

CLIMATE & CLEAN ENERGY LEGISLATIVE PRIORITIES: 2018

Acadia Center • Audubon Connecticut • Center for Energy Security Solutions • Connecticut Citizen Action Group • Citizens Campaign for the Environment • Clean Water Action • Connecticut Fund for the Environment • Connecticut League of Conservation Voters • ConnPIRG • Connecticut Roundtable on Climate and Jobs • Consumers for Sensible Energy • Environment Connecticut • Northeast Clean Energy Council • Renew Northeast • Save the Sound • Sierra Club • Solar Connecticut • The Nature Conservancy • Vote Solar

Connecticut faces two fundamental challenges: First, the need to strengthen our economy through generation of revenue and well-paying jobs for the state; and second, a need to slash greenhouse gas emissions in all sectors of our economy to stem the impacts of climate change. A policy framework that will drive transformative change towards a clean energy economy will allow us to tackle both of these challenges. The solutions needed to combat climate change can and will help save money and grow jobs, and help Connecticut out of its ailing budget problems.

The good news is that Connecticut has a proven track record of leadership when it comes to climate action and green-economy innovation. The bad news is that the state is at a crossroads for progress. Connecticut's greenhouse gas (GHG) emissions have been rising for the last few years, not falling. Worse yet, in 2017 the legislature further endangered our progress by raiding tens of millions of dollars of clean energy and energy efficiency funds, which are critical for programs that reduce our emissions, lower electric bills, and create thousands of jobs. We need to stop this regression and take decisive steps to scale up access to renewable energy and energy efficiency for our residents, businesses and government.

There are four steps on the path to climate action that Connecticut legislators can take in 2018 to help ensure we meet the 2020 and 2050 emission mandates.

- First, commit to timely targets for GHG reductions that ensure accountability;
- Second, bolster strategic investment and asset protection of energy efficiency and clean energy. Because the cheapest and cleanest energy is the energy you don't use;
- Third, ramp up renewable resources. There are several parts in this step, but two major components include expanding the Renewable Portfolio Standard and removing barriers to the rapid deployment of renewable energy; and
- Fourth, cut fossil fuel use that contribute to climate change. This means reducing reliance on natural gas, not expanding it; and slashing emissions from transportation by electrifying our cars and trucks.

I. ENSURE ACCOUNTABILITY IN CLIMATE CHANGE PLANNING

GLOBAL WARMING SOLUTIONS ACT

PROBLEM: Science-based determinations that we must drastically reduce carbon emissions to avoid catastrophic consequences of climate change led Connecticut to pass the Global Warming Solutions Act (GWSA) in 2008, which requires Connecticut to reduce greenhouse gas emissions, setting targets for 2020 and 2050. Today, Connecticut is at risk of missing the 2020 commitment. In fact, greenhouse gas emissions (GHGs) for Connecticut have reversed course and actually have risen 7.5 percent from 2012 to 2015 and are expected to do so again in 2016.¹

¹ Acadia Center, Updated Greenhouse Gas Emissions Inventory for Connecticut, June 13, 2016 available at <https://www.documentcloud.org/documents/3234855-Acadia-Center-CT-GHG-Emissions-Inventory-Report.html>.

SOLUTION: Amendments to the GSWA will set a new interim GHG reduction target for 2030 – requiring a 45% reduction below 2001 emissions levels by 2030, as recommended by the Governor’s Council on Climate Change (GC3). This interim target will help ensure Connecticut meets the required reduction in climate change pollution by 2050. Additionally, changes would require state entities to take climate change impacts into consideration when making planning and policy decisions.

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PLANNING FOR SEA LEVEL RISE

PROBLEM: Sea level rise is a well-established impact of a warming planet due to expanding warming oceans and melting ice currently trapped on land. Public Act 13-179 required various State and municipal planning processes to consider the effects of sea level change scenarios that NOAA had published in 2012, and required UConn’s Marine Sciences Division to periodically update those scenarios. For the past year, UConn’s Connecticut Institute for Resilience & Climate Adaptation (CIRCA) has been analyzing, updating, and applying these scenarios to Long Island Sound. CIRCA is now recommending that Connecticut plan for 50cm (20 inches) of sea level rise by 2050, and cautions that it is likely that sea level will continue to rise after that date.

SOLUTION: Legislation to ensure that statutory planning requirements regarding sea level rise reflect the most accurate and appropriate scientific information possible, and properly prepare Connecticut for sea level rise.

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FIX RATEPAYER IMPACT STATEMENT

PROBLEM: A harmful provision included in Public Act No. 17-144 (an otherwise beneficial clean energy bill) was enacted requiring the Office of Fiscal Analysis (OFA) to prepare a ratepayer price impact statement for any bill before the General Assembly that would have a fiscal impact on electric ratepayers. The statement must assess whether the bill will have a significant direct financial impact on the "cost of electricity" for the majority of Connecticut ratepayers. While “costs” are required to be evaluated, nothing in the law instructs OFA to consider the fiscal “benefits” of proposed bills that impact electric ratepayers. Unless benefits (including life cycle costs/benefits) are accounted for, the OFA statements will result in an unfair, one-sided analysis of renewable energy and energy efficiency programs that may have a price impact, but will result in net-benefits for ratepayers and economy.

Solution: If OFA is going to be required to evaluate short-term cost impacts to ratepayers of new bill proposals, then they should also be mandated to evaluate long-term, life-cycle cost impacts and benefits of any proposed programs. This should include an evaluation of climate impacts (e.g. systemic health, and environmental effects

that impact climate change), including any proposal's impact on Connecticut's ability to meet mandated GHG levels under the GWSA.

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II. PROTECT INVESTMENTS IN ENERGY EFFICIENCY

ENERGY EFFICIENCY, CLEAN ENERGY & RGGI FUNDS

ISSUE: Energy efficiency and Green Bank funds -- which are generated by a small charge on electric and natural gas bills, some revenue from RGGI auctions, and from efficiency's value to the grid from energy savings -- reduce electricity bills for businesses and citizens, while helping the state meet climate change goals. Additionally these funds directly create tens of thousands of jobs in our state (both direct and indirect jobs from both the installation and the energy savings), educate and train clean energy workforce, and provide weatherization services to homes that result in energy bill savings. Yet despite these myriad economic and environmental benefits, the Connecticut General Assembly raided \$63.5 million from the Energy Conservation and Load Management Fund (CT Energy Efficiency Fund); \$14 million from CT Clean Energy Fund (Green Bank), and \$10 million from RGGI auction proceeds (some of which goes to Energy Efficiency Fund and Green Bank) from budget years 2018 and 2019.

SOLUTION: Protect the Energy Efficiency, Regional Greenhouse Gas Initiative, and Green Bank funds. These critical funds must be stabilized and protected through renewed support of Connecticut's national award winning residential and commercial Energy Efficiency programs and the Green Bank Financing programs. Energy efficiency and clean energy investments are critical to Connecticut's fiscal and environmental health.

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III. INCREASE RENEWABLES TO BUILD A SUSTAINABLE FUTURE WITH GREEN JOBS

RENEWABLE ENERGY PORTFOLIO STANDARD

PROBLEM: Renewable Portfolio Standard (RPS) policies require utilities to purchase an increasing percentage of electric sales from renewables. Connecticut's RPS, the state's primary driver of investments in renewables, does not set standards beyond 2020.

SOLUTION: Extend the RPS to require electric suppliers to gradually increase the source of energy they supply from Class I renewable energy sources to achieve at least 50% Class I renewable energy sources by 2030. A 50% by 2030 RPS target will help ensure that Connecticut’s emissions reduction goals under the GWSA are met. It will also add more jobs to Connecticut and New England and reduce reliance on natural gas, which will allow consumers to avoid volatile winter spikes in electricity prices, and it eliminates the need for expensive interstate pipeline infrastructure.

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COMMUNITY SHARED SOLAR

PROBLEM: Every Connecticut energy consumer, including those who rent, live or work in apartment buildings, or have unsuitable roofs, should have the option to choose clean, homegrown power from local community shared clean energy and access the resulting bill savings. Past legislation adopting a small shared clean energy pilot has limited development, and it’s time we correct course and put Connecticut families, businesses and municipalities in charge of their own power.

SOLUTION: Legislation to expand solar access to a broader group of energy consumers—including low and moderate-income families; businesses; and municipalities—through a full-scale community shared clean energy program. Specifically, a 200MW shared solar program, including a targeted policy and programmatic focus on serving low-income consumers and environmental justice communities, would allow all utility customers to have more equal access to clean energy while helping the state meet its RPS targets, creating jobs, and reducing climate pollution.

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VIRTUAL NET METERING

PROBLEM: Virtual Net Metering allows State, Municipal, and Agricultural customers to produce renewable power at one location and receive production credits to their meters at other locations within the same utility

district, allowing eligible groups to avoid siting constraints in making use of renewable energy such as solar power. Unfortunately this innovative solution is severely restricted in Connecticut since the current cap of \$10 million has already been met.

SOLUTION: Lift the current cap of \$10 million to expand access, especially for governmental users, as a means of relieving budget burdens through cost-effective adoption of renewable energy while advancing economic development, job creation and energy security.

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ZERO EMISSIONS RENEWABLE ENERGY CREDIT

PROBLEM: The Connecticut ZREC program requires utilities to procure Class I renewable energy credits (RECs) under 15-year contracts with owners or developers of renewable energy projects. The six year ZREC program was to expire at the end of 2017. Due to the lack of an approved successor to the ZREC program, the CGA last year approved a one year program extension through the end of 2018. There still is no successor program for ZRECs that complies with the state policy of a sustained, orderly, development of solar in Connecticut.

SOLUTION: Extend the ZREC program through 2020 contingent on CGA/PURA approval of a workable ZREC successor.

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OFFSHORE WIND EXPANSION

PROBLEM: The Northeast needs 6400 MW of offshore wind by 2030 to be on track to meet an 80% GHG reduction by 2050.² While neighboring states have made robust long-term commitments to offshore wind, Connecticut lacks a strategy to expand this important clean energy resource. In December 2017, Connecticut released a draft request for proposals to procure offshore wind resources up to the maximum amount allowed under legislation passed in June 2017. However, meeting the state's ambitious climate goals and enabling the replacement of retiring nuclear generating capacity with renewables will require an aggressive offshore wind mandate that includes provisions for maximizing in-state economic benefits.

SOLUTION: Increase Connecticut's authority to procure offshore wind, and mandate 1000 MW of capacity by 2030 and 2000 MW by 2035 (when the operating license of Millstone's Unit 2 expires). As part of the mandate, the legislature should require that offshore wind proposals describe plans for using skilled labor and apprenticeship programs registered in Connecticut to ensure that the economic benefits of offshore wind

² Acadia Center, EnergyVision 2030, available at <http://2030.acadiacenter.org/>

development accrue to Connecticut. To facilitate timely buildout of offshore wind, the legislature should also set a timeline for DEEP to solicit bids: 200 MW every 2 years through 2030 and 500 MW every 2 years after 2030.

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IV. CUT FOSSIL FUELS TO PROTECT OUR CLIMATE

CARBON PRICING

PROBLEM: Decarbonizing all sectors the Connecticut economy is critical to stopping the harmful impacts of climate change. Beyond electric generation, the cost of fossil fuels has not taken into account their negative health impacts and harm to our environment and climate.

SOLUTION: Attaching a price to carbon to account for its social costs will encourage the reduction of carbon emissions and help Connecticut meet its GWSA targets. Pricing carbon is one of the most effective ways to help accelerate our transition away from dirty fossil fuels toward renewable energy. Because the Regional Greenhouse Gas Initiative (RGGI) has effectively lowered carbon in the electric sector (without raising electricity prices and while generating economic benefits for the state), RGGI should be left in place to control the power sector carbon emissions, while allowing a statewide carbon pricing plan to cover other sectors like industrial and heating fuels.

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NATURAL GAS INFRASTRUCTURE

PROBLEM: Under Connecticut law, passed in 2015, the costs of new natural gas pipeline construction are to be paid through a pipeline tax added to monthly electric bills. This type of pipeline tax has been overruled by the Massachusetts Supreme Court and rejected by the New Hampshire Public Utilities Commission. CT DEEP recently canceled its natural gas request for proposals, referencing the excessive burden to CT ratepayers that paying for this infrastructure without the participation of other states would cause. But the law allowing ratepayers to foot the bill for any future natural gas expansion project is still on the books.

SOLUTION: Proposed legislation would fix this problem by protecting utility customers from being forced to subsidize the cost of interstate natural gas pipeline construction.

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ZERO EMISSION VEHICLES (ZEVs) AND ELECTRIC VEHICLES (EVs)

ISSUE: Transportation accounts for 43% of Connecticut's greenhouse gas (GHG) emissions, more than double the share of any other sector. Transportation is also the largest single source of other air pollutants in the country and is an obstacle to improving CT's air quality. Helping CT residents transition to cars that do not rely on dirty fuels is critical to stopping further damage to the climate and creating healthier communities. Electrification is also good for CT's economy, energy independence, and residents, who can free themselves from expensive gasoline purchases. But Connecticut has a long way to go before coming close to meeting its commitment under the Zero Emissions Vehicle Memorandum of Understanding to put 150,000 EVs on the road by 2025, and deliver the numerous benefits of electric vehicles to Connecticut residents.

SOLUTIONS: Key Policies to Boost EV Use in Connecticut, including:

- **Incentivizing Consumers to go Electric.** Despite the long-term cost savings that result from buying an EV, initial sales prices often deter consumers from choosing EVs. Consumer purchase incentives are critical to overcoming this barrier and ensuring widespread EV deployment. The Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) offers Connecticut residents rebates up to \$5,000 when purchasing or leasing certain eligible battery electric, plug-in hybrid electric or fuel cell electric vehicles. This is a fantastic program, but available funding is diminishing quickly. Institutionalizing this rebate program will give buyers security that funding will be available when choosing their next vehicle. Incentives should also be designed to increase environmental justice and equity. Low-income communities suffer disproportionately from health impacts related to air pollution from conventional cars, and would benefit most from electrification of our transportation sector. In order to make EVs a reality for all, Connecticut also needs an income eligible program that offers bigger rebates and rebates for used cars to customers in lower income brackets.
- **Allowing electric vehicle manufacturers to sell cars directly to in-state consumers.** Moving to a passenger fleet of ZEVs will improve health of Connecticut's residents and help the state meet climate change obligations, but to do this the state must remove parts of an old law that prohibits the direct sale of ZEVs/EVs. In addition to helping Connecticut meet GHG emission targets, allowing direct sales of EVs could help improve Connecticut's economy: each ZEV/EV center could create 10-25 new jobs and provide up to \$2 million in new sales tax, \$3 million in direct economic benefits, and \$5 million in indirect economic benefits. An Acadia Center study shows that there has been no negative impact on car dealership employment levels in states that allow the direct sales of EVs to consumers.³

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³ Acadia Center, Direct Sales of Electric Vehicles in Connecticut: Assessment of Employment Impacts at Existing Car Dealerships, May 17, 2017, http://acadiacenter.org/wp-content/uploads/2017/05/Acadia-Center_EV-Direct-Sales-Analysis_20170517.pdf.

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