

# Environment Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-884

**Title:** AN ACT REDUCING TRANSPORTATION-RELATED CARBON EMISSIONS.

**Vote Date:** 3/31/2021

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/8/2021

**File No.:**

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## **SPONSORS OF BILL:**

Rep. Mary M. Mushinsky, 85th Dist.  
Rep. David Michel, 146th Dist.  
Rep. Geraldo C. Reyes, 75th Dist.  
Rep. Joshua M. Hall, 7th Dist.  
Rep. Caroline Simmons, 144th Dist.  
Rep. Anthony L. Nolan, 39th Dist.

## **REASONS FOR BILL:**

Climate change is here now and is a threat to Connecticut's infrastructure, environment and economy. Greenhouse gas (GHG) emissions are the primary cause of climate change, leading to more severe weather and flooding. The transportation sector is the largest source (38%) of GHG emissions in Connecticut. Transportation accounts for 67% of nitrogen oxide, a leading component in of smog (ground-level ozone). These pollutants effect the citizens of Connecticut, and especially those in communities overburdened by transportation sector pollution.

Substitute Language – LCO No. 6199

SB884 Section 1(f) removed "Equity Advisory Board" and replaced with "Equity and Environmental Justice Advisory Board" and minor language changes.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

### **Katie Dykes, Commissioner, Department of Energy and Environmental Protection.**

The Transport and Climate Initiative Program (TCI-P) is a bipartisan regional collaboration to cap and reduce greenhouse gas (GHG) emissions from on-road transportation, gas and diesel vehicles, and increase funding to equitable, cleaner and improved transportation system. Connecticut will invest over in \$1 billion in clean transportation over the next decade. More than a third of the investment is directed at communities that are underserved by transportation systems and overburdened by transportation sector pollution.

### **Garrett Eucalitto, Deputy Commissioner, Department of Transportation**

SB884 requires a cap on carbon dioxide (CO<sub>2</sub>) emissions from gasoline and on-road diesel and require wholesale fuel suppliers to purchase "allowances" at auction to cover emissions from those fuels. TCI-P guarantees at least 26% in carbon emissions from transportation between 2022 and 2032. Projected generated revenues of \$89 million in 2022 and \$117 million in 2032.

SB884 addresses the inequitable impact of past infrastructure funds that split communities, increased vehicle emission lead to increased poor air quality. The bill establishes a committee of equity and environmental justice advocates helps effective targeted funds.

### **David Lehman, Commissioner, Department of Economic and Community Development**

Transportation Climate Initiative Program (TCI-P) is a market mechanism, caps carbon dioxide (CO<sub>2</sub>) emissions for gasoline and on-road diesel fuel and requires wholesale fuel suppliers to purchase "allowances" to cover tailpipe emissions from gas and on-road diesel. Revenue raised through auctions benefits Connecticut through investment in green transportation and improvements in infrastructure.

## **NATURE AND SOURCES OF SUPPORT:**

### **Ruth Canovi, Director, Advocacy, American Lung Association in Connecticut**

The American Lung Association released a report titled "The Road to Clean Air" in September 2020 that demonstrates cost savings and potential health costs. American Lung Association supports people from the harm of air pollution with respect to people with disproportionate exposure of local sources. Frequently many of those exposed to air pollution are in communities of color with lower incomes. People in these communities have greater exposure to lung disease. TCI-P funds and investment reduce burdens of transportation pollutants assist Connecticut's most impacted communities.

**Louis Rosado Burch, Director, Citizens Campaign for the Environment**

Combustion of fossil fuels is a major contributor to climate change. Combustion of fossil fuels cause harmful air emissions can contribute to asthma, heart disease and other pulmonary diseases. SB884 reduces carbon emissions, raises revenues to invest in infrastructure, invest in infrastructure, and invests in disadvantaged communities affected by air pollution and underserved transportation.

**Thomas D. Dorsey, Manager Legislative Affairs, Eversource Energy**

Eversource supports the Transportation and Climate Initiative Program (TCI-P) to reduce transportation emissions and associated greenhouse gases. TCI-P purpose is to reduce greenhouses in the region and invest in sustainable and clean transportation for the future. Eversource is a partner to work towards a cleaner future, as it aims to be carbon neutral by 2030. Eversource recognizes approximately 40% of greenhouse gas emissions come from the transportations sector and disproportionately affects certain communities. Eversource works directly with stakeholder to reduce greenhouse gases with support of electric utility infrastructure to support electric vehicle charging stations.

**Shubhada Kambli, Director of Sustainability, City of Hartford**

Consumer protections in TCI-P are important. The protection as adding allowances to prevent excessive cost increases and regular reviews by stakeholders to contain costs passed on to the consumer. SB884 includes environmental justice provisions to include fair labor standards, diverse hiring and workforce development. SB884 provides for an advisory body that contains diverse representation, responsibilities and significant agency to construct the program. SB884 creates action for both climate change and environmental justice.

**Lori Brown, Executive Director, Connecticut League of Conservation Voters**

TCI-P is necessary to address climate change, cleaner air and improved infrastructure in Connecticut. SB884 legislation seeks input from low-income and other marginalized communities to address equity and environmental justice issues.

To comply with Connecticut's Global Warming (GWSA) standards, the state must reduce greenhouse emissions by 45% below 2001 standards and 80% by 2030. TCI-P provides a solution to address climate goals, provides net benefits to the economy, public health and infrastructure.

*The Environment Committee received more than 100 testimonials in support of SB884.*

**NATURE AND SOURCES OF OPPOSITION:**

**Michael J. Fox, Executive Director, Gasoline & Automotive Service Dealers of America**

The governor states TCI-P will not amount to more than \$.05 per gallon and retail gas prices are low. From January 2020 to March 2021 gas prices increased across the state by \$.18

per gallon. Fuel prices are set to increase in the future. Taxes collected for the special transportation fund (STF) are being collected and not used for their intended purposes, even the raid on fund allocated to the STF. Taxpayers want the truth on how the much the tax will cost, how the funds will be spent and where, the taxpayer and members have learned from the past behavior from the legislature.

**Lucian Pugliaresi, President, Energy Policy Research Foundation, Inc.**

TCI-P will have no measurable result on either the local or global level. These actions are likely to be ineffective and wasteful. The required scope for implementation of energy transition is at the national and global level. TCI-P will raise fuel prices, possibly substantially, on those in recovery from the pandemic.

**John Sculley, President, Motor Transport Association of Connecticut**

Industry does not object to paying fees and taxes when the revenues are assessed equitably. Revenue generated will be spent on highways, roads and bridges industry needs for its work. History is not on the state's side, TCI-P revenue will not be spent where it needs to be spent. The transport industry has a strong environmental record over more than twenty years and leads to the opposition of TCI-P.

Consumers will bear the burden of TCI-P as the Lamont administration is claiming only a \$.05 per gallon increase to reduce emissions by 26%. Previously in order to achieve a 25% reduction in emissions, consumers could expect a \$.17 per gallon increase. The cost of fuel raise will be made by a new interstate bureaucracy composed of unelected officials.

**Adam Raniolo, President, Hometown Gas Stations**

Connecticut has the high gas and excise tax in New England. Additional taxes to struggling businesses due the pandemic will cause many small businesses to close or reduce employment. Customers will also be hurt as many are unemployed or have had their salaries reduced. Many have just enough money to fill the tank with enough fuel to get to work and do not have the money for an electric vehicle. The cost of electricity is very high and the electric grid cannot handle the added electric vehicles.

**Hollene Gohn, Resident, CT**

In the middle of a pandemic, people are suffering financial hardships. Electric rates are high and there is no accountability of Eversource. Businesses have been shuttered and the state wants to impose a gas price hike now. This will cripple and individuals and businesses.

*The Environment Committee received more than 1800 testimonials in opposition to SB884.*

**Reported by: Steve Smith**

**Date: 4/12/2021**