



House of Representatives

General Assembly

File No. 222

January Session, 2005

House Bill No. 5567

House of Representatives, April 7, 2005

The Committee on Energy and Technology reported through REP. FONTANA of the 87th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE CONSERVATION AND LOAD MANAGEMENT PROGRAM FUNDS.

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

1 Section 1. Subsection (e) of section 16-245m of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (e) Notwithstanding the provisions of subsections (a) to (d),
5 inclusive, of this section, the Department of Public Utility Control shall
6 authorize the disbursement of a total of one million dollars in each
7 month, commencing with July, 2003, and ending with [July] June, 2005,
8 from the Energy Conservation and Load Management Funds
9 established pursuant to said subsections. The amount disbursed from
10 each Energy Conservation and Load Management Fund shall be
11 proportionately based on the receipts received by each fund. Such
12 disbursements shall be deposited in the General Fund, except that, on
13 and after the effective date of this section, no such funds may be

- 14 disbursed to the General Fund unless such funds are encumbered by
15 an existing financial instrument before the effective date of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-245m(e)

ET *Joint Favorable*

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 06 \$	FY 07 \$
Public Utility Control, Dept.	GF - Revenue Loss	1 million	0
Public Utility Control, Dept.	Energy Cons. and Load Mgmt. Fund - Revenue Gain	1 million	0

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill changes the termination date of the monthly \$1 million transfer of funds from the Energy Conservation and Load Management Fund to the General Fund, from July, 2005, to June, 2005. In FY 04, \$12 million was transferred from the Energy Conservation and Load Management Fund to the General Fund pursuant to C.G.S. §16 -245m (e). As a result of the bill, in FY 06, \$1 million less will be transferred to the General Fund from the Energy Conservation and Load Management Fund.

OLR Bill Analysis

HB 5567

AN ACT CONCERNING THE CONSERVATION AND LOAD MANAGEMENT PROGRAM FUNDS**SUMMARY:**

Under the bill, the monthly \$1 million disbursement from the Energy Conservation and Load Management (C & LM) Funds to the General Fund terminates in June, rather than July, 2005. The bill also bans, as of its effective date (upon passage), disbursement of these funds to the General Fund unless they are encumbered by an existing financial instrument (e.g., securitized). It is unclear how these provisions interact if the bill is adopted before June 2005.

EFFECTIVE DATE: Upon passage

BACKGROUND***Securitization of C & LM Funds***

The law requires the state's two electric utilities to establish C & LM funds backed by a charge on electric bills. In addition to the \$1 million per month transfer from the C & LM funds to the General Fund addressed in this bill, the law requires that receipts from the charge be transferred to the General Fund during the period July 1, 2003 to June 30, 2005. However, the law allows the Department of Public Utility Control to authorize an alternative approach using a financing mechanism called securitization. Under this approach, somewhat more than one-third of the receipts from the charge will be encumbered for approximately the next five years.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Report

Yea 16 Nay 0

