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**Amendment**

LCO No. 6536

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Offered by:

REP. NARDELLO, 89<sup>th</sup> Dist.

To: Subst. Senate Bill No. 733

File No. 428

Cal. No. 529

**"AN ACT CONCERNING REVISIONS TO THE ELECTRIC  
RESTRUCTURING LEGISLATION."**

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

3 "Section 1. Subdivisions (26) and (27) of subsection (a) of section 16-  
4 1 of the general statutes are repealed and the following is substituted  
5 in lieu thereof (*Effective July 1, 2003*):

6 (26) "Class I renewable energy source" means (A) energy derived  
7 from solar power, wind power, a fuel cell, methane gas from landfills,  
8 ocean thermal power, wave or tidal power, low emission advanced  
9 renewable energy conversion technologies, a run-of-the-river  
10 hydropower facility provided such facility has a generating capacity of  
11 not more than five megawatts, does not cause an appreciable change in  
12 the river flow, and began operation after the effective date of this  
13 section, or a biomass facility, including, but not limited to, a biomass  
14 gasification plant that utilizes land clearing debris, tree stumps or

15 other biomass that regenerates or the use of which will not result in a  
16 depletion of resources, provided such facility begins operating on or  
17 after July 1, 1998, [and] and such biomass is cultivated and harvested  
18 in a sustainable manner, except that energy derived from a biomass  
19 facility that began operation before July 1, 1998, may be considered a  
20 Class I renewable energy source, provided the average emission rate  
21 for such facility is equal to or less than .075 pounds of nitrogen oxides  
22 per million BTU of heat input for the previous calendar quarter and  
23 such biomass is cultivated and harvested in a sustainable manner, or  
24 (B) any electrical generation, including distributed generation,  
25 generated from a Class I renewable energy source;

26 (27) "Class II renewable energy source" means energy derived from  
27 a trash-to-energy facility, [or] a biomass facility [that does not meet the  
28 criteria for a class I renewable energy source or a hydropower facility,  
29 provided such facility has a license issued by the Federal Energy  
30 Regulatory Commission, has been exempted from such licensure, is  
31 the subject of a license application or notice of intent to seek a license  
32 from said commission, has been found by the Commissioner of  
33 Environmental Protection to be operating in compliance with the  
34 federal Clean Water Act, or has been found by the Canadian  
35 environmental assessment agency to be operating in compliance with  
36 said agency's resource objectives] that began operation before July 1,  
37 1998, provided the average emission rate for such facility is equal to or  
38 less than .2 pounds of nitrogen oxides per million BTU of heat input  
39 for the previous calendar quarter, or a run-of-the-river hydropower  
40 facility provided such facility has a generating capacity of not more  
41 than five megawatts, does not cause an appreciable change in the  
42 riverflow, and began operation prior to the effective date of this  
43 section.

44 Sec. 2. Subsection (a) of section 16-1 of the general statutes is  
45 amended by adding subdivisions (40) and (41) as follows (*Effective July*  
46 *1, 2003*):

47 (NEW) (40) "Distributed generation" means the generation of

48 electricity on the premises of an end user within the transmission and  
49 distribution system including, but not limited to, fuel cells,  
50 photovoltaic systems or small wind turbines.

51 (NEW) (41) "Federally mandated congestion costs" means any cost  
52 imposed by the Federal Energy Regulatory Commission as part of  
53 New England Standard Market Design.

54 Sec. 3. Section 16-243h of the general statutes is repealed and the  
55 following is substituted in lieu thereof (*Effective July 1, 2003*):

56 On and after January 1, 2000, each electric supplier [, as defined in  
57 section 16-1] or any electric distribution company providing standard  
58 offer or back-up electric generation service, pursuant to section 16-  
59 244c, as amended by this act, shall give a credit for any electricity  
60 generated by a residential customer from a Class I renewable energy  
61 source or a hydropower facility. [as described in subdivision (27) of  
62 section 16-1.] The electric distribution company providing electric  
63 distribution services to such a customer shall make such  
64 interconnections necessary to accomplish such purpose. An electric  
65 distribution company, at the request of any residential customer  
66 served by such company and if necessary to implement the provisions  
67 of this section, shall provide for the installation of metering equipment  
68 that (1) measures electricity consumed by such customer from the  
69 facilities of the electric distribution company, (2) deducts from the  
70 measurement the amount of electricity produced by the customer and  
71 not consumed by the customer, and (3) registers, for each billing  
72 period, the net amount of electricity either [(i)] (A) consumed and  
73 produced by the customer, or [(ii)] (B) the net amount of electricity  
74 produced by the customer. A residential customer who generates  
75 electricity from a generating unit with a name plate capacity of more  
76 than ten kilowatts of electricity pursuant to the provisions of this  
77 section shall be assessed for the competitive transition assessment,  
78 pursuant to section 16-245g and the systems benefits charge, pursuant  
79 to section 16-245l, as amended by this act, based on the amount of  
80 electricity consumed by the customer from the facilities of the electric

81 distribution company without netting any electricity produced by the  
82 customer. For purposes of this section, "residential customer" means a  
83 customer of a single-family dwelling or multifamily dwelling  
84 consisting of two to four units.

85 Sec. 4. Section 16-244c of the general statutes is repealed and the  
86 following is substituted in lieu thereof (*Effective July 1, 2003*):

87 (a) (1) On and after January 1, 2000, each electric distribution  
88 company [, as defined in section 16-1,] shall make available to all  
89 customers in its service area, the provision of electric generation and  
90 distribution services through a standard offer. Under the standard  
91 offer, a customer shall receive electric services at a rate established by  
92 the Department of Public Utility Control pursuant to subdivision (2) of  
93 this subsection. Each electric distribution company shall provide  
94 electric generation services in accordance with such option to any  
95 customer who affirmatively chooses to receive electric generation  
96 services pursuant to the standard offer or does not or is unable to  
97 arrange for or maintain electric generation services with an electric  
98 supplier. [, as defined in said section 16-1. The standard offer shall  
99 automatically terminate on January 1, 2004, unless extended by the  
100 General Assembly pursuant to section 74 of public act 98-28\*.] While  
101 providing electric generation services under the standard offer, an  
102 electric distribution company may provide electric generation services  
103 through any of its generation entities or affiliates, provided such  
104 entities or affiliates are licensed pursuant to section 16-245, as  
105 amended by this act.

106 (2) Not later than October 1, 1999, and periodically thereafter, the  
107 Department of Public Utility Control shall establish the standard offer  
108 for each electric distribution company, effective January 1, 2000, which  
109 shall allocate the costs of such company among electric transmission  
110 and distribution services, electric generation services, the competitive  
111 transition assessment and the systems benefits charge. The department  
112 shall hold a hearing that shall be conducted as a contested case in  
113 accordance with chapter 54 to establish the standard offer. [The] Until

114 January 1, 2004, the standard offer shall provide that the total rate  
115 charged under the standard offer, including electric transmission and  
116 distribution services, the conservation and load management program  
117 charge described in section 16-245m, as amended by this act, the  
118 renewable energy investment charge described in section 16-245n,  
119 electric generation services, the competitive transition assessment and  
120 the systems benefits charge shall be at least ten per cent less than the  
121 base rates, as defined in section 16-244a, in effect on December 31,  
122 1996. On and after January 1, 2004, the standard offer shall provide  
123 that the total rate charged under the standard offer, including electric  
124 transmission and distribution services, the conservation and load  
125 management program charge described in section 16-245m, as  
126 amended by this act, the renewable energy investment charge  
127 described in section 16-245n, electric generation services, the  
128 competitive transition assessment, the systems benefit charge, and the  
129 universal service charge described in section 21 of this act, shall not  
130 exceed the standard offer rates in effect on June 1, 2003, adjusted by  
131 increases or decreases in the Consumer Price Index for the prior  
132 twelve-month period. The standard offer shall be adjusted to the extent  
133 of any increase or decrease in state taxes attributable to sections 12-264  
134 and 12-265 and any other increase or decrease in state or federal taxes  
135 resulting from a change in state or federal law and shall continue to be  
136 adjusted [during such period] pursuant to section 16-19b.  
137 Notwithstanding the provisions of section 16-19b, the provisions of  
138 said section 16-19b shall apply to electric distribution companies. The  
139 standard offer may be adjusted, by an increase or decrease, to the  
140 extent approved by the department, in the event that (A) the revenue  
141 requirements of the company are affected as the result of changes in (i)  
142 legislative enactments other than public act 98-28\*\* and this act, (ii) the  
143 price of electric generation services attributable to federal  
144 administrative requirements, or (iii) accounting standards occurring  
145 after July 1, 1998, provided such accounting standards are adopted by  
146 entities independent of the company that have authority to issue such  
147 standards, or (B) an electric distribution company incurs extraordinary  
148 and unanticipated expenses required for the provision of safe and

149 reliable electric service to the extent necessary to provide such service.  
150 Savings attributable to a reduction in taxes shall not be shifted between  
151 customer classes.

152 (3) The price [reduction] reductions provided in subdivision (2) of  
153 this subsection shall not apply to customers who, on or after July 1,  
154 1998, are purchasing electric services from an electric company or  
155 electric distribution company, as the case may be, under a special  
156 contract or flexible rate tariff, [and] provided the company's filed  
157 standard offer tariffs shall reflect that such customers shall not receive  
158 the standard offer price [reduction] during the term of said contract or  
159 tariff.

160 (4) (A) Each electric distribution company shall, on or before  
161 January 1, 2004, file with the department an application for an  
162 amendment of rates pursuant to section 16-19, which application shall  
163 include a four-year plan for the provision of electric transmission and  
164 distribution services. The department shall conduct a contested case  
165 proceeding pursuant to sections 16-19 and 16-19e to approve, reject or  
166 modify the application and plan. Upon the approval of such plan, as  
167 filed or as modified by the department, the department shall order that  
168 such plan shall establish the electric transmission and distribution  
169 services component of the standard offer.

170 (B) Notwithstanding the provisions of this subdivision, an electric  
171 distribution company that, on or after September 1, 2002, completed a  
172 proceeding pursuant to sections 16-19 and 16-19e, shall not be required  
173 to file an application for an amendment of rates as required by this  
174 subdivision. The department shall establish the electric transmission  
175 and distribution services component of the standard offer for any such  
176 company equal to the electric transmission and distribution services  
177 component of the standard offer in effect on the effective date of this  
178 section for such company. If such electric distribution company applies  
179 to the department, pursuant to section 16-19, for an amendment of its  
180 rates on or before December 31, 2006, the application of the electric  
181 distribution company shall include a four-year plan.

182       (5) On and after January 1, 2007, each electric distribution company  
183 shall not provide standard offer service to any customer who uses a  
184 demand meter or has a maximum demand of greater than five  
185 hundred kilowatts.

186       (6) (A) An electric distribution company providing standard offer  
187 pursuant to this subsection shall mitigate the variation of the price of  
188 the service offered to its customers by procuring electric generation  
189 services contracts in the manner prescribed in a plan approved by the  
190 department. Such plan shall require the procurement of a portfolio of  
191 service contracts sufficient to meet the projected load of the electric  
192 distribution company. Such plan shall require that the portfolio of  
193 service contracts be procured in an overlapping pattern of fixed  
194 periods at such times and in such manner and duration as the  
195 department determines to be most likely to produce just, reasonable,  
196 lowest cost and reasonably stable retail rates while reflecting  
197 underlying wholesale market prices over time. The portfolio of  
198 contracts shall be assembled in such manner as to invite competition;  
199 guard against favoritism, improvidence, extravagance, fraud and  
200 corruption; and secure a reliable electricity supply while avoiding  
201 unusual, anomalous or excessive pricing. The portfolio of contracts  
202 procured under such plan shall be for terms of not less than six  
203 months, provided contracts for shorter periods may be procured under  
204 such conditions as the department shall prescribe to (i) ensure the  
205 lowest rates possible for end-use customers; (ii) ensure reliable service  
206 under extraordinary circumstances; and (iii) ensure the prudent  
207 management of the contract portfolio. An electric distribution  
208 company may receive a bid for an electric generation services contract  
209 from any of its generation entities or affiliates, provided such  
210 generation entity or affiliate submits its bid the business day preceding  
211 the first day on which an unaffiliated electric supplier may submit its  
212 bid and further provided the electric distribution company and the  
213 generation entity or affiliate are in compliance with the code of  
214 conduct established in section 16-244h.

215       (B) The Office of Consumer Counsel, in consultation with the

216 department, shall select a third-party entity with expertise in the area  
217 of energy procurement to oversee the initial development of the  
218 request for proposals and the procurement of contracts by an electric  
219 distribution company for the provision of electric generation services  
220 offered pursuant to this subsection. The department shall retain the  
221 services of the selected third-party entity. Costs associated with the  
222 retention of such third-party entity shall be included in the cost of  
223 electric generation services that is included in such price.

224 (C) Each bidder for a standard service contract shall submit its bid  
225 to the electric distribution company and the third-party entity who  
226 shall jointly review the bids and submit an overview of all bids  
227 together with a joint recommendation to the department as to the  
228 preferred bidders. The department may, within thirty business days of  
229 submission of the overview, reject the recommendation regarding  
230 preferred bidders. In the event that the department rejects the  
231 preferred bids, the electric distribution company and the third-party  
232 entity shall rebid the service pursuant to this subdivision.

233 (D) Not less than thirty days prior to the solicitation of bids for  
234 standard offer service, an electric distribution company shall post the  
235 bid specifications on its Internet website.

236 (E) All bids submitted to an electric distribution company and the  
237 third-party entity for standard offer service shall be available thirty  
238 days after contracts are signed with the successful bidders.

239 (7) (A) Notwithstanding the provisions of this section regarding the  
240 electric generation services component of the standard offer, section  
241 16-244h or 16-245o, the Department of Public Utility Control may, from  
242 time to time, direct an electric distribution company to offer, through  
243 an electric supplier or electric suppliers, before January 1, 2007, one or  
244 more alternative standard offer options. Such alternative options shall  
245 include, but not be limited to, an option that consists of the provision  
246 of electric generation services that exceed the renewable portfolio  
247 standards established in section 16-245a, as amended by this act, and

248 may include an option that utilizes strategies or technologies that  
249 reduce the overall consumption of electricity of the customer.

250 (B) The department shall develop such alternative option or options  
251 in a contested case conducted in accordance with the provisions of  
252 chapter 54. The department shall determine the terms and conditions  
253 of such alternative option or options, including, but not limited to, (i)  
254 the minimum contract terms, including pricing, length and termination  
255 of the contract, and (ii) the minimum percentage of electricity derived  
256 from Class I or Class II renewable energy sources, if applicable. The  
257 electric distribution company shall, under the supervision of the  
258 department, subsequently conduct a bidding process in order to solicit  
259 electric suppliers to provide such alternative option or options.

260 (C) The department may reject some or all of the bids received  
261 pursuant to the bidding process. All bids submitted by electric  
262 suppliers shall be available for public review thirty days after the  
263 contracts are signed with the successful bidders.

264 (D) The department may require an electric supplier to provide  
265 forms of assurance to satisfy the department that the contracts  
266 resulting from the bidding process will be fulfilled.

267 (E) An electric supplier who fails to fulfill its contractual obligations  
268 resulting from this subdivision shall be subject to civil penalties, in  
269 accordance with the provisions of section 16-41, or the suspension or  
270 revocation of such supplier's license or a prohibition on the acceptance  
271 of new customers, following a hearing that is conducted as a contested  
272 case, in accordance with the provisions of chapter 54.

273 (b) (1) On and after January 1, 2007, an electric distribution company  
274 shall serve customers that are not eligible to receive standard offer  
275 service pursuant to subsection (a) of this section as the supplier of last  
276 resort. This subsection shall not apply to customers purchasing power  
277 under contracts entered into pursuant to section 16-19hh. Any  
278 customer previously receiving electric generation services from an  
279 electric supplier shall not be eligible to receive supplier of last resort

280 service pursuant to this subsection unless such customer agrees to  
281 receive supplier of last resort service for a period of not less than one  
282 year.

283 (2) An electric distribution company shall procure electricity to  
284 provide electric generation services to customers pursuant to this  
285 subsection. The Department of Public Utility Control shall determine a  
286 price for such customers that reflects the full cost of providing the  
287 electricity on a monthly basis. Each electric distribution company shall  
288 recover the actual net costs of procuring and providing electric  
289 generation services pursuant to this subsection, provided such  
290 company mitigates the costs it incurs for the procurement of electric  
291 generation services for customers that are no longer receiving service  
292 pursuant to this subsection.

293 [(b) On and after January 1, 2004, each electric distribution company  
294 shall serve any customer who does not or is unable to arrange for or  
295 maintain electric generation services with an electric supplier. The  
296 electric distribution company shall procure electric generation services  
297 for such customers through a competitive bidding process. An electric  
298 distribution company may procure electric generation services through  
299 any of its generation entities or affiliates, provided such entity or  
300 affiliate is the lowest qualified bidder and provided further any such  
301 entity or affiliate is licensed pursuant to section 16-245.]

302 (c) On and after January 1, 2000, and until such time the regional  
303 independent system operator implements procedures for the provision  
304 of back-up power to the satisfaction of the Department of Public Utility  
305 Control, each electric distribution company shall provide electric  
306 generation services to any customer who has entered into a service  
307 contract with an electric supplier that fails to provide electric  
308 generation services for reasons other than the customer's failure to pay  
309 for such services. Between January 1, 2000, and December 31, [2003]  
310 2006, an electric distribution company may procure electric generation  
311 services through a competitive bidding process or through any of its  
312 generation entities or affiliates. On and after January 1, [2004] 2007,

313 such company shall procure electric generation services through a  
314 competitive bidding process pursuant to a plan submitted by the  
315 electric distribution company and approved by the department. Such  
316 company may procure electric generation services through any of its  
317 generation entities or affiliates, provided such entity or affiliate is the  
318 lowest qualified bidder and provided further any such entity or  
319 affiliate is licensed pursuant to section 16-245, as amended by this act.

320 (d) An electric distribution company is not required to be licensed  
321 pursuant to section 16-245, as amended by this act, to provide standard  
322 offer electric generation services in accordance with subsection (a) of  
323 this section, supplier of last resort service pursuant to subsection (b) of  
324 this section or back-up electric generation services prior to January 1,  
325 2004, in accordance with subsection (c) of this section.

326 (e) The electric distribution company shall be entitled to recover  
327 reasonable costs incurred as a result of providing standard offer  
328 electric generation services pursuant to the provisions of subsection (a)  
329 of this section [, the default service pursuant to subsection (b) of this  
330 section or the back-up electric generation services pursuant to  
331 subsection (c) of this section] or back-up electric generation service  
332 pursuant to subsection (b) of this section. The provisions of this section  
333 and section 16-244a shall satisfy the requirements of section 16-19a  
334 until January 1, [2004] 2007.

335 (f) The Department of Public Utility Control shall establish, by  
336 regulations adopted pursuant to chapter 54, [standards or procedures  
337 for an electric distribution company's procuring power and  
338 competitive bidding for purposes of subsections (b) and (c) of this  
339 section in a commercially reasonable manner and] procedures for  
340 when and how a customer is notified that his electric supplier has  
341 defaulted and of the need for the customer to choose a new electric  
342 supplier within a reasonable period of time.

343 (g) (1) Notwithstanding the provisions of subsection (a) of this  
344 section regarding an alternative standard offer option, an electric

345 distribution company providing standard offer service, supplier of last  
346 resort service or back-up electric generation service in accordance with  
347 this section shall comply with the renewable portfolio standards by  
348 contracting with an electric supplier to meet such standards. The  
349 Department of Public Utility Control shall annually conduct a  
350 contested case, in accordance with the provisions of chapter 54, in  
351 order to determine whether the electric distribution company met the  
352 renewable portfolio standards during the preceding year. The  
353 department shall require a payment by any such electric distribution  
354 company that fails to comply with the renewable portfolio standards  
355 during the subject annual period in the amount of five and one-half  
356 cents per kilowatt hour. The department shall allocate such payment to  
357 the Renewable Energy Investment Fund for the development of Class I  
358 renewable energy sources. A payment incurred pursuant to this  
359 subdivision shall not be deemed a recoverable operating expense in a  
360 rate proceeding held pursuant to section 16-19.

361 (2) Notwithstanding the provisions of subsection (a) of this section  
362 regarding an alternative standard offer option, an electric distribution  
363 company providing standard offer service, supplier of last resort  
364 service or back-up electric generation service in accordance with this  
365 section shall, not later than July 1, 2007, file with the Department of  
366 Public Utility Control one or more long-term power purchase contracts  
367 from Class I renewable energy source projects that receive funding  
368 from the Renewable Energy Investment Fund at a price that is not  
369 more than the total of the comparable wholesale market price for  
370 generation plus five and one-half cents per kilowatt hour. Such  
371 contracts shall be comprised of not less than a total, apportioned  
372 among each electric distribution company, of one hundred megawatts.  
373 The cost of such contracts and the administrative costs for the  
374 procurement of such contracts directly incurred shall be eligible for  
375 inclusion in the generation services charge component of rates,  
376 provided that such contracts are for a period of time sufficient to  
377 provide financing for such projects, but not less than ten years and are  
378 for projects which began operation on or after July 1, 2003. The amount

379 from Class I renewable energy sources contracted under such contracts  
380 shall be applied to reduce the applicable Class I renewable energy  
381 source portfolio standards. For purposes of this subdivision, the  
382 department's determination of the comparable wholesale market price  
383 for generation shall be based upon a reasonable estimate.

384 Sec. 5. Section 16-244d of the general statutes is amended by adding  
385 subsections (f) and (g) as follows (*Effective July 1, 2003*):

386 (NEW) (f) The Department of Public Utility Control, in consultation  
387 with the Office of Consumer Counsel, shall establish a program for the  
388 dissemination of information regarding electric suppliers. Such  
389 program shall require electric distribution companies to distribute an  
390 informational summary on electric suppliers to any new customer and  
391 to existing customers beginning on January 1, 2004, and semiannually  
392 thereafter. Such informational summary shall be developed by the  
393 department and shall include, but not be limited to, the name of each  
394 licensed electric supplier, the state where the supplier is based,  
395 information on whether the supplier has active offerings for either  
396 residential or commercial and industrial consumers, the telephone  
397 number and Internet address of the supplier, and information as to  
398 whether the supplier offers electric generation services from renewable  
399 energy sources in excess of the portfolio standards established  
400 pursuant to section 16-245a, as amended by this act. The department  
401 shall include pricing information in the informational summary to the  
402 extent the department determines feasible. The department shall post  
403 the informational summary in a conspicuous place on its website and  
404 provide electronic links to the website of each supplier. The  
405 department shall update the informational summary on its website on  
406 at least a quarterly basis.

407 (NEW) (g) At such point as the Department of Public Utility Control  
408 determines that substantial retail competition for the provision of  
409 electric generation services to end use customers exists in the state, the  
410 department, in consultation with the Office of Consumer Counsel and  
411 the Consumer Education Advisory Council, shall develop a plan for

412 the restart of the education outreach program and submit, in  
413 accordance with the provisions of section 11-4a, such plan to the joint  
414 standing committee of the General Assembly having cognizance of  
415 matters relating to energy and technology.

416 Sec. 6. Section 16-245 of the general statutes is repealed and the  
417 following is substituted in lieu thereof (*Effective July 1, 2003*):

418 (a) No person shall execute any contract relating to the sale of  
419 electric generation services to be rendered after January 1, 2000, to end  
420 use customers located in the state unless such person has been issued a  
421 license by the department in accordance with the provisions of this  
422 section. No license shall be valid before July 1, 1999.

423 (b) On and after January 1, 2000, no person, no municipality and no  
424 regional water authority shall sell or attempt to sell electric generation  
425 services to end use customers located in the state using the  
426 transmission or distribution facilities of an electric distribution  
427 company [, as defined in section 16-1, and no municipality and no  
428 regional water authority except as provided in section 16-245b and no  
429 person shall aggregate, broker or market the sale of electric generation  
430 services to end use customers using the transmission or distribution  
431 facilities of an electric distribution company] unless the person has  
432 been issued a license by the Department of Public Utility Control in  
433 accordance with the provisions of this section, provided an electric  
434 distribution company is not required to be licensed pursuant to this  
435 section to provide electric generation services pursuant to [subsection  
436 (a) or, prior to January 1, 2004, subsection (c) of] section 16-244c, as  
437 amended by this act. On and after April 30, 2002, the Connecticut  
438 Resources Recovery Authority shall not [(1)] sell or attempt to sell  
439 electric generation services to end use customers located in the state  
440 using the transmission or distribution facilities of an electric  
441 distribution company [, as defined in section 16-1,] unless the authority  
442 has been issued a license by the Department of Public Utility Control  
443 in accordance with the provisions of this section. [, or (2) aggregate,  
444 broker or market the sale of electric generation services to end use

445 customers using the transmission or distribution facilities of an electric  
446 distribution company except as provided in section 16-245b.] Not later  
447 than January 1, 1999, the department shall, by regulations adopted  
448 pursuant to chapter 54, develop licensing procedures. The licensing  
449 process shall begin not later than April 1, 1999.

450 (c) To ensure the safety and reliability of the supply of electricity in  
451 this state, the Department of Public Utility Control shall not issue a  
452 license unless the [person] applicant can demonstrate to the  
453 satisfaction of the department that [:(1) The person] the applicant has  
454 the technical, managerial and financial capability to provide electric  
455 generation services and provides and maintains a bond or other  
456 security in amount and form approved by the department, to ensure  
457 its financial responsibility and its supply of electricity to end use  
458 customers in accordance with contracts, agreements or arrangements.  
459 [;(2) the person or the entity or entities with whom the person has a  
460 contractual relationship to purchase power is in compliance with all  
461 applicable licensing requirements of the Federal Energy Regulatory  
462 Commission; (3) the person is registered with or certified by the  
463 regional independent systems operator or has a contractual  
464 relationship with one or more entities who are registered with or  
465 certified by the regional independent systems operator and is in  
466 compliance with all system rules and standards established by the  
467 regional independent systems operator; (4) the person owns or  
468 purchases such capacity and reserves as may be required by the  
469 regional independent system operator, to provide adequate electricity  
470 to all the person's customers; (5) the person's generation facilities  
471 located in North America are in compliance with regulations adopted  
472 by the Commissioner of Environmental Protection pursuant to section  
473 22a-174j; and (6) for any generation facility within this state, the facility  
474 is in compliance with chapter 277a and state environmental laws and  
475 regulations.] A license shall be subject to periodic review on a schedule  
476 to be established by the department.

477 (d) An application for a license shall be filed with the Department of  
478 Public Utility Control, accompanied by a fee pursuant to subsection (e)

479 of this section. The application shall contain such information as the  
480 department may deem relevant, including, but not limited to, the  
481 following: (1) The address of the applicant's headquarters and the  
482 articles of incorporation, as filed with the state in which the applicant  
483 is incorporated; (2) the address of the applicant's principal office in the  
484 state, [and] if any, or the address of the applicant's agent for service in  
485 the state; (3) the toll-free telephone number for customer service; (4)  
486 information about the applicant's corporate structure, including names  
487 and financial statements, as appropriate, concerning corporate  
488 affiliates; (5) a disclosure of whether the applicant or any of the  
489 [applicant is] applicant's corporate affiliates or officers have been or  
490 are currently under investigation for violation of any consumer  
491 protection law or regulation to which it is subject, either in this state or  
492 in another state; (6) a copy of its standard service contract; ~~[(7) an~~  
493 ~~attestation that it is subject to chapters 208, 212, 212a and 219, as~~  
494 ~~applicable, and that it shall pay all taxes it is subject to in this state; and~~  
495 ~~(8)] and (7)~~ a scope of service plan which sets forth, among other  
496 things, a description of the geographic area the applicant plans to  
497 serve.

498 (e) The application fee shall include the costs to investigate and  
499 administer the licensing procedure and shall be commensurate with  
500 the level of investigation necessary, as determined by regulations  
501 adopted by the Department of Public Utility Control.

502 (f) Not more than thirty days after receiving an application, the  
503 Department of Public Utility Control shall notify the applicant whether  
504 the application is complete or whether the applicant must submit  
505 additional information. The department shall grant or deny a license  
506 application ~~[, after notice and a hearing,]~~ not more than ninety days  
507 after receiving all information required of an applicant. ~~[Any hearing~~  
508 ~~shall be conducted as a contested case in accordance with chapter 54.]~~  
509 The department shall hold a public hearing on an application upon the  
510 request of any interested person.

511 (g) ~~[The Department of Public Utility Control shall require, as]~~ As

512 conditions of [a license, that] continued licensure, in addition to the  
513 requirements of subsection (c) of this section: (1) The [supplier  
514 complies] licensee shall comply with the National Labor Relations Act  
515 and regulations, if applicable; (2) the [supplier complies] licensee shall  
516 comply with the Connecticut Unfair Trade Practices Act and applicable  
517 regulations; (3) each generating facility operated by or under long-term  
518 contract to the [supplier complies] licensee shall comply with  
519 regulations adopted by the Commissioner of Environmental  
520 Protection, pursuant to section 22a-174j; (4) the [supplier complies]  
521 licensee shall comply with the portfolio standards, pursuant to section  
522 16-245a, as amended by this act; (5) the licensee shall be a member of  
523 the New England Power Pool or its successor or has a contractual  
524 relationship with one or more entities who are members of the New  
525 England Power Pool or its successor and the [supplier complies]  
526 licensee shall comply with the [system] rules of the regional  
527 independent system operator and standards and any other reliability  
528 guidelines of the regional independent systems operator; (6) the  
529 [supplier agrees] licensee shall agree to cooperate with the department  
530 and other electric suppliers [, as defined in section 16-1,] in the event of  
531 an emergency condition that may jeopardize the safety and reliability  
532 of electric service; (7) the [supplier complies] licensee shall comply  
533 with the code of conduct established pursuant to section 16-244h; [and]  
534 (8) for a license to a participating municipal electric utility, the  
535 [supplier provides] licensee shall provide open and nondiscriminatory  
536 access [of] to its distribution facilities to other licensed electric  
537 suppliers; (9) the licensee or the entity or entities with whom the  
538 licensee has a contractual relationship to purchase power shall be in  
539 compliance with all applicable licensing requirements of the Federal  
540 Energy Regulatory Commission; (10) each generating facility operated  
541 by or under long-term contract to the licensee shall be in compliance  
542 with chapter 277a and state environmental laws and regulations; (11)  
543 the licensee shall comply with the renewable portfolio standards  
544 established in section 16-245a, as amended by this act; and (12) the  
545 licensee shall acknowledge that it is subject to chapters 208, 212, 212a  
546 and 219, as applicable, and the licensee shall pay all taxes it is subject

547 to in this state. Also as a condition of a license, the department shall  
548 prohibit each [supplier] licensee from declining to provide service to  
549 customers for the reason that the customers are located in  
550 economically distressed areas. The department may establish  
551 additional reasonable conditions to assure that all retail customers will  
552 continue to have access to electric generation services.

553 (h) The department shall maintain regular communications with the  
554 regional independent system operator to effectuate the provisions of  
555 this section and to ensure that an adequate, safe and reliable supply of  
556 electricity is available.

557 (i) Each licensee shall, at such times as the department requires but  
558 not less than annually, submit to the Department of Public Utility  
559 Control, on a form prescribed by the department, an update of  
560 information the department deems relevant. Each licensee shall notify  
561 the department at least ten days before: (1) A change in corporate  
562 structure that affects the licensee; (2) a change in the scope of service,  
563 as provided in the [supplier's] licensee's scope of service plan  
564 submitted to the department as part of the application process; and (3)  
565 any other change the department deems relevant.

566 (j) No license may be transferred without the prior approval of the  
567 department. The department may assess additional licensing fees to  
568 pay the administrative costs of reviewing a request for such transfer.

569 [(k) An electric aggregator shall not be subject to the provisions of  
570 subdivisions (2) to (6), inclusive, of subsection (c) of this section and  
571 subdivisions (4) and (5) of subsection (g) of this section.]

572 [(l)] ~~(k)~~ Any [person] licensee who fails to comply with a license  
573 condition or who violates any provision of this section, except for the  
574 renewable portfolio standards contained in subsection (g) of this  
575 section, shall be subject to [sanctions] civil penalties by the Department  
576 of Public Utility Control in accordance with section 16-41, [which may  
577 include, but are not limited to,] or the suspension or revocation of such  
578 license or a prohibition on accepting new customers following a

579 hearing that is conducted as a contested case in accordance with  
580 chapter 54. Notwithstanding the provisions of subsection (a) of section  
581 16-244c, as amended by this act, regarding an alternative standard  
582 offer option, the department shall require a payment by a licensee that  
583 fails to comply with the renewable portfolio standards in accordance  
584 with subdivision (4) of subsection (g) of this section in the amount of  
585 five and one-half cents per kilowatt hour. The department shall  
586 allocate such payment to the Renewable Energy Investment Fund for  
587 the development of Class I renewable energy sources.

588 (l) (1) An electric aggregator shall not be subject to the provisions of  
589 subsections (a) to (k), inclusive, of this section.

590 (2) No electric aggregator shall negotiate a contract for the purchase  
591 of electric generation services from an electric supplier unless such  
592 aggregator has (A) obtained a certificate of registration from the  
593 Department of Public Utility Control in accordance with this  
594 subsection, or (B) in the case of a municipality, regional water  
595 authority and the Connecticut Resources Recovery Authority,  
596 registered in accordance with section 16-245b. An electric aggregator  
597 that was licensed pursuant to this section prior to the effective date of  
598 this section shall receive a certificate of registration on the effective  
599 date of this section.

600 (3) An application for a certificate of registration shall be filed with  
601 the department, accompanied by a fee as determined by the  
602 department. The application shall contain such information as the  
603 department may deem relevant, including, but not limited to, the  
604 following: (A) The address of the applicant's headquarters and the  
605 articles of incorporation, if applicable, as filed with the state in which  
606 the applicant is incorporated; (B) the address of the applicant's  
607 principal office in the state, if any, or the address of the applicant's  
608 agent for service in the state; (C) the toll-free or in-state telephone  
609 number of the applicant; (D) information about the applicant's  
610 corporate structure, if applicable, including financial names and  
611 financial statements, as relevant, concerning corporate affiliates; (E)

612 disclosure of whether the applicant or any of the applicant's corporate  
613 affiliates or officers, if applicable, have been or are currently under  
614 investigation for violation of any consumer protection law or  
615 regulation to which it is subject, either in this state or in another state.  
616 Each registered electric aggregator shall update the information  
617 contained in this subdivision as necessary.

618 (4) Not more than thirty days after receiving an application for a  
619 certificate of registration, the department shall notify the applicant  
620 whether the application is complete or whether the applicant must  
621 submit additional information. The department shall grant or deny the  
622 application for a certificate of registration not more than ninety days  
623 after receiving all information required of an applicant. The  
624 department shall hold a public hearing on an application upon the  
625 request of any interested party.

626 (5) As a condition for maintaining a certificate of registration, the  
627 registered electric aggregator shall ensure that, where applicable, it  
628 complies with the National Labor Relations Act and regulations, if  
629 applicable, and it complies with the Connecticut Unfair Trade Practices  
630 Act and applicable regulations.

631 (6) Any registered electric aggregator that fails to comply with a  
632 registration condition or who violates any provision of this section  
633 shall be subject to civil penalties by the Department of Public Utility  
634 Control in accordance with the procedures contained in section 16-41,  
635 or the suspension or revocation of such registration, or a prohibition  
636 on accepting new customers following a hearing that is conducted as a  
637 contested case in accordance with the provisions of chapter 54.

638 Sec. 7. Section 16-245a of the general statutes is repealed and the  
639 following is substituted in lieu thereof (*Effective January 1, 2004*):

640 [(a) To be licensed under section 16-245, an applicant for a license  
641 shall demonstrate to the satisfaction of the Department of Public  
642 Utility Control that not less than one-half of one per cent of its total  
643 electricity output shall be generated from Class I renewable energy

644 sources and an additional five and one-half per cent of the total output  
645 shall be from Class I or Class II renewable energy sources. On and after  
646 July 1, 2001, not less than three-fourths of one per cent of the total  
647 output of any such supplier shall be generated from Class I renewable  
648 energy sources and an additional five and one-half per cent of the total  
649 output shall be from Class I or Class II renewable energy sources. On  
650 and after July 1, 2002, not less than one per cent of such output shall be  
651 generated from Class I renewable energy sources and an additional  
652 five and one-half per cent of the total output shall be from Class I or  
653 Class II renewable energy sources.]

654 (a) (1) On and after [July 1, 2003,] January 1, 2004, an electric  
655 supplier and an electric distribution company providing standard offer  
656 pursuant to section 16-244c, as amended by this act, shall demonstrate  
657 to the satisfaction of the Department of Public Utility Control that not  
658 less than [one and one-half] one per cent of [such output] the total  
659 output or services of such supplier or distribution company shall be  
660 generated from Class I renewable energy sources and an additional  
661 [five and one-half] three per cent of the total output or services shall be  
662 from Class I or Class II renewable energy sources. On and after [July 1,  
663 2004] January 1, 2005, not less than [two] one and one-half per cent of  
664 the total output or services of any such supplier or distribution  
665 company shall be generated from Class I renewable energy sources  
666 and an additional [six] three per cent of the total output or services  
667 shall be from Class I or Class II renewable energy sources. On and after  
668 [July 1, 2005,] January 1, 2006, an electric supplier and an electric  
669 distribution company providing standard offer service or supplier of  
670 last resort service, pursuant to section 16-244c, as amended by this act,  
671 shall demonstrate that not less than [two and one-half] two per cent of  
672 the total output or services of any such supplier or distribution  
673 company shall be generated from Class I renewable energy sources  
674 and an additional [six] three per cent of the total output or services  
675 shall be from Class I or Class II renewable energy sources. On and after  
676 [July 1, 2006] January 1, 2007, not less than three and one-half per cent  
677 of the total output or services of any such supplier or distribution

678 company shall be generated from Class I renewable energy sources  
679 and an additional [six] three per cent of the total output or services  
680 shall be from Class I or Class II renewable energy sources. On and after  
681 [July 1, 2007] January 1 2008, not less than [four] five per cent of the  
682 total output or services of any such supplier or distribution company  
683 shall be generated from Class I renewable energy sources and an  
684 additional [six] three per cent of the total output or services shall be  
685 from Class I or Class II renewable energy sources. On and after [July 1,  
686 2008] January 1, 2009, not less than [five] six per cent of the total output  
687 or services of any such supplier or distribution company shall be  
688 generated from Class I renewable energy sources and an additional  
689 [six] three per cent of the total output or services shall be from Class I  
690 or Class II renewable energy sources. On and after [July 1, 2009]  
691 January 1, 2010, not less than [six] seven per cent of the total output or  
692 services of any such supplier or distribution company shall be  
693 generated from Class I renewable energy sources and an additional  
694 [seven] three per cent of the total output or services shall be from Class  
695 I or Class II renewable energy sources. [An electric supplier may  
696 satisfy the requirements of this subsection by participating in a  
697 renewable energy trading program approved by the state. Any  
698 supplier who provides electric generation services solely from a Class  
699 II renewable energy source shall not be required to comply with the  
700 provisions of this section.]

701 (2) An electric supplier or electric distribution company may satisfy  
702 the requirements of this subsection by (A) purchasing Class I or Class  
703 II renewable energy sources within the jurisdiction of the regional  
704 independent system operator, or within the jurisdiction of New York,  
705 Pennsylvania, New Jersey, Maryland, and Delaware, provided the  
706 department determines such states have a renewable portfolio  
707 standard that is comparable to this section; or (B) by participating in a  
708 renewable energy trading program within said jurisdictions as  
709 approved by the Department of Public Utility Control.

710 (3) Any supplier who provides electric generation services solely  
711 from a Class II renewable energy source shall not be required to

712 comply with the provisions of this section.

713 (b) An [applicant's demonstration] electric supplier or an electric  
714 distribution company shall base its demonstration of generation  
715 sources, as required under subsection (a) of this section [, shall be  
716 based] on historical data, which may consist of data filed with the  
717 regional independent system operator.

718 (c) (1) A supplier or an electric distribution company may make up  
719 any deficiency within its renewable energy portfolio within the first  
720 three months of the succeeding calendar year or as otherwise provided  
721 by generation information system operating rules approved by New  
722 England Power Pool or its successor to meet the generation source  
723 requirements of subsection (a) of this section for the previous year.

724 (2) No such supplier or electric distribution company shall receive  
725 credit for the current calendar year for generation from Class I or Class  
726 II renewable energy sources pursuant to this section where such  
727 supplier or distribution company receives credit for the preceding  
728 calendar year pursuant to subdivision (1) of this subsection.

729 [(c)] (d) The department [may] shall adopt regulations, [pursuant to]  
730 in accordance with the provisions of chapter 54, to implement the  
731 provisions of this section.

732 Sec. 8. Subsection (a) of section 16-245l of the general statutes, as  
733 amended by section 3 of public act 02-64, is repealed and the following  
734 is substituted in lieu thereof (*Effective January 1, 2004*):

735 (a) The Department of Public Utility Control shall establish and each  
736 electric distribution company shall collect a systems benefits charge to  
737 be imposed against all end use customers of each electric distribution  
738 company beginning January 1, 2000. The department shall hold a  
739 hearing that shall be conducted as a contested case in accordance with  
740 chapter 54 to establish the amount of the systems benefits charge. The  
741 department may revise the systems benefits charge or any element of  
742 said charge as the need arises. The systems benefits charge shall be

743 used to fund (1) the expenses of the public education outreach  
744 program developed under [subsection (a)] subsections (a), (f) and (g)  
745 of section 16-244d, as amended by this act, other than expenses for  
746 department staff, (2) the reasonable and proper expenses of the  
747 education outreach consultant pursuant to subsection (d) of section 16-  
748 244d, (3) the cost of hardship protection measures under sections 16-  
749 262c and 16-262d and other hardship protections, including, but not  
750 limited to, electric service bill payment programs, development of and  
751 administration of universal service programs pursuant to section 21 of  
752 this act, funding and technical support for energy assistance, fuel bank  
753 and weatherization programs and weatherization services, (4) the  
754 payment program to offset tax losses described in section 12-94d, (5)  
755 any sums paid to a resource recovery authority pursuant to subsection  
756 (b) of section 16-243e, (6) low income conservation programs approved  
757 by the Department of Public Utility Control, (7) displaced worker  
758 protection costs, (8) unfunded storage and disposal costs for spent  
759 nuclear fuel generated before January 1, 2000, approved by the  
760 appropriate regulatory agencies, (9) postretirement safe shutdown and  
761 site protection costs that are incurred in preparation for  
762 decommissioning, (10) decommissioning fund contributions, (11) the  
763 costs of temporary electric generation facilities incurred pursuant to  
764 section 17 of this act, and [(11)] (12) legal, appraisal and purchase costs  
765 of a conservation or land use restriction and other related costs as the  
766 department in its discretion deems appropriate, incurred by a  
767 municipality on or before January 1, 2000, to ensure the environmental,  
768 recreational and scenic preservation of any reservoir located within  
769 this state created by a pump storage hydroelectric generating facility.  
770 As used in this subsection, "displaced worker protection costs" means  
771 the reasonable costs incurred, prior to January 1, 2008, by an electric  
772 supplier, exempt wholesale generator, electric company, [or] an  
773 operator of a nuclear power generating facility in this state or a  
774 generation entity or affiliate arising from the dislocation of any  
775 employee other than an officer, provided such dislocation is a result of  
776 restructuring of (A) the electric generation market and such dislocation  
777 occurs on or after July 1, 1998, or (B) the closing of a Title IV source or

778 an exempt wholesale generator, as defined in 15 USC 79z-5a, on or  
779 after January 1, 2004, as a result of such source's failure to meet  
780 requirements imposed as a result of sections 22a-197 and 22a-198 and  
781 this section or those Regulations of Connecticut State Agencies  
782 adopted by the Department of Environmental Protection, as amended  
783 from time to time, in accordance with Executive Order Number 19,  
784 issued on May 17, 2000; and provided further such costs result from  
785 either the execution of agreements reached through collective  
786 bargaining for union employees or from the company's or entity's or  
787 affiliate's programs and policies for nonunion employees. "Displaced  
788 worker protection costs" includes costs incurred or projected for  
789 severance, retraining, early retirement, outplacement, coverage for  
790 surviving spouse insurance benefits and related expenses. "Displaced  
791 worker protection costs" does not include those costs included in  
792 determining a tax credit pursuant to section 12-217bb.

793 Sec. 9. Subsection (d) of section 16-245m of the general statutes is  
794 repealed and the following is substituted in lieu thereof (*Effective July*  
795 *1, 2003*):

796 (d) (1) The Energy Conservation Management Board shall advise  
797 and assist the electric distribution companies in the development and  
798 implementation of a comprehensive plan, which plan shall be  
799 approved by the Department of Public Utility Control, to implement  
800 cost-effective energy conservation programs and market  
801 transformation initiatives. Each program contained in the plan shall be  
802 reviewed by the electric distribution company and either accepted or  
803 rejected by the Energy Conservation Management Board prior to  
804 submission to the department for approval.

805 (2) Programs included in the plan shall be screened through cost-  
806 effectiveness testing which compares the value and payback period of  
807 program benefits to program costs to ensure that programs are  
808 designed to obtain energy savings whose value is greater than the  
809 costs of the programs. Cost-effectiveness testing shall utilize available  
810 information obtained from real-time monitoring systems, where such

811 systems are available, cost-effective and appropriate, to ensure  
812 accurate validation and verification of energy use. Program cost-  
813 effectiveness shall be reviewed annually, or otherwise as is practicable.  
814 If a program is determined to fail the cost-effectiveness test as part of  
815 the review process, it shall either be modified to meet the test or shall  
816 be terminated. On or before January 31, 2001, and annually thereafter  
817 until January 31, 2006, the board shall provide a report to the joint  
818 standing committees of the General Assembly having cognizance of  
819 matters relating to energy and the environment which documents  
820 expenditures, fund balances and evaluates the cost-effectiveness of  
821 such programs conducted in the preceding year.

822 (3) [Such programs] Programs included in the plan may include, but  
823 not be limited to: [(1)] (A) Conservation and load management  
824 programs; [(2)] (B) research, development and commercialization of  
825 products or processes which are more energy-efficient than those  
826 generally available; [(3)] (C) development of markets for such products  
827 and processes; [(4)] (D) support for energy use assessment, real-time  
828 and other appropriate monitoring systems, engineering studies and  
829 services related to new construction or major building renovation; [(5)]  
830 (E) the design, manufacture, commercialization and purchase of  
831 energy-efficient appliances and heating, air conditioning and lighting  
832 devices; [(6)] (F) program planning and evaluation; and [(7)] (G) public  
833 education regarding conservation. Such support may be by direct  
834 funding, manufacturers' rebates, sale price and loan subsidies, leases  
835 and promotional and educational activities. Any other expenditure by  
836 the collaborative shall be limited to retention of expert consultants and  
837 reasonable administrative costs provided such consultants shall not be  
838 employed by, or have any contractual relationship with, an electric  
839 distribution company. Such costs shall not exceed five per cent of the  
840 total revenue collected from the assessment.

841 Sec. 10. Subsection (a) of section 16-245n of the general statutes is  
842 repealed and the following is substituted in lieu thereof (*Effective July*  
843 *1, 2003*):

844 (a) For purposes of this section, "renewable energy" means solar  
845 energy, wind, ocean thermal energy, wave or tidal energy, fuel cells,  
846 landfill gas, hydrogen production and hydrogen conversion  
847 technologies, and low emission advanced biomass conversion  
848 technologies and other energy resources and emerging technologies  
849 which have significant potential for commercialization and which do  
850 not involve the combustion of coal, petroleum or petroleum products,  
851 municipal solid waste or nuclear fission.

852 Sec. 11. Subsection (d) of section 16-245n of the general statutes is  
853 repealed and the following is substituted in lieu thereof (*Effective July*  
854 *1, 2003*):

855 (d) The chairperson of the board of directors of Connecticut  
856 Innovations, Incorporated, shall convene a Renewable Energy  
857 Investments Advisory Committee to assist Connecticut Innovations,  
858 Incorporated, in matters related to the Renewable Energy Investment  
859 Fund, including, but not limited to, development of a comprehensive  
860 plan and expenditure of funds. The advisory committee shall include  
861 not more than twelve individuals with knowledge and experience in  
862 matters related to the purpose and activities of said fund. The advisory  
863 committee shall consist of the following members: (1) One person with  
864 expertise regarding renewable energy resources appointed by the  
865 speaker of the House of Representatives; (2) one person representing a  
866 state or regional organization primarily concerned with environmental  
867 protection appointed by the president pro tempore of the Senate; (3)  
868 one person with experience in business or commercial investments  
869 appointed by the majority leader of the House of Representatives; (4)  
870 one person representing a state or regional organization primarily  
871 concerned with environmental protection appointed by the majority  
872 leader of the Senate; (5) one person with experience in business or  
873 commercial investments appointed by the minority leader of the  
874 House of Representatives; (6) one person with experience in business  
875 or commercial investments appointed by the minority leader of the  
876 Senate; (7) two state officials with experience in matters relating to  
877 energy policy and one person with expertise regarding renewable

878 energy resources appointed by the Governor; and (8) three persons  
879 with experience in business or commercial investments appointed by  
880 the board of directors of Connecticut Innovations, Incorporated. The  
881 advisory committee shall issue annually a report to such chairperson  
882 reviewing the activities of the fund in detail and shall provide a copy  
883 of such report to the joint standing committee of the General Assembly  
884 having cognizance of matters relating to energy, the Department of  
885 Public Utility Control and the Office of Consumer Counsel.

886 Sec. 12. Subsection (a) of section 16-245o of the general statutes is  
887 repealed and the following is substituted in lieu thereof (*Effective July*  
888 *1, 2003*):

889 (a) To protect a customer's right to privacy from unwanted  
890 solicitation, each electric company or electric distribution company, [as  
891 defined in section 16-1,] as the case may be, shall distribute and  
892 otherwise make available to each customer a form approved by the  
893 Department of Public Utility Control which the customer shall submit  
894 to [his] the customer's electric or electric distribution company [in a  
895 timely manner if he] if the customer does not want [his] the customer's  
896 name, address, telephone number and rate class to be released to  
897 electric suppliers. [, as defined in said section 16-1.] On and after July 1,  
898 1999, each electric or electric distribution company, as the case may be,  
899 shall make available to all electric suppliers customer names,  
900 addresses, telephone numbers, if known, and rate class, unless the  
901 electric company or electric distribution company has received a form  
902 from a customer requesting that such information not be released.  
903 Additional information about a customer for marketing purposes shall  
904 not be released to any electric supplier unless a customer [signs a  
905 release which shall be made available by the department] consents to a  
906 release by one of the following: (1) An independent third-party  
907 telephone verification; (2) receipt of a written confirmation received in  
908 the mail from the customer after the customer has received an  
909 information package confirming any telephone agreement; (3) the  
910 customer signs a document fully explaining the nature and effect of the  
911 release; or (4) the customer's consent is obtained through electronic

912 means, including, but not limited to, a computer transaction.

913 Sec. 13. Subsection (e) of section 16-245o of the general statutes is  
914 repealed and the following is substituted in lieu thereof (*Effective July*  
915 *1, 2003*):

916 (e) Each electric supplier shall, prior to the initiation of electric  
917 generation services, provide the potential customer with a written  
918 notice describing the rates, information on air emissions and resource  
919 mix of generation facilities operated by and under long-term contract  
920 to the supplier, terms and conditions of the service, and a notice  
921 describing the customer's right to cancel the service, as provided in this  
922 section. No electric supplier shall provide electric generation services  
923 unless the customer has signed a service contract or consents to such  
924 services [pursuant to section 16-245s] by one of the following: (1) An  
925 independent third-party telephone verification; (2) receipt of a written  
926 confirmation received in the mail from the customer after the customer  
927 has received an information package confirming any telephone  
928 agreement; (3) the customer signs a document fully explaining the  
929 nature and effect of the initiation of the service; or (4) the customer's  
930 consent is obtained through electronic means, including, but not  
931 limited to, a computer transaction. A customer who has a maximum  
932 demand of five hundred kilowatts or less shall, until midnight of the  
933 third business day after the day on which the customer enters into a  
934 service agreement, have the right to cancel a contract for electric  
935 generation services entered into with an electric supplier.

936 Sec. 14. Section 16-245p of the general statutes is repealed and the  
937 following is substituted in lieu thereof (*Effective July 1, 2003*):

938 (a) [Upon being issued a license pursuant to section 16-245, an] An  
939 electric supplier and an electric distribution company providing  
940 standard offer service or back-up electric generation service, pursuant  
941 to section 16-244c, as amended by this act, shall submit information to  
942 the Department of Public Utility Control that the department, after  
943 consultation with the Consumer Education Advisory Council,

944 established under section 16-244d, determines will assist customers in  
945 making informed decisions when choosing an electric supplier,  
946 including, but not limited to, the information provided in subsection  
947 (b) of this section. Each supplier or electric distribution company  
948 providing standard offer service or back-up electric generation service,  
949 pursuant to section 16-244c, as amended by this act, shall submit, on a  
950 form prescribed by the department, quarterly reports containing  
951 information on rates and any other information the department deems  
952 relevant, including, but not limited to, any change in the information  
953 as required by the department. After the department has received the  
954 information required pursuant to this subsection, the supplier shall be  
955 eligible to receive customer marketing information from electric or  
956 electric distribution companies, as provided in section 16-245o, as  
957 amended by this act.

958 (b) The Department of Public Utility Control shall maintain and  
959 make available to customers upon request, a list of electric aggregators  
960 and the following information about each electric supplier [, as defined  
961 in section 16-1] and each electric distribution company providing  
962 standard offer service or back-up electric generation service, pursuant  
963 to section 16-244c, as amended by this act: (1) Rates and charges;  
964 [provided by an electric supplier;] (2) applicable terms and conditions  
965 of a contract for electric generation services; [provided by an electric  
966 supplier;] (3) the percentage of [each supplier's] the total electric  
967 output derived from each of the categories of energy sources provided  
968 in subsection (e) of section 16-244d, the total emission rates [at which  
969 each facility operated by or under long-term contract to the electric  
970 supplier emits] of nitrogen oxides, sulfur oxides, carbon dioxide,  
971 carbon monoxide, particulates, heavy metals and other wastes the  
972 disposal of which is regulated under state or federal law at the  
973 facilities operated by or under long-term contract to the electric  
974 supplier or providing electric generation services to an electric  
975 distribution company providing standard offer service or back-up  
976 electric generation service, pursuant to section 16-244c, as amended by  
977 this act, and the analysis of the environmental characteristics of each

978 such category of energy source prepared pursuant to subsection (e) of  
979 said section 16-244d and to the extent such information is unknown,  
980 the estimated percentage of the [electric supplier's] total electric output  
981 for which such information is unknown, along with the word  
982 "unknown" for that percentage; (4) a record of customer complaints  
983 and the disposition of each complaint; and (5) any other information  
984 the department determines will assist customers in making informed  
985 decisions when choosing an electric supplier. The department shall  
986 update the information at least quarterly. The department shall put  
987 such information in a standard format so that a customer can readily  
988 understand and compare the services provided by each electric  
989 supplier.

990 Sec. 15. Section 16-245s of the general statutes is amended by adding  
991 subsection (d) as follows (*Effective July 1, 2003*):

992 (NEW) (d) The Department of Public Utility Control shall adopt  
993 regulations, in accordance with the provisions of chapter 54, to address  
994 abusive switching practices by suppliers.

995 Sec. 16. (NEW) (*Effective from passage*) Not later than October 1, 2004,  
996 each municipal electric utility, including any participating municipal  
997 electric utility, as defined in section 16-1 of the general statutes, as  
998 amended by this act, shall, in consultation with the municipal electric  
999 energy cooperative established under chapter 101a of the general  
1000 statutes, set, pursuant to section 7-222 of the general statutes, a rate for  
1001 the interconnection of generation facilities into its transmission and  
1002 distribution system, which generation facilities are located in the  
1003 service territory of the municipal electric utility and began operations  
1004 after the effective date of this section.

1005 Sec. 17. (NEW) (*Effective from passage*) (a) The Department of Public  
1006 Utility Control may, from July 1, 2003, to January 1, 2008, inclusive,  
1007 determine, by an affirmative vote of four commissioners of the Public  
1008 Utilities Control Authority, that (1) safe, adequate and reasonably  
1009 priced electricity is not available on the wholesale market; (2)

1010 additional temporary electric generation facilities will result in  
1011 reductions in federally mandated congestion costs for which the  
1012 ratepayers of the state are responsible; and (3) the prices and costs  
1013 specified in subdivision (2) of this subsection will exceed the cost of  
1014 investment in temporary electric generation facilities. Such  
1015 determination shall be in writing and shall state the reasons  
1016 supporting the determination.

1017 (b) Upon issuing a determination pursuant to subsection (a) of this  
1018 section, the department shall hold a contested case proceeding, in  
1019 accordance with the provisions of chapter 54 of the general statutes, to  
1020 develop a request for proposal to solicit the provision of such  
1021 additional temporary electric generation facilities, containing such  
1022 terms and conditions that will best serve the interests of the public. The  
1023 request for proposal process shall be designed to ensure fairness and  
1024 full participation by all qualified responders.

1025 (c) The department may negotiate for terms and conditions  
1026 necessary to conclude a transaction with one or more entities  
1027 responding to a request for proposal, after notice to all entities that  
1028 responded. The department shall base its decision to conclude a  
1029 transaction on the best interest of the public and ratepayers.

1030 (d) Nothing in this section shall be construed to allow an electric  
1031 distribution company to own, operate, lease or control any facility or  
1032 asset that generates electricity, or retain any interest in such facility or  
1033 asset as part of any transaction concluded pursuant to this section.

1034 Sec. 18. Subdivision (6) of subsection (a) of section 16-244e of the  
1035 general statutes is repealed and the following is substituted in lieu  
1036 thereof (*Effective July 1, 2003*):

1037 (6) Once unbundling is completed to the satisfaction of the  
1038 department and consistent with the provisions of section 16-244, (A)  
1039 any corporate affiliate or separate division that provides electric  
1040 generation services as a result of unbundling pursuant to this  
1041 subsection shall be considered a generation entity or affiliate of the

1042 electric company, and the division or corporate affiliate of the electric  
1043 company that provides transmission and distribution services shall be  
1044 considered an electric distribution company, and (B) an electric  
1045 distribution company shall not own or operate generation assets.

1046 Sec. 19. (*Effective from passage*) Not later than July 1, 2003, the  
1047 Department of Public Utility Control shall open a docket to review and  
1048 adopt generation interconnection protocols. If the Institute of Electrical  
1049 and Electronics Engineers, or its successor, has adopted such protocols,  
1050 then the department shall adopt such protocols.

1051 Sec. 20. (*Effective from passage*) On or before July 1, 2005, the  
1052 department shall initiate a contested case proceeding, in accordance  
1053 with the provisions of chapter 54 of the general statutes, to examine the  
1054 state of competition in the retail provision of electric generation  
1055 services. The department shall examine factors associated with a  
1056 competitive market place, including, but not limited to, (1) the number  
1057 of electric suppliers providing electric generation services to end-use  
1058 customers in this state; (2) the number of electric suppliers actively  
1059 marketing new end-use customers; (3) for each electric distribution  
1060 company, the number of end-use customers receiving electric  
1061 generation services as part of the standard offer established pursuant  
1062 to section 16-244c of the general statutes, as amended by this act, as a  
1063 percentage of the number of customers of each electric distribution  
1064 company; (4) for each electric distribution company, the number of  
1065 end-use customers receiving electric generation services from an  
1066 electric supplier, as a percentage of the number of customers of each  
1067 electric distribution company; (5) the number of end-use customers  
1068 who have executed a contract with an electric supplier and who have  
1069 returned to the standard offer established pursuant to section 16-244c,  
1070 as amended by this act; and (6) any other factors the department may  
1071 deem relevant. In its final decision in such case, the department shall  
1072 make recommendations regarding the protection of ratepayers from  
1073 excessive rate fluctuations and the development of the market place for  
1074 the competitive provision of retail electric generation services. The  
1075 department shall submit a copy of its final decision in such case to the

1076 joint standing committee of the General Assembly having cognizance  
1077 of matters relating to energy and public utilities not later than January  
1078 1, 2006.

1079 Sec. 21. (NEW) (*Effective October 1, 2003*) (a) Each electric  
1080 distribution company, as defined in section 16-1 of the general statutes,  
1081 as amended by this act, shall assess and collect a charge of one-half of  
1082 one mill per kilowatt hour of electricity sold to each end-use customer  
1083 to be used to implement an electric assistance program pursuant to this  
1084 section to assist residential customers with nonheat electric generation  
1085 services charges. Revenues from such charge shall not be included in  
1086 calculating the electric distribution company's earnings for purposes  
1087 of, or in determining whether its rates are just and reasonable under,  
1088 sections 16-19, 16-19a and 16-19e of the general statutes.

1089 (b) Each electric distribution company shall establish an Electric  
1090 Assistance Fund which shall be held separate and apart from all other  
1091 funds and accounts in an interest-bearing account. Receipts from the  
1092 charge imposed under subsection (a) of this section shall be deposited  
1093 into the fund. Any balance remaining in the fund at the end of any  
1094 fiscal year shall be carried forward in the fiscal year next succeeding.

1095 (c) Residential customers eligible for assistance shall include  
1096 households with a member receiving means-tested assistance  
1097 administered or funded, in whole or in part, by the federal or state  
1098 government. Moneys from the fund, including any earnings or interest  
1099 earned by the fund, shall be disbursed by the electric generation  
1100 company through vendor payments exclusively as credits toward  
1101 current or future electric generation service charges incurred by  
1102 eligible customers, except that not more than twenty per cent of annual  
1103 fund collections may be used as a guarantee of bill payment for eligible  
1104 residential households with a member receiving means-tested  
1105 assistance to the extent determined necessary by the Department of  
1106 Public Utility Control to facilitate contracting by the Office of Policy  
1107 and Management for a purchasing pool pursuant to section 16a-14e of  
1108 the general statutes. Payments pursuant to this section shall not be

1109 considered income or assets for purposes of any other state or locally  
1110 funded or administered public assistance program.

1111 (d) Each electric distribution company, in conjunction with the  
1112 Electric Assistance Fund Board created pursuant to this subsection,  
1113 shall develop a state-wide plan for the administration of the Electric  
1114 Assistance Fund, including program design, outreach, certification of  
1115 eligible households and distribution of electric assistance vendor  
1116 payments. The plan shall be designed to expend funds in the year in  
1117 which they are collected. The plan shall be subject to review and  
1118 approval by the Department of Public Utility Control. The Electric  
1119 Assistance Fund Board shall be comprised of the Consumer Counsel,  
1120 the Commissioner of Social Services, the Director of Operation Fuel,  
1121 Inc., the Executive Director of the Legal Assistance Resource Center of  
1122 Connecticut, Inc., the state president of AARP, the director of the  
1123 Office of Protection and Advocacy for the Disabled, and the director of  
1124 the State Commission on Aging, or their respective designees.

1125 (e) Reasonable administrative expenses for operation and  
1126 administration of the Electric Assistance Fund shall be recoverable  
1127 through the systems benefit charge pursuant to section 16-245l of the  
1128 general statutes, as amended by this act.

1129 Sec. 22. Subsection (a) of section 16-245d of the general statutes is  
1130 repealed and the following is substituted in lieu thereof (*Effective from*  
1131 *passage*):

1132 (a) The Department of Public Utility Control shall, by regulations  
1133 adopted pursuant to chapter 54, develop a standard billing format that  
1134 enables customers to compare pricing policies and charges among  
1135 electric suppliers. [, as defined in section 16-1.] On and after January 1,  
1136 2000, each electric company or electric distribution company, [as  
1137 defined in said section 16-1,] as the case may be, shall, in accordance  
1138 with the billing format developed by the department, include at a  
1139 minimum the following information in each customer's bill: (1) The  
1140 total amount owed by the customer, which shall be itemized to show,

1141 (A) the electric generation services component and any additional  
1142 charges imposed by the electric supplier, if applicable, (B) the electric  
1143 transmission and distribution charge, including all applicable taxes  
1144 and the systems benefits charge, as provided in section 16-245l, as  
1145 amended by this act, (C) the competitive transition assessment, as  
1146 provided in section 16-245g, (D) federally-mandated congestion costs,  
1147 and [(D)] (E) the conservation and renewable energy charge, consisting  
1148 of the conservation and load management program charge, as  
1149 provided in section 16-245m, as amended by this act, and the  
1150 renewable energy investment charge, as provided in section 16-245n,  
1151 as amended by this act; (2) any unpaid amounts from previous bills  
1152 which shall be listed separately from current charges; (3) except for  
1153 customers subject to a demand charge, the rate and usage for the  
1154 current month and each of the previous twelve months in the form of a  
1155 bar graph or other visual form; (4) the payment due date; (5) the  
1156 interest rate applicable to any unpaid amount; (6) the toll-free  
1157 telephone number of the electric distribution company to report power  
1158 losses; (7) the toll-free telephone number of the Department of Public  
1159 Utility Control for questions or complaints; (8) the toll-free telephone  
1160 number and address of the electric supplier; and (9) a statement about  
1161 the availability of information concerning electric suppliers pursuant  
1162 to section 16-245p, as amended by this act.

1163 Sec. 23. Section 16-331 of the general statutes is amended by adding  
1164 subsection (i) as follows (*Effective October 1, 2003*):

1165 (NEW) (i) Notwithstanding the provisions of subsections (b) and (d)  
1166 of this section, the department shall not renew a franchise for a term of  
1167 more than five years if the department determines that the person,  
1168 association or corporation, during the term of the prior franchise, has  
1169 substantially failed to (1) deal effectively with consumer requests,  
1170 complaints and billing or service questions and disputes; (2) provide  
1171 quality and diversity of programming; (3) maintain fair and reasonable  
1172 rates for basic and extended basic service, and associated equipment,  
1173 taking into consideration the quality of service and programming  
1174 provided to consumers; (4) provide quality community access

1175 programming, including public access, educational access,  
 1176 governmental access programming and the Connecticut Television  
 1177 Network or its successor; or (5) meet commitments for service  
 1178 extension to customers within the franchise area. Nothing in this  
 1179 subsection shall authorize the department to set specific rates for  
 1180 service or associated equipment.

1181 Sec. 24. (*Effective July 1, 2003*) Section 16-6c of the general statutes is  
 1182 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>January 1, 2004</i>
Sec. 8	<i>January 1, 2004</i>
Sec. 9	<i>July 1, 2003</i>
Sec. 10	<i>July 1, 2003</i>
Sec. 11	<i>July 1, 2003</i>
Sec. 12	<i>July 1, 2003</i>
Sec. 13	<i>July 1, 2003</i>
Sec. 14	<i>July 1, 2003</i>
Sec. 15	<i>July 1, 2003</i>
Sec. 16	<i>from passage</i>
Sec. 17	<i>from passage</i>
Sec. 18	<i>July 1, 2003</i>
Sec. 19	<i>from passage</i>
Sec. 20	<i>from passage</i>
Sec. 21	<i>October 1, 2003</i>
Sec. 22	<i>from passage</i>
Sec. 23	<i>October 1, 2003</i>
Sec. 24	<i>July 1, 2003</i>