



Senate

General Assembly

File No. 390

February Session, 2004

Substitute Senate Bill No. 595

Senate, March 31, 2004

The Committee on Environment reported through SEN. WILLIAMS of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING CLIMATE CHANGE.

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

1 Section 1. (NEW) (*Effective October 1, 2004*) As used in sections 1 to 4,
2 inclusive, of this act:

3 (1) "Direct emissions" means emissions from sources that are owned
4 or operated, in whole or in part, by an entity or facility, including, but
5 not limited to, emissions from factory stacks, manufacturing processes
6 and vents, and company owned or leased motor vehicles;

7 (2) "Entity" means a person, as defined in section 22a-2 of the
8 general statutes, that owns or operates, in whole or in part, a source of
9 greenhouse gas emissions from a generator of electricity or a
10 commercial or industrial site, which source may include, but not be
11 limited to, a transportation fleet;

12 (3) "Facility" means a building, structure or installation located on
13 any one or more contiguous or adjacent properties of an entity;

14 (4) "Greenhouse gas" means any chemical or physical substance that
15 is emitted into the air and that the Commissioner of Environmental
16 Protection may reasonably anticipate to cause or contribute to climate
17 change, including, but not limited to, carbon dioxide, methane, nitrous
18 oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride;

19 (5) "Indirect emissions" means emissions that are a consequence of
20 the activities of an entity or facility subject to the reporting
21 requirements of section 4 of this act, but which occur at sources owned
22 or operated by another entity, including, but not limited to, the
23 production of electricity, hot water or steam for the operation of an
24 entity or facility.

25 Sec. 2. (NEW) (*Effective October 1, 2004*) There is established a
26 Governor's Steering Committee on Climate Change consisting of seven
27 members, including the chairperson of the board of directors of
28 Connecticut Innovations, Incorporated, the chairperson of the Public
29 Utilities Control Authority, the Commissioner of Environmental
30 Protection, the Commissioner of Administrative Services, the
31 Commissioner of Transportation, the Commissioner of Education and
32 the Secretary of the Office of Policy and Management, or their
33 respective designees. The steering committee shall assist with the
34 implementation of the state-wide goals to reduce emissions of
35 greenhouse gases by performing the duties set forth in section 3 of this
36 act.

37 Sec. 3. (NEW) (*Effective October 1, 2004*) (a) It shall be the goal of the
38 state to reduce emissions of greenhouse gas to those levels emitted in
39 1990, which reduction to occur not later than January 1, 2010, and to
40 levels ten per cent below the 1990 levels not later than January 1, 2020.
41 The Commissioner of Environmental Protection shall consult with the
42 Conference of New England Governors and Eastern Canadian
43 Premiers to establish a date for the long-term goal of reducing the
44 emissions of greenhouse gas by seventy-five to eighty-five per cent
45 below 2001 levels. If the Conference of New England Governors and
46 Eastern Canadian Premiers has not established a date for such long-

47 term goal by January 1, 2005, the date for reaching such goal shall be
48 2050.

49 (b) Not later than January 1, 2005, the Governor's Steering
50 Committee on Climate Change, established pursuant to section 2 of
51 this act, shall develop a climate change action plan, with the
52 opportunity for public comment, which plan shall contain the policies
53 and programs necessary to achieve the state's goals for the reduction of
54 greenhouse gas emissions by 2010 and 2020. Not later than January 1,
55 2008, the steering committee shall develop an amended climate change
56 action plan, with the opportunity for public comment, for achieving
57 the long-term goal established pursuant to subsection (a) of this
58 section.

59 (c) Not later than September 30, 2004, and annually thereafter, the
60 Commissioner of Environmental Protection, in collaboration with the
61 commissioners of other state agencies and the steering committee, shall
62 submit a report to the joint standing committee of the General
63 Assembly having cognizance of matters relating to the environment on
64 the progress made in achieving the goals established in subsection (a)
65 of this section and to evaluate the appropriateness of the climate
66 change action plans developed pursuant to subsection (b) of this
67 section in achieving such goals. The commissioner shall provide an
68 opportunity for public comment on such report prior to submission.

69 Sec. 4. (NEW) (*Effective October 1, 2004*) (a) The Commissioner of
70 Environmental Protection shall establish and administer a greenhouse
71 gas registry to collect data on greenhouse gas emissions by entities or
72 facilities and the annual state greenhouse gas emissions inventory
73 developed pursuant to subsection (f) of this section. The commissioner
74 may develop the registry and reporting system in conjunction with
75 other states or a regional consortium and shall make the data from
76 such registry available on the department's Internet web site or, in the
77 alternative, on the Internet web site of the regional consortium selected
78 by the commissioner.

79 (b) Not later than July 1, 2006, and annually thereafter, any facility

80 that has stationary sources of greenhouse gas shall report to the
81 commissioner all direct emissions of greenhouse gas if such facility has
82 to report air emissions data to the Department of Environmental
83 Protection or the federal Environmental Protection Agency pursuant to
84 the federal Clean Air Act, the Toxic Release Inventory pursuant to the
85 federal Pollution Prevention Act of 1990, or similar legislation.

86 (c) Not later than July 1, 2008, and annually thereafter, any entity or
87 facility with a combined direct and indirect emission of ten thousand
88 metric tons of carbon dioxide equivalent per year shall report to the
89 commissioner all indirect and direct emissions of greenhouse gas.

90 (d) Not later than July 1, 2006, the commissioner shall collect
91 information on emissions of greenhouse gas and reductions of such
92 gases by entities and facilities that are not required to submit
93 information pursuant to subsections (b) and (c) of this section but
94 which do so on a voluntary basis.

95 (e) The commissioner shall adopt regulations, in accordance with
96 the provisions of chapter 54 of the general statutes, to establish
97 guidelines for such emissions pursuant to this subsection, including,
98 but not limited to, a methodology for determining the carbon dioxide
99 equivalent of a particular greenhouse gas, as multiplied by its global
100 warming potential, for reporting requirements pursuant to subsection
101 (c) of this section, qualifying project reductions or offsets for voluntary
102 reporting pursuant to subsection (d) of this section, and threshold
103 quantities of emissions an entity or facility is required to report
104 pursuant to this section, which regulations shall be consistent with
105 reporting requirements pursuant to federal or regional greenhouse gas
106 reporting initiatives.

107 (f) Not later than July 1, 2006, and biennially thereafter, the
108 commissioner shall publish a state greenhouse gas emissions inventory
109 that includes comprehensive estimates of the quantity of greenhouse
110 gas emissions in the state for the previous year. The inventory shall
111 include, but not be limited to, for each greenhouse gas, an estimate of
112 the quantity of emissions divided by categories of sources, as

113 determined by the commissioner, an analysis of the trends in the
114 quantity, composition and sources of emissions, an explanation of the
115 methodology used in developing the inventory and an analysis of data
116 submitted to the registry.

117 Sec. 5. Section 4a-67h of the general statutes, as amended by section
118 9 of public act 03-19, is repealed and the following is substituted in lieu
119 thereof (*Effective October 1, 2004*):

120 (a) As used in this section, "environmentally preferable" means,
121 with regard to products, services or practices, that such products,
122 services or practices have a lesser or reduced negative effect on human
123 health and the environment when compared to competing products,
124 services or practices that serve the same function. "Environmentally
125 preferable products" includes both recycled and recyclable products.

126 (b) Within available appropriations, the Department of
127 Administrative Services shall establish procedures that promote, to the
128 greatest extent feasible, the procurement and use of recycled products
129 and environmentally preferable products, [and] services, and practices
130 by state agencies. The department shall: (1) Designate environmentally
131 preferable products, taking into consideration the raw materials
132 acquisition, production, manufacturing, packaging, distribution, reuse,
133 operation, maintenance or disposal aspects of such products, and
134 establish minimum standards and specifications for their procurement
135 and use; (2) when feasible, include the use of environmentally
136 preferable products and services as a criteria in a multiple criteria bid
137 or an evaluation factor in requests for proposals; and (3) consider the
138 use of environmentally preferable business practices when reviewing
139 the overall performance of a bidder or proposer's business operation.
140 Such procedures shall not be considered regulations, as defined in
141 section 4-166.

142 (c) [Within available appropriations] Not later than January 1, 2005,
143 and annually thereafter, the department shall: (1) Develop and
144 maintain information about environmentally preferable products,
145 [and] services and practices procured through the department,

146 including, but not limited to, products, services and practices that
 147 minimize global warming impact and recycled products [;] and (2)
 148 provide assistance with the implementation of the procedures
 149 developed pursuant to subsection (b) of this section and provide
 150 information to agencies about the use of environmentally preferable
 151 products and services. [; and (3)]

152 (d) All agencies that procure products and services shall maintain
 153 information about their use of environmentally preferable products
 154 and services and shall submit such information annually to the
 155 department. The department shall monitor the use of environmentally
 156 preferable products, [and] services and practices and recycled
 157 products by state agencies. Such information compiled pursuant to
 158 subsection (c) of this section and this subsection shall designate those
 159 products, services or practices that cost the same or less than other
 160 similar products, services or practices.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>
Sec. 3	<i>October 1, 2004</i>
Sec. 4	<i>October 1, 2004</i>
Sec. 5	<i>October 1, 2004</i>

ENV *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 \$
Admin. Serv., Dept	GF - None	None	None
Department of Environmental Protection	GF - Cost	See Below	See Below
Various	GF - Cost	Minimal	Minimal
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	\$13,655	\$14,238

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
Various Municipalities	Cost	See Below	See Below

Explanation

Establishing a Governor's Steering Committee on Climate Change in statute is anticipated to minimally impact workloads of the agencies involved. A steering committee already exists and this legislation will codify the committee.

It is estimated that the Department of Environmental Protection (DEP) will require two additional environmental analysts (full year cost of \$90,000) for three-quarters of a year at \$67,000 in FY 05 and \$90,000 in FY 06, plus additional fringe benefit¹ costs of \$13,655 in FY 05 and \$41,238 in FY 06. The staff is needed for the various reporting requirements, collection of data, and creation of a registry and

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The total fringe benefit reimbursement rate as a percentage of payroll is 45.82%, effective July 1, 2003. However, first year fringe benefit costs for new positions do not include pension costs lowering the rate to 20.23% in FY 05. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

publications, and any follow-up enforcement required in the bill.

The DEP will also require additional funds in the amount of \$100,000 to \$150,000 to invest in and update their existing IT system to be able to support the inventory.

Requiring the DEP to adopt regulations establishing guidelines for greenhouse gas emissions is anticipated to result in the need for outside resources, an additional employee, or the diversion of the resources of staff away from their current duties at a cost of \$75,000.

Any costs incurred for the collaboration on reports required of additional state agencies is anticipated to be minimal.

The bill requires the Department of Administrative Services (DAS) to promote the use of, and provide information about, environmentally preferable practices that minimize global warming.

As DAS currently promotes the procurement and use of environmentally preferable products and services, adding environmentally preferable practices to the agency's responsibilities are not expected to have a fiscal impact.

To the extent that a municipality is an entity for the purposes of this bill, and has additional reporting requirements, they could incur additional costs. The exact impact is indeterminate.

OLR Bill Analysis

sSB 595

AN ACT CONCERNING CLIMATE CHANGE**SUMMARY:**

This bill

1. requires the state to establish greenhouse gas emission reduction goals and establishes in law a Governor's Steering Committee on Climate Change to develop a plan to achieve these goals;
2. requires the Department of Environmental Protection (DEP) commissioner to report annually on progress toward these goals;
3. requires the commissioner to create a greenhouse gas emissions registry to collect data on greenhouse gases emitted by electric utilities, commercial and industrial sites, and motor vehicle fleets;
4. requires people who own or operate such utilities, sites, and fleets to report annually to the commissioner on greenhouse gas emissions they generate, as well as emissions generated elsewhere as a result of their activities, and provides for others to voluntarily report this information;
5. requires the commissioner to prepare an annual greenhouse gas emissions inventory that includes estimates of the amount of emissions generated in the previous year and to adopt greenhouse gas emission regulations; and
6. requires the Department of Administrative Services (DAS) to promote the use of, and provide information about, environmentally preferable practices that minimize global warming.

EFFECTIVE DATE: October 1, 2004

GREENHOUSE GASES

Under the bill, a greenhouse gas is any chemical or physical substance emitted into the air that the DEP commissioner may reasonably expect to cause, or contribute to, climate change. These include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

EMISSIONS REDUCTION GOALS

The bill sets a goal of (1) reducing greenhouse gas emissions to 1990 levels by January 1, 2010 and (2) reaching a level 10% below the 1990 level by January 1, 2020. The Conference of New England Governors and Eastern Canadian Premiers recommended these goals in 2001. The bill requires the DEP commissioner to consult with the conference to set a long-term deadline by which the state will reduce greenhouse gas emissions by 75% to 85% below 2001 levels. If the conference does not set this date by January 1, 2005, the commissioner must set 2050 as the long-term deadline.

GOVERNOR'S STEERING COMMITTEE ON CLIMATE CHANGE

The bill establishes in law a seven-member Committee on Climate Change to help implement the statewide emission reduction goals. Members of the committee include the following or their designees: (1) Connecticut Innovations, Inc. board of directors chairperson; (2) Public Utilities Control Authority chairperson; (3) DEP commissioner; (4) DAS commissioner; (5) transportation commissioner; (6) education commissioner; and (7) Office of Policy and Management secretary. The governor has appointed a six-member steering committee that includes all the above members except the education commissioner.

Climate Change Action Plan

The bill requires the committee, by January 1, 2005, to develop a climate change action plan that includes policies and programs needed to reach the state's 2010 and 2020 emissions goals. It requires the committee, by January 1, 2008, to develop an amended climate change plan for achieving the state's long-term goal. The committee must provide the public with an opportunity to comment on each plan.

Progress Report

The DEP commissioner, in collaboration with other agency commissioners and the steering committee, must report to the Environment Committee by September 30, 2004, (see COMMENT) and annually thereafter, on the progress made in achieving the short- and long-term emission reduction goals and in evaluating the appropriateness of the climate change action plans in achieving those goals. He must provide the public with the chance to comment on the

report before submitting it.

GREENHOUSE GAS REGISTRY

The DEP commissioner must establish and administer (1) a greenhouse gas registry to collect data on emissions by owners or operators of electric plants and commercial and industrial sites, including transportation fleets, and (2) an annual state greenhouse gas emissions inventory (see below). (The bill does not specify the number of vehicles that constitute a transportation fleet.) The commissioner may develop the registry and reporting system in coordination with other states or a regional consortium and must publish the collected data on DEP's or the consortium's website.

Mandatory Reporting

By July 1, 2006, and annually thereafter, any stationary source of greenhouse gas required to report air emissions data to DEP or the U.S. Environmental Protection Agency under the Clean Air Act, the Toxic Release Inventory, or similar legislation, must report to the DEP commissioner all greenhouse gas emissions from factory smokestacks, manufacturing processes and vents, and company-owned or -leased motor vehicles (direct emissions).

By July 1, 2008 all electric plants, commercial or industrial sites, and motor vehicle fleets with combined direct and indirect emissions of at least 10,000 metric tons of carbon dioxide equivalent per year must report such emissions to the commissioner. Under the bill, indirect emissions are caused by the activity of someone the bill requires to report, but occur at sources owned or operated by another. Indirect emissions include emissions resulting from the production of electricity, hot water, or steam used in a plant's operation. For example, a manufacturer that purchases electric power from a utility must report to DEP both his factory's direct greenhouse gas emissions and the amount of greenhouse gases the utility emitted in producing electricity for his factory.

Voluntary Reporting

The commissioner, by July 1, 2006, must collect information on greenhouse gas emissions and reduction provided voluntarily by sites, plants, and fleets that the bill does not require to submit such

information. The bill does not specify how this must be done.

INVENTORY

The DEP commissioner must, by July 1, 2006 and annually thereafter, publish a state greenhouse gas emissions inventory that includes comprehensive estimates of the amount of emissions in the previous year. For each greenhouse gas, the inventory must include (1) an estimate of the quantity of emissions, divided by category of source, as determined by the commissioner; (2) an analysis of trends in the quantity, composition, and sources of emission; (3) an explanation of the method used to develop the inventory; and (4) an analysis of data submitted to the registry.

REGULATIONS

The bill requires the commissioner to adopt regulations establishing guidelines for greenhouse gas emissions, including:

1. a method for determining the carbon dioxide equivalent of a particular greenhouse gas, as multiplied by its global warming potential, for purposes of the reporting of direct and indirect emissions;
2. qualifying project reductions or offsets for voluntary reporting, (which the bill does not define); and
3. threshold amounts of emissions an entity or facility must report.

The regulations must be consistent with the reporting requirements of federal or regional greenhouse gas initiatives.

ENVIRONMENTALLY PREFERABLE PRACTICES

Under current law, DAS must establish procedures to promote the procurement and use of products and services that have a lesser or reduced negative effect on human health and the environment when compared to competing products. The bill requires it to promote such environmentally preferable practices as well.

It requires DAS, by January 1, 2005 and annually thereafter, to develop and maintain information about environmentally preferable practices it procures, in addition to products and services the law already requires, including products, services, and practices that minimize the impact of global warming. The bill eliminates a provision limiting the

department to doing so within available appropriations.

It requires all agencies that procure products and services to provide information annually to DAS about their environmentally preferable products and services. DAS must monitor the use of environmentally preferable practices, in addition to services and products the law requires, and designate those products, services, or practices that cost the same or less than other, similar products, services, or practices.

BACKGROUND

Global Warming

Many scientists believe global warming is caused when carbon dioxide and other greenhouse gases, produced in large part by the burning of fossil fuels, trap heat in the atmosphere. They believe this will cause a wide range of harmful effects, including hotter summers, more frequent droughts, the melting of polar ice caps and subsequent rise in sea level, impaired air quality, and higher rates of respiratory disease.

Climate Change Action Plan

The Conference of New England Governors and Eastern Canadian Premiers issued a Climate Change Action Plan in 2001 that recommended short- and long-term goals to reduce greenhouse gas emissions. The governor subsequently appointed a steering committee to organize a discussion among businesses, nonprofit organizations, state and local government agencies, and academic institutions on ways to reduce greenhouse gas emissions. These “stakeholders” issued their report in January 2004.

Reporting Entities

According to DEP, about 560 facilities now report to it under the Toxic Release Inventory or Clean Air Act. The actual number may be lower because some facilities report under both laws.

COMMENT

Effective Date

The bill requires the commissioner to report to the Environment Committee by September 30, 2004, but the bill does not take effect until

October 1, 2004.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 25 Nay 2