

March 5, 2020

Co-Chair Norman Needleman
 Co-Chair David Arconti
 Senator Paul Formica
 Representative Charles Ferraro

Energy and Technology Committee:

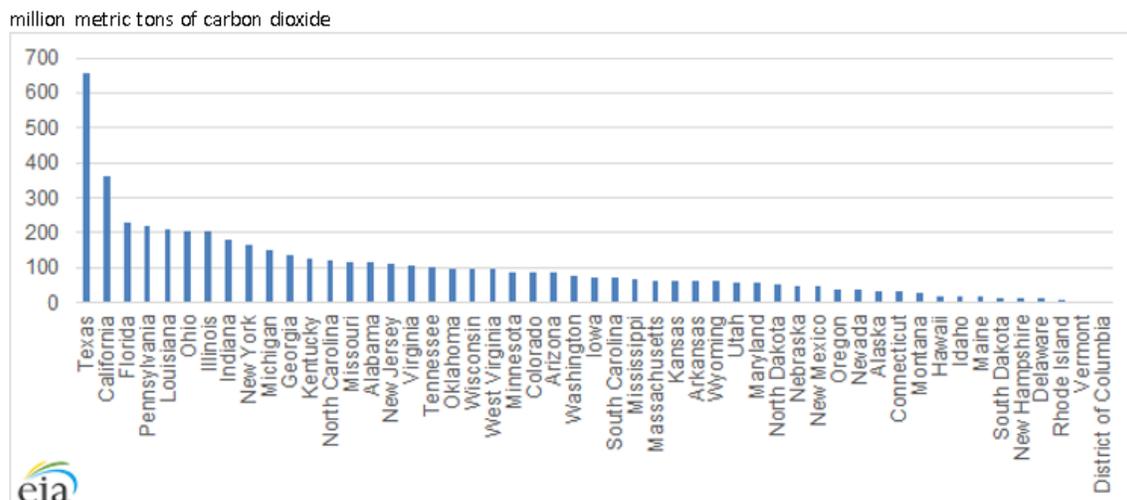
We are submitting testimony in opposition to S.B. 10, AN ACT CONCERNING CERTAIN RECOMMENDATIONS REGARDING CLIMATE CHANGE.

The Connecticut Energy Marketers Association (CEMA) represents 576 energy marketers primarily engaged in the sale and distribution of home heating oil/Bioheat®, propane, diesel fuel and gasoline in Connecticut. CEMA members employ over 13,000 people in our state and sell approximately 400 million gallons of heating fuel and 1.6 billion gallons of gasoline annually.

Section one of the bill would adopt California’s medium and heavy-duty vehicle emission standards in advance of the Environmental Protection Agency’s (EPA) efforts to adopt a nation-wide low NOx standard. Connecticut should not race ahead of the federal government and put local businesses at a disadvantage when competing with others in adjacent states where the more expensive standard does not apply.

The advantage of having Connecticut cede authority to EPA on this issue is twofold - 1. It creates a level playing field in a very competitive interstate market where lower cost states in our area can quickly take business from Connecticut based operators, leaving us with higher emissions from those out of state operators and 2. The only way to effect measurable emissions reductions is to do it on a national and global level. Connecticut’s contribution to Nox and other emissions are so low that it will have no impact on climate (see EIA chart below).

Figure 1. Energy-related carbon dioxide emissions by state, 2016



Source: EIA, State Energy Data System and EIA calculations made for this analysis.

Governor Lamont's Executive Order #3 requires the Department of Energy and Environmental Protection (DEEP) and the Public Utility Regulatory Authority (PURA) to investigate ways to achieve zero emissions. While we believe that it is unwise to transition the entire economy to electricity, it is imperative that every effort is made to fully understand the what the costs will be to do so.

Renewable thermal technologies (RTT's) like heat pumps and electric vehicles (EV's) will require us to add nearly 11,000 MW of zero emissions electricity to the grid, not to mention converting our current generation of nearly 9,000 MW to renewable generation.

- **Convert all motor vehicles to EV's: +2,736 MW**
- **Convert all fossil fuel heating to heat pumps: +8,127 MW**
- **Total new capacity: +10,863**
- **Current grid capacity: 8,904**
- **We need to increase grid capacity by 221%**

This will cost ratepayers billions of dollars to accomplish, therefore the Governors Executive Order and its directive for DEEP and PURA to analyze how to move to zero emissions electric generation and understand how much it would cost, is a better way to proceed. Before Connecticut increases what are already the highest electric rates in America, policy makers need to know a lot more before moving forward. S.B. 10 puts the "cart before the horse" and should be shuttered so that the regulators can do the work that Executive Order #3 requires in the best interest of ratepayers and the environment.

Demand control strategies like conservation and the use of clean renewable low emissions biodiesel (opposed to electric heat pumps) produced in New Haven is another option for home heating that reduces the need for public investment in zero emissions electric generation. Ratepayers will be responsible for the stranded costs of abandoning current natural gas generation, upgrading transmission to accommodate the exponential increase in demand for electricity (by EV and heat pumps), and the upgrades that homeowners will need to make to transition to all electricity for the heating and transportation needs.

For all of these reasons, CEMA asks that the Energy Committee oppose S.B. 10, AN ACT CONCERNING CERTAIN RECOMMENDATIONS REGARDING CLIMATE CHANGE.

Respectfully,



Christian A. Herb
President