



General Assembly

Substitute Bill No. 379

February Session, 2004

* SB00379ET 030204 *

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 Section 16-32f of the general statutes is repealed and the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 October 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 July 1, 2006, 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 which expenditure
47 shall be an amount equivalent to two per cent of the company's annual
48 revenue requirement. The department shall hold a public hearing on
49 such plans. [in conjunction with the public hearing held pursuant to
50 subsection (a) of this section. On or before August first of each odd-
51 numbered year, the department may request a gas company to submit
52 an updated plan to the department. A gas company shall furnish any
53 such updated plan not later than sixty days following the request of
54 the department.]

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

65 (2) Programs included in the plan shall be evaluated as to cost-
66 effectiveness by comparing the value and payback period of the
67 program benefits to the program costs to ensure that the programs are
68 designed to obtain gas savings the value of which is greater than the
69 costs of the program. Program cost-effectiveness shall be reviewed
70 annually by the department, or otherwise as is practicable. If a
71 program is determined by the department to fail the cost-effectiveness
72 test as part of the review process, it shall either be modified to meet the
73 test or shall be terminated. On or before January 31, 2008, and annually
74 thereafter until January 31, 2013, the board shall provide a report to the
75 joint standing committees of the General Assembly having cognizance
76 of matters relating to energy and the environment that documents
77 expenditures, fund balances and evaluates the cost-effectiveness of
78 such programs conducted in the preceding year.

79 (3) Programs included in the plan may include, but not be limited
80 to: (A) The setting of specific quantifiable conservation and load
81 management targets; (B) conservation option descriptions, analyses
82 and the methodology used to evaluate conservation options reviewed
83 by the company; (C) research, development and commercialization of
84 products or processes that are more energy-efficient than those
85 generally available for installation at customer premises; (D)
86 development of markets for such products and processes; (E) support
87 for energy use assessment, engineering studies and services related to
88 new construction or major building renovations; (F) the design,

89 manufacture, commercialization and purchase of energy-efficient
90 appliances and heating devices; (G) program planning and evaluation;
91 (H) joint fuel conservation initiatives and programs targeted at electric
92 and natural gas efficiency at customer premises; and (I) public
93 education regarding the conservation programs. Such support may be
94 by direct funding, manufacturers' rebates, sale price and loan
95 subsidies, leases and promotional and educational activities. Any other
96 expenditure by the Energy Conservation Management Board shall be
97 limited to retention of expert consultants and reasonable
98 administrative costs, provided such consultants shall not be employed
99 by, or have any contractual relationship with, a gas company. Such
100 costs shall not exceed five per cent of the total cost of the plans.

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

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

123 and representatives of the natural gas companies shall have one
124 combined vote.

125 Sec. 3. (*Effective July 1, 2004*) The Connecticut Energy Advisory
126 Board shall conduct an assessment of different methods of structuring
127 a comprehensive program for conservation and efficiency
128 improvements in buildings heated by fuel oil equipment and shall
129 report its findings and recommendations, in accordance with section
130 11-4a of the general statutes, to the joint standing committee of the
131 General Assembly having cognizance of matters relating to energy not
132 later than January 1, 2006. The assessment shall include, but not be
133 limited to, a review of (1) the types of conservation activities to be
134 conducted, (2) funding sources for the program, and (3) the
135 appropriate management structure of the program.

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

ET *Joint Favorable Subst.*