



Empowering Communities, Advocating Solutions.

## **MEMORANDUM OF SUPPORT** *Repealing Connecticut's Pipeline Tax*

### **HB 6242- An Act Prohibiting Surcharges Levied on Utility Customers to Subsidize Interstate Natural Gas Pipeline Capacity**

#### **BACKGROUND**

Public Act 15-107 contained a provision that authorized electric utilities to recover the costs of infrastructure projects through a surcharge on customers' electric bills, as part of a larger strategy to finance and develop additional gas infrastructure capacity across Connecticut and New England. This includes the construction of five new gas-fired power plants, hundreds of miles of gas pipeline connections, compressor stations, and other related infrastructure projects.

#### **JUSTIFICATION**

Similar charges have been blocked or overturned by the Massachusetts Supreme Court, the New Hampshire Public Utilities Commission, and by Rhode Island state regulators, but Connecticut's ratepayer gas infrastructure tax remains in place. If left intact, this surcharge would force Connecticut ratepayers to shoulder a disproportionate share of the costs in a region-wide expansion of gas infrastructure throughout New England. According to a recent report by Synapse Energy Economics, the total cost to ratepayers for the proposed infrastructure projects could be as high as \$6.6 billion.

Instead of subsidizing further dependence on fossil fuels, Connecticut should be doubling down on its commitments to meet/expand its existing renewable energy goals. Renewable energy resources such as clean wind and solar power do not cause pollution at the point of generation or contribute to climate change, they require no water resources to operate, can be generated in-state, and they create good paying green jobs. Furthermore, the Synapse study concluded that additional pipeline capacity is not warranted, as New England's use of natural gas is expected to decrease by 41% from 2015 levels by 2030, due to state requirements for energy efficiency, renewable energy, and emissions caps. By aggressively working to implement a cleaner, more resilient energy grid, Connecticut can significantly reduce the need for costly, polluting fossil fuel infrastructure across our state and the region.

#### **SUMMARY OF PROVISIONS**

- Prohibits surcharges from being levied on utility customers to subsidize the cost of expanding interstate natural gas pipeline capacity.

### **CITIZENS CAMPAIGN FOR THE ENVIRONMENT SUPPORTS HB 6242- REPEALING CONNECTICUTS RATEPAYER-PAID PIPELINE INFRASTRUCTURE TAX**

Citizens Campaign for the Environment is an 80,000 member non-profit, non-partisan advocacy organization that works to empower communities and advocate solutions that protect public health and the natural environment.

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