



# House of Representatives

General Assembly

**File No. 407**

*February Session, 2004*

Substitute House Bill No. 5420

*House of Representatives, April 1, 2004*

The Committee on Government Administration and Elections reported through REP. O'ROURKE of the 32nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING ENERGY SECURITY.***

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

1 Section 1. (NEW) (*Effective October 1, 2004*) (a) There is established  
2 an Office of Energy Security which shall be responsible for developing  
3 and coordinating policies to protect the public utility infrastructure.  
4 Such office shall be within the Department of Public Utility Control for  
5 administrative purposes only.

6 (b) The Governor, with the approval of the General Assembly, shall  
7 appoint a person with experience in matters relating to securing public  
8 facilities against sabotage or attack to serve as the director of the Office  
9 of Energy Security. Said director shall serve for a term of five years.  
10 Said director may, within available funds, appoint such staff as he or  
11 she deems necessary. The General Assembly may annually  
12 appropriate such sums as necessary for the payment of the salaries of  
13 the staff and for the payment of office expenses and actual expenses

14 incurred by the Office of Energy Security.

15 (c) The Office of Energy Security may, with regard to matters  
16 relating to the safety and security of the public utility infrastructure:

17 (1) Appear in and participate in any regulatory or judicial  
18 proceedings;

19 (2) Appeal from a decision, order or authorization in any state  
20 regulatory proceeding, notwithstanding its failure to appear or  
21 participate in said proceeding;

22 (3) Act as a liaison between the state, the federal government, the  
23 regional independent system operator, as defined in section 16-1 of the  
24 general statutes, as amended, and public service companies, as defined  
25 in said section 16-1;

26 (4) Recommend changes in state and federal policies;

27 (5) Conduct programs of public education; and

28 (6) Organize industry-wide or regional efforts to coordinate security  
29 measures.

30 Sec. 2. (NEW) (*Effective July 1, 2004*) Not later than October 1, 2004,  
31 and biennially thereafter, each electric distribution company, as  
32 defined in section 16-1 of the general statutes, as amended, shall  
33 submit a report to the Department of Public Utility Control, regarding  
34 its efforts, whether independent or in cooperation with other electric  
35 distribution companies, to maintain access to replacement parts for its  
36 facilities that are typically difficult to find, and to reduce redundancy  
37 in the electric power grid.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>

*ET*      *Joint Favorable C/R*

*GAE*

*GAE*      *Joint Favorable Subst.*

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-Effect	FY 05 \$	FY 06 \$
Public Utility Control, Dept.	CC&PUCF - None	None	None
Office of Energy Security	See Below - Cost	Over 100,000	Over 100,000

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

**Municipal Impact:** None

**Explanation**

The bill establishes the Office of Energy Security within the Department of Public Utility Control for administrative purposes only. The bill requires a director to be appointed by the governor and approved by the legislature and allows him to appoint staff, as he deems necessary. The bill also allows the legislature to appropriate funds to pay salaries and other expenses of the office although it is unclear as to whether these funds will be appropriated from the General Fund or the Public Utility Control Fund. It is anticipated that salary and fringe benefit costs for the director would likely exceed \$100,000. Any additional costs for staff, equipment, or other expenses would add to that estimate.

The bill also creates additional reporting requirements for electric companies; none of which have a fiscal impact on the Department of Public Utility Control.

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**OLR Bill Analysis**

sHB 5420

**AN ACT CONCERNING ENERGY SECURITY**

**SUMMARY:**

This bill establishes an Office of Energy Security and specifies its responsibilities. It requires the governor, with the legislature's approval, to appoint a person with experience related to protecting public facilities against sabotage or attack to serve as the office director. The director serves a five-year term and may, within available funds, appoint staff as he deems necessary. The legislature may appropriate funds to pay staff salaries, office expenses, and other actual office expenses. The office is within the Department of Public Utility Control (DPUC) for administrative purposes only.

The bill also requires electric companies to report to DPUC, by October 1, 2004 and every two years thereafter, on efforts that it, independently or with other such companies, has taken to maintain access to hard-to-find replacement parts for its facilities and reduce redundancy in the electric power grid.

EFFECTIVE DATE: July 1, 2004 for the electric company reporting requirements; October 1, 2004 for the Office of Energy Security provisions.

**RESPONSIBILITIES OF ENERGY SECURITY OFFICE**

The office may:

1. appear and participate in regulatory and judicial proceedings;
2. appeal from a state regulatory agency decision, even if it did not participate in the proceeding;
3. act as a liaison between the state, the federal government, the entity that runs the regional power grid, and utilities;

4. recommend changes in state and federal policies;
5. conduct public education programs; and
6. organize industry-wide or regional efforts to coordinate security resources.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Change of Reference

Yea 16    Nay 0

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 15    Nay 1