

House Republican Press Release

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General Assembly Must Act Now to Lower Energy Costs for CT Consumers, Ratepayers



Paying our electricity bills and filling our cars' gas tanks has made it difficult for all of us to manage our household expenses.

One of the culprits is the Connecticut General Assembly, which for almost a year has failed to act on proposals that could bring both short and long-term relief to Connecticut consumers and the business community.

It is not because state legislators are at a complete loss about how to address the problem. Several bills were proposed last year and again this year.

Last year, I introduced legislation that would have reduced the state's gasoline tax by five cents a gallon, which would have provided immediate relief at the pump. Representative Kevin Witkos, R-Canton, proposed suspending Connecticut's gasoline tax from Memorial Day to Labor Day – when most people go on vacation and gasoline prices shoot up.

Unfortunately, the majority party in the General Assembly opposed both Representative Witkos' proposal and my own since they involved cutting the gas tax (I was told that my bill had no chance whatsoever because it would have deprived the state of \$65 million per year in taxpayer dollars).

Proposals to cut taxes on electricity and natural gas met the same fate.

The majority party's "solution" has been to lump energy conservation proposals that have widespread bipartisan support with measures that are less popular in one omnibus bill.

The result: comprehensive energy conservation legislation has languished when progress could have been made if proposals that enjoy broad support had been brought to the floor of the state House of Representatives and the state Senate as separate bills. Those bills would have passed easily.

When gasoline prices skyrocketed to more than \$3 a gallon last summer and when United Illuminating and CL&P announced their intention to seek significant rate hikes, legislators were holding news conference after news conference to announce their latest scheme to reduce energy costs.

CL&P's rate hikes were announced December 8, 2006. The overall increase to CL&P's standard service customers was about 7.7 percent while rate hikes for residential non-heating customers amounted to about 6.9 percent.

The company I work for paid about 40 percent more for electricity in 2006 than it did in 2005. I'm certain other companies had similar experiences.

We are now two months into the 2007 legislative session and nothing has been done to provide meaningful relief for Connecticut motorists and ratepayers.

Since gasoline prices dropped below \$3 a gallon, consumer anger at prices at the pump has diminished and there is no longer a sense of urgency at the State Capitol about passing legislation to lower the cost of gasoline.

However, gasoline prices are almost certain to jump again after Memorial Day. For that reason, I will continue to pursue legislation to cut the gas tax as the quickest and most effective way of lowering prices at the pump. I also believe we should seriously consider Representative Witkos' proposal to suspend the tax if prices go over three dollars a gallon again this summer

Connecticut needs both short- and long-term solutions to reduce energy costs. Several measures I support are designed to achieve those goals. They would:

- Exempt commercial heating oil blends containing not less than 15 per cent alternative fuels from the sales tax. The proposal would enable consumers to purchase heating oil containing a higher percentage of alternative fuels at a lower cost while reducing our dependence on imported foreign oil.
- Reduce the gross earnings tax on electric distribution companies from 6.8 percent to 3.4 percent for residential customers and from 8.5 percent to 4.25 percent for commercial and industrial customers. The proposal would save homeowners close to \$100 a year, and give businesses tax relief that can be passed on to consumers.
- Increase current state incentive awards to encourage Connecticut companies and other large energy users to install alternative power generation systems (distributed generation) on their properties. Wider use of distributed generation systems would provide reliable power supplies to heavy energy users and significantly reduce overall power demands in Connecticut. When the demand for electricity generated by our state's centralized power plants decreases, it will help hold down energy costs for all ratepayers.
- Apply 'green building' standards (which reduce energy use) to new state facility construction projects that cost \$1,000,000 or more; remove the current exemption from green standards for new school construction projects and increase the reimbursement rate to municipalities for school construction projects by five percentage points while retaining the current reimbursement cap of 85 percent; and extend green building standards to renovation projects for state facilities. For every dollar in up front costs for green buildings, there is a long-term saving of \$4. Green building standards reduce energy use in state facilities and save taxpayer dollars.

These proposals are a commonsense response to higher energy costs that will provide both short- and long-term relief to Connecticut ratepayers and taxpayers. Combined with proposals to lower the state's gasoline tax, they could save the people of Connecticut millions every year.

For more than a year now, Connecticut residents have endured commercial after commercial urging them to conserve energy.

How many light switches can we turn off? How many light bulbs can we change? How much more would consumers have saved if bold initiatives like the ones Representative Witkos and I offered last year had passed?

All that stands between real relief from excessive energy costs for the people of Connecticut is the apparent reluctance of the majority party in the state legislature to provide it.