



# House of Representatives

General Assembly

**File No. 481**

January Session, 2003

Substitute House Bill No. 6508

*House of Representatives, April 22, 2003*

The Committee on Environment reported through REP. WIDLITZ of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING LONG-TERM PLANNING FOR ENERGY FACILITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-50i of the general statutes is amended by  
2 adding subsection (g) as follows (*Effective July 1, 2003*):

3 (NEW) (g) "Request-for-proposal process" or "request-for-proposal"  
4 means the process set forth in subsections (a) and (b) of section 11 of  
5 this act.

6 Sec. 2. Subsection (a) of section 16-50l of the general statutes is  
7 repealed and the following is substituted in lieu thereof (*Effective July*  
8 *1, 2003*):

9 (a) (1) To initiate a certification proceeding, an applicant for a  
10 certificate shall file with the council an application, in such form as the  
11 council may prescribe, accompanied by a filing fee of not more than  
12 twenty-five thousand dollars, which fee shall be established in

13 accordance with section 16-50t, [containing] and a municipal  
14 participation fee of twenty-five thousand dollars to be deposited in the  
15 account established pursuant to section 7 of this act, except that an  
16 application for a facility described in subdivision (5) or (6) of  
17 subsection (a) of section 16-50i, as amended by this act, shall not pay  
18 such municipal participation fee, and provided where no proposals are  
19 received pursuant to the request-for-proposal process, the municipal  
20 participation fee shall be refunded to the subject applicant. An  
21 application shall contain such information as the applicant may  
22 consider relevant and the council or any department or agency of the  
23 state exercising environmental controls may by regulation require,  
24 including the following information:

25       [(1)] (A) In the case of facilities described in subdivisions (1), (2) and  
26 (4) of subsection (a) of section 16-50i, as amended by this act: [(A)] (i) A  
27 description, including estimated costs, of the proposed transmission  
28 line, substation or switchyard, covering, where applicable  
29 underground cable sizes and specifications, overhead tower design  
30 and appearance and heights, if any, conductor sizes, and initial and  
31 ultimate voltages and capacities; [(B)] (ii) a statement and full  
32 explanation of why the proposed transmission line, substation or  
33 switchyard is necessary and how the facility conforms to a long-range  
34 plan for expansion of the electric power grid serving the state and  
35 interconnected utility systems, that will serve the public need for  
36 adequate, reliable and economic service; [(C)] (iii) a map of suitable  
37 scale of the proposed routing or site, showing details of the rights-of-  
38 way or site in the vicinity of settled areas, parks, recreational areas and  
39 scenic areas, and showing existing transmission lines within one mile  
40 of the proposed route or site; [(D)] (iv) justification for adoption of the  
41 route or site selected, including comparison with alternative routes or  
42 sites which are environmentally, technically and economically  
43 practical; [(E)] (v) a description of the effect of the proposed  
44 transmission line, substation or switchyard on the environment,  
45 ecology, and scenic, historic and recreational values; [(F)] (vi) a  
46 justification for overhead portions, if any, including life-cycle cost  
47 studies comparing overhead alternatives with underground

48 alternatives, and effects described in [subdivision (E)] (v) of this  
49 subparagraph of undergrounding; [(G)] (vii) a schedule of dates  
50 showing the proposed program of right-of-way or property  
51 acquisition, construction, completion and operation; and [(H)] (viii)  
52 identification of each federal, state, regional, district and municipal  
53 agency with which proposed route or site reviews have been  
54 undertaken, including a copy of each written agency position on such  
55 route or site; and

56 [(2)] (B) [in] In the case of facilities described in subdivision (3) of  
57 subsection (a) of section 16-50i, as amended by this act: [(A)] (i) A  
58 description of the proposed electric generating or storage facility; [(B)]  
59 (ii) a statement and full explanation of why the proposed facility is  
60 necessary; [(C)] (iii) a statement of loads and resources as described in  
61 section 16-50r; [(D)] (iv) safety and reliability information, including  
62 planned provisions for emergency operations and shutdowns; [(E)] (v)  
63 estimated cost information, including plant costs, fuel costs, plant  
64 service life and capacity factor, and total generating cost per kilowatt-  
65 hour, both at the plant and related transmission, and comparative costs  
66 of alternatives considered; [(F)] (vi) a schedule showing the program  
67 for design, material acquisition, construction and testing, and  
68 operating dates; [(G)] (vii) available site information, including maps  
69 and description and present and proposed development, and  
70 geological, scenic, ecological, seismic, biological, water supply,  
71 population and load center data; [(H)] (viii) justification for adoption  
72 of the site selected, including comparison with alternative sites; [(I)]  
73 (ix) design information, including description of facilities, plant  
74 efficiencies, electrical connections to system, and control systems; [(J)]  
75 (x) description of provisions, including devices and operations, for  
76 mitigation of the effect of the operation of the facility on air and water  
77 quality, for waste disposal, and for noise abatement, and information  
78 on other environmental aspects; [(K)] (xi) a listing of federal, state,  
79 regional, district and municipal agencies from which approvals either  
80 have been obtained or will be sought covering the proposed facility,  
81 copies of approvals received and the planned schedule for obtaining  
82 those approvals not yet received.

83       (2) The filing of an application pursuant to subdivision (1) of this  
84 subsection shall initiate the request-for-proposal process, except for an  
85 application for a facility described in subdivision (5) or (6) of  
86 subsection (a) of section 16-50i, as amended by this act.

87       (3) Notwithstanding the provisions of this subsection, an entity that  
88 has submitted a proposal pursuant to the request-for-proposal process  
89 may initiate a certification proceeding by filing with the council an  
90 application containing the information required pursuant to this  
91 section, accompanied by a filing fee of not more than twenty-five  
92 thousand dollars, which fee shall be established in accordance with  
93 section 16-50t, and a municipal participation fee of twenty-five  
94 thousand dollars to be deposited in the account established pursuant  
95 to section 7 of this act, not later than one hundred fifty days after the  
96 Connecticut Energy Advisory Board performs the evaluation process  
97 pursuant to subsection (d) of section 11 of this act.

98       Sec. 3. Subsection (e) of section 16-50l of the general statutes is  
99 repealed and the following is substituted in lieu thereof (*Effective July*  
100 *1, 2003*):

101       (e) (1) At least sixty days prior to the filing of [any] an application  
102 with the council for a facility described in subdivision (5) or (6) of  
103 subsection (a) of section 16-50i, as amended by this act, the applicant  
104 shall consult with the municipality in which the facility may be located  
105 and with any other municipality required to be served with a copy of  
106 the application under subdivision (1) of subsection (b) of this section  
107 concerning the proposed and alternative sites of the facility. Such  
108 consultation with the municipality shall include, but not be limited to  
109 good faith efforts to meet with the chief elected official of the  
110 municipality. At the time of the consultation, the applicant shall  
111 provide the chief elected official with any technical reports concerning  
112 the public need, the site selection process and the environmental  
113 effects of the proposed facility. The municipality may conduct public  
114 hearings and meetings as it deems necessary for it to advise the  
115 applicant of its recommendations concerning the proposed facility.

116 Within sixty days of the initial consultation, the municipality shall  
117 issue its recommendations to the applicant.

118 (2) Except as provided in subdivision (3) of this subsection, upon the  
119 filing of an application with the council for a facility described in  
120 subdivisions (1) to (4), inclusive, of subsection (a) of section 16-50i, as  
121 amended by this act, the applicant shall consult with the municipality  
122 in which the facility may be located and with any other municipality  
123 required to be served with a copy of the application under subdivision  
124 (1) of subsection (b) of this section concerning the proposed and  
125 alternative sites of the facility. Such consultation with the municipality  
126 shall include, but not be limited to, good faith efforts to meet with the  
127 chief elected official of the municipality. At the time of the  
128 consultation, the applicant shall provide the chief elected official with  
129 any technical reports concerning the public need, the site selection  
130 process and the environmental effects of the proposed facility. The  
131 municipality may conduct public hearings and meetings as it deems  
132 necessary for it to advise the applicant of its recommendations  
133 concerning the proposed facility. Within sixty days of the initial  
134 consultation, the municipality shall issue its recommendations to the  
135 applicant. No later than fifteen days after submitting the application to  
136 the council, the applicant shall provide to the council all materials  
137 provided to the municipality and a summary of the consultations with  
138 the municipality including all recommendations issued by the  
139 municipality.

140 (3) Upon the submission of a proposal pursuant to a request-for-  
141 proposal, the person or entity submitting the proposal shall consult  
142 with the municipality in which the facility may be located and with  
143 any other municipality that would be required to be served with a  
144 copy of an application for such proposal under subdivision (1) of  
145 subsection (b) of this section concerning the proposed and alternative  
146 sites of the facility. Such consultation with the municipality shall  
147 include, but not be limited to, good faith efforts to meet with the chief  
148 elected official of the municipality. At the time of the consultation, the  
149 person or entity submitting the proposal shall provide the chief elected

150 official with any technical reports concerning the public need, the site  
151 selection process and the environmental effects of the proposed  
152 facility. The municipality may conduct public hearings and meetings  
153 as it deems necessary for it to advise the person or entity submitting  
154 the proposal of its recommendations concerning the proposed facility.  
155 Within sixty days of the initial consultation, the municipality shall  
156 issue its recommendations to the person or entity submitting the  
157 proposal. A person or entity that has complied with this subdivision  
158 shall be exempt from the provisions of subdivision (1) of this  
159 subsection.

160 (4) No later than fifteen days after submitting [the] an application to  
161 the council, the applicant shall provide to the council all materials  
162 provided to the municipality and a summary of the consultations with  
163 the municipality including all recommendations issued by the  
164 municipality.

165 Sec. 4. Subsection (a) of section 16-50m of the general statutes is  
166 repealed and the following is substituted in lieu thereof (*Effective July*  
167 *1, 2003*):

168 (a) [Upon the receipt of an application for a certificate complying  
169 with section 16-50l, the council shall promptly fix a commencement  
170 date and location for a public hearing thereon not less than thirty days  
171 nor more than one hundred fifty days after such receipt.] The council  
172 shall promptly fix a commencement date and location for a public  
173 hearing on an application for a certificate complying with section 16-  
174 50l, as amended by this act, (1) where no proposals are received  
175 pursuant to the request-for-proposal process, not less than thirty days  
176 after the deadline for submission of such proposals nor more than one  
177 hundred fifty days after such deadline; (2) where a proposal is  
178 received pursuant to the request-for-proposal process, not less than  
179 thirty days after the deadline of submission of an application pursuant  
180 to subdivision (3) of subsection (a) of section 16-50l, as amended by  
181 this act, nor more than one hundred fifty days after such deadline; or  
182 (3) where the application is for a facility described in subdivision (5) or

183 (6) of subsection (a) of section 16-50i, as amended by this act, not less  
184 than thirty days after receipt of an application nor more than one  
185 hundred fifty days after such receipt. Applications that are common to  
186 a request-for-proposal shall be heard under a consolidated public  
187 hearing process. At least one session of such hearing shall be held at a  
188 location selected by the council in the county in which the facility or  
189 any part thereof is to be located after six-thirty p.m. for the  
190 convenience of the general public. After holding at least one hearing  
191 session in the county in which the facility or any part thereof is to be  
192 located, the council may, in its discretion, hold additional hearing  
193 sessions at other locations. If the proposed facility is to be located in  
194 more than one county, the council shall fix the location for at least one  
195 public hearing session in whichever county it determines is most  
196 appropriate, provided the council may hold hearing sessions in more  
197 than one county.

198 Sec. 5. Section 16-50o of the general statutes is repealed and the  
199 following is substituted in lieu thereof (*Effective July 1, 2003*):

200 (a) A record shall be made of the hearing and of all testimony taken  
201 and the cross-examinations thereon. Every party or group of parties as  
202 provided in section 16-50n shall have the right to present such oral or  
203 documentary evidence and to conduct such cross-examination as may  
204 be required for a full and true disclosure of the facts.

205 (b) The applicant shall submit into the record the full text of the  
206 terms of any agreement, and a statement of any consideration therefor,  
207 if not contained in such agreement, entered into by the applicant and  
208 any party to the certification proceeding, or any third party, in  
209 connection with the construction or operation of the facility. This  
210 provision shall not require the public disclosure of proprietary  
211 information or trade secrets.

212 (c) In a consolidated hearing for applications that are common to a  
213 request-for-proposal, the results of the evaluation process pursuant to  
214 subsection (d) of section 11 of this act shall be part of the record.

215 [(b)] (d) A copy of the record shall be available at all reasonable  
216 times for examination by the public without cost at the principal office  
217 of the council. A copy of the transcript of testimony at the hearing shall  
218 be filed at an appropriate public office, as determined by the council,  
219 in each county in which the facility or any part thereof is proposed to  
220 be located.

221 Sec. 6. Subsection (a) of section 16-50p of the general statutes is  
222 repealed and the following is substituted in lieu thereof (*Effective July*  
223 *1, 2003*):

224 (a) (1) In a certification proceeding, the council shall render a  
225 decision upon the record either granting or denying the application as  
226 filed, or granting it upon such terms, conditions, limitations or  
227 modifications of the construction or operation of the facility as the  
228 council may deem appropriate.

229 (2) The council's decision shall be rendered [within] in accordance  
230 with the following:

231 (A) Not later than twelve months [of the filing of an application  
232 concerning] after the deadline for filing an application following the  
233 request-for-proposal process for a facility described in subdivision (1)  
234 or (2) of subsection (a) of section 16-50i, as amended by this act, or  
235 subdivision (4) of said subsection (a) if the application was  
236 incorporated in an application concerning a facility described in  
237 subdivision (1) of said subsection (a); [, and within]

238 (B) Not later than one hundred eighty days [of the filing of any  
239 other application concerning] after the deadline for filing an  
240 application following the request-for-proposal process for a facility  
241 described in subdivision (4) of said subsection (a), and an application  
242 concerning a facility described in subdivision (3) [,] or (5) [or (6)] of  
243 said subsection (a), provided such time periods may be extended by  
244 the council by not more than one hundred eighty days with the  
245 consent of the applicant; and

246 (C) Not later than twelve months after the filing of an application  
247 for a facility described in subdivision (5) or (6) of said subsection (a),  
248 provided such time period may be extended by the council by not  
249 more than one hundred eighty days with the consent of the applicant.

250 (3) The council shall file, with its order, an opinion stating in full its  
251 reasons for the decision. Except as provided in subsection (c) of this  
252 section, the council shall not grant a certificate, either as proposed or as  
253 modified by the council, unless it shall find and determine:

254 [(1)] (A) A public need for the facility and the basis of the need;

255 [(2) the] (B) The nature of the probable environmental impact,  
256 including a specification of every significant adverse effect, whether  
257 alone or cumulatively with other effects, on, and conflict with the  
258 policies of the state concerning, the natural environment, ecological  
259 balance, public health and safety, scenic, historic and recreational  
260 values, forests and parks, air and water purity and fish, aquaculture  
261 and wildlife;

262 [(3) why] (C) Why the adverse effects or conflicts referred to in  
263 [subdivision (2) of this subsection] subparagraph (B) of this  
264 subdivision are not sufficient reason to deny the application;

265 [(4) in] (D) In the case of an electric transmission line, [(A)] (i) what  
266 part, if any, of the facility shall be located overhead, [(B)] (ii) that the  
267 facility conforms to a long-range plan for expansion of the electric  
268 power grid of the electric systems serving the state and interconnected  
269 utility systems and will serve the interests of electric system economy  
270 and reliability, and [(C)] (iii) that the overhead portions of the facility,  
271 if any, are cost effective and the most appropriate alternative based on  
272 a life-cycle cost analysis of the facility and underground alternatives to  
273 such facility, and are consistent with the purposes of this chapter, with  
274 such regulations as the council may adopt pursuant to subsection (a) of  
275 section 16-50t, and with the Federal Power Commission "Guidelines  
276 for the Protection of Natural Historic Scenic and Recreational Values in  
277 the Design and Location of Rights-of-Way and Transmission Facilities"

278 or any successor guidelines and any other applicable federal  
279 guidelines;

280 [(5) in] (E) In the case of an electric or fuel transmission line, that the  
281 location of the line will not pose an undue hazard to persons or  
282 property along the area traversed by the line; and

283 (F) In the case of an application that was heard under a consolidated  
284 hearing process with other applications that were common to a  
285 request-for-proposal, that the facility proposed in the subject  
286 application represents the most appropriate alternative among such  
287 applications based on the findings and determinations pursuant to this  
288 subsection and subsection (c) of this section.

289 [The terms of any agreement entered into by the applicant and any  
290 party to the certification proceeding, or any third party, in connection  
291 with the construction or operation of the facility, shall be part of the  
292 record of the proceedings and available for public inspection. The full  
293 text of any such agreement, and a statement of any consideration  
294 therefor, if not contained in the agreement, shall be filed with the  
295 council prior to the council's decision. This provision shall not require  
296 the public disclosure of proprietary information or trade secrets.]

297 Sec. 7. (NEW) (*Effective July 1, 2003*) (a) There is established an  
298 account to be known as the "municipal participation account", within  
299 the Consumer Counsel and Public Utility Control Fund established  
300 pursuant to section 16-48a of the general statutes, which shall be a  
301 separate, nonlapsing account. There shall be deposited in the account  
302 the municipal participation fees received pursuant to subdivisions (1)  
303 and (3) of subsection (a) of section 16-50l of the general statutes, as  
304 amended by this act. The interest derived from the investment of the  
305 account shall be credited to the fund. Any balance remaining in the  
306 account at the end of any fiscal year shall be carried forward in the  
307 account for the fiscal year next succeeding.

308 (b) Payments from the account shall be made upon authorization by  
309 the Connecticut Siting Council not later than sixty days after receipt of

310 an application for a proposed facility, except for a facility described in  
311 subdivisions (5) and (6) of subsection (a) of section 16-50i of the general  
312 statutes, as amended by this act, to each municipality entitled to  
313 receive a copy of such application under section 16-50l of the general  
314 statutes, as amended by this act, in order to defray expenses incurred  
315 by such municipalities in participating as a party to a certification  
316 proceeding, except for a proceeding on an application for a facility  
317 described in subdivision (5) or (6) of subsection (a) of section 16-50i of  
318 the general statutes, as amended by this act. Fees received pursuant to  
319 applications from a common request-for-proposal and the application  
320 that initiated such request-for-proposal shall be designated for use in  
321 the common certification proceeding for such applications, except that  
322 where there are excess moneys at the conclusion of such proceeding,  
323 such moneys shall be used for a subsequent proceeding. Where more  
324 than one municipality seeks moneys from such account, the council  
325 shall evenly distribute such moneys among the municipalities. No  
326 municipality may receive moneys from the account in excess of  
327 twenty-five thousand dollars. No municipality may receive moneys  
328 from the account in excess of the dollar amount such municipality has  
329 expended from its own municipal funds. A municipality that has  
330 received moneys from the account in excess of the costs it incurred in  
331 participating in the certification proceeding, as determined by the  
332 council, shall refund such excess moneys to the account upon the  
333 conclusion of such proceeding.

334 Sec. 8. Section 16a-3 of the general statutes is repealed and the  
335 following is substituted in lieu thereof (*Effective July 1, 2003*):

336 (a) There is established a Connecticut Energy Advisory Board  
337 consisting of [~~sixteen~~] ten members, including the Commissioner of  
338 Economic and Community Development, the Commissioner of  
339 Environmental Protection, [the chairperson of the Connecticut Siting  
340 Council,] the chairperson of the Public Utilities Control Authority, [the  
341 Commissioner of Public Works and] the Commissioner of  
342 Transportation, the Consumer Counsel, the Commissioner of  
343 Agriculture, and the Secretary of the Office of Policy and Management,

344 or their respective designees. The Governor shall appoint [four  
345 members] one member, the president pro tempore of the Senate shall  
346 appoint [three members] one member, and the speaker of the House of  
347 Representatives shall appoint [three members] one member, all of  
348 whom shall serve in accordance with section 4-1a. [At least one of the  
349 members appointed to said board by the Governor shall be a  
350 representative of organized labor.] No appointee may be employed by  
351 a public service company, as defined in section 16-1, or an electric  
352 supplier, as defined in section 16-1 or an affiliate or subsidiary of such  
353 company or supplier.

354 (b) The board shall, [(1) under section 16a-7, (A) recommend to the  
355 Governor and General Assembly programs for enhancing the state's  
356 energy management and carrying out the purposes of section 16a-35k  
357 and (B) recommend long-range energy supply and demand options  
358 with particular emphasis on conservation and energy resource  
359 development within the state, (2) act as a mediator and coordinator for  
360 programs which will identify opportunities for and concerns of the  
361 state in managing its future energy requirements, especially with  
362 regard to conservation and the use of renewable energy resources, (3)  
363 respond to requests of the General Assembly to review or examine  
364 issues requiring consideration and policy formulation and (4) examine  
365 the energy component of the state's economy as it affects citizens,  
366 government, commerce and industry] (1) prepare an annual report  
367 pursuant to section 9 of this act; (2) represent the state in regional  
368 transmission infrastructure planning processes conducted by the  
369 regional independent system operator, as defined in section 16-1; (3)  
370 encourage representatives from the municipalities that are affected by  
371 a proposed project of regional significance to participate in regional  
372 transmission infrastructure planning processes conducted by the  
373 regional independent system operator; (4) issue a request-for-proposal  
374 in accordance with subsections (a) and (b) of section 11 of this act; (5)  
375 evaluate the proposals received pursuant to the request-for-proposal in  
376 accordance with subsection (d) of section 11 of this act; (6) participate  
377 in a forecast proceeding conducted pursuant to subsection (a) of  
378 section 16-50r; and (7) participate in a life-cycle proceeding conducted

379 pursuant to subsection (b) of section 16-50r.

380 (c) The board shall elect a chairman and a vice-chairman from  
381 among its members and shall adopt such rules of procedure as are  
382 necessary to carry out its functions. [Each member of the board who  
383 holds no salaried state office shall be compensated for the performance  
384 of his official duties at the rate of fifty dollars per day.]

385 (d) The board shall employ such staff as is required for the proper  
386 discharge of the duties of the board.

387 [(d)] (e) The Connecticut Energy Advisory Board shall be within the  
388 Office of Policy and Management for administrative purposes only.

389 Sec. 9. (NEW) (*Effective July 1, 2003*) On or before January 1, 2004,  
390 and annually thereafter, the Connecticut Energy Advisory Board shall  
391 prepare a comprehensive energy plan based on existing reports and  
392 studies as to the need for new energy resources, new energy  
393 transmission facilities in the state and new energy conservation  
394 initiatives in the state. The board shall hold regional public hearings on  
395 the proposed plan and shall give at least thirty days notice of each  
396 hearing by publication in the Connecticut Law Journal. Notice of such  
397 hearing may be published in one or more newspapers having general  
398 circulation in each municipality as deemed necessary by the board.  
399 The notice shall state the date, time and place of the hearing, the  
400 subject matter of the hearing, the statutory authority for the plan and  
401 the location where a copy of the plan may be examined. Any person  
402 may comment on the proposed plan. The board shall provide a time  
403 period of not less than forty-five days from the date the notice is  
404 published in the Connecticut Law Journal for review and comment.  
405 The board shall consider fully, after all public hearings, all written and  
406 oral comments respecting the proposed plan and shall mail to each  
407 person who commented or requested notification, notice of availability  
408 of the following documents at a designated location: The text of the  
409 final plan, a summary of the differences between the proposed and  
410 final plan and the reasons for such differences, and the principal  
411 considerations raised in opposition to the proposed plan and the

412 reasons for rejecting any such considerations. The chairman of the  
413 board shall sign the final plan and shall submit it to the joint standing  
414 committee of the General Assembly having cognizance of matters  
415 relating to energy, the environment and transportation. Such plan shall  
416 reflect the legislative findings and policy stated in section 16a-35k of  
417 the general statutes, shall be consistent with the state plan of  
418 conservation and development adopted under chapter 297 of the  
419 general statutes, and shall include, but not be limited to, (1) an  
420 assessment of current energy supplies, demand and costs; (2) an  
421 identification and evaluation of the factors likely to affect future  
422 energy supplies, demand and costs; (3) a statement of progress made  
423 toward long-term goals set in the previous report; (4)  
424 recommendations for decreasing dependency on fossil fuels by  
425 promoting energy conservation, solar and other alternative energy  
426 sources; (5) an assessment of the infrastructure of the state for natural  
427 gas and electric systems; (6) an evaluation of the impact of regional  
428 transmission infrastructure planning processes conducted by the  
429 regional independent system operator, as defined in section 16-1 of the  
430 general statutes, on the state's environment, on energy market design,  
431 and economic development in the state; (7) the consideration of  
432 alternative energy planning mechanisms and targets as an alternative  
433 to integrated resource planning; (8) a statement of energy policies and  
434 long-range energy planning objectives and strategies appropriate to  
435 achieve, among other things, the least-cost mix of energy supply  
436 sources and measures that reduce demand for energy, giving due  
437 regard to such factors as ratepayer impacts, security and diversity of  
438 fuel supplies and energy generating methods, protection of public  
439 health and safety, adverse or beneficial environmental impacts,  
440 conservation of energy and energy resources and the ability of the state  
441 to compete economically; and (9) recommendations for administrative  
442 and legislative actions to implement such policies, objectives and  
443 strategies, which recommendations shall be submitted to the joint  
444 standing committee of the General Assembly having cognizance of  
445 matters relating to energy.

446 Sec. 10. (NEW) (*Effective July 1, 2003*) The Connecticut Energy

447 Advisory Board shall develop guidelines for the evaluation process  
448 under subsection (d) of section 11 of this act based on infrastructure  
449 criteria which shall be consistent with state environmental policy and  
450 the findings in the comprehensive energy plan prepared pursuant to  
451 section 9 of this act, and shall include, but not be limited to, the  
452 following: (1) Environmental preference standards; (2) efficiency  
453 standards, including, but not limited to, efficiency standards for  
454 transmission, generation and demand-side management; (3)  
455 generation preference standards; (4) electric capacity, use trends and  
456 forecasted resource needs; (5) natural gas capacity, use trends and  
457 forecasted resource needs; and (6) regional bulk power grid reliability  
458 criteria.

459 Sec. 11. (NEW) (*Effective July 1, 2003*) (a) Not later than thirty days  
460 after the filing of an application pursuant to subsection (a) of section  
461 16-50i of the general statutes, as amended by this act, except for an  
462 application for a facility described in subdivision (5) or (6) of  
463 subsection (a) of section 16-50i of the general statutes, as amended by  
464 this act, the Connecticut Energy Advisory Board shall issue a request-  
465 for-proposal to seek alternative solutions to the need that will be  
466 addressed by the proposed facility in such application. Such request-  
467 for-proposal shall, where relevant, solicit proposals that include  
468 distributed generation or energy efficiency measures. The board shall  
469 publish such request-for-proposal in one or more newspapers or  
470 periodicals, as selected by the board.

471 (b) The board may issue a request-for-proposal for solutions to a  
472 need for new energy resources, new energy transmission facilities in  
473 the state, and new energy conservation initiatives in the state identified  
474 in the annual comprehensive energy report prepared under section 9  
475 of this act. Such request-for-proposal shall, where relevant, solicit  
476 proposals that include distributed generation or energy efficiency  
477 measures. The board shall publish such request-for-proposal in one or  
478 more newspapers or periodicals, as selected by the board.

479 (c) Not later than sixty days after the first date of publication of a

480 request-for-proposal, a person or any legal entity may submit a  
481 proposal by filing with the board an application containing such  
482 information as such person or entity may consider relevant to such  
483 proposal. The board may request further information from the person  
484 or entity that it deems necessary to evaluate the proposal pursuant to  
485 subsection (d) of this section.

486 (d) Not later than sixty days after the deadline for submissions in  
487 response to a request-for-proposal, the board shall issue a report that  
488 evaluates each proposal received, including any proposal contained in  
489 an application to the council that initiated a request-for-proposal,  
490 based on the materials received pursuant to subsection (b) of this  
491 section, or information contained in the application, as required by  
492 section 16-50l of the general statutes, as amended by this act, for  
493 conformance with the infrastructure criteria guidelines created  
494 pursuant to section 10 of this act. The board shall forward the results of  
495 such evaluation process to the Connecticut Siting Council.

496 Sec. 12. Section 16a-4 of the general statutes is repealed and the  
497 following is substituted in lieu thereof (*Effective July 1, 2003*):

498 The Secretary of the Office of Policy and Management shall employ,  
499 subject to the provisions of chapter 67, such staff as is required for the  
500 proper discharge of duties of the office as set forth in this chapter and  
501 sections 4-5, 4-124l, 4-124p, 8-3b, 8-32a, 8-33a, 8-35a, 8-189, subsection  
502 (b) of section 8-206, sections 16a-20, 16a-102, 22a-352 and 22a-353. [,  
503 and shall provide the board with such assistance as is necessary to  
504 enable the board to fulfill its obligations as set forth in this chapter and  
505 section 16a-102.] The secretary may adopt, pursuant to chapter 54, such  
506 regulations as are necessary to carry out the purposes of this chapter.

507 Sec. 13. Subsection (e) of section 25-204 of the general statutes is  
508 repealed and the following is substituted in lieu thereof (*Effective July*  
509 *1, 2003*):

510 (e) After adoption pursuant to subsection (d) of this section of an  
511 inventory, statement of objectives and map, the river committee shall

512 prepare a report on all federal, state and municipal laws, plans,  
513 programs and proposed activities which may affect the river corridor  
514 defined in such map. Such laws shall include regulations adopted  
515 pursuant to chapter 440 and zoning, subdivision and site plan  
516 regulations adopted pursuant to section 8-3. Such plans shall include  
517 plans of conservation and development adopted pursuant to section 8-  
518 23, the state plan for conservation and development, water utility  
519 supply plans adopted pursuant to section 25-32d, coordinated water  
520 system plans adopted pursuant to section 25-33h, the comprehensive  
521 energy plan adopted pursuant to section [16a-35m] 9 of this act,  
522 municipal open space plans, the commissioner's fish and wildlife  
523 plans, the master transportation plan adopted pursuant to section 13b-  
524 15, plans prepared by regional planning agencies pursuant to section  
525 8-31a, and publicly-owned wastewater treatment facility plans. State  
526 and regional agencies shall, within available resources, assist the river  
527 committee in identifying such laws, plans, programs and proposed  
528 activities. The report to be prepared pursuant to this section shall  
529 identify any conflicts between such federal, state, regional and  
530 municipal laws, plans, programs and proposed activities and the river  
531 committee's objectives for river corridor protection and preservation as  
532 reflected in the statement of objectives. If conflicts are identified, the  
533 river committee shall notify the applicable state, regional or municipal  
534 agencies and such agencies shall, within available resources, attempt  
535 with the river commission to resolve such conflicts.

536 Sec. 14. Subdivision (4) of section 25-231 of the general statutes is  
537 repealed and the following is substituted in lieu thereof (*Effective July*  
538 *1, 2003*):

539 (4) "Major state plan" means any of the following: The master  
540 transportation plan adopted pursuant to section 13b-15, the plan for  
541 development of outdoor recreation adopted pursuant to section 22a-21,  
542 the solid waste management plan adopted pursuant to section 22a-211,  
543 the state-wide plan for the management of water resources adopted  
544 pursuant to section 22a-352, the state-wide environmental plan  
545 adopted pursuant to section 22a-8, the historic preservation plan

546 adopted under the National Historic Preservation Act, 16 USC 470 et  
547 seq., the state-wide facility and capital plan adopted pursuant to  
548 section 4b-23, the long-range state housing plan adopted pursuant to  
549 section 8-37t, the comprehensive energy plan adopted pursuant to  
550 section [16a-35m] 9 of this act, the water quality management plan  
551 adopted under the federal Clean Water Act, 33 USC 1251 et seq., the  
552 Connecticut hazardous waste management plan adopted pursuant to  
553 section 22a-134cc, any plans for managing forest resources adopted  
554 pursuant to section 23-20 and the Connecticut River Atlantic Salmon  
555 Compact adopted pursuant to section 26-302.

556 Sec. 15. Subsection (e) of section 25-234 of the general statutes is  
557 repealed and the following is substituted in lieu thereof (*Effective July*  
558 *1, 2003*):

559 (e) After adoption of an inventory, statement of objectives and map,  
560 pursuant to subsection (d) of this section, the river commission shall  
561 prepare a report on all federal, state, regional and municipal laws,  
562 plans, programs and proposed activities which may affect the river  
563 corridor defined in such map. Such federal, state, regional and  
564 municipal laws shall include regulations adopted pursuant to chapter  
565 440, and zoning, subdivision and site plan regulations adopted  
566 pursuant to section 8-3. Such federal, state, regional and municipal  
567 plans shall include plans of development adopted pursuant to section  
568 8-23, the state plan for conservation and development, water utility  
569 supply plans submitted pursuant to section 25-32d, coordinated water  
570 system plans submitted pursuant to section 25-33h, the comprehensive  
571 energy plan adopted pursuant to section [16a-35m] 9 of this act, the  
572 master transportation plan adopted pursuant to section 13b-15, plans  
573 prepared by regional planning organizations pursuant to section 8-31a  
574 and plans of publicly-owned wastewater treatment facilities whose  
575 discharges may affect the subject river corridor. State and regional  
576 agencies shall, within available resources, assist the river commission  
577 in identifying such laws, plans, programs and proposed activities. The  
578 report to be prepared pursuant to this section shall identify any  
579 conflicts between such federal, state, regional and municipal laws,

580 plans, programs and proposed activities and the river commission's  
581 objectives for river corridor management as reflected in the statement  
582 of objectives. If conflicts are identified, the river commission shall  
583 notify the applicable state, regional or municipal agencies and such  
584 agencies shall, within available resources and in consultation with the  
585 river commission, attempt to resolve such conflicts.

586 Sec. 16. Section 16-50g of the general statutes is repealed and the  
587 following is substituted in lieu thereof (*Effective July 1, 2003*):

588 The legislature finds that power generating plants and transmission  
589 lines for electricity and fuels, community antenna television towers  
590 and telecommunication towers have had a significant impact on the  
591 environment and ecology of the state of Connecticut; and that  
592 continued operation and development of such power plants, lines and  
593 towers, if not properly planned and controlled, could adversely affect  
594 the quality of the environment, the ecological, scenic, historic and  
595 recreational values of the state. The purposes of this chapter are: To  
596 provide for the balancing of the need for adequate and reliable public  
597 utility services at the lowest reasonable cost to consumers with the  
598 need to protect the environment and ecology of the state and to  
599 minimize damage to scenic, historic, and recreational values; to  
600 provide environmental quality standards and criteria for the location,  
601 design, construction and operation of facilities for the furnishing of  
602 public utility services at least as stringent as the federal environmental  
603 quality standards and criteria, and technically sufficient to assure the  
604 welfare and protection of the people of the state; to encourage research  
605 to develop new and improved methods of generating, storing and  
606 transmitting electricity and fuel and of transmitting and receiving  
607 television and telecommunications with minimal damage to the  
608 environment and other values described above; to promote energy  
609 security; to promote the sharing of towers for fair consideration  
610 wherever technically, legally, environmentally and economically  
611 feasible to avoid the unnecessary proliferation of towers in the state  
612 particularly where installation of such towers would adversely impact  
613 class I and II watershed lands, and aquifers; to require annual forecasts

614 of the demand for electric power, together with identification and  
615 advance planning of the facilities needed to supply that demand and  
616 to facilitate local, regional, state-wide and interstate planning to  
617 implement the foregoing purposes.

618 Sec. 17. Subsection (a) of section 16-50i of the general statutes is  
619 repealed and the following is substituted in lieu thereof (*Effective July*  
620 *1, 2003*):

621 (a) "Facility" means: (1) An electric transmission line of a design  
622 capacity of sixty-nine kilovolts or more, including associated  
623 equipment but not including a transmission line tap, as defined in  
624 subsection (e) of this section; (2) a fuel transmission facility, except a  
625 gas transmission line having a design capability of less than two  
626 hundred pounds per square inch gauge pressure; (3) any electric  
627 generating or storage facility using any fuel, including nuclear  
628 materials, including associated equipment for furnishing electricity but  
629 not including an emergency generating device, as defined in  
630 subsection (f) of this section or a facility (i) owned and operated by a  
631 private power producer, as defined in section 16-243b, (ii) which is a  
632 qualifying small power production facility or a qualifying  
633 cogeneration facility under the Public Utility Regulatory Policies Act of  
634 1978, as amended, or a facility determined by the council to be  
635 primarily for a producer's own use, and (iii) which has, in the case of a  
636 facility utilizing renewable energy sources, a generating capacity of  
637 one megawatt of electricity or less and, in the case of a facility utilizing  
638 cogeneration technology, a generating capacity of twenty-five  
639 megawatts of electricity or less; (4) any electric substation or  
640 switchyard designed to change or regulate the voltage of electricity at  
641 sixty-nine kilovolts or more or to connect two or more electric circuits  
642 at such voltage, which substation or switchyard may have a substantial  
643 adverse environmental effect, as determined by the council established  
644 under section 16-50j, and other facilities which may have a substantial  
645 adverse environmental effect as the council may, by regulation,  
646 prescribe; (5) such community antenna television towers and head-end  
647 structures, including associated equipment, which may have a

648 substantial adverse environmental effect, as said council shall, by  
649 regulation, prescribe; [and] (6) such telecommunication towers,  
650 including associated telecommunications equipment, owned or  
651 operated by the state, a public service company or a certified  
652 telecommunications provider or used in a cellular system, as defined  
653 in the Code of Federal Regulations Title 47, Part 22, as amended, which  
654 may have a substantial adverse environmental effect, as said council  
655 shall, by regulation, prescribe; and (7) any component of a proposal  
656 submitted pursuant to the request-for-proposal process.

657 Sec. 18. Subsection (a) of section 16-245l of the general statutes is  
658 repealed and the following is substituted in lieu thereof (*Effective July*  
659 *1, 2003*):

660 (a) The Department of Public Utility Control shall establish and each  
661 electric distribution company shall collect a systems benefits charge to  
662 be imposed against all end use customers of each electric distribution  
663 company beginning January 1, 2000. The department shall hold a  
664 hearing that shall be conducted as a contested case in accordance with  
665 chapter 54 to establish the amount of the systems benefits charge. The  
666 department may revise the systems benefits charge or any element of  
667 said charge as the need arises. The systems benefits charge shall be  
668 used to fund (1) the expenses of the public education outreach  
669 program developed under subsection (a) of section 16-244d other than  
670 expenses for department staff, (2) the reasonable and proper expenses  
671 of the education outreach consultant pursuant to subsection (d) of  
672 section 16-244d, (3) the cost of hardship protection measures under  
673 sections 16-262c and 16-262d and other hardship protections, including  
674 but not limited to, electric service bill payment programs, funding and  
675 technical support for energy assistance, fuel bank and weatherization  
676 programs and weatherization services, (4) the payment program to  
677 offset tax losses described in section 12-94d, (5) any sums paid to a  
678 resource recovery authority pursuant to subsection (b) of section 16-  
679 243e, (6) low income conservation programs approved by the  
680 Department of Public Utility Control, (7) displaced worker protection  
681 costs, (8) unfunded storage and disposal costs for spent nuclear fuel

682 generated before January 1, 2000, approved by the appropriate  
 683 regulatory agencies, (9) postretirement safe shutdown and site  
 684 protection costs that are incurred in preparation for decommissioning,  
 685 (10) decommissioning fund contributions, [and] (11) operating  
 686 expenses for the Connecticut Energy Advisory Board, and (12) legal,  
 687 appraisal and purchase costs of a conservation or land use restriction  
 688 and other related costs as the department in its discretion deems  
 689 appropriate, incurred by a municipality on or before January 1, 2000, to  
 690 ensure the environmental, recreational and scenic preservation of any  
 691 reservoir located within this state created by a pump storage  
 692 hydroelectric generating facility. As used in this subsection, "displaced  
 693 worker protection costs" means the reasonable costs incurred, prior to  
 694 January 1, 2006, by an electric company or a generation entity or  
 695 affiliate arising from the dislocation of any employee other than an  
 696 officer, provided such dislocation is a result of restructuring of the  
 697 electric generation market and such dislocation occurs on or after July  
 698 1, 1998; and provided further such costs result from either the  
 699 execution of agreements reached through collective bargaining for  
 700 union employees or from the company's or entity's or affiliate's  
 701 programs and policies for nonunion employees. "Displaced worker  
 702 protection costs" includes costs incurred or projected for severance,  
 703 retraining, early retirement, outplacement and related expenses.  
 704 "Displaced worker protection costs" does not include those costs  
 705 included in determining a tax credit pursuant to section 12-217bb.

706 Sec. 19. (*Effective July 1, 2003*) Sections 16a-7 and 16a-35m of the  
 707 general statutes are repealed.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>July 1, 2003</i>
Sec. 3	<i>July 1, 2003</i>
Sec. 4	<i>July 1, 2003</i>
Sec. 5	<i>July 1, 2003</i>
Sec. 6	<i>July 1, 2003</i>
Sec. 7	<i>July 1, 2003</i>



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Department of Agriculture	GF - None	None	None
Siting Council, CT	CC&PUCF - Revenue Gain	\$1.5 million - \$2 million	\$1.5 million - \$2 million
Consumer Counsel	CC&PUCF - None	None	None
Policy & Mgmt., Off.	GF - Savings	Minimal	Minimal

Note: GF=General Fund; CC&PUCF=Consumer Counsel and Public Utility Control Fund

**Municipal Impact:**

Municipalities	Effect	FY 04 \$	FY 05 \$
Various Municipalities	Savings	Minimal	Minimal

**Explanation**

*Connecticut Energy Advisory Board*

The bill changes the membership of the Connecticut Energy Advisory Board (CEAB) by eliminating several members and adding the Commissioner of the Department of Agriculture and the secretaries of the Offices of Consumer Counsel and Policy and Management. Passage of this portion of the bill would not result in any fiscal impact to the state. In addition, the bill establishes that all operating expenses of CEAB be covered through systems benefits charges included on all customers' electric bills.<sup>1</sup> Finally, the bill eliminates the provision that allows for the compensation of non-salaried state employees at a rate of fifty dollars per diem and requires CEAB to employ the staff it needs to discharge its duties. With the additional CEAB responsibilities as proposed in the bill, the amount of necessary

<sup>1</sup> The systems benefits charges (SBC) pay for various social policy costs related to the electric industry. The SBC rate is routinely adjusted to ensure that expenditures match revenues. Last year, approximately \$60 million was generated.

resources is unknown at this time.

*Connecticut Siting Council*

The bill requires applicants for Siting Council certificates, other than applications for telecommunications towers, to pay a \$25,000 municipal participation fee.<sup>2</sup> Passage of the bill could result in significant revenue gain, \$1.5 million – \$2 million. The bill also allows for the refund of such funds in the event that no proposals are submitted in response to the corresponding request for proposal (RFP). These funds are to be deposited in a non-lapsing municipal participation account within the Consumer Counsel and Public Utility Control Fund (CC&PUCF) and used to reimburse municipalities for expenses incurred in participating in the Siting Council process. All interest from deposited funds is to remain in the fund. In addition, the responders to RFPs are required to pay the municipal participation fee and a filing fee of \$25,000 already established under current law.

The Siting Council renders about 250-300 decisions per year, more than half are telecommunications related. Ten to fifteen percent of all proceedings involve controversial requests for certificates or declaratory rulings. It is anticipated that only half of these cases would involve the type where the aforementioned fees would be applicable. Consequently, passage of the bill would result in indeterminate revenue gain since interest from such fees would remain in the CC&PCUF.

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<sup>2</sup> The Siting Council classifies cases as “dockets” that involve new developments and “petitions or filings” that involve existing structures or facilities. The bill is unclear as to the applicability of the fee to all cases or dockets only.

**OLR Bill Analysis**

sHB 6508

**AN ACT CONCERNING LONG-TERM PLANNING FOR ENERGY FACILITIES****SUMMARY:**

This bill expands the responsibilities of the Connecticut Energy Advisory Board (CEAB) to include energy planning and the identification of alternative solutions to the state's energy infrastructure needs. It requires CEAB to prepare an annual plan, using existing data, on the need for new energy resources, transmission facilities, and energy conservation initiatives in the state. This provision supersedes a mandate that the Office of Policy and Management (OPM) develop a similar plan every four years and that CEAB report its recommendations on energy policy every other year.

The bill requires CEAB to develop guidelines for evaluating alternative proposals for addressing the state's energy infrastructure needs.

CEAB must issue a request for proposals (RFP) when an application is made to the Connecticut Siting Council for a certificate to build an electric transmission line, power plant, substation, or gas transmission line in order to identify alternative solutions. The bill allows the board to issue an RFP on its own initiative to address the needs identified in its annual plan. It requires CEAB to evaluate any proposals received in response to the RFP, as well as the original application, using the guidelines it has developed. CEAB must report its findings to the Siting Council. The report becomes part of the record upon which the Siting Council must make its decision.

The bill requires CEAB to participate in New England transmission planning processes and certain Siting Council proceedings. It modifies CEAB's membership and funds the board through the systems benefits charge on electric bills.

The bill also:

1. requires an applicant for a Siting Council certificate to pay a fee of \$25,000, which goes to an account established by the bill that

- reimburses the potential host municipality or municipalities of a facility for expenses they incur in participating in the Siting Council process;
2. refunds the fee to the applicant if no one submits a proposal in response to the RFP;
  3. subjects facilities that are proposed in the RFP process to the Siting Council's jurisdiction;
  4. requires the Siting Council to hold a consolidated hearing on the original application and applications submitted in response to the RFP;
  5. in cases where there was a consolidated hearing, requires the Siting Council to grant a certificate to the application that represents the most appropriate alternative based on the council's findings and determinations;
  6. extends the deadline for the Siting Council to hold its hearings and issue its decision to account for the time taken up in the CEAB review process; and
  7. requires the Siting Council to promote energy security as part of its mission.

EFFECTIVE DATE: July 1, 2003

### **CEAB RESPONSIBILITIES**

The bill expands CEAB's responsibilities to include the following tasks, which are described in greater detail below:

1. preparing an annual energy plan, following a process similar to that used in preparing an environmental impact statement;
2. issuing an RFP to identify alternate solutions to the state's energy infrastructure needs; and
3. evaluating proposals received in response to the RFP.

The bill also requires CEAB to:

1. represent the state in the transmission planning process conducted by the Independent System Operator-New England, which administers the regional electric grid and wholesale market;
2. encourage municipalities to participate in this process;
3. participate in the Siting Council proceeding that projects future electric supply and demand; and
4. participate in the Siting Council proceeding that compares the life-cycle costs of underground with above ground transmission line alternatives.

The bill requires CEAB to employ the staff it needs to discharge its duties. It eliminates a requirement that OPM provide staff support for the board. It funds CEAB's operating expenses using the existing systems benefits charge. This charge, which is on electric bills of all customers other than those served by municipal utilities, pays various social policy costs related to the electric industry.

## **ENERGY PLANNING**

The bill requires CEAB to prepare a comprehensive energy plan by January 1 annually. The plan must be based on existing reports and studies on the need for new energy resources, in-state transmission facilities, and energy conservation initiatives.

### ***Proposed Plan***

CEAB must hold regional public hearings on its proposed plan, providing at least 30 days notice in the Connecticut Law Journal. The board can publish additional notices it considers necessary in one or more general circulation newspapers. The notice must state the date, time, and place of the hearing, and where the plan can be examined.

The board must allow at least 45 days from the date the Law Journal notice is published for comment on the proposed plan. The board must fully consider, after the hearings, all written and oral comments regarding the plan.

### ***Final Plan***

The final plan must reflect the state's energy policy (CGS § 16a-35k) and be consistent with the state Plan of Conservation and Development. The energy plan must:

1. assess current energy supplies, demand, and costs;
2. identify and evaluate the factors likely to affect these variables in the future;
3. describe the progress made toward meeting the long-term goals specified in the previous plan;
4. recommend measures to decrease dependency on fossil fuels by promoting conservation and alternative fuels;
5. assess the state's natural gas and electric infrastructure;
6. evaluate the impact of the regional transmission planning process conducted by the entity that operates the transmission grid on the state's environment and economic development and on energy market design; and
7. consider alternative energy planning mechanisms and targets instead of integrated resource planning (an electric utility planning system used before the electric markets were partially deregulated).

The plan must also present energy policies and long-range planning objectives and strategies to achieve, among other things, the least expensive mix of supply resources and measures that reduce energy demand. In doing so, the board must consider effects on ratepayers, security and diversity of fuel supplies and generating methods, protection of public health and safety, environmental impacts, energy conservation, and the state's ability to compete economically. The plan must include the board's administrative and legislative recommendations to implement these policies, objectives, and strategies, which must be submitted to the Energy and Technology Committee.

The bill's requirements take the place of provisions that require:

1. the Office of Policy and Management (OPM) to prepare an energy plan addressing items one through four on the above list, plus

mechanisms to implement its recommendations; and

2. CEAB to report to the governor and legislature annually, with the report in odd-numbered years providing CEAB's energy supply and conservation recommendations and the report in even-numbered years describing progress in implementing the recommendations in OPM's and its own previous reports.

### ***Distribution of the Plan and Related Documents***

Under the bill, the board must mail a notice of availability of the following documents to each person who comments on the proposed plan or requests notice:

1. the text of the final plan,
2. a summary of the differences between the proposed and final plans and the reasons for the differences,
3. the principal considerations raised against the proposed plan and the reasons for rejecting them.

The board chairman must sign the final plan and send it to the Energy and Technology, Environment, and Transportation committees.

### ***Reflecting the Energy Plan in Rivers Plans***

By law, two or more municipalities can form commissions to coordinate management of rivers that are used for multiple purposes. Such commissions must prepare a report on all plans that may affect the river corridor. Under the bill, the report must address the CEAB energy plan, rather than the OPM plan.

## **IDENTIFYING AND EVALUATING ALTERNATE SOLUTIONS**

### ***Guidelines***

The bill requires CEAB to develop guidelines for evaluating proposals submitted in response to requests for proposals. The guidelines must be consistent with its annual energy plan and state environmental policy. The guidelines must at least include: (1) environmental preference standards; (2) efficiency standards for generation, transmission, and demand side management, among other things; (3)

generation preference standards; (4) electric and natural gas capacity, use trends, and forecasted resource needs; and (5) regional bulk power grid reliability criteria.

### ***Issuing the RFP***

Under the bill, within 30 days of the filing of an application for a Siting Council certificate for an energy facility, CEAB must issue an RFP for alternative solutions to the need addressed by the application. In addition, CEAB can issue RFPs on its own initiative, in response to a need for new energy resources, transmission facilities, and energy conservation initiatives identified in its annual energy plan. In both cases the RFP must, when appropriate, solicit proposals for distributed generation or energy efficiency measures. CEAB must publish the RFP in one or more newspapers or periodicals it chooses.

### ***Evaluating Proposals***

Anyone can submit a proposal in response to the RFP within 60 days from its first publication date, containing information the proposer considers relevant. CEAB can request additional information in order to be able to evaluate the proposal. Within 60 days of the submission deadline, CEAB must issue a report that evaluates each of the proposals it has received for compliance with the infrastructure guidelines described above. CEAB must send the results of its evaluation to the Siting Council.

### **CEAB MEMBERSHIP**

The bill reduces, the CEAB's membership, from 16 to 10. It eliminates:

1. the Siting Council chairperson and public works commissioner,
2. three of the governor's appointments, and
3. two of the three appointments each made by the House speaker and Senate president pro tempore.

It adds the OPM secretary, Consumer Counsel, and agriculture commissioner to the board.

The bill bars employment of any board member by a DPUC-regulated

utility, a competitive electric supplier, or an affiliate or subsidiary of a utility or supplier. It eliminates a requirement that one of the governor's appointees represent organized labor. It eliminates a provision that entitles CEAB members who are not state officials to a \$50 dollar per diem.

## **SITING COUNCIL TIMELINE**

### ***Hearings***

The bill extends the deadline for the Siting Council to hold a hearing and issue a decision on an application for an energy facility to accommodate the CEAB review process described above.

Under current law, the council must schedule a hearing from 30 to 150 days after it receives an application. The bill instead requires the hearing to be scheduled from 30 to 150 days after the deadline for submitting proposals in response to the RFP, which could be up to 90 days from the date the original application was made to the council, in cases where no proposals were submitted. If CEAB receives one or more proposals, the hearing must be held from 30 to 150 days after the deadline for the proposer to submit its application to the Siting Council, which could be up to 300 days from the filing of the original application with the Siting Council. In such cases, the council must hear the competing applications in a consolidated process. In the consolidated hearings, the results of the CEAB evaluation process must be part of the record which forms the basis for the council's decision.

### ***Decision Deadline and Criteria***

The bill delays the Siting Council's deadline for issuing its decision on the original application. Under current law, the deadline is 12 months after the filing of an application for an electric or fuel transmission line or a substation included in an application for an electric transmission line. For other applications, the deadline is 180 days from the application date.

The bill delays the deadline for all of these facilities by the time allowed for submitting an application, apparently to the Siting Council following the RFP process, i.e., up to 300 days from the submission of the original application. The bill has contradictory provisions on the decision deadline for cable TV towers. (One provision extends the

deadline to reflect the CEAB process, which does not apply to the towers; another provision retains the current deadline.)

Under the bill, when there are multiple applications, the council must approve the most appropriate alternative based on the council's findings and determinations as to the need for the facility (the facility's benefit to the public, in the case of power plants and underground or submarine electric transmission lines) and its environmental impacts.

### **APPLICANT'S CONSULTATION WITH HOST MUNICIPALITY**

The bill delays when an applicant for a Siting Council certificate for an energy facility must consult with the potential host municipality. Under current law, such consultations must begin at least 60 days before the application is filed with the council. The bill instead requires the consultation to begin when the application is filed.

By law, (1) the consultation must at least include good faith efforts to meet with the municipality's chief elected official; (2) the applicant must provide the official with any technical documents it has on the need for the facility, the site selection process, and the facility's environmental effects; (3) the municipality may hold meetings and public hearings on the proposal; and (4) the municipality must issue its recommendations to the applicant within 60 days of the initial consultation. The bill extends these consultation requirements to entities that file proposals in response to the RFP. Such entities must begin their consultation when they file their proposals, but these requirements do not apply a second time if the entity has filed an application with the council. The bill also requires the original applicant to provide to the council all materials it provided to the municipality and a summary of the consultations, including the municipality's recommendations. The applicant must do so within 15 days of filing its application with the council, which conflicts with the provision that gives the municipality 60 days after the application filing date to issue its recommendations.

The bill also subjects entities that file proposals in response to the RFP to the Siting Council's jurisdiction once they submit their proposals to CEAB.

### **MUNICIPAL PARTICIPATION FUNDING**

The bill requires applicants for a Siting Council certificate, other than applicants for telecommunications towers, to pay a municipal participation fee of \$25,000. It establishes a nonlapsing “municipal participation account” within the Consumer Counsel and Public Utility Control Fund, and requires the fees to be deposited into it. Interest from the account stays with it. The bill does not specify which agency administers the account.

If no proposals are received under the RFP process described above, the fee is returned to the applicant. If a proposal is submitted, the proposer may apply for a Siting Council certificate. If it does, it must pay (1) the municipal participation fee and (2) the filing fee of up to \$25,000 required under current law. The proposer must take these steps within 150 days of CEAB’s evaluation of the proposals submitted in response to the RFP.

Municipalities that are currently entitled to notice of a Siting Council application are allowed to seek payments from the account. These are (1) any municipality that is the potential host site for the proposed facility and (2) any municipality whose boundary is no more than 2,500 feet from the facility. The municipality can apply for funding to defray its costs of participating in the Siting Council process. If several municipalities seek funding, the fee must be split evenly among them. No municipality can receive more than \$25,000 or more than it has spent from its own funds whichever is less. If a municipality receives more money from the account than it spends, it must return the excess to the account at the end of the Siting Council proceeding.

In the case where a proposer under the RFP process has submitted a Siting Council application, the municipal participation fees derived from both the original applicant and this entity must be used in the common certification proceeding. If money is left over, it must be used in the next proceeding.

## **BACKGROUND**

### ***Related Bills***

sSB 1018, favorably reported by the Environment Committee, requires the Siting Council to consider whether other prudent and feasible alternatives to a proposed project could meet the needs addressed by the project with less environmental impact.

sSB 1158, favorably reported by the Environment Committee extends, by one year, the moratorium on the Siting Council and Department of Environmental Protection approving most applications for utility lines crossing Long Island Sound.

sHB 6682, favorably reported by the Environment Committee, changes the Siting Council's standard of review for underground and submarine transmission line applications.

HB 6485, favorably reported by the Program Review and Investigations Committee, requires OPM to prepare a report on the state's energy situation every two years, rather than preparing a comprehensive energy plan every four years.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute Change of Reference

Yea 14 Nay 1

Environment Committee

Joint Favorable Report

Yea 27 Nay 0