



General Assembly

**Substitute Bill No. 1091**

January Session, 2005

\* SB01091PD 040105 \*

**AN ACT CONCERNING A MUNICIPAL ELECTRIC AGGREGATION  
DEMONSTRATION PROGRAM.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this  
2 section, "municipal aggregation unit" means a municipality, or political  
3 subdivision thereof, or group of municipalities, or political  
4 subdivisions thereof, that serve as an electric aggregator for the  
5 purpose of negotiating the purchase of electric generation services  
6 from an electric supplier for all electric customers within the legal  
7 boundaries of such municipality, or political subdivision thereof, or  
8 group of municipalities, or political subdivisions thereof.

9 (b) On and after January 1, 2006, there shall be a municipal electric  
10 aggregation demonstration program that shall operate in two phases,  
11 each for a period of not more than five years. Such demonstration  
12 program shall allow customers of a distribution company, as defined  
13 in subdivision (29) of section 16-1 of the general statutes, to opt-out of  
14 the electric service offered by the municipal aggregation unit. Current  
15 customers of competitive suppliers may be offered the opportunity to  
16 opt-in to the aggregation and are excluded from opt-out if their  
17 supplier provides customer information required by the Department  
18 of Public Utility Control pursuant to subsection (e) of this section. The  
19 combined number of participants in the demonstration program shall

20 represent not more than eight hundred megawatts of load in the state,  
21 as determined by the Department of Public Utility Control. Each  
22 municipal aggregation unit that seeks to participate in the  
23 demonstration program shall file with the department a letter of intent,  
24 draft ordinance and such other documentation as the department may  
25 require not later than September 1, 2005. The department may  
26 establish additional filing deadlines as it deems appropriate. The  
27 department shall review such filings to ensure that the municipalities  
28 participating in the demonstration program represent a diverse range  
29 of population sizes. Each municipal aggregation unit shall retain the  
30 services of a firm having expertise in electric aggregation and energy  
31 procurement to provide assistance with its participation in the  
32 demonstration program, including, but not limited to, the  
33 development of its request for proposal. Municipalities or political  
34 subdivisions of municipalities that are served by municipal electric  
35 utilities that have declined to participate in the competitive electric  
36 generation market prior to January 1, 2005, shall not be eligible to  
37 participate in this demonstration program.

38 (c) A municipality shall initiate a process to form or join a municipal  
39 aggregation unit by the adoption of an ordinance.

40 (d) The municipal aggregation unit shall issue a request-for-  
41 proposal to licensed electric suppliers for the provision of electric  
42 generation service and select a bidder after providing a written  
43 analysis that the economic benefits will be equal to or exceed the  
44 current or projected economic benefits of receiving electric generation  
45 services through transitional standard offer service or standard service.  
46 The municipal aggregation unit shall not be subject to the provisions of  
47 section 16-245s of the general statutes.

48 (e) Not later than June 15, 2005, the Department of Public Utility  
49 Control shall open a proceeding to develop a set of demonstration  
50 program requirements which shall include, but not be limited to, the  
51 manner by which electric customers are provided (1) notice of the  
52 initiation of a demonstration program, (2) information regarding rates

53 and environmental characteristics, (3) information regarding contract  
54 terms and conditions, and (4) notice regarding a customer's right to  
55 cancel service. Electric customers shall be given not less than sixty days  
56 notice prior to the initiation of a demonstration project.

57 (f) Not later than January 1, 2008, the Department of Public Utility  
58 Control, in consultation with the Office of Consumer Counsel, shall  
59 submit, in accordance with section 11-4a of the general statutes, a  
60 report regarding the performance of the municipal electric aggregation  
61 demonstration program to the joint standing committee of the General  
62 Assembly having cognizance of matters relating to energy. The report  
63 shall also include findings and recommendations regarding whether or  
64 not the time period for this demonstration program should be  
65 extended, and whether or not the program should be expanded state-  
66 wide.

67 Sec. 2. Subdivision (31) of subsection (a) of section 16-1 of the  
68 general statutes is repealed and the following is substituted in lieu  
69 thereof (*Effective from passage*):

70 (31) "Electric aggregator" means (A) a person, municipality,  
71 municipal aggregation unit, as defined in section 1 of this act, or  
72 regional water authority that gathers together electric customers for  
73 the purpose of negotiating the purchase of electric generation services  
74 from an electric supplier, or (B) the Connecticut Resources Recovery  
75 Authority, if it gathers together electric customers for the purpose of  
76 negotiating the purchase of electric generation services from an electric  
77 supplier, provided such person, municipality, unit or authority is not  
78 engaged in the purchase or resale of electric generation services, and  
79 provided further such customers contract for electric generation  
80 services directly with an electric supplier or, in the case of a municipal  
81 aggregation unit, such customers contract for electric generation  
82 services with an electric supplier in accordance with the provisions of  
83 section 1 of this act, and may include an electric cooperative  
84 established pursuant to chapter 597.

85 Sec. 3. Section 16-245o of the general statutes is repealed and the  
86 following is substituted in lieu thereof (*Effective from passage*):

87 (a) To protect a customer's right to privacy from unwanted  
88 solicitation, each electric company or electric distribution company, as  
89 the case may be, shall distribute to each customer a form approved by  
90 the Department of Public Utility Control which the customer shall  
91 submit to the customer's electric or electric distribution company in a  
92 timely manner if the customer does not want the customer's name,  
93 address, telephone number and rate class to be released to electric  
94 suppliers. On and after July 1, 1999, each electric or electric distribution  
95 company, as the case may be, shall make available to all electric  
96 suppliers customer names, addresses, telephone numbers, if known,  
97 and rate class, unless the electric company or electric distribution  
98 company has received a form from a customer requesting that such  
99 information not be released. Additional information about a customer  
100 for marketing purposes shall not be released to any electric supplier  
101 other than a municipal aggregation unit unless a customer consents to  
102 a release by one of the following: (1) An independent third-party  
103 telephone verification; (2) receipt of a written confirmation received in  
104 the mail from the customer after the customer has received an  
105 information package confirming any telephone agreement; (3) the  
106 customer signs a document fully explaining the nature and effect of the  
107 release; or (4) the customer's consent is obtained through electronic  
108 means, including, but not limited to, a computer transaction.

109 (b) All electric suppliers except municipal aggregation units shall  
110 have equal access to customer information required to be disclosed  
111 under subsection (a) of this section. No electric supplier except a  
112 municipal aggregation unit shall have preferential access to historical  
113 distribution company customer usage data.

114 (c) No electric or electric distribution company shall include in any  
115 bill or bill insert anything that directly or indirectly promotes a  
116 generation entity or affiliate of the electric distribution company. No  
117 electric supplier shall include a bill insert in an electric bill of an

118 electric distribution company.

119 (d) All marketing information provided pursuant to the provisions  
120 of this section shall be formatted electronically by the electric company  
121 or electric distribution company, as the case may be, in a form that is  
122 readily usable by standard commercial software packages. Updated  
123 lists shall be made available within a reasonable time, as determined  
124 by the department, following a request by an electric supplier. Each  
125 electric supplier seeking the information shall pay a fee to the electric  
126 company or electric distribution company, as the case may be, which  
127 reflects the incremental costs of formatting, sorting and distributing  
128 this information, together with related software changes. Customers  
129 shall be entitled to any available individual information about their  
130 loads or usage at no cost.

131 (e) Each electric supplier shall, prior to the initiation of electric  
132 generation services, provide the potential customer with a written  
133 notice describing the rates, information on air emissions and resource  
134 mix of generation facilities operated by and under long-term contract  
135 to the supplier, terms and conditions of the service, and a notice  
136 describing the customer's right to cancel the service, as provided in this  
137 section. No electric supplier shall provide electric generation services  
138 unless the customer has signed a service contract or consents to such  
139 services by one of the following: (1) An independent third-party  
140 telephone verification; (2) receipt of a written confirmation received in  
141 the mail from the customer after the customer has received an  
142 information package confirming any telephone agreement; (3) the  
143 customer signs a document fully explaining the nature and effect of the  
144 initiation of the service; or (4) the customer's consent is obtained  
145 through electronic means, including, but not limited to, a computer  
146 transaction. A customer who has a maximum demand of five hundred  
147 kilowatts or less shall, until midnight of the third business day after  
148 the day on which the customer enters into a service agreement, have  
149 the right to cancel a contract for electric generation services entered  
150 into with an electric supplier. The provisions of this subsection shall  
151 not apply to the customers of municipal aggregation units.

152 (f) An electric supplier shall not advertise or disclose the price of  
 153 electricity in such a manner as to mislead a reasonable person into  
 154 believing that the electric generation services portion of the bill will be  
 155 the total bill amount for the delivery of electricity to the customer's  
 156 location. When advertising or disclosing the price for electricity, the  
 157 electric supplier shall also disclose the electric distribution company's  
 158 average current charges, including the competitive transition  
 159 assessment and the systems benefits charge, for that customer class.

160 (g) Each electric supplier shall comply with the provisions of the  
 161 telemarketing regulations adopted pursuant to 15 USC 6102.

162 (h) Any violation of this section shall be deemed an unfair or  
 163 deceptive trade practice under subsection (a) of section 42-110b.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16-1(a)(31)
Sec. 3	<i>from passage</i>	16-245o

**Statement of Legislative Commissioners:**

In section 1(b) the phrase "of a distribution company, as defined in subdivision (29) of section 16-1 of the general statutes," was added after "shall allow customers" for clarity.

**PD**            *Joint Favorable Subst.-LCO*