



General Assembly

Amendment

January Session, 2001

LCO No. 7639

Offered by:

REP. CARUSO, 126th Dist.
REP. O'ROURKE, 32nd Dist.
REP. URBAN, 43rd Dist.
REP. TERCYAK, 26th Dist.

REP. MEGNA, 97th Dist.
REP. GIANNAROS, 21st Dist.
SEN. WILLIAMS, 29th Dist.
SEN. PETERS, 20th Dist.

To: Subst. House Bill No. 6365

File No. 398

Cal. No. 298

**"AN ACT CONCERNING CLEAN AIR STANDARDS FOR CERTAIN
POWER PLANTS."**

1 Strike out everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) As used in sections 1 to 4, inclusive, of this act,
4 subsection (b) of section 12-587 of the general statutes, as amended by
5 this act, subsection (d) of section 16-50k of the general statutes, as
6 amended by this act, section 12-81 of the general statutes, as amended
7 by this act, section 16-244c of the general statutes, as amended by this
8 act, section 9 of this act and subsection (c) of section 16-245n of the
9 general statutes, as amended by this act:

10 (1) "Affected unit" means any emissions unit subject to the
11 provisions of section 22a-174-22b of the Regulations of Connecticut
12 State Agencies, the Post-2002 Nitrogen Oxides Budget Program;

13 (2) "Title IV source" means an affected unit that is also subject to
14 Phase II of the acid rain control requirements set forth in Title IV of the
15 federal Clean Air Act (42 USC 7651d, et seq.);

16 (3) "Average emissions rate" means a determination of the rate of
17 SO₂ emissions, measured in pounds of SO₂ per MMBtu, in any
18 calendar quarter from a single Title IV source that was constructed
19 prior to the effective date of this act. Average emissions rate for such a
20 source is calculated by dividing the total quarterly SO₂ emissions, in
21 pounds, from such source by the total quarterly heat input, in MMBtu,
22 for such source;

23 (4) "Sulfur dioxide" or "SO₂" means a gas that at standard conditions
24 has the molecular form SO₂;

25 (5) "MMBtu" means million BTU of heat input;

26 (6) "Calendar quarter" means the quarter years ending on the last
27 day of March, June, September and December;

28 (7) "Emission reduction measures" means the installation of
29 pollution control equipment, fuel or operational changes designed to
30 lower sulfur dioxide emissions at a facility;

31 (8) "Tonnage cap" means the maximum number of tons of sulfur
32 dioxide that a Title IV source may emit during a calendar quarter;

33 (9) "Representative quarterly heat input" means the actual heat
34 input at a Title IV source during a given control period, averaged on a
35 quarterly basis, with each quarter ending on the last day of April, July,
36 October and January, except that if the heat input of the preceding or
37 subsequent quarters deviates by more than fifteen per cent, that month
38 shall not be included when calculating the representative quarterly
39 heat input for that Title IV source;

40 (10) "Given control period" means January 1, 1998, to December 31,
41 2000, inclusive, or the three years for which the most recent data is
42 available when the tonnage cap is established by the Department of

43 Environmental Protection, whichever is less;

44 (11) "Facility" means one or more affected units located at the same
45 premises, owned by the same entity.

46 Sec. 2. (NEW) (a) On and after December 31, 2004, the owner or
47 operator of a Title IV source shall, at each facility, through the use of
48 emission reduction measures or a tonnage cap:

49 (1) Combust liquid fuel, gaseous fuel or a combination of each
50 provided each fuel possesses a fuel sulfur limit of equal to or less than
51 0.3 per cent sulfur, by weight (dry basis); or

52 (2) Meet an average emission rate of equal to or less than 0.33
53 pounds sulfur dioxide per MMBtu for each calendar quarter for an
54 affected unit at a premises; or

55 (3) Meet an average emission rate of equal to or less than 0.3 pounds
56 sulfur dioxide per MMBtu calculated for each calendar quarter, if such
57 owner or operator averages the emissions from two or more affected
58 units at a premises; or

59 (4) Not exceed the quarterly sulfur dioxide emissions tonnage cap
60 established under section 3 of this act.

61 Sec. 3. (NEW) (a) On or before July 1, 2002, the owner or operator of
62 a Title IV source shall submit to the Department of Environmental
63 Protection a compliance plan to implement emission reduction
64 measures to comply with section 2 of this act. Such plan shall include
65 a description of the measures to be implemented at each facility; a
66 proposed schedule for implementation and specific notification as to
67 whether such compliance plan includes utilization of the tonnage cap
68 provision in subdivision (4) of section 2 of this act for such facility.

69 (b) The Department of Environmental Protection, upon notice by the
70 owner or operator of a Title IV source that the use of a tonnage cap is
71 part of said facility's plan to comply with section 2 of this act, shall
72 establish a quarterly sulfur dioxide emissions tonnage cap for said

73 facility. Such tonnage cap shall be determined by multiplying the Title
74 IV source's representative quarterly heat input by a 0.3
75 pounds/MMBtu sulfur dioxide emissions rate. The Department of
76 Environmental Protection shall recalculate the tonnage cap annually
77 and advise the owner or operator of such Title IV source of any new
78 tonnage cap requirement for such facility sixty days prior to the
79 effective date of the new tonnage cap requirement. Any Title IV source
80 utilizing a tonnage cap requirement at such facility to comply with
81 section 2 of this act shall, at all times, comply with the sulfur dioxide
82 emission standards effective on and after January 1, 2002, as
83 established in subsection (c) of section 22a-174-19a of the Regulations
84 of Connecticut State Agencies. Nothing within this section shall
85 prevent an owner of a Title IV source utilizing a tonnage cap at such
86 facility to meet the requirements of this act from operating a facility
87 normally reserved for operation during the hours of highest daily,
88 weekly or seasonal load.

89 (c) The Department of Environmental Protection shall develop and
90 approve a timeline for the expediting of those permits required for the
91 installation of pollution control equipment or repowering when the
92 owner or operator of a Title IV source submits a plan, pursuant to
93 subsection (a) of this section, indicating that the use of pollution
94 control equipment or repowering is to be utilized by such facility to
95 comply with section 2 of this act. Such expedited permit procedures
96 shall not override the provisions in chapter 446c of the general statutes
97 for public participation. The installation of pollution control
98 equipment utilized to comply with the provisions of this act shall not
99 be subject to local planning and zoning authorities.

100 (d) If at any time during implementation of Operating Procedure
101 Number 4, the regional independent system operator, as defined in
102 section 16-1 of the general statutes, implements any of said Operating
103 Procedure Number 4 numbered three or higher the chairperson of the
104 Public Utilities Control Authority shall so inform the Commissioner of
105 Environmental Protection who may suspend the emission limitation
106 requirements in subsection (a) of section 2 of this act for an emergency

107 period of not more than thirty days, unless Operating Procedure
108 Number 4 numbered three or higher was implemented because of a
109 shortage of energy supply to Connecticut in which case the
110 Commissioner of Environmental Protection shall suspend the emission
111 limitation requirements in subsection (a) of section 2 of this act for an
112 emergency period of not more than thirty days. In the event that the
113 regional independent system operator continues to implement
114 Operating Procedure Number 4 numbered three or higher after an
115 emergency period of thirty days, the Commissioner of Environmental
116 Protection may suspend the emission limitation requirements in
117 subsection (a) of section 2 of this act for consecutive periods of no more
118 than thirty days as directed by the chairperson of the Public Utilities
119 Control Authority. In the event that the Commissioner of
120 Environmental Protection suspends the emission limitation
121 requirements of this act, said commissioner shall inform the operator
122 of any affected unit of such suspension. Notwithstanding any
123 provision of the general statutes to the contrary, the Commissioner of
124 Environmental Protection may not levy any fine or take other
125 enforcement action against the owner or operator of any affected unit,
126 as defined in section 1 of this act, for any violation of the emissions
127 limitation requirements in section 2 of this act that occurs when the
128 emission limitation requirements of section 2 of this act are suspended.
129 The chairperson of the Public Utilities Control Authority and the
130 Commissioner of Environmental Protection shall: (1) Immediately
131 notify the chairpersons and ranking members of the joint standing
132 committees of the General Assembly having cognizance of matters
133 relating to the environment and energy and technology of any such
134 suspension; and (2) submit a report to the joint standing committees of
135 the General Assembly having cognizance of matters relating to the
136 environment and energy and technology detailing the circumstances
137 and duration of any suspension of the emission limitation
138 requirements in subsection (a) of section 2 of this act.

139 Sec. 4. (NEW) The Department of Economic and Community
140 Development and the Connecticut Development Authority may

141 provide loans pursuant to sections 32-220 to 32-235, inclusive, of the
142 general statutes to a Title IV source for the installation of equipment
143 for pollution control or repowering and to provide loans or grants to a
144 distribution company, as defined in section 16-1 of the general statutes,
145 for the installation of transmission lines utilized to comply with the
146 provisions of this act.

147 Sec. 5. Subsection (b) of section 12-587 of the general statutes is
148 repealed and the following is substituted in lieu thereof:

149 (b) (1) Except as otherwise provided in subdivision (2) of this
150 subsection, any company which is engaged in the refining or
151 distribution, or both, of petroleum products and which distributes
152 such products in this state shall pay a quarterly tax on its gross
153 earnings derived from the first sale of petroleum products within this
154 state. Each company shall on or before the last day of the month next
155 succeeding each quarterly period render to the commissioner a return
156 on forms prescribed or furnished by the commissioner and signed by
157 the person performing the duties of treasurer or an authorized agent or
158 officer, including the amount of gross earnings derived from the first
159 sale of petroleum products within this state for the quarterly period
160 and such other facts as the commissioner may require for the purpose
161 of making any computation required by this chapter. Except as
162 otherwise provided in subdivision (3) of this subsection, the rate of tax
163 shall be five per cent.

164 (2) Gross earnings derived from the first sale of the following
165 petroleum products within this state shall be exempt from tax: (A) Any
166 petroleum products sold for exportation from this state for sale or use
167 outside this state; (B) the product designated by the American Society
168 for Testing and Materials as "Specification for Heating Oil D396-69",
169 commonly known as number 2 heating oil, to be used exclusively for
170 heating purposes or to be used in a commercial fishing vessel, which
171 vessel qualifies for an exemption pursuant to section 12-412; (C)
172 kerosene, commonly known as number 1 oil, to be used exclusively for
173 heating purposes, provided delivery is of both number 1 and number 2

174 oil, and via a truck with a metered delivery ticket to a residential
175 dwelling or to a centrally metered system serving a group of
176 residential dwellings; (D) the product identified as propane gas, to be
177 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
178 fuel, marine diesel oil and marine gas oil to be used in any vessel
179 having a displacement exceeding four thousand dead weight tons; (F)
180 for any first sale occurring prior to January 1, 2000, propane gas to be
181 used as a fuel for a motor vehicle; (G) for any first sale occurring on or
182 after July 1, 2002, grade number 6 fuel oil, as defined in regulations
183 adopted pursuant to section 16a-22c, to be used exclusively by a
184 company which, in accordance with census data contained in the
185 Standard Industrial Classification Manual, United States Office of
186 Management and Budget, 1987 edition, is included in code
187 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the
188 North American Industrial Classification System United States
189 Manual, United States Office of Management and Budget, 1997 edition;
190 [or] (H) for any first sale occurring on or after July 1, 2002, number 2
191 heating oil to be used exclusively in a vessel primarily engaged in
192 interstate commerce, which vessel qualifies for an exemption under
193 section 12-412; or (I) for any first sale occurring on or after October 1,
194 2001, liquid fuel that possesses a fuel sulfur limit equal to or less than
195 0.3 per cent sulfur by weight (dry basis), that is purchased for the
196 purpose of combustion at a Title IV source, as defined in section 1 of
197 this act.

198 (3) The rate of tax on gross earnings derived from the first sale of
199 grade number 6 fuel oil, as defined in regulations adopted pursuant to
200 section 16a-22c, to be used exclusively by a company which, in
201 accordance with census data contained in the Standard Industrial
202 Classification Manual, United States Office of Management and
203 Budget, 1987 edition, is included in code classifications 2000 to 3999,
204 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
205 Classification System United States Manual, United States Office of
206 Management and Budget, 1997 edition, or number 2 heating oil used
207 exclusively in a vessel primarily engaged in interstate commerce,

208 which vessel qualifies for an exemption under section 12-412 shall be:
209 (A) Four per cent with respect to calendar quarters commencing on or
210 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with
211 respect to calendar quarters commencing on or after July 1, 1999, and
212 prior to July 1, 2000; (C) two per cent with respect to calendar quarters
213 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)
214 one per cent with respect to calendar quarters commencing on or after
215 July 1, 2001, and prior to July 1, 2002.

216 Sec. 6. Section 16-244c of the general statutes is amended by adding
217 subsection (g) as follows:

218 (NEW) (g) Notwithstanding any provision of the general statutes,
219 no owner or operator of an affected unit, as defined in section 1 of this
220 act, may bid on default electric service when such owner or operator is
221 found to have violated on more than one occasion the sulfur dioxide
222 emissions standards, as established in regulations adopted under
223 section 22a-174 of the general statutes, or the nitrogen oxides emissions
224 standards as established in regulations adopted under section 22a-174
225 of the general statutes.

226 Sec. 7. (NEW) The Department of Public Utility Control shall
227 annually conduct a contested case proceeding, pursuant to chapter 54
228 of the general statutes, to examine and report to the General Assembly
229 on January 1, 2002, and January first of each year thereafter on the
230 status of demand, supply and reserves of electric power available to
231 the state, including a projection of future demands, supply and
232 reserves for each of the next five years as measured from the date of
233 the report and the necessary transmission and distribution system,
234 including any repairs or enhancements thereto and the potential cost
235 of any such repair or enhancement. Until such time as the standard
236 offer established pursuant to section 16-244c of the general statutes
237 terminates as provided in said section, such examination and report
238 shall include, but not be limited to, an analysis of the effects of the
239 provisions of this act on the ability of each electric distribution
240 company, as defined in section 16-1 of the general statutes, to make

241 available to such distribution company's customers said standard offer
242 at the rate prescribed by said section. Upon the termination of the
243 standard offer, such report and examination shall include, but not be
244 limited to, an analysis of the effects of the provisions of this act on the
245 ability of each electric distribution company to procure, pursuant to
246 subsection (b) of section 16-244c of the general statutes, electric
247 generations services for customers who do not or are unable to arrange
248 for or maintain electric generation services with an electric supplier.

249 Sec. 8. Subsection (c) of section 16-245n of the general statutes is
250 repealed and the following is substituted in lieu thereof:

251 (c) There is hereby created a Renewable Energy Investment Fund
252 which shall be administered by Connecticut Innovations, Incorporated.
253 The fund may receive any amount required by law to be deposited
254 into the fund and may receive any federal funds as may become
255 available to the state for renewable energy investments. Connecticut
256 Innovations, Incorporated, shall use said funds for the development,
257 deployment and installation of at least three Class I renewable energy
258 source projects, including, but not limited to, fuel cells and may use
259 any amount in said fund for expenditures which promote investment
260 in renewable energy sources in accordance with a comprehensive plan
261 developed by it to foster the growth, development and
262 commercialization of renewable energy sources, related enterprises
263 and stimulate demand for renewable energy and deployment of
264 renewable energy sources which serve end use customers in this state.
265 Such expenditures may include, but not be limited to, grants, direct or
266 equity investments, contracts or other actions which support research,
267 development, manufacture, commercialization, deployment and
268 installation of renewable energy technologies, and actions which
269 expand the expertise of individuals, businesses and lending
270 institutions with regard to renewable energy technologies.

271 Sec. 9. This act shall take effect from its passage."