



National Policy Call: Connecticut

May 13, 2025

Summary:

- Hosted by BDC's Director of State Mobilization, Matt Casale, this call featured Connecticut State Rep. Steven Winter, Shannon Laun from the Conservation Law Foundation, and Tom Wiehl, Legal & Regulatory Director at the Connecticut Office of Consumer Counsel. They examined the past, present, and future of the state's building decarbonization policy, providing attendees with insights that will help them advance building decarbonization initiatives in their states.

Resources:

- [Slides](#)
- [Youtube Recording](#)
- [TENs Ownership Models](#)

Presentation Summaries

Buildings and Emissions Overview (Shannon Laun, Vice President, Conservation Law Foundation)

- GHG Emissions in Connecticut
 - The building sector accounts for 33% of GHG emissions and 23% of NOx emissions. The residential and commercial sectors are the second and third largest sources of GHG emissions.
 - Currently, the main sources of heating come from methane gas (37%) and heating oil (34%) (see more details on [slide 16](#)).
- Regulatory Landscape
 - [Global Warming Solutions Act](#) (2008): Connecticut's state climate law requires a 45% reduction in GHG emissions by 2030 and an 80% reduction by 2050.
 - Currently, CT is not meeting its climate goals.
 - Challenges include: no sector-specific targets, not explicitly enforceable, and does not authorize the state energy and environmental agency to adopt implementing regulations.
 - Existing Building Sector Policies and Programs (see all programs on [slides 21-22](#))
 - Programs: Energy Efficiency E3 program, CT Green Bank Financing program
 - New England Heat Pump Accelerator: Connecticut is the lead state agency for boosting the adoption of cold-climate heat pumps across New England
 - Policies/ Strategies: Comprehensive Energy Strategy (awaiting updated version for comprehensive building decarbonization blueprint) and Conservation & Load Management plan (includes weatherization services and rebates for heat pumps)
- Challenges for Building Decarbonization in CT
 - Homes tend to be older, poorly insulated, and require weatherization improvements (and experience weatherization barriers such as mold), especially in low-income communities.

- High electricity prices in CT make electrification costly and have drawn legislative attempts to eviscerate ratepayer-funded programs such as weatherization and electrification
- Lack of political leadership from the legislature and the Department of Energy & Environment Protection (DEEP) to provide clear guidance on how to decarbonize buildings
- Opportunities (see more on [slide 30](#))
 - Eversource proposed a thermal energy network (TEN) pilot for new construction in their pending gas rate case
 - A push for Connecticut to start a future of gas (FOG) proceeding within the rate case above
 - For example, just last week, Maine opened a new FOG proceeding ([Case # 2025-00145](#))

Ratemaking and OCC Advocacy (Thomas Wiehl, Regulatory Director, Connecticut Office of Consumer Counsel)

- Utility Rates: regulated company's total cost of service ("revenue requirement") distributed among customer classes. Rates are made up of two inputs:
 - Revenue Requirement: The cost that the utility incurs to provide service (capital expenses and operational costs). Puts upward pressure on rates.
 - Sales: How many customers are on the system. All else equal, it would put downward pressure on rates.
- Inherent tension between electric and gas customers (customer groups) (see [slide 37](#)), but OCC recognizes that decarbonization is required to meet state climate law
- Two concerning parts of the rate-making process that impact this clean energy transition:
 - Stranded assets: Without regulatory or statutory intervention, ratepayers could be paying hundreds of millions of dollars for gas infrastructure that will not benefit them
 - Equity concerns for gas customers: transition from the gas to electric requires significant individual investment, and as higher-income customers transition away from gas, the same fixed costs of the gas infrastructure will be distributed among fewer and fewer customers, significantly increasing rates on customers least able to cover it.
 - These two impacts highlight the critical need for regulatory or statutory action to create an equitable transition.
- OCC has three areas of advocacy in which they participate: Rate Cases, PURA Dockets, and Legislative Advocacy (see [slide 40](#) for more details and docket links)
 - Rate Cases: focus primarily on reducing excessive natural gas investment and supporting regulatory guidance for the future of gas
 - PURA Dockets: Advocating for improved electric system planning, such as performance-based regulation and equitable and affordable access to clean energy resources
 - Legislative Advocacy: Supporting legislation that facilitates the transition from gas to electric, exploring the future of gas, and non-gas alternatives like networked geothermal

State Legislative Session Update (State Representative Steven Winter, Executive Director, Climate and Sustainability, New Haven State Representative, Connecticut House of Representatives)

- Bills focused on TENs and the transition from gas, legislatively, it is tough to pass anything right now that will increase costs
 - [HB 5004](#) (passed House, in the Senate): Increases the state's GHG emissions reduction goal from 80% reduction in GHG to economy-wide net zero by 2050. Also includes provisions to provide grants for schools for heat pumps, create a budget for building decarbonization retrofits, and expand eligibility for income-eligible retrofit funds.
 - There were also many provisions removed from the bill, such as providing incentives for municipally owned thermal energy networks (see [slide 45](#) for more details).
 - [SB 4](#) (pending): Require PURA to establish a utility-scale TEN program, and require gas companies to file proposals for 1-2 pilot projects
 - Subject to negotiations in relation to [SB 1560](#), which would create a new energy supply procurement agency, repeal net metering, and move energy efficiency programs off the electric bill and have them be paid for through bonds.
 - [HB 6929](#) (held): Requires DEEP to establish a TENs grant and loan program and provides funding for entities to develop TENs (see [slide 48](#) for more details).
- Union Station Area Thermal Energy Network (USATEN)
 - The City of New Haven, Elm City Communities, CT Department of Transportation, and New Haven Parking Authority collaborated to establish a networked geothermal system at Union Station and the Union Square development across from Union Station
 - Total cost is projected to be around \$16.5M (see [slide 54](#) for details)
 - It is expected to launch in 2028 (see [slide 55](#) for timeline), and in its first phase, it will provide heating and cooling to 1k units.
 - Expected to avoid approximately 63 thousand metric tons of GHG emissions from 2025-2050.

Q & A

1. **What lessons can other states learn from Connecticut's approach to building decarbonization?**
 - **Tom:** One thing other states might consider is using rate cases as an opportunity to advocate for general building decarbonization guidance from these agencies. Thus far, we haven't been able to get a FOG proceeding, but we got great results on behalf of the ratepayers.
 - **Shannon:** I also want to highlight that using rate cases to advocate was a good opportunity to educate commissioners and utility commission staff on these issues.
 - **Steven:** The legislature is attempting to address funding for barrier remediation for energy efficiency (e.g. mold, asbestos, etc.) by assigning some American Rescue Plan funding to get a program started, which is critical for states with older housing stocks. Other states could consider creative ways to advance climate goals, especially in preparing homes for weatherization and decarbonization measures.
2. **What policies should Connecticut invest in to further building decarbonization that haven't been covered yet?**
 - **Shannon:** Inclusive utility investment programs for energy efficiency and electrification, because existing rebate and financing programs are not sufficient. There are also some equity concerns that they are not reaching the people who most need financing tools.

3. What are some of the most significant equity challenges arising in your work?

- **Tom:** In our work, we are involved with many different PURA programs, including net metering, community solar, and EV programs. However, we're starting to get data about participation, and it doesn't look like deployment is equitable, even though PURA designed these programs with strong equity components. Another equity concern is struggling to get the utilities to partner and create better data to ensure equitable outcomes.
- **Steven:** In a city like New Haven, seven out of ten people rent, and it is challenging to get these properties involved in energy efficiency because of the landlord-tenant split incentive.

4. Where is the opposition to a Future of Gas docket coming from, since utilities have generally expressed support?

- **Shannon:** It's unclear. Though utilities support a future of gas proceeding, there is no action they are currently taking.
- **Steven:** Gas continues to be the cheapest option for heating, so it could be that the legislature is questioning why we want to move away from gas. To Shannon's point, it might be that the utilities support a future of gas proceeding because they are dual fuel, so ultimately, making the transition would not hurt their bottom line. However, they might hesitate to make moves until there is some sort of incentive to transition.

5. Have you all considered other potential ways to fund thermal energy networks?

- **Steven:** The ITC is the biggest lever we use for USATEN, so it would be pretty difficult to make the project work without it.
- **Shannon:** I know in Massachusetts, some alternative financing mechanisms are being considered, such as state bonds and having boreholes be financed through a public-private partnership.
- **Matt:** If you're curious about TENs ownership models, please also check out BDC's [TENs Ownership Model](#) page.

6. What is the Docket Number for Maine's Future of Gas proceeding?

- **Kristin:** [2025-00145](#)

7. What is one opportunity in Connecticut that you're most excited about that will lead to progress in the next five years?

- **Shannon:** I would love to see Connecticut not duplicate work already done and build on other states' efforts, like New York and Massachusetts, and implement learnings from TENs pilots, future of gas proceedings from these other states, and start implementing them.
- **Tom:** I'm excited for us to finally finish our performance-based regulation proceeding in Connecticut, which will adjust the incentive structure for utilities to better align with state goals.
- **Steven:** I want to look at where we rely on electric resistance to see what opportunities exist with beneficial electrification that won't overwhelm the grid and allow us to argue that we are immediately lowering people's costs.