



General Assembly

February Session, 2004

Amendment

LCO No. 5130

HB0542005130HDO

Offered by:

REP. BACKER, 121st Dist.

To: Subst. House Bill No. 5420

File No. 407

Cal. No. 280

"AN ACT CONCERNING ENERGY SECURITY."

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

3 "Section 1. Subsection (a) of section 16-245l of the general statutes, as
4 amended by section 8 of public act 03-135 and section 14 of public act
5 03-140, is repealed and the following is substituted in lieu thereof
6 (*Effective from passage*):

7 (a) The Department of Public Utility Control shall establish and each
8 electric distribution company shall collect a systems benefits charge to
9 be imposed against all end use customers of each electric distribution
10 company beginning January 1, 2000. The department shall hold a
11 hearing that shall be conducted as a contested case in accordance with
12 chapter 54 to establish the amount of the systems benefits charge. The
13 department may revise the systems benefits charge or any element of
14 said charge as the need arises. The systems benefits charge shall be
15 used to fund (1) the expenses of the public education outreach

16 program developed under subsections (a), (f) and (g) of section 16-
17 244d, as amended, other than expenses for department staff, (2) the
18 reasonable and proper expenses of the education outreach consultant
19 pursuant to subsection (d) of section 16-244d, as amended, (3) the cost
20 of hardship protection measures under sections 16-262c, as amended,
21 and 16-262d and other hardship protections, including but not limited
22 to, electric service bill payment programs, funding and technical
23 support for energy assistance, fuel bank and weatherization programs
24 and weatherization services, (4) the payment program to offset tax
25 losses described in section 12-94d, (5) any sums paid to a resource
26 recovery authority pursuant to subsection (b) of section 16-243e, (6)
27 low income conservation programs approved by the Department of
28 Public Utility Control, (7) displaced worker protection costs, (8)
29 unfunded storage and disposal costs for spent nuclear fuel generated
30 before January 1, 2000, approved by the appropriate regulatory
31 agencies, (9) postretirement safe shutdown and site protection costs
32 that are incurred in preparation for decommissioning, (10)
33 decommissioning fund contributions, (11) the costs of temporary
34 electric generation facilities incurred pursuant to section 17 of [this act]
35 public act 03-135, and (12) legal, appraisal and purchase costs of a
36 conservation or land use restriction and other related costs as the
37 department in its discretion deems appropriate, incurred by a
38 municipality on or before January 1, 2000, to ensure the environmental,
39 recreational and scenic preservation of any reservoir located within
40 this state created by a pump storage hydroelectric generating facility.
41 As used in this subsection, "displaced worker protection costs" means
42 the reasonable costs incurred, prior to January 1, 2008, (A) by an
43 electric supplier, exempt wholesale generator, electric company, an
44 operator of a nuclear power generating facility in this state or a
45 generation entity or affiliate arising from the dislocation of any
46 employee other than an officer, provided such dislocation is a result of
47 (i) restructuring of [(A)] the electric generation market and such
48 dislocation occurs on or after July 1, 1998, or [(B)] (ii) the closing of a
49 Title IV source or an exempt wholesale generator, as defined in 15 USC
50 79z-5a, on or after January 1, 2004, as a result of such source's failure to

51 meet requirements imposed as a result of sections 22a-197 and 22a-198,
52 as amended, and this section or those Regulations of Connecticut State
53 Agencies adopted by the Department of Environmental Protection, as
54 amended from time to time, in accordance with Executive Order
55 Number 19, issued on May 17, 2000, [;] and provided further such costs
56 result from either the execution of agreements reached through
57 collective bargaining for union employees or from the company's or
58 entity's or affiliate's programs and policies for nonunion employees,
59 and (B) by an electric distribution company or an exempt wholesale
60 generator arising from the retraining of a former employee of an
61 unaffiliated exempt wholesale generator, which employee was
62 involuntary dislocated on or after January 1, 2004, from such wholesale
63 generator, except for cause. "Displaced worker protection costs"
64 includes costs incurred or projected for severance, retraining, early
65 retirement, outplacement, coverage for surviving spouse insurance
66 benefits and related expenses. "Displaced worker protection costs"
67 does not include those costs included in determining a tax credit
68 pursuant to section 12-217bb.

69 Sec. 2. Subdivision (2) of subsection (j) of section 16-244c of the
70 general statutes, as amended by section 4 of public act 03-135, is
71 repealed and the following is substituted in lieu thereof (*Effective*
72 *October 1, 2004*):

73 (2) Notwithstanding the provisions of subsection (d) of this section
74 regarding an alternative transitional standard offer option or an
75 alternative standard service option, an electric distribution company
76 providing transitional standard offer service, standard service,
77 supplier of last resort service or back-up electric generation service in
78 accordance with this section shall, not later than July 1, 2007, file with
79 the Department of Public Utility Control for its approval one or more
80 long-term power purchase contracts from Class I renewable energy
81 source projects that receive funding from the Renewable Energy
82 Investment Fund and that are not less than one megawatt in size, at a
83 price that is not more than the total of the comparable wholesale
84 market price for generation plus five and one-half cents per kilowatt

85 hour. In its approval of such contracts, the department shall give
86 preference to purchase contracts from those projects that would
87 provide a financial benefit to ratepayers or would enhance the
88 reliability of the electric transmission system of the state. Such
89 contracts shall be comprised of not less than a total, apportioned
90 among each electric distribution company, of one hundred megawatts.
91 The cost of such contracts and the administrative costs for the
92 procurement of such contracts directly incurred shall be eligible for
93 inclusion in the generation services charge component of rates,
94 provided that such contracts are for a period of time sufficient to
95 provide financing for such projects, but not less than ten years and are
96 for projects which began operation on or after July 1, 2003. The amount
97 from Class I renewable energy sources contracted under such contracts
98 shall be applied to reduce the applicable Class I renewable energy
99 source portfolio standards. For purposes of this subdivision, the
100 department's determination of the comparable wholesale market price
101 for generation shall be based upon a reasonable estimate.

102 Sec. 3. Subdivision (2) of subsection (d) of section 16-245m of the
103 general statutes, as amended by section 9 of public act 03-135, is
104 repealed and the following is substituted in lieu thereof (*Effective July*
105 *1, 2004*):

106 (2) Programs included in the plan shall be screened through cost-
107 effectiveness testing which compares the value and payback period of
108 program benefits to program costs to ensure that programs are
109 designed to obtain energy savings whose value is greater than the
110 costs of the programs. Cost-effectiveness testing shall utilize available
111 information obtained from real-time monitoring systems to ensure
112 accurate validation and verification of energy use. Program cost-
113 effectiveness shall be reviewed annually, or otherwise as is practicable.
114 If a program is determined to fail the cost-effectiveness test as part of
115 the review process, it shall either be modified to meet the test or shall
116 be terminated. On or before [January 31, 2001, and annually thereafter
117 until January 31, 2006] March 1, 2005, and March 1, 2006, the board
118 shall provide a report to the joint standing committees of the General

119 Assembly having cognizance of matters relating to energy and the
120 environment which documents expenditures, fund balances and
121 evaluates the cost-effectiveness of such programs conducted in the
122 preceding year."

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