



House of Representatives

File No. 848

General Assembly

January Session, 2007

(Reprint of File No. 206)

Substitute House Bill No. 7308
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 17, 2007

**AN ACT CONCERNING RESOURCE RECOVERY OUTPUT
PURCHASE REQUIREMENTS AND INDIRECT COSTS AND
REMEDIES FOR PUBLIC SERVICE COMPANIES.**

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

1 Section 1. Section 16-243e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) [Any] Except as provided in subsection (b) of this section, any
4 electric company, as defined in section 16-1, [purchasing] that, prior to
5 the effective date of this section, purchased electricity generated by a
6 resources recovery facility, as defined in section 22a-260, owned by, or
7 operated by or for the benefit of, a municipality or municipalities,
8 [shall enter into] pursuant to a contract with the owner of such facility
9 requiring the electric company to purchase all of the electricity
10 generated at such facility from waste [which] that originated in the
11 franchise area of the electric company, for a period beginning on the
12 date that the facility [begins] began generating electricity and having a
13 duration of not less than twenty years, at the same rate that the electric
14 company charges the municipality or municipalities for electricity,
15 shall pay the rate set forth in the contract or, for contracts entered into
16 and approved during calendar year 1999, the rate established by the

17 department, for the remaining period of the contract. No electric
18 company or electric distribution company shall be required to enter
19 into such a contract on or after the effective date of this section.

20 (b) [Not later than April 1, 2000, the department shall determine the
21 rate paid for electricity generated at the facility, from waste that
22 originated within the electric company's franchise area and that was
23 purchased under each contract entered into pursuant to subsection (a)
24 of this section, during calendar year 1999.] Not later than October 1,
25 2000, and annually thereafter, the department shall calculate the
26 difference between the amount paid by the successor electric
27 distribution company pursuant to each such contract in effect during
28 the preceding fiscal year for electricity generated at the facility from
29 waste that originated within such franchise area and the amount that
30 would have been paid had the company been obligated to pay the rate
31 in effect during calendar year 1999, as determined by the department.
32 The difference, if positive, shall be recovered through the systems
33 benefits charge established under section 16-245l and remitted to the
34 regional resource recovery authority acting on behalf of member
35 municipalities.

36 Sec. 2. Subdivision (3) of subsection (a) of section 16-262f of the
37 general statutes is repealed and the following is substituted in lieu
38 thereof (*Effective July 1, 2007*):

39 (3) The receiver appointed by the court shall collect all rents or
40 payments for use and occupancy or common expenses forthcoming
41 from or paid on behalf of the occupants or residents of the building or
42 facility in question in place of the owner, agent, lessor, [or] manager or
43 administrator.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-243e
Sec. 2	<i>July 1, 2007</i>	16-262f(a)(3)

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill eliminates certain requirements for electric companies and stipulates the responsible party when a utility bill goes unpaid. The bill has no fiscal impact.

There could be an effect on the state and municipalities as ratepayers, the extent of which cannot be determined at this time.

House "A" makes a minor change which has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 7308 (as amended by House "A")******AN ACT CONCERNING RESOURCE RECOVERY OUTPUT PURCHASE REQUIREMENTS AND INDIRECT COSTS AND REMEDIES FOR PUBLIC SERVICE COMPANIES.*****SUMMARY:**

This bill eliminates a requirement that electric companies enter into long-term contracts with resources recovery facilities in which the company pays the facility owner the company's retail rate for the power the facility produces. The bill requires the companies to continue paying the rate set in existing contracts for the remainder of the contract. But for contracts entered into and approved in 1999, the company must pay the rate set by the Department of Public Utility Control.

By law, a utility can petition the courts to appoint a receiver of rents when the owner of a residential building who is directly billed for utility service fails to pay the bill. If appointed, the receiver receives the rents or other payments made by the occupants, pays the current utility bill and certain other expenses, and remits the remainder to the owner. The bill additionally allows the receiver to receive rents or payments made (1) on behalf of the building's occupants or (2) by people who are residents rather than occupants. It also expands the provisions to include occupants or residents of facilities.

*House Amendment "A" makes a minor change with regard to the 1999 contracts.

EFFECTIVE DATE: Upon passage for the resources recovery provisions; July 1, 2007 for the receivership provisions.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 20 Nay 1 (03/13/2007)

Judiciary Committee

Joint Favorable

Yea 36 Nay 0 (04/23/2007)