



General Assembly

February Session, 2004

Raised Bill No. 379

LCO No. 1565

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Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING NATURAL GAS CONSERVATION.

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

1 Section 1. Section 16-32f of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 (a) On or before October first of each even-numbered year, a gas
4 company [, as defined in section 16-1,] shall furnish a report to the
5 Department of Public Utility Control containing a five-year forecast of
6 loads and resources. The report shall describe the facilities and supply
7 sources that, in the judgment of such gas company, will be required to
8 meet gas demands during the forecast period. The report shall be
9 made available to the public and shall be furnished to the chief
10 executive officer of each municipality in the service area of such gas
11 company, the regional planning agency which encompasses each such
12 municipality, the Attorney General, the president pro tempore of the
13 Senate, the speaker of the House of Representatives, the joint standing
14 committee of the General Assembly having cognizance of matters
15 relating to public utilities, any other member of the General Assembly
16 making a request to the department for the report and such other state
17 and municipal entities as the department may designate by regulation.

18 The report shall include: (1) A tabulation of estimated peak loads and
19 resources for each year; (2) data on gas use and peak loads for the five
20 preceding calendar years; (3) a list of present and projected gas supply
21 sources; (4) specific measures to control load growth and promote
22 conservation; and (5) such other information as the department may
23 require by regulation. A full description of the methodology used to
24 arrive at the forecast of loads and resources shall also be furnished to
25 the department. The department shall hold a public hearing on such
26 reports upon the request of any person. On or before August first of
27 each odd-numbered year, the department may request a gas company
28 to furnish to the department an updated report. A gas company shall
29 furnish any such updated report not later than sixty days following the
30 request of the department.

31 (b) [A] Not later than October 1, 2004, and annually thereafter, a gas
32 company [, as defined in section 16-1,] shall submit to the Department
33 of Public Utility Control a gas conservation plan [along with the
34 company's five-year forecast, as defined in subsection (a) of this
35 section. The plan shall include: (1) Specific quantifiable conservation
36 and load management targets; (2) conservation option descriptions,
37 analyses and the methodology used to evaluate conservation options
38 reviewed by such company; and (3) an estimation of conservation
39 option costs and benefits, sufficiently detailed to allow the department
40 to evaluate revenue requirements and other social and environmental
41 costs and benefits, or such other components as the department may
42 by order direct. All supply and conservation and load management
43 options shall be evaluated and selected within an integrated supply
44 and demand planning framework] in accordance with the provisions
45 of this section. Such plan shall provide for the annual expenditure for
46 the implementation of the programs in the plan an amount equivalent
47 to two per cent of the company's annual revenue requirement. The
48 department shall hold a public hearing on such plans. [in conjunction
49 with the public hearing held pursuant to subsection (a) of this section.
50 On or before August first of each odd-numbered year, the department
51 may request a gas company to submit an updated plan to the

52 department. A gas company shall furnish any such updated plan not
53 later than sixty days following the request of the department.]

54 (c) (1) The Energy Conservation Management Board, established
55 pursuant to section 16-245m, as amended by this act, shall advise and
56 assist the gas companies in the development and implementation of a
57 comprehensive plan, which plan shall be approved by the Department
58 of Public Utility Control, to implement cost-effective energy
59 conservation programs and market transformation initiatives. Each
60 program contained in the plan shall be reviewed by the gas company
61 and either accepted or rejected by the Energy Conservation
62 Management Board prior to submission to the department for
63 approval.

64 (2) Programs included in the plan shall be evaluated as to cost-
65 effectiveness by comparing the value and payback period of the
66 program benefits to the program costs to ensure that the programs are
67 designed to obtain gas savings the value of which is greater than the
68 costs of the program. Program cost-effectiveness shall be reviewed
69 annually by the department, or otherwise as is practicable. If a
70 program is determined by the department to fail the cost-effectiveness
71 test as part of the review process, it shall either be modified to meet the
72 test or shall be terminated. On or before January 31, 2006, and annually
73 thereafter until January 31, 2011, the board shall provide a report to the
74 joint standing committees of the General Assembly having cognizance
75 of matters relating to energy and the environment that documents
76 expenditures, fund balances and evaluates the cost-effectiveness of
77 such programs conducted in the preceding year.

78 (3) Programs included in the plan may include, but not be limited
79 to: (A) The setting of specific quantifiable conservation and load
80 management targets; (B) conservation option descriptions, analyses
81 and the methodology used to evaluate conservation options reviewed
82 by the company; (C) research, development and commercialization of
83 products or processes that are more energy-efficient than those

84 generally available for installation at customer premises; (D)
85 development of markets for such products and processes; (E) support
86 for energy use assessment, engineering studies and services related to
87 new construction or major building renovations; (F) the design,
88 manufacture, commercialization and purchase of energy-efficient
89 appliances and heating devices; (G) program planning and evaluation;
90 (H) joint fuel conservation initiatives and programs targeted at electric
91 and natural gas efficiency at customer premises; and (I) public
92 education regarding the conservation programs. Such support may be
93 by direct funding, manufacturers' rebates, sale price and loan
94 subsidies, leases and promotional and educational activities. Any other
95 expenditure by the Energy Conservation Management Board shall be
96 limited to retention of expert consultants and reasonable
97 administrative costs, provided such consultants shall not be employed
98 by, or have any contractual relationship with, a gas company. Such
99 costs shall not exceed five per cent of the total cost of the plans.

100 Sec. 2. Subsection (c) of section 16-245m of the general statutes is
101 repealed and the following is substituted in lieu thereof (*Effective July*
102 *1, 2004*):

103 (c) The Department of Public Utility Control shall appoint and
104 convene an Energy Conservation Management Board which shall
105 include representatives of: (1) An environmental group knowledgeable
106 in energy conservation program collaboratives; (2) the Office of
107 Consumer Counsel; (3) the Attorney General; (4) the Department of
108 Environmental Protection; (5) the electric distribution companies in
109 whose territories the activities take place for such programs; (6) a state-
110 wide manufacturing association; (7) the gas companies in whose
111 territories the activities take place for any programs developed
112 pursuant to section 16-32f, as amended; (8) a chamber of commerce;
113 [(8)] (9) a state-wide business association; [(9)] (10) a state-wide retail
114 organization; and [(10)] (11) residential customers. Such members shall
115 serve for a period of five years and may be reappointed.
116 Representatives of the gas companies shall abstain from voting on

117 matters unrelated to gas conservation and representatives of the
118 electric distribution companies shall abstain from voting on matters
119 unrelated to conservation of electricity. When voting on programs that
120 address both electrical and gas end-use consumption, representatives
121 of the electric distribution companies shall have one combined vote
122 and representatives of the natural gas companies shall have one
123 combined vote.

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

Statement of Purpose:

To more clearly define the gas companies' conservation programs, to require the gas companies to submit their plans for such programs on an annual basis to the Department of Public Utility Control, to add a representative of the gas companies to the Energy Conservation Management Board, and to define the voting rights of the representatives of the gas companies and the electric distribution companies on the Energy Conservation Management Board.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]