

# OFFICE OF FISCAL ANALYSIS

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sSB-301

## AN ACT CONCERNING ENERGY EFFICIENCY STANDARDS AND GRANTS FOR RETROFITTING PROJECTS.

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### **OFA Fiscal Note**

#### **State Impact:**

| Agency Affected       | Fund-Effect    | FY 25 \$  | FY 26 \$  |
|-----------------------|----------------|-----------|-----------|
| Treasurer, Debt Serv. | GF - See Below | See Below | See Below |

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill (1) makes a variety of changes to existing energy efficiency standards, (2) permits the Department of Energy and Environmental Protection (DEEP) to adopt energy standards, (3) expands DEEP's multi-housing retrofit pilot program by allowing it to offer grants in addition to loans resulting in a cost to the state.

**Section 1** of the bill makes a variety of changes to energy efficiency standards that have no direct fiscal impact on the state.

**Sections 2 & 3** make several changes to the multi-housing retrofit pilot program. It delays various program start and end dates by one year, including delaying the effective date of \$75 million of General Obligation (GO) bonds for the program from FY 25 to FY 26.

A \$50 million bond authorization for the program that became effective in FY 24 remains unchanged. A delay in the debt service costs is possible, to the extent that the existing \$50 million authorization and a portion of the additional \$75 million authorization would otherwise have been allocated before FY 26.

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The bill also allows up to \$20 million of the bonds to be used for grants, in addition to the loans allowed under current law. This could result in increased or more rapid use of funds authorized for the program.

The program is funded through General Obligation (GO) bond funds. Future General Fund debt service costs may be incurred at a different rate to the degree that it causes authorized GO bond funds to be expended at a different pace than they otherwise would have been. As of March 1, 2024, the unallocated bond balance available under the relevant authorization is \$50 million.

### ***Ratepayer Impact Statement<sup>1</sup>***

This bill contains provisions that have a potential impact on ratepayers. The new energy efficiency standards imposed in section 1 results in savings for some ratepayers. Section 2 and 3 reduces barriers to funding by permitting grants as well as loans and would result in savings for some ratepayers to the extent grants are distributed.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the terms of any bonds issued.

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<sup>1</sup> The state and municipalities are ratepayers and there may be impacted by policy changes that affect electric rates