



General Assembly

January Session, 2005

Raised Bill No. 1118

LCO No. 3691

03691_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING HYDROPOWER.

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

1 Section 1. Section 16-245n of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 (a) For purposes of this section, "renewable energy" means solar
4 energy, wind, ocean thermal energy, wave or tidal energy, fuel cells,
5 landfill gas, hydrogen production and hydrogen conversion
6 technologies, and low emission advanced biomass conversion
7 technologies, energy from a run-of-the-river hydropower facility
8 described in subdivision (26) of subsection (a) of section 16-1 and other
9 energy resources and emerging technologies which have significant
10 potential for commercialization and which do not involve the
11 combustion of coal, petroleum or petroleum products, municipal solid
12 waste or nuclear fission.

13 (b) On and after January 1, 2000, the Department of Public Utility
14 Control shall assess or cause to be assessed a charge of not less than
15 one-half of one mill per kilowatt hour charged to each end use
16 customer of electric services in this state which shall be deposited into

17 the Renewable Energy Investment Fund established under subsection
18 (c) of this section. On and after July 1, 2002, such charge shall be three-
19 quarters of one mill and on and after July 1, 2004, such charge shall be
20 one mill. Notwithstanding the provisions of this section, receipts from
21 such charges shall be disbursed to the resources of the General Fund
22 during the period from July 1, 2003, to June 30, 2005, unless the
23 department shall, on or before October 30, 2003, issue a financing order
24 for each affected distribution company in accordance with sections 16-
25 245e to 16-245k, inclusive, to sustain funding of renewable energy
26 investment programs by substituting an equivalent amount, as
27 determined by the department in such financing order, of proceeds of
28 rate reduction bonds for disbursement to the resources of the General
29 Fund during the period from July 1, 2003, to June 30, 2005. The
30 department may authorize in such financing order the issuance of rate
31 reduction bonds that substitute for disbursement to the General Fund
32 for receipts of both charges under this subsection and subsection (a) of
33 section 16-245m and also may in its discretion authorize the issuance of
34 rate reduction bonds under this subsection and subsection (a) of
35 section 16-245m that relate to more than one electric distribution
36 company. The department shall, in such financing order or other
37 appropriate order, offset any increase in the competitive transition
38 assessment necessary to pay principal, premium, if any, interest and
39 expenses of the issuance of such rate reduction bonds by making an
40 equivalent reduction to the charges imposed under this subsection,
41 provided any failure to offset all or any portion of such increase in the
42 competitive transition assessment shall not affect the need to
43 implement the full amount of such increase as required by this
44 subsection and sections 16-245e to 16-245k, inclusive. Such financing
45 order shall also provide if the rate reduction bonds are not issued, any
46 unrecovered funds expended and committed by the electric
47 distribution companies for renewable resource investment through
48 deposits into the Renewable Energy Investment Fund, provided such
49 expenditures were approved by the department following August 20,
50 2003, and prior to the date of determination that the rate reduction

51 bonds cannot be issued, shall be recovered by the companies from
52 their respective competitive transition assessment or systems benefits
53 charge except that such expenditures shall not exceed one million
54 dollars per month. All receipts from the remaining charges imposed
55 under this subsection, after reduction of such charges to offset the
56 increase in the competitive transition assessment as provided in this
57 subsection, shall be disbursed to the Renewable Energy Investment
58 Fund commencing as of July 1, 2003. Any increase in the competitive
59 transition assessment or decrease in the renewable energy investment
60 component of an electric distribution company's rates resulting from
61 the issuance of or obligations under rate reduction bonds shall be
62 included as rate adjustments on customer bills.

63 (c) There is hereby created a Renewable Energy Investment Fund
64 which shall be administered by Connecticut Innovations, Incorporated.
65 The fund may receive any amount required by law to be deposited
66 into the fund and may receive any federal funds as may become
67 available to the state for renewable energy investments. Connecticut
68 Innovations, Incorporated, may use any amount in said fund for
69 expenditures which promote investment in renewable energy sources
70 in accordance with a comprehensive plan developed by it to foster the
71 growth, development and commercialization of renewable energy
72 sources, related enterprises and stimulate demand for renewable
73 energy and deployment of renewable energy sources which serve end
74 use customers in this state. Such expenditures may include, but not be
75 limited to, grants, direct or equity investments, contracts or other
76 actions which support research, development, manufacture,
77 commercialization, deployment and installation of renewable energy
78 technologies, and actions which expand the expertise of individuals,
79 businesses and lending institutions with regard to renewable energy
80 technologies.

81 (d) The chairperson of the board of directors of Connecticut
82 Innovations, Incorporated, shall convene a Renewable Energy
83 Investments Advisory Committee to assist Connecticut Innovations,

84 Incorporated, in matters related to the Renewable Energy Investment
85 Fund, including, but not limited to, development of a comprehensive
86 plan and expenditure of funds. The advisory committee shall include
87 not more than twelve individuals with knowledge and experience in
88 matters related to the purpose and activities of said fund. The advisory
89 committee shall consist of the following members: (1) One person with
90 expertise regarding renewable energy resources appointed by the
91 speaker of the House of Representatives; (2) one person representing a
92 state or regional organization primarily concerned with environmental
93 protection appointed by the president pro tempore of the Senate; (3)
94 one person with experience in business or commercial investments
95 appointed by the majority leader of the House of Representatives; (4)
96 one person representing a state or regional organization primarily
97 concerned with environmental protection appointed by the majority
98 leader of the Senate; (5) one person with experience in business or
99 commercial investments appointed by the minority leader of the
100 House of Representatives; (6) one person with experience in business
101 or commercial investments appointed by the minority leader of the
102 Senate; (7) two state officials with experience in matters relating to
103 energy policy and one person with expertise regarding renewable
104 energy resources appointed by the Governor; and (8) three persons
105 with experience in business or commercial investments appointed by
106 the board of directors of Connecticut Innovations, Incorporated. The
107 advisory committee shall issue annually a report to such chairperson
108 reviewing the activities of the fund in detail and shall provide a copy
109 of such report to the joint standing committee of the General Assembly
110 having cognizance of matters relating to energy, the Department of
111 Public Utility Control and the Office of Consumer Counsel.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	16-245n

Statement of Purpose:

To include energy from a hydropower facility as renewable energy for purposes of the Renewable Energy Investment Fund.

[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.]