



General Assembly

February Session, 2006

Substitute Bill No. 5728

* HB05728GAE 032406 *

AN ACT ESTABLISHING THE RENEWABLE ENERGY DEVELOPMENT INSTITUTION.

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

1 Section 1. (NEW) (*Effective October 1, 2006*) For the purposes of this
2 section and section 2 of this act:

3 (1) "Renewable energy" means a Class I renewable energy source or
4 a Class II renewable energy source, as defined in section 16-1 of the
5 general statutes;

6 (2) "Conservation" means reduction in the consumption of energy or
7 a substance;

8 (3) "Liquid fuels" means any stable liquid at or near ambient
9 temperature and pressure, including propane and butane that are
10 stored as liquids at relatively low pressures;

11 (4) "Depletable energy" means energy from nonrenewable resources;

12 (5) "Internal combustion engine" means an engine with fuel
13 combustion within the engine apparatus, including a gas turbine,
14 rotary combustion, diesel and gasoline piston engine;

15 (6) "Funding priority" means the priority on which the Renewable
16 Energy Development Institution, established in section 2 of this act,

17 considers and funds competitive projects;

18 (7) "Energy return on energy invested" or "EROEI" means the ratio
19 of the amount of energy expended to obtain a resource to the amount
20 of energy obtained from such resource; and

21 (8) "Distributed energy projects or resources" means conservation or
22 load management with modular electric generation or storage and
23 fuel-diverse fossil and renewable energy generation that is either grid-
24 connected or that operates independently.

25 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) There is hereby created as
26 a body politic and corporate, constituting a public instrumentality and
27 political subdivision of the state created for the performance of an
28 essential public and governmental function, the Renewable Energy
29 Development Institution which is empowered to carry out the
30 following purposes that are hereby determined to be public purposes
31 for which public funds may be expended: (1) The assurance of
32 affordable, secure, sustainable, domestic energy supplies in the state;
33 (2) the stimulation of economic development and job creation in the
34 state; (3) creating competition in energy and oil markets; and (4)
35 attracting, enhancing and keeping a strong renewable energy
36 knowledge base in the state, including, but not limited to, scientists,
37 researchers, educators, technicians, inventors, entrepreneurs,
38 technology developers and other persons to timely meet the challenges
39 of the forthcoming era of energy change. The Renewable Energy
40 Development Institution shall not be construed to be a department,
41 institution or agency of the state.

42 (b) Any notes, bonds or other obligations issued by the Renewable
43 Energy Development Institution shall be in accordance with their
44 terms of full force and effect, valid and binding upon the institution for
45 the financing of any project or projects described in subsection (d) of
46 this section.

47 (c) The board of directors of the institution shall consist of eleven
48 members that have experience in renewable energy, renewable energy

49 technology development, renewable energy research, renewable
50 energy commercialization or financing of renewable energy projects
51 and technologies. At least three of such members shall have extensive
52 experience as an entrepreneur, engineer, technician or scientist
53 independent of corporate entities or projects primarily funded by
54 corporations.

55 (d) The Renewable Energy Development Institution shall be
56 authorized to sell bonds and provide financing, on a project finance
57 basis, for development, construction, commissioning, operation and
58 other needs of the following commercial scale projects: (1) Renewable
59 energy projects that produce renewable fuels or other forms of
60 renewable energy capable of replacing or conserving depletable liquid
61 fuels or other forms of depletable energy, (2) other projects,
62 equipment, materials or works that conserve depletable energy, allow
63 or facilitate the replacement of depletable energy with renewable
64 energy, and (3) distributed energy projects or resources that
65 demonstrate a reasonable potential to achieve an EROEI of at least one.

66 (e) In determining priority for the funding of any project, the
67 institution shall assign priority as follows: (1) First priority shall be
68 given to projects, technologies and equipment that conserve depletable
69 liquid fuels or replace them with renewable fuels in significant
70 volumes in internal combustion engines where over seventy per cent
71 of oil is consumed and other projects, including distributed energy
72 projects or resources, that replace or conserve depletable liquid fuels
73 with renewable fuel volumes comparable to the savings in internal
74 combustion engines. The potential volume of liquid fuel savings of a
75 project shall be the greatest factor in consideration by the institution in
76 determining funding priority within this category of projects while
77 reductions in pollution and global warming gas production shall be
78 the second greatest factor in determining funding such decision-
79 making. The institution shall consider the reasonable potential to
80 achieve an EROEI of at least one in considering replacement values; (2)
81 second priority shall be given to projects, technologies, equipment and
82 other items that replace or conserve depletable fuels or energy. The

83 reasonable potential to achieve an EROEI of at least one shall be the
84 greatest factor in determining funding priority within this category of
85 projects while reductions in pollution and global warming gasses shall
86 be the second greatest factor in determining funding priority for
87 projects in this category. The institution shall consider the reasonable
88 potential to achieve an EROEI of at least one in considering energy
89 replacement values; (3) notwithstanding the provisions of subdivisions
90 (1) and (2) of this subsection, the institution may give additional
91 funding priority to a project based on the ability of a project or product
92 to reduce or eliminate toxic air and water pollutants, global warming
93 gasses, particulates and other emissions; and (4) when considering the
94 priority of funding any such project, the project's potential to repay the
95 institution shall be a prerequisite to funding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	New section
Sec. 2	<i>October 1, 2006</i>	New section

GAE *Joint Favorable Subst.*