energy efficiency programs, please see the most recent Annual Legislative Report issued by the Connecticut Energy Efficiency Board. Acadia Center currently serves as the Vice Chair of the Energy Efficiency Board and has been an appointed member since the Board’s creation in 2000.

For more on the jobs and economic growth generated by cost-effective investments in energy efficiency, please see Acadia Center’s report, Energy Efficiency: Engine of Economic Growth.