

Preparing Connecticut for A Gas Transition

Natural gas as a heating fuel is projected to decline. Connecticut must manage the transition, beginning with greater scrutiny over gas delivery system investments to minimize the risk of burdening customers with outdated infrastructure.

Gas utilities are experiencing four primary challenges:

1. Both up-front and lifetime costs of electric appliances are falling;
2. Gas delivery system investments are increasing faster than demand for gas;
3. Cities, states, and the federal government are adopting decarbonization policies; and
4. Gas prices are increasingly volatile and are more heavily influenced by global factors.

What will happen if Connecticut takes no action to prepare for this transition?

Stranded Assets

Gas delivery system investments, like new pipelines, can last well over 50 years. If we allow utilities to invest without considering declining need, **ratepayers will be on the hook for billions in unnecessary investments.**

The "Death Spiral"

As Connecticut residents electrify, fewer customers are left to pay the fixed infrastructure costs. Customers less able to purchase new appliances, including **renters, low-income residents, and fixed-income seniors, will be left to pay significantly higher gas bills.**

Key Next Steps for Connecticut:

Enhance energy efficiency and electrification efforts	Require gas infrastructure plans	Eliminate subsidies for new fossil fuel hookups	Reform utility financial incentives
Utilities should continue to accelerate deployment of energy efficiency (like insulation, air and duct sealing) to help customers transition to high-performing electric appliances.	Gas utilities should be required to submit infrastructure plans to help identify whether delivery system investments are needed or lower-cost alternatives are preferred.	When a customer requests new gas service and a line extension is needed, those costs should only be borne by that customer.	Regulators should begin a study of the regulatory tools available to align the gas utility business model with the goal of lowest-cost, clean heating.

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