



General Assembly

January Session, 2007

Raised Bill No. 7098

LCO No. 4053

04053_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE.

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

1 Section 1. (NEW) (*Effective July 1, 2007*) On and after July 1, 2007,
2 and not later than July 1, 2017, the Secretary of the Office of Policy and
3 Management shall provide a five-hundred-dollar rebate for the
4 purchase and installation in residential structures of replacement
5 natural gas, propane and oil furnaces and boilers that are not less than
6 eighty-four per cent efficient. Persons may apply to the secretary, on a
7 form prescribed by the secretary, to receive such rebate. The rebate
8 shall be available for only a residential structure containing not more
9 than four dwelling units.

10 Sec. 2. Section 6 of public act 05-2 of the October 25 special session is
11 repealed and the following is substituted in lieu thereof (*Effective from*
12 *passage*):

13 The State Bond Commission shall have the power, from time to
14 time, to authorize the issuance of bonds of the state in one or more
15 series and in principal amounts not exceeding in the aggregate five
16 million dollars. The proceeds of the sale of said bonds shall be

17 deposited in the Energy Conservation Loan Fund established under
18 section 16a-40a of the general statutes for the purposes of making and
19 guaranteeing loans and deferred loans as provided in section 5 of [this
20 act] public act 05-2 of the October 25 special session and section 1 of
21 this act. All provisions of section 3-20 of the general statutes, or the
22 exercise of any right or power granted thereby which are not
23 inconsistent with the provisions of sections 16a-40 to 16a-40b,
24 inclusive, of the general statutes, as amended by section 5 of public act
25 05-191, and this section are hereby adopted and shall apply to all
26 bonds authorized by the State Bond Commission pursuant to said
27 sections 16a-40 to 16a-40b, inclusive, and this section, and temporary
28 notes in anticipation of the money to be derived from the sale of any
29 such bonds so authorized may be issued in accordance with said
30 section 3-20 and from time to time renewed. Such bonds shall mature
31 at such time or times not exceeding twenty years from their respective
32 dates as may be provided in or pursuant to the resolution or
33 resolutions of the State Bond Commission authorizing such bonds.
34 Said bonds issued pursuant to said sections 16a-40 to 16a-40b,
35 inclusive, and this section shall be general obligations of the state and
36 the full faith and credit of the state of Connecticut are pledged for the
37 payment of the principal of and interest on said bonds as the same
38 become due, and accordingly and as part of the contract of the state
39 with the holders of said bonds, appropriation of all amounts necessary
40 for punctual payment of such principal and interest is hereby made,
41 and the Treasurer shall pay such principal and interest as the same
42 become due.

43 Sec. 3. (*Effective from passage*) (a) On or before January 1, 2008, the
44 Energy Conservation Management Board, in consultation with the
45 electric distribution companies, shall develop and establish a program
46 to (1) provide rebates to residential customers of electric distribution
47 companies who replace an existing window air conditioning unit that
48 does not meet the federal Energy Star standard with a unit that does
49 meet said standard. Such rebates shall be not less than twenty-five
50 dollars for an air conditioner with a retail price of one hundred dollars

51 to two hundred dollars; not less than fifty dollars for an air conditioner
52 with a retail price of more than two hundred dollars but less than three
53 hundred dollars; and not less than one hundred dollars for an air
54 conditioner with a retail price of more than three hundred dollars, and
55 (2) rebates of not less than five hundred dollars to residential
56 customers of electric distribution companies who replace an existing
57 central air conditioning unit that does not meet the federal Energy Star
58 standard with a unit that does meet said standard.

59 (b) The rebate program shall be funded by the Energy Conservation
60 and Load Management Funds established by the electric distribution
61 companies pursuant to section 16-245m of the general statutes.

62 (c) The Commissioner of Consumer Protection shall certify to
63 participate in the program established in subsection (a) of this section
64 only those retailers that will provide the rebate to only those customers
65 who present an air conditioning unit to a retailer for removal or
66 disposal upon or before the purchase of an air conditioning unit that
67 meets the federal Energy Star standard. The commissioner may impose
68 a fine of not more than ten thousand dollars on any retailer providing
69 the rebate without removing or disposing of an air conditioning unit.

70 Sec. 4. (NEW) (*Effective October 1, 2007*) An electric supplier or an
71 electric distribution company shall waive a demand charge for an
72 operator of a fuel cell during (1) a loss of power due to problems at any
73 distribution resource, or (2) a scheduled or unscheduled shutdown of
74 the fuel cell if said shutdown occurs during off-peak hours. The charge
75 waived shall not exceed the amount resulting from the problem or
76 shutdown.

77 Sec. 5. (NEW) (*Effective from passage*) On and after January 1, 2008,
78 the Department of Public Utility Control shall order and direct any
79 intermediate or base load electric generating unit owned by an electric
80 distribution company or covered by a bilateral contract with an electric
81 distribution company that is fueled by either oil or natural gas, with a
82 rating of not less than sixty-five megawatts, shall be capable of

83 operating on demand using either oil or natural gas.

84 Sec. 6. (*Effective from passage*) Not later than September 1, 2007, the
85 Department of Public Utility Control shall conduct a contested case
86 proceeding, in accordance with the provisions of chapter 54 of the
87 general statutes, to analyze (1) the appropriate number of linemen that
88 are necessary for an electric distribution company to maintain, repair
89 and extend its electric distribution lines by region under normal
90 circumstances and under extraordinary circumstances, including, but
91 not limited to, storm conditions, (2) whether the consolidation or
92 centralization of line repair facilities and personnel results in longer
93 times to reach affected areas, (3) whether greater use of shield wire or
94 other technologies may reduce the incidence of power outages, and (4)
95 the most efficacious way to notify the public regarding an electric
96 power outage and the status of an electric distribution company's
97 efforts to restore electricity to a particular area of the state. Not later
98 than January 1, 2008, the department shall submit a report with the
99 results of such analysis to the joint standing committee of the General
100 Assembly having cognizance of matters relating to energy in
101 accordance with the provisions of section 11-4a of the general statutes.

102 Sec. 7. Section 16-32g of the general statutes is repealed and the
103 following is substituted in lieu thereof (*Effective October 1, 2007*):

104 Not later than January 1, [1988] 2008, each electric or electric
105 distribution company shall submit to the Department of Public Utility
106 Control a plan for the maintenance of poles, wires, conduits or other
107 fixtures, along public highways or streets for the transmission or
108 distribution of electric current, owned, operated, managed or
109 controlled by such company, in such format as the department shall
110 prescribe. Such plan shall include a summary of appropriate staffing
111 levels necessary for the maintenance of said fixtures and a program for
112 the trimming of tree branches and limbs located in close proximity to
113 overhead electric wires where such branches and limbs may cause
114 damage to such electric wires. The department shall review each plan

115 and may issue such orders as may be necessary to ensure compliance
116 with this section. The department may require each electric or electric
117 distribution company to submit an updated plan at such time and
118 containing such information as the department may prescribe. The
119 department shall adopt regulations, in accordance with the provisions
120 of chapter 54, to carry out the provisions of this section.

121 Sec. 8. Subsection (a) of section 16-19e of the general statutes is
122 repealed and the following is substituted in lieu thereof (*Effective*
123 *October 1, 2007*):

124 (a) In the exercise of its powers under the provisions of this title, the
125 Department of Public Utility Control shall examine and regulate the
126 transfer of existing assets and franchises, the expansion of the plant
127 and equipment of existing public service companies, the operations
128 and internal workings of public service companies and the
129 establishment of the level and structure of rates in accordance with the
130 following principles: (1) That there is a clear public need for the service
131 being proposed or provided; (2) that the public service company shall
132 be fully competent to provide efficient and adequate service to the
133 public in that such company is technically, financially and
134 managerially expert and efficient; (3) that the department and all
135 public service companies shall perform all of their respective public
136 responsibilities with economy, efficiency and care for [the] public
137 safety and energy security, and so as to promote economic
138 development within the state with consideration for energy and water
139 conservation, energy efficiency and the development and utilization of
140 renewable sources of energy and for the prudent management of the
141 natural environment; (4) that the level and structure of rates be
142 sufficient, but no more than sufficient, to allow public service
143 companies to cover their operating costs including, but not limited to,
144 appropriate staffing levels, and capital costs, to attract needed capital
145 and to maintain their financial integrity, and yet provide appropriate
146 protection to the relevant public interests, both existing and
147 foreseeable which shall include, but not be limited to, reasonable costs

148 of security of assets, facilities and equipment that are incurred solely
149 for the purpose of responding to security needs associated with the
150 terrorist attacks of September 11, 2001, and the continuing war on
151 terrorism; (5) that the level and structure of rates charged customers
152 shall reflect prudent and efficient management of the franchise
153 operation; and (6) that the rates, charges, conditions of service and
154 categories of service of the companies not discriminate against
155 customers which utilize renewable energy sources or cogeneration
156 technology to meet a portion of their energy requirements.

157 Sec. 9. (NEW) (*Effective from passage*) The Department of Public
158 Utility Control and the Connecticut Siting Council shall, in conjunction
159 with the Department of Emergency Management and Homeland
160 Security's Coordinating Council, established pursuant to section 28-1b
161 of the general statutes, initiate a joint contested case proceeding, in
162 accordance with the provisions of chapter 54 of the general statutes,
163 investigate energy security with regard to the siting of electric
164 generating facilities and transmission facilities, including
165 considerations of planning, preparedness, response and recovery
166 capabilities.

167 Sec. 10. (*Effective July 1, 2007*) Not later than September 1, 2007, the
168 Connecticut Siting Council and the Department of Public Utility
169 Control shall initiate a joint contested case proceeding, in accordance
170 with the provisions of chapter 54 of the general statutes, to assess ways
171 in which the state can ensure and enhance the reliability of electric
172 generating facilities located in the state during periods of peak electric
173 demand. Said proceeding shall include, but not be limited to, an
174 examination of (1) the current compliance status of electric generation
175 facilities with existing on-site dual fuel storage and operational
176 requirements, (2) the existing inventory of fuel storage and fuel
177 delivery resources available to supply electric generating facilities
178 located in the state, (3) the amount of fuel delivery and storage
179 infrastructure that would be necessary to ensure the reliable operation
180 of in-state generating facilities during periods of peak electric demand,

181 and (4) the types of incentives that can be offered to electric and gas
182 market participants to enhance the reliability of electric service during
183 periods of peak electric demand. In conducting the proceeding, the
184 council and the department shall seek the input of interested persons
185 and entities including, but not limited to, the Office of Consumer
186 Counsel, the Attorney General, the state's electric and gas distribution
187 companies, the state's electric generators, owners of natural gas
188 pipeline facilities located in the state, and the regional independent
189 system operator. Not later than January 1, 2008, the council and the
190 department shall submit a report containing their findings and
191 recommendations to the joint standing committee of the General
192 Assembly having cognizance of matters relating to energy in
193 accordance with the provisions of section 11-4a of the general statutes.

194 Sec. 11. Section 16a-38k of the general statutes is repealed and the
195 following is substituted in lieu thereof (*Effective January 1, 2008*):

196 (a) Notwithstanding any provision of the general statutes, any (1)
197 new construction of a state facility [, except salt sheds, parking
198 garages, maintenance facilities or school construction,] that is projected
199 to cost not less than five million dollars, [or more,] and is approved
200 and funded on or after January 1, [2007] 2008, and (2) renovation of a
201 state facility that is projected to cost not less than two million dollars,
202 that is financed with state funds and is approved and funded on or
203 after January 1, 2008, shall comply with the regulations adopted
204 pursuant to subsection (b) of this section. The Secretary of the Office of
205 Policy and Management, in consultation with the Commissioner of
206 Public Works, [and the Institute for Sustainable Energy,] shall exempt
207 any facility from complying with said regulations if [said secretary] the
208 Institute for Sustainable Energy finds, in a written analysis, that the
209 cost of such compliance significantly outweighs the benefits. For
210 purposes of this section, "state facility" means any building, including,
211 but not limited to, a state-financed housing project or a building that is
212 used or intended to be used as a school.

213 (b) Not later than January 1, 2007, the Secretary of the Office of
214 Policy and Management, in consultation with the Commissioner of
215 Public Works, the Commissioner of Environmental Protection and the
216 Commissioner of Public Safety, shall adopt regulations, in accordance
217 with the provisions of chapter 54, to adopt building construction
218 standards that are consistent with or exceed the silver building rating
219 of the Leadership in Energy and Environmental Design's rating system
220 for new commercial construction and major renovation projects, as
221 established by the United States Green Building Council, or an
222 equivalent standard, including, but not limited to, a two-globe rating
223 in the Green Globes USA design program, and thereafter update such
224 regulations as the secretary deems necessary.

225 Sec. 12. Section 10-286 of the general statutes is repealed and the
226 following is substituted in lieu thereof (*Effective October 1, 2007*):

227 (a) The amount of the grant approved by the Commissioner of
228 Education under the provisions of this chapter for any completed
229 school building project shall be computed as follows:

230 (1) For the fiscal year ending June 30, 1984, and each fiscal year
231 thereafter, in the case of a new school plant, an extension of an existing
232 school building or projects involving the major alteration of any
233 existing building to be used for school purposes, the eligible
234 percentage, as determined in section 10-285a, of the result of
235 multiplying together the number representing the highest projected
236 enrollment, based on data acceptable to the Commissioner of
237 Education, for such building during the eight-year period from the
238 date a local or regional board of education files a notification of a
239 proposed school building project with the Department of Education,
240 the number of gross square feet per pupil determined by the
241 Commissioner of Education to be adequate for the kind of educational
242 program or programs intended, and the eligible cost of such project,
243 divided by the gross square feet of such building, or the eligible
244 percentage, as determined in section 10-285a, of the eligible cost of

245 such project, whichever is less, provided, (A) any such project on
246 which construction was started prior to July 1, 1975, shall be
247 reimbursed under the formula in effect prior to said date, (B) any such
248 project on which construction or payments under this chapter were
249 started after June 30, 1975, but prior to July 31, 1983, shall be
250 reimbursed based upon the data, submitted for each such project and
251 accepted by the Department of Education during said period,
252 representing the number of pupils the plant was designed to
253 accommodate, (C) any project for which final grant calculation has
254 been made after June 30, 1975, but prior to July 31, 1983, shall be
255 reimbursed based upon such final calculation, and (D) any such project
256 for which estimated grant payments were begun prior to July 31, 1983,
257 shall be reimbursed based upon the calculation formula used in
258 making such estimated grant payments;

259 (2) In case of projects involving the purchase of an existing building
260 to be used for school purposes, the eligible percentage, as determined
261 in section 10-285a, of the eligible cost as determined by the
262 Commissioner of Education, provided any project for which an
263 application is made on or after July 1, 1995, involving the purchase and
264 renovation of an existing facility, may be exempt from the standard
265 space specifications, and otherwise ineligible repairs and replacements
266 may be considered eligible for reimbursement as part of such a project,
267 if information is provided acceptable to the commissioner
268 documenting the need for such work and the cost savings to the state
269 and the school district of such purchase and renovation project in
270 comparison to alternative construction options;

271 (3) If any school building project described in subdivisions (1) and
272 (2) of this subsection includes the construction, extension or major
273 alteration of outdoor athletic facilities, tennis courts or a natatorium,
274 gymnasium or auditorium, the grant for the construction of such
275 outdoor athletic facilities, tennis courts and natatorium shall be limited
276 to one-half of the eligible percentage for subdivisions (1) and (2) of this
277 subsection of the net eligible cost of construction thereof; the grant for

278 the construction of an area of spectator seating in a gymnasium shall
279 be one-half of the eligible percentage for subdivisions (1) and (2) of this
280 subsection of the net eligible cost of construction thereof; and the grant
281 for the construction of the seating area in an auditorium shall be
282 limited to one-half of the eligible percentage for subdivisions (1) and
283 (2) of this subsection of the net eligible cost of construction of the
284 portion of such area that seats one-half of the projected enrollment of
285 the building, as defined in subdivision (1) of this subsection, which it
286 serves;

287 (4) In the case of a regional vocational agriculture center or the
288 purchase of equipment pursuant to subsection (a) of section 10-65 or a
289 regional special education facility pursuant to section 10-76e, an
290 amount equal to the eligible cost of such project, as determined by the
291 Commissioner of Education;

292 (5) In the case of a public school administrative or service facility,
293 one-half of the eligible percentage for subdivisions (1) and (2) of this
294 subsection of the eligible project cost as determined by the
295 Commissioner of Education, or in the case of a regional educational
296 service center administrative or service facility, the eligible percentage,
297 as determined pursuant to subsection (c) of section 10-285a, of the
298 eligible project cost as determined by the commissioner;

299 (6) In the case of the total replacement of a roof or the total
300 replacement of a portion of a roof which has existed for at least twenty
301 years, or in the case of the total replacement of a roof or the total
302 replacement of a portion of a roof which has existed for fewer than
303 twenty years when it is determined by a registered architect or
304 registered engineer that such roof was improperly designed or
305 improperly constructed and the town is prohibited from recovery of
306 damages or has no other recourse at law or in equity, the eligible
307 percentage for subdivisions (1) and (2) of this subsection, of the eligible
308 cost as determined by the Commissioner of Education. In the case of
309 the total replacement of a roof or the total replacement of a portion of a

310 roof which has existed for fewer than twenty years (A) when it is
311 determined by a registered architect or registered engineer that such
312 roof was improperly designed or improperly constructed and the town
313 has recourse at law or in equity and recovers less than such eligible
314 cost, the eligible percentage for subdivisions (1) and (2) of this
315 subsection of the difference between such recovery and such eligible
316 cost, and (B) when the roof is at least fifteen years old but less than
317 twenty years old and it cannot be determined by a registered architect
318 or registered engineer that such roof was improperly designed or
319 improperly constructed, the eligible percentage for subdivisions (1)
320 and (2) of this subsection of the eligible project costs provided such
321 costs are multiplied by the ratio of the age of the roof to twenty years.
322 For purposes of this subparagraph, the age of the roof shall be
323 determined in whole years to the nearest year based on the time
324 between the completed installation of the old roof and the date of the
325 grant application for the school construction project for the new roof;

326 (7) For the fiscal year ending June 30, 1984, and for each fiscal year
327 thereafter, in the case of projects to correct code violations, the eligible
328 percentage, as determined in section 10-285a, of the eligible cost as
329 determined by the Commissioner of Education;

330 (8) In the case of a renovation project for which an application is
331 made on or after July 1, 1995, the eligible percentage as determined in
332 subsection (b) of section 10-285a, multiplied by the eligible costs as
333 determined by the commissioner, provided the project may be exempt
334 from the standard space specifications, and otherwise ineligible repairs
335 and replacements may be considered eligible for reimbursement as
336 part of such a project, if information is provided acceptable to the
337 commissioner documenting the need for such work and the cost
338 savings to the state and the school district of such renovation project in
339 comparison to alternative construction options;

340 (9) In the case of projects approved to remedy certified school
341 indoor air quality emergencies, the eligible percentage, as determined

342 in section 10-285a, of the eligible cost as determined by the
343 Commissioner of Education;

344 (10) In the case of a project involving a turn-key purchase for a
345 facility to be used for school purposes, the eligible percentage, as
346 determined in section 10-285a, of the net eligible cost as determined by
347 the Commissioner of Education, except that for any project involving
348 such a purchase for which an application is made on or after July 1,
349 2006, (A) final plans for all construction work included in the turn-key
350 purchase agreement shall be approved by the Commissioner of
351 Education in accordance with section 10-292, and (B) such project may
352 be exempt from the standard space specifications, and otherwise
353 ineligible repairs and replacements may be considered eligible for
354 reimbursement as part of such project, if information acceptable to the
355 commissioner documents the need for such work and that such a
356 purchase will cost less than constructing the facility in a different
357 manner and will result in a facility taking on a useful life comparable
358 to that of a new facility;

359 (11) On or after January 1, 2008, in the case of a construction or a
360 school building that is projected to cost not less than five million
361 dollars that is consistent with or exceeds the building construction
362 standards developed pursuant to subsection (b) of section 11 of this
363 act, or for the renovation of a school building that is projected to cost
364 not less than two million dollars that complies with said standards,
365 one hundred per cent of the incremental costs of construction or
366 renovation that are attributable to conforming the construction or
367 renovation to said standards, as documented by school administrators
368 and approved by the commissioner, in consultation with the Secretary
369 of the Office of Policy and Management.

370 (b) (1) In the case of all grants computed under this section for a
371 project which constitutes a replacement, extension or major alteration
372 of a damaged or destroyed facility, no grant may be paid if a local or
373 regional board of education has failed to insure its facilities and capital

374 equipment in accordance with the provisions of section 10-220. The
375 amount of financial loss due to any damage or destruction to any such
376 facility, as determined by ascertaining the replacement value of such
377 damage or destruction, shall be deducted from project cost estimates
378 prior to computation of the grant.

379 (2) In the case of any grants computed under this section for a
380 school building project authorized pursuant to section 10-283 after July
381 1, 1979, any federal funds or other state funds received for such school
382 building project shall be deducted from project costs prior to
383 computation of the grant.

384 (3) The limitation on grants for new outdoor athletic facilities, tennis
385 courts, natatorium, gymnasium and auditorium shall not apply to
386 school building projects for which applications for review of
387 preliminary plans and specifications on Form 2A were submitted prior
388 to October 1, 1975, in the case of towns and prior to October 15, 1975,
389 in the case of regional school districts.

390 (4) Commencing with the school construction projects authorized by
391 the General Assembly during the fiscal year ending June 30, 1985, and
392 for all such projects so authorized thereafter, the calculation of grants
393 pursuant to this section shall be made in accordance with the state
394 standard space specifications in effect at the time of the final grant
395 calculation, except that on and after July 1, 2005, in the case of a school
396 district with an enrollment of less than one hundred fifty students in
397 grades kindergarten to grade eight, inclusive, state standard space
398 specifications shall not apply in the calculation of grants pursuant to
399 this section and the Commissioner of Education may modify the
400 standard space specifications for a project in such district.

401 (c) In the computation of grants pursuant to this section for any
402 school building project authorized by the General Assembly pursuant
403 to section 10-283 (1) after January 1, 1993, any maximum square
404 footage per pupil limit established pursuant to this chapter or any
405 regulation adopted by the State Board of Education pursuant to this

406 chapter shall be increased by twenty-five per cent for a building
407 constructed prior to 1950; (2) after January 1, 2004, any maximum
408 square footage per pupil limit established pursuant to this chapter or
409 any regulation adopted by the State Board of Education pursuant to
410 this chapter shall be increased by up to one per cent to accommodate a
411 heating, ventilation or air conditioning system, if needed; and (3) after
412 July 1, 2006, for projects with total authorized project costs greater than
413 ten million dollars, if total construction change orders or other change
414 directives otherwise eligible for grant assistance under this chapter
415 exceed five per cent of the authorized total project cost, only fifty per
416 cent of the amount of such change order or other change directives in
417 excess of five per cent shall be eligible for grant assistance.

418 Sec. 13. Subdivision (16) of subsection (a) of section 16a-48 of the
419 general statutes is repealed and the following is substituted in lieu
420 thereof (*Effective October 1, 2007*):

421 (16) "Commercial refrigerators and freezers" means reach-in
422 cabinets, pass-through cabinets, roll-in cabinets and roll-through
423 cabinets that have less than eighty-five feet of capacity [. "Commercial
424 refrigerators and freezers" does not include walk-in models or
425 consumer products regulated under the federal National Appliance
426 Energy Conservation Act of 1987] designed for the refrigerated or
427 frozen storage of food and food products.

428 Sec. 14. Subsection (a) of section 16a-48 of the general statutes is
429 amended by adding subdivisions (23) to (42), inclusive, as follows
430 (*Effective October 1, 2007*):

431 (NEW) (23) "Electricity ratio" means the ratio of furnace electricity
432 use to total furnace energy use;

433 (NEW) (24) "Boiler" means a space heater that is a self-contained
434 appliance for supplying steam or hot water primarily intended for
435 space-heating. "Boiler" does not include hot water supply boilers;

436 (NEW) (25) "Central furnace" means a self-contained space heater
437 designed to supply heated air through ducts of more than ten inches in
438 length;

439 (NEW) (26) "Residential furnace or boiler" means a product that
440 utilizes only single-phase electric current, or single-phase electric
441 current or DC current in conjunction with natural gas, propane or
442 home heating oil, and which (A) is designed to be the principal heating
443 source for the living space of a residence; (B) is not contained within
444 the same cabinet with a central air conditioner with a rated cooling
445 capacity of not less than 65,000 BTUs per hour; (C) is an electric central
446 furnace, electric boiler, forced-air central furnace, gravity central
447 furnace, or low pressure steam or hot water boiler; and (D) has a heat
448 input rate of less than 300,000 BTUs per hour for electric boilers and
449 low pressure steam or hot water boilers and less than 225,000 BTUs per
450 hour for forced-air central furnaces, gravity central furnaces and
451 electric central furnaces;

452 (NEW) (27) "Furnace air handler" means the section of the furnace
453 that includes the fan, blower and housing, generally upstream of the
454 burners and heat exchanger. The furnace air handler may include a
455 filter and a cooling coil;

456 (NEW) (28) "High-intensity discharge lamp" means a lamp in which
457 light is produced by the passage of an electric current through a vapor
458 or gas, and in which the light-producing arc is stabilized by bulb wall
459 temperature and the arc tube has a bulb wall loading in excess of three
460 watts per square centimeter;

461 (NEW) (29) "Medium voltage dry-type distribution transformer"
462 means a transformer that (A) has an input voltage of not less than 600
463 volts but not more than 34,500 volts; (B) is air-cooled; (C) does not use
464 oil as a coolant; and (D) is rated for operation at a frequency of 60
465 Hertz. "Medium voltage dry-type distribution transformer" does not
466 mean devices with multiple voltage taps, with the highest voltage tap
467 not less than twenty per cent more than the lowest voltage tap, or

468 devices that are designed to be used in a special purpose application
469 and are unlikely to be used in general purpose applications including
470 drive transformers, rectifier transformers, auto transformers,
471 uninterruptible power system transformers, impedance transformers,
472 regulating transformers, sealed and nonventilating transformers,
473 machine tool transformers, welding transformers, grounding
474 transformers or testing transformers;

475 (NEW) (30) "Metal halide lamp" means a high intensity discharge
476 lamp in which the major portion of the light is produced by radiation
477 of metal halides and their products of dissociation, possibly in
478 combination with metallic vapors;

479 (NEW) (31) "Metal halide lamp fixture" means a light fixture
480 designed to be operated with a metal halide lamp and a ballast for a
481 metal halide lamp;

482 (NEW) (32) "Probe start metal halide ballast" means a ballast used to
483 operate metal halide lamps that does not contain an ignitor and that
484 instead starts lamps by using a third starting electrode probe in the arc
485 tube;

486 (NEW) (33) "Single voltage external AC to DC power supply" means
487 a device that (A) is designed to convert line voltage AC input into
488 lower voltage DC output; (B) is able to convert to only one DC output
489 voltage at a time; (C) is sold with, or intended to be used with, a
490 separate end-use product that constitutes the primary power load; (D)
491 is contained within a separate physical enclosure from the end-use
492 product; (E) is connected to the end-use product in a removable or
493 hard-wired male and female electrical connection, cable, cord or other
494 wiring; (F) does not have batteries or battery packs, including those
495 that are removable or that physically attach directly to the power
496 supply unit; (G) does not have a battery chemistry or type selector
497 switch and indicator light, or does not have a battery chemistry or type
498 selector switch and a state of charge meter; and (H) has a nameplate
499 output power less than or equal to 250 watts;

500 (NEW) (34) "State regulated incandescent reflector lamp" means a
501 lamp that is not colored or designed for rough or vibration service
502 applications, that has an inner reflective coating on the outer bulb to
503 direct the light, and E26 medium screw base, and a rated voltage or
504 voltage range that lies at least partially within 115 to 130 volts, and that
505 falls into one of the following categories: (A) A bulged reflector or
506 elliptical reflector or a blown PAR bulb shape and that has a diameter
507 that equals or exceeds 2.25 inches, or (B) a reflector, parabolic
508 aluminized reflector, bulged reflector or similar bulb shape and that
509 has a diameter of 2.25 to 2.75 inches. "State regulated incandescent
510 reflector lamp" does not include ER30, BR30, BR40 and ER40 lamps of
511 not more than fifty watts, BR30, BR40 and ER40 lamps of sixty-five
512 watts and R20 lamps of not more than forty-five watts;

513 (NEW) (35) "Bottle-type water dispenser" means a water dispenser
514 that uses a bottle or reservoir as the source of potable water;

515 (NEW) (36) "Commercial hot food holding cabinet" means a heated,
516 fully-enclosed compartment with one or more solid or partial glass
517 doors that is designed to maintain the temperature of hot food that has
518 been cooked in a separate appliance. "Commercial hot food holding
519 cabinet" does not include heated glass merchandizing cabinets, drawer
520 warmers or cook-and-hold appliances;

521 (NEW) (37) "Pool heater" means an appliance designed for heating
522 nonpotable water contained at atmospheric pressure for swimming
523 pools, spas, hot tubs and similar applications, including natural gas,
524 heat pump, oil and electric resistance pool heaters;

525 (NEW) (38) "Portable electric spa" means a factory-built electric spa
526 or hot tub, supplied with equipment for heating and circulating water;

527 (NEW) (39) "Residential pool pump" means a pump used to
528 circulate and filter pool water in order to maintain clarity and
529 sanitation;

530 (NEW) (40) "Walk-in refrigerator" means a space refrigerated to
531 temperatures at or above thirty-two degrees Fahrenheit that can be
532 walked into and is designed for the refrigerated storage of food and
533 food products;

534 (NEW) (41) "Walk-in freezer" means a space refrigerated to
535 temperatures below thirty-two degrees Fahrenheit that can be walked
536 into and is designed for the frozen storage of food and food products;

537 (NEW) (42) "Central air conditioner" means a central air
538 conditioning model that consists of one or more factory-made
539 assemblies, which normally include an evaporator or cooling coil,
540 compressor and condenser. Central air conditioning models may
541 provide the function of air cooling, air cleaning, dehumidifying or
542 humidifying.

543 Sec. 15. Subsection (b) of section 16a-48 of the general statutes is
544 repealed and the following is substituted in lieu thereof (*Effective*
545 *October 1, 2007*):

546 (b) The provisions of this section apply to the testing, certification
547 and enforcement of efficiency standards for the following types of new
548 products sold, offered for sale or installed in the state: (1) Commercial
549 clothes washers; (2) commercial refrigerators and freezers; (3)
550 illuminated exit signs; (4) large packaged air-conditioning equipment;
551 (5) low voltage dry-type distribution transformers; (6) torchiere
552 lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)
553 residential furnaces and boilers; (10) medium voltage dry-type
554 transformers; (11) metal halide lamp fixtures; (12) single voltage
555 external AC to DC power supplies; (13) state regulated incandescent
556 reflector lamps; (14) bottle-type water dispensers; (15) commercial hot
557 food holding cabinets; (16) portable electric spas; (17) walk-in
558 refrigerators and walk-in freezers; (18) pool heaters; (19) central air
559 conditioners; and [(9)] (20) any other products as may be designated by
560 the department in accordance with subdivision (3) of subsection (d) of
561 this section.

562 Sec. 16. Subdivision (1) of subsection (d) of section 16a-48 of the
563 general statutes is repealed and the following is substituted in lieu
564 thereof (*Effective October 1, 2007*):

565 (d) (1) [Not later than July 1, 2005, the] The department, in
566 consultation with the secretary, shall adopt regulations, in accordance
567 with the provisions of chapter 54, to implement the provisions of this
568 section and to establish minimum energy efficiency standards for the
569 types of new products set forth in subsection (b) of this section. The
570 regulations shall provide for the following minimum energy efficiency
571 standards:

572 (A) Commercial clothes washers shall meet the requirements shown
573 in Table P-3 of section 1605.3 of the California Code of Regulations,
574 Title 20: Division 2, Chapter 4, Article 4;

575 (B) [commercial] Commercial refrigerators and freezers shall meet
576 the August 1, 2004, requirements shown in Table A-6 of [said
577 California regulation] the California Code of Regulations, Title 20:
578 Division 2, Chapter 4, Article 4;

579 (C) [illuminated] Illuminated exit signs shall meet the version 2.0
580 product specification of the "Energy Star Program Requirements for
581 Exit Signs" developed by the United States Environmental Protection
582 Agency;

583 (D) [large] Large packaged air-conditioning equipment having not
584 more than 760,000 BTUs per hour of capacity shall meet a minimum
585 energy efficiency ratio of 10.0 for units using both electric heat and air
586 conditioning or units solely using electric air conditioning, and 9.8 for
587 units using both natural gas heat and electric air conditioning;

588 (E) [large] Large packaged air-conditioning equipment having not
589 less than 761,000 BTUs per hour of capacity shall meet a minimum
590 energy efficiency ratio of 9.7 for units using both electric heat and air
591 conditioning or units solely using electric air conditioning, and 9.5 for

592 units using both natural gas heat and electric air conditioning;

593 (F) [low] Low voltage dry-type distribution transformers shall meet
594 or exceed the energy efficiency values shown in Table 4-2 of the
595 National Electrical Manufacturers Association Standard TP-1-2002;

596 (G) [torchiere] Torchiere lighting fixtures shall not consume more
597 than 190 watts and shall not be capable of operating with lamps that
598 total more than 190 watts;

599 (H) [traffic] Traffic signal modules shall meet the product
600 specification of the "Energy Star Program Requirements for Traffic
601 Signals" developed by the United States Environmental Protection
602 Agency that took effect in February, 2001, except where the
603 department, in consultation with the Commissioner of Transportation,
604 determines that such specification would compromise safe signal
605 operation;

606 (I) [unit] Unit heaters shall not have pilot lights and shall have either
607 power venting or an automatic flue damper;

608 (J) On or after January 1, 2009, residential furnaces and boilers
609 purchased by the state shall meet or exceed the following annual fuel
610 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
611 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
612 cent annual fuel utilization efficiency, (iii) for gas and propane hot
613 water boilers, eighty-four per cent annual fuel utilization efficiency,
614 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
615 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
616 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
617 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
618 for furnaces with furnace air handlers, an electricity ratio of not more
619 than 2.0, except air handlers for oil furnaces with a capacity of less than
620 94,000 BTUs per hour shall have an electricity ratio of 2.3 or less;

621 (K) On or after January 1, 2009, medium voltage dry-type

622 distribution transformers shall meet minimum efficiency levels three-
623 tenths of a percentage point higher than the Class 1 efficiency levels for
624 medium voltage distribution transformers specified in Table 4-2 of the
625 "Guide for Determining Energy Efficiency for Distribution
626 Transformers" published by the National Electrical Manufacturers
627 Association in 2002;

628 (L) On or after January 1, 2010, metal halide lamp fixtures designed
629 to be operated with lamps rated greater than or equal to 150 watts but
630 less than or equal to 500 watts shall not contain a probe-start metal
631 halide lamp ballast;

632 (M) Single-voltage external AC to DC power supplies manufactured
633 on or after January 1, 2008, shall meet the energy efficiency standards
634 of table U-1 of section 1605.3 of the January 2006 California Code of
635 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
636 Efficiency Regulations. This standard applies to single voltage AC to
637 DC power supplies that are sold individually and to those that are sold
638 as a component of or in conjunction with another product. This
639 standard shall not apply to single voltage external AC to DC power
640 supplies sold with products subject to certification by the United States
641 Food and Drug Administration. A single-voltage external AC to DC
642 power supply that is made available by a manufacturer directly to a
643 consumer or to a service or repair facility after and separate from the
644 original sale of the product requiring the power supply as a service
645 part or spare part shall not be required to meet the standards in said
646 table U-1 until five years after the effective dates indicated in the table;

647 (N) On or after January 1, 2009, state regulated incandescent
648 reflector lamps shall be manufactured to meet the minimum average
649 lamp efficacy requirements for federally-regulated incandescent
650 reflector lamps contained in 42 USC 6295 (i)(1)(A). Each lamp shall
651 indicate the date of manufacture;

652 (O) On or after January 1, 2009, bottle-type water dispensers,
653 commercial hot food holding cabinets, portable electric spas, walk-in

654 refrigerators and walk-in freezers shall meet the efficiency
655 requirements of section 1605.3 of the January 2006 California Code of
656 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
657 Efficiency Regulations. On or after January 1, 2010, residential pool
658 pumps shall meet said efficiency requirements;

659 (P) On or after January 1, 2009, pool heaters shall meet the efficiency
660 requirements of sections 1605.1 and 1605.3 of the January 2006
661 California Code of Regulations, Title 20, Division 2, Chapter 4, Article
662 4: Appliance Efficiency Regulations.

663 Sec. 17. Subsection (g) of section 16a-48 of the general statutes is
664 repealed and the following is substituted in lieu thereof (*Effective*
665 *October 1, 2007*):

666 (g) Manufacturers of new products set forth in subsection (b) of this
667 section or designated by the department shall certify to the secretary
668 that such products are in compliance with the provisions of this
669 section, except that certification is not required for single voltage
670 external AC to DC power supplies and walk-in refrigerators and walk-
671 in freezers. All single voltage external AC to DC power supplies shall
672 be labeled as described in the January 2006 California Code of
673 Regulations, Title 20, Section 1607 (9). The department, in consultation
674 with the secretary, shall promulgate regulations governing the
675 certification of such products. The secretary shall publish an annual list
676 of such products.

677 Sec. 18. Section 4a-67c of the general statutes is repealed and the
678 following is substituted in lieu thereof (*Effective October 1, 2007*):

679 The Department of Administrative Services and each other
680 budgeted agency, as defined in section 4-69, exercising procurement
681 authority shall procure equipment and appliances for state use which
682 meet or exceed the federal energy conservation standards set forth in
683 the Energy Policy and Conservation Act, 42 USC 6295, any federal
684 regulations adopted thereunder, [and] any applicable energy

685 performance standards established in accordance with subsection (j) of
686 section 16a-38 and meet or exceed the federal Energy Star standards.
687 Purchases of equipment and appliances for which energy performance
688 standards have been established pursuant to subsection (j) of section
689 16a-38 shall be (1) made from among those specific models of
690 equipment and appliances which meet such standards, and (2) based,
691 when possible, on competitive bids. Such bids shall be evaluated on
692 the basis of the life-cycle cost standards, if any, established pursuant to
693 subsection (b) of section 16a-38.

694 Sec. 19. (NEW) (*Effective from passage*) (a) A municipal electric utility
695 shall contribute a pro rata share of the one-time awards made to
696 customer-side distributed resources made pursuant to subsection (a) of
697 section 16-243i of the general statutes, as amended by this act, in order
698 for customers in its service area to qualify for such awards. The
699 Department of Public Utility Control shall conduct a contested case
700 proceeding to determine the municipal electric utility's pro rata share.
701 Said pro rata share shall be based on the proportion of the aggregate
702 annual kilowatt hours of electricity sold by the municipal electric
703 utilities in the state to retail customers as a percentage of the total
704 annual kilowatt hours of electricity sold in the state. The pro rata share
705 that is not paid by the municipal electric utilities shall be recovered
706 through federally mandated congestion charges in nonmunicipal
707 electric utility service areas and shall be paid in equal semi-annual
708 payments for a period of not more than five years.

709 (b) In order to qualify for such an award, any customer shall submit
710 an application, in a form prescribed by the Department of Public
711 Utility Control, to said department. The application shall contain a
712 certification by an independent licensed engineer that the customer-
713 side distributed resource is intended to operate for purposes of
714 reducing customer peak electric loads and that the project is financially
715 viable.

716 Sec. 20. Section 16-243r of the general statutes is repealed and the

717 following is substituted in lieu thereof (*Effective July 1, 2007*):

718 The provisions of sections 7-233y, 16-1, as amended by this act, 16-
719 19ss, 16-32f, 16-50i, 16-50k, 16-50x, 16-243i to 16-243q, inclusive, 16-
720 244c, as amended by this act, 16-244e, 16-245d, 16-245m, 16-245n, as
721 amended by this act, 16-245z and 16-262i and section 21 of public act
722 05-1 of the June special session*, apply to new customer-side
723 distributed resources and grid-side distributed resources developed in
724 this state that add electric capacity on and after January 1, 2006, and
725 shall also apply to customer-side distributed resources and grid-side
726 distributed resources developed in this state prior to January 1, 2007,
727 that (1) have undergone upgrades that increase the resource's thermal
728 efficiency operating level no fewer than ten percentage points, (2)
729 operate at a thermal efficiency level of at least fifty per cent, and (3)
730 add electric capacity in this state on or after January 1, 2007, provided
731 such measure is in accordance with the provisions of said sections 7-
732 233y, 16-1, as amended by this act, 16-19ss, 16-32f, 16-50i, 16-50k, 16-
733 50x, 16-243i to 16-243q, inclusive, 16-244c, as amended by this act, 16-
734 244e, 16-245d, 16-245m, 16-245n, as amended by this act, 16-245z and
735 16-262i and section 21 of public act 05-1 of the June special session*.

736 Sec. 21. (NEW) (*Effective January 1, 2008*) Any municipality may, by
737 vote of its legislative body or, in a municipality where the legislative
738 body is a town meeting, by vote of the board of selectmen, provide a
739 property tax exemption to any owner of a motor vehicle exempt from
740 sales and use taxes under subdivision (110) or (115) of section 12-412 of
741 the general statutes, as amended by this act.

742 Sec. 22. Subdivision (110) of section 12-412 of the general statutes is
743 repealed and the following is substituted in lieu thereof (*Effective*
744 *January 1, 2008*):

745 (110) On and after July 1, 2000, and prior to July 1, [2002] 2010, the
746 sale of any passenger car that has a United States Environmental
747 Protection Agency estimated highway gasoline mileage rating of at
748 least [fifty] forty miles per gallon.

749 Sec. 23. (NEW) (*Effective October 1, 2007*) As used in sections 24 to 38,
750 inclusive, of this act:

751 (1) "Energy improvement district distributed resources" means one
752 or more of the following owned, leased, or financed by an Energy
753 Improvement District Board: (A) Customer-side distributed resources,
754 as defined in section 16-1 of the general statutes, as amended by this
755 act; (B) grid-side distributed resources, as defined in said section 16-1;
756 (C) combined heat and power systems, as defined in said section 16-1;
757 and (D) Class III sources, as defined in said section 16-1;

758 (2) "Project" means the acquisition, purchase, construction,
759 reconstruction, improvement or extension of one or more of energy
760 improvement district distributed resources.

761 Sec. 24. (NEW) (*Effective from passage*) (a) Any municipality may, by
762 vote of its legislative body, establish an energy improvement district
763 within such municipality. The affairs of any such district shall be
764 administered by an Energy Improvement District Board. The members
765 of any such board shall be appointed by the chief elected official of the
766 municipality and shall serve for such term as the legislative body may
767 prescribe and until their successors are appointed and have qualified.
768 Vacancies shall be filled by the chief elected official for the unexpired
769 portion of the term. The members of each such board shall serve
770 without compensation, except for necessary expenses.

771 (b) After a vote by a municipality to establish an energy
772 improvement district, the chief elected official of the municipality shall
773 notify each property owner of record within said district by mail of
774 said action. An owner may record on the land records in the
775 municipality its decision to participate in the energy improvement
776 district and the provisions of sections 24 to 38, inclusive, of this act.
777 Any owner of record, including any new owner of record, may rescind
778 said decision at any time.

779 Sec. 25. (NEW) (*Effective October 1, 2007*) (a) An Energy

780 Improvement District Board shall fund energy improvement district
781 distributed resources in its district and shall prepare a comprehensive
782 plan for the development and financing of such resources, except on
783 state or federally owned properties, with a view to the increase and
784 efficiency, reliability and the furtherance of commerce and industry in
785 the energy improvement district. The board may lease or acquire office
786 space and equip the same with suitable furniture and supplies for the
787 performance of work of the board, and may employ such personnel as
788 may be necessary for such performance. The board also shall have
789 power to:

790 (1) Sue and be sued;

791 (2) Have a seal and alter the same;

792 (3) Confer with any body or official having to do with electric power
793 distribution facilities within and without the district, and hold public
794 hearings as to such facilities;

795 (4) Confer with electric distribution companies with reference to the
796 development of electric distribution facilities in such district and the
797 coordination of the same;

798 (5) Determine the location, type, size and construction of energy
799 improvement district distributed resources, subject to the approval of
800 any department, commission or official of the United States, the state
801 or the municipality where federal, state or municipal statute or
802 regulation requires it;

803 (6) Make surveys, maps and plans for, and estimates of the cost of,
804 the development and operation of requisite energy improvement
805 district distributed resources and for the coordination of such facilities
806 with existing agencies, both public and private, with the view of
807 increasing the efficiency of the electric distribution system in the
808 district and in the furtherance of commerce and industry in the district;

809 (7) Make contracts and leases, loans and execute all instruments

810 necessary or convenient to carry out their duties under the provision of
811 this section, including the lending of proceeds of bonds issued in
812 accordance with subdivision (9) of this section, to owners, lessees or
813 occupants of facilities in the energy improvement district;

814 (8) Fix fees, rates, rentals or other charges for the purpose of all
815 energy improvement district distributed resources owned by the
816 Energy Improvements District Board and collect such fees, rates,
817 rentals and other charges for such facilities owned by the board, which
818 fees, rates, rentals or other charges shall be sufficient to comply with
819 all covenants and agreements with the holders of any bonds issued
820 pursuant to section 26 of this act;

821 (9) Operate and maintain all energy improvement district
822 distributed resources owned or leased by the board and use the
823 revenues from such resources for the corporate purposes of the board
824 in accordance with any covenants or agreements contained in the
825 proceedings authorizing the issuance of bonds pursuant to section 26
826 of this act;

827 (10) Accept gifts, grants, loans or contributions for the United States,
828 the state or any agency or instrumentality of either of them, or a person
829 or corporation, by conveyance, bequest or otherwise, and expend the
830 proceeds for any purpose of the board and, as necessary, contract with
831 the United States, the state or any agency or instrumentality of either
832 of them, to accept gifts, grants, loans or contributions on such terms
833 and conditions as may be provided by the law authorizing the same;

834 (11) Maintain staff to promote and develop the movement of
835 commerce through the energy improvement district; and

836 (12) Use the officers, employees, facilities and equipment of the
837 municipality, with the consent of the municipality, and pay a proper
838 portion of the compensation or cost.

839 (b) Nothing in the provisions of sections 24 to 38, inclusive, of this

840 act shall be construed to authorize an Energy Improvement District to:

841 (1) Be an electric distribution company, as defined in section 16-1 of
842 the general statutes, as amended by this act, or provide electric
843 distribution or electric transmission services, as defined in said section
844 16-1, or own or operate assets to provide such services;

845 (2) Be a municipal electric utility, as defined in section 7-233 of the
846 general statutes, or provide the services of a municipal electric utility;

847 (3) Sell electricity to persons or entities in its municipality outside of
848 the Energy Improvement District;

849 (4) Undertake any authority or jurisdiction granted by the general
850 states to the Connecticut Siting Council, the Department of Public
851 Utility Control, or any other state agency, or to undertake any actions
852 under the jurisdiction of any federal agency; or

853 (5) Acquire property by eminent domain.

854 Sec. 26. (NEW) (*Effective October 1, 2007*) (a) An Energy
855 Improvement District Board may, from time to time, issue bonds
856 subject to the approval of the legislative body in the municipality in
857 which the energy improvement district is located, for the purpose of
858 paying all or any part of the cost of acquiring, purchasing,
859 constructing, reconstructing, improving or extending any energy
860 improvement district distributed resources project and acquiring
861 necessary land and equipment thereof, or for any other authorized
862 purpose of the board. The board may issue such types of bonds as it
863 may determine, including, but not limited to, bonds payable as to
864 principal and interest: (1) From its revenues generally; (2) exclusively
865 from the income and revenues of a particular project; or (3) exclusively
866 from the income and revenues of certain designated projects, whether
867 or not they are financed in whole or in part from the proceeds of such
868 bonds. Any such bonds may be additionally secured by a pledge of
869 any grant or contribution from a participating municipality, the state

870 or any political subdivision, agency or instrumentality thereof, any
871 federal agency or any private corporation, copartnership, association
872 or individual, or a pledge of any income or revenues of the board, or a
873 mortgage on any project or other property of the board, provided such
874 pledge shall not create any liability on the entity making such grant or
875 contribution beyond the amount of such grant or contribution.
876 Whenever and for so long as any board has issued and has
877 outstanding bonds, the board shall fix, charge and collect rates, rents,
878 fees and other charges in accordance with section 28 of this act. Neither
879 the members of the board nor any person executing the bonds shall be
880 liable personally on the bonds by reason of the issuance thereof. The
881 bonds and other obligations shall so state on the face, shall not be a
882 debt of the state or any political subdivision thereof, except when the
883 board or a participating municipality which, in accordance with
884 section 35 of this act, has guaranteed payment of principal and of
885 interest on the same, and no person other than the board or such a
886 public body shall be liable thereon, nor shall such bonds or obligations
887 be payable out of any funds or properties other than those of the board
888 or such a participating municipality. Such bonds shall not constitute an
889 indebtedness within the meaning of any statutory limitation on the
890 indebtedness of any participating municipality. Bonds of the board are
891 declared to be issued for an essential public and governmental
892 purpose. In anticipation of the sale of such revenue bonds the board
893 may issue negotiable bond anticipation notes and may renew the same
894 from time to time, but the maximum maturity of any such note,
895 including renewals thereof, shall not exceed five years from the date of
896 issue of the original note. Such notes shall be paid from any revenues
897 of the board available therefor and not otherwise pledged, or from the
898 proceeds of sale of the revenue bonds of the Energy Improvement
899 District Board in anticipation of which they were issued. The notes
900 shall be issued in the same manner as the revenue bonds. Such notes
901 and the resolution or resolutions authorizing the same may contain
902 any provisions, conditions or limitations which a bond resolution of
903 the board may contain.

904 (b) An Energy Improvement District Board may issue bonds as
905 serial bonds or as term bonds, or both. Bonds shall be authorized by
906 resolution of the members of the authority and shall bear such date or
907 dates, mature at such time or times, not exceeding twenty years from
908 their respective dates, bear interest at such rate or rates, or have
909 provisions for the manner of determining such rate or rates, payable at
910 such time or times, be in such denominations, be in such form, either
911 coupon or registered, carry such registration privileges, be executed in
912 such manner, be payable in lawful money of the United States of
913 America at such place or places, and be subject to such terms of
914 redemption, as such resolution or resolutions may provide. The
915 revenue bonds or notes may be sold at public or private sale for such
916 price or prices as the Energy Improvement District Board shall
917 determine. Pending preparation of the definitive bonds, the Energy
918 Improvement District Board may issue interim receipts or certificates
919 which shall be exchanged for such definitive bonds.

920 (c) Any resolution or resolutions authorizing any revenue bonds or
921 any issue of revenue bonds may contain provisions, which shall be
922 part of the contract with the holders of the revenue bonds to be
923 authorized, as to: (1) Pledging all or any part of the revenues of a
924 project or any revenue-producing contract or contracts made by the
925 Energy Improvement District Board with any individual, partnership,
926 corporation or association or other body, public or private, to secure
927 the payment of the revenue bonds or of any particular issue of revenue
928 bonds, subject to such agreements with bondholders as may then exist;
929 (2) the rentals, fees and other charges to be charged, and the amounts
930 to be raised in each year thereby, and the use and disposition of the
931 revenues; (3) the setting aside of reserves or sinking funds or other
932 funds or accounts as the board may establish and the regulation and
933 disposition thereof, including requirements that any such funds and
934 accounts be held separate from or not be commingled with other funds
935 of the board; (4) limitations on the right of the board or its agent to
936 restrict and regulate the use of the project; (5) limitations on the
937 purpose to which the proceeds of sale of any issue of revenue bonds

938 then or thereafter to be issued may be applied and pledging such
939 proceeds to secure the payment of the revenue bonds or any issue of
940 the revenue bonds; (6) limitations on the issuance of additional bonds,
941 the terms upon which additional bonds may be issued and secured,
942 the refunding of outstanding bonds; (7) the procedure, if any, by which
943 the terms of any contract with bondholders may be amended or
944 abrogated, the amount of bonds the holders of which must consent
945 thereto, and the manner in which such consent may be given; (8)
946 limitations on the amount of moneys derived from the project to be
947 expended for operating, administrative or other expenses of the board;
948 (9) defining the acts or omissions to act that shall constitute a default in
949 the duties of the board to holders of its obligations and providing the
950 rights and remedies of such holders in the event of a default; (10) the
951 mortgaging of a project and the site thereof for the purpose of securing
952 the bondholder; and (11) provisions for the execution of
953 reimbursement agreements or similar agreements in connection with
954 credit facilities, including, but not limited to, letters of credit or policies
955 of bond insurance, remarketing agreements and agreements for the
956 purpose of moderating interest rate fluctuations.

957 (d) If any member whose signature or a facsimile of whose
958 signature appears on any bonds or coupons ceases to be such member
959 before delivery of such bonds, such signature or such facsimile shall
960 nevertheless be valid and sufficient for all purposes the same as if he
961 had remained in office until such delivery. Notwithstanding the
962 provisions of sections 24 to 38, inclusive, of this act, or any recitals in
963 any bonds issued under the provisions of this section, all such bonds
964 shall be deemed to be negotiable instruments under the provisions of
965 the general statutes.

966 (e) Unless otherwise provided by the ordinance creating the Energy
967 Improvement District Board, bonds may be issued under the
968 provisions of this section, without obtaining the consent of the state or
969 of any political subdivision thereof, and without any other proceedings
970 or the happening of other conditions or things than those proceedings,

971 conditions or things which are specifically required by sections 23 to
972 38, inclusive, of this act.

973 (f) An Energy Improvement District Board may, out of any of any
974 funds available to it, purchase its bonds or notes. The Energy
975 Improvement District Board may hold, pledge, cancel or resell such
976 bonds, subject to and in accordance with agreements with
977 bondholders.

978 (g) An Energy Improvement District Board shall cause a copy of any
979 bond resolutions adopted by it to be filed for public inspection in its
980 office and in the office of the clerk of each participating municipality
981 and may thereupon cause to be published at least once, in a newspaper
982 published or circulating in each participating municipality, a notice
983 stating the fact and date of such adoption and the places where such
984 bond resolution has been so filed for public inspection and the date of
985 the first publication of such notice and also stating that any action or
986 proceeding of any kind or nature in any court questioning the validity
987 or proper authorization of bonds provided for by the bond resolution,
988 or the validity of any covenants, agreements or contracts provided for
989 by the bond resolution, shall be commenced not later than twenty days
990 after the first publication of such notice. If any such notice is published
991 and if no action or proceeding question the validity or proper
992 authorization of bonds provided for by the bond resolution referred to
993 in such notice, or the validity of any covenants, agreements, contracts
994 provided for by the bond resolution is commenced or instituted not
995 later than twenty days after the first publication of said notice, then all
996 residents and taxpayers and owners of property in each participating
997 municipality and all other persons shall be forever barred and
998 foreclosed from instituting or commencing any action or proceeding in
999 any court, or from pleading any defense to any action or proceeding,
1000 questioning the validity or proper authorization of such bonds, or the
1001 validity of such covenants, agreements or contracts, and said bonds,
1002 covenants, agreements and contracts shall be conclusively deemed to
1003 be valid and binding obligations in accordance with their terms and

1004 tenor.

1005 (h) Notwithstanding any provision of the general statutes, (1) the
1006 state shall not have any liability or responsibility with regard to any
1007 obligation issued by the board, and (2) no political subdivision of the
1008 state shall have any liability or responsibility with regard to any
1009 obligation issued by the board except as expressly provided by
1010 sections 24 to 38, inclusive, of this act.

1011 Sec. 27. (NEW) (*Effective October 1, 2007*) An Energy Improvement
1012 District Board may secure any bonds issued under the provisions of
1013 section 26 of this act by a trust indenture by way of conveyance, deed
1014 of trust or mortgage of any project or any other property of the board,
1015 whether or not financed in whole or in part from the proceeds of such
1016 bonds, or by a trust agreement by and between the board and a
1017 corporate trustee, which may be any trust company or bank having the
1018 powers of a trust company within or without the state or by both such
1019 conveyance, deed of trust or mortgage and indenture or trust
1020 agreement. Such trust indenture or agreement may pledge or assign
1021 any or all fees, rents and other charges to be received or proceeds of
1022 any contract or contracts pledged, and may convey or mortgage any
1023 property of the board. Such trust indenture or agreement may contain
1024 such provisions for protecting and enforcing the right and remedies of
1025 the bondholders as may be reasonable and proper and not in violation
1026 of law, including provisions that have been specifically authorized to
1027 be included in any resolution or resolutions of the board authorizing
1028 the issue of bonds. Any bank or trust company incorporated under the
1029 laws of the state may act as depository of the proceeds of such bonds
1030 or of revenues or other moneys and may furnish such indemnifying
1031 bonds or pledge such securities as may be required by the board. Such
1032 trust indenture may set forth rights and remedies of the bondholders
1033 and of the trustee, and may restrict the individual right of action by
1034 bondholders. In addition to the foregoing, such trust indenture or
1035 agreement may contain such other provisions as the board may deem
1036 reasonable and proper for the security of the bondholders. All

1037 expenses incurred in carrying out the provisions of such trust
1038 indenture or agreement may be treated as part of the cost of a project.

1039 Sec. 28. (NEW) (*Effective October 1, 2007*) (a) An Energy
1040 Improvement District Board may fix, revise, charge and collect rates,
1041 rents, fees and charges for the use of and for the services furnished or
1042 to be furnished by each project and to contract with any person,
1043 partnership, association or corporation, or other body, public or
1044 private, in respect thereof. Such rates, rents, fees and charges shall be
1045 fixed and adjusted in respect of the aggregate of rates, rents, fees and
1046 charges from such project so as to provide funds sufficient with other
1047 revenues, if any, (1) to pay the cost of maintaining, repairing and
1048 operating the project and each and every portion thereof, to the extent
1049 that the payment of such cost has not otherwise been adequately
1050 provided for, (2) to pay the principal of and the interest on outstanding
1051 revenue bonds of the board issued in respect of such project as the
1052 same shall become due and payable, and (3) to create and maintain
1053 reserves required or provided for in any resolution authorizing, or
1054 trust agreement securing, such revenue bonds of the board. Such rates,
1055 rents, fees and charges shall not be subject to supervision or regulation
1056 by any department, commission, board, body, bureau or agency of this
1057 state other than the board. A sufficient amount of the revenues derived
1058 in respect of a project, except such part of such revenues as may be
1059 necessary to pay the cost of maintenance, repair and operation and to
1060 provide reserves and for renewals, replacements, extensions,
1061 enlargements and improvements as may be provided for in the
1062 resolution authorizing the issuance of any revenue bonds of the board
1063 or in the trust agreement securing the same, shall be set aside at such
1064 regular intervals as may be provided in such resolution or trust
1065 agreement in a sinking or other similar fund which is hereby pledged
1066 to, and charged with, the payment of the principal of and the interest
1067 on such revenue bonds as the same shall become due, and the
1068 redemption price or the purchase price of bonds retired by call or
1069 purchase as therein provided. Such pledge shall be valid and binding
1070 from the time when the pledge is made; the rates, rents, fees and

1071 charges and other revenues or other moneys so pledged and thereafter
1072 received by the board shall immediately be subject to the lien of any
1073 such pledge, without any physical delivery thereof or further act, and
1074 the lien of any such pledge shall be valid and binding as against all
1075 parties having claims of any kind in tort, contract or otherwise against
1076 the board, irrespective of whether such parties have notice thereof.
1077 Neither the resolution nor any trust indenture or agreement by which
1078 a pledge is created need be filed or recorded except in the records of
1079 the board. The use and disposition of moneys to the credit of such
1080 sinking or other similar fund shall be subject to the provisions of the
1081 resolution authorizing the issuance of such bonds or of such trust
1082 agreement. Except as may otherwise be provided in such resolution or
1083 such trust indenture or agreement, such sinking or other similar fund
1084 shall be a fund for all revenue bonds issued to finance a project of such
1085 board without distinction or priority of one over another.

1086 (b) All moneys received by the board pursuant to sections 24 to 38,
1087 inclusive, of this act, whether as proceeds from the sale of bonds or as
1088 revenues, shall be deemed to be trust funds to be held and applied
1089 solely as provided pursuant to this section.

1090 Sec. 29. (NEW) (*Effective October 1, 2007*) Any holder of bonds, notes,
1091 certificates or other evidences of borrowing issued under the
1092 provisions of section 26 of this act, or of any of the coupons
1093 appertaining thereto, and the trustee under any trust indenture or
1094 agreement, except to the extent the right may be restricted by such
1095 trust indenture or agreement, may, either at law or in equity, by suit,
1096 action, injunction, mandamus or other proceedings, protect and
1097 enforce any and all rights under the provisions of the general statutes
1098 or granted by sections 24 to 38, inclusive, of this act, or under such
1099 trust indenture or agreement or the resolution authorizing the issuance
1100 of such bonds, notes or certificates, and may enforce and compel the
1101 performance of all duties required by said section or by such trust
1102 indenture or agreement or solution to be performed by the Energy
1103 Improvement District Board or by any officer or agent thereof,

1104 including the fixing, charging and collection of fees, rents and other
1105 charges.

1106 Sec. 30. (NEW) (*Effective October 1, 2007*) An Energy Improvement
1107 District Board, in the exercise of its powers granted pursuant to
1108 sections 24 to 38, inclusive, of this act, shall be for the benefit of the
1109 inhabitants of the state, for the increase of their commerce and for the
1110 promotion of their safety, health, welfare, convenience and prosperity,
1111 and as the operation and maintenance of any project which the board
1112 is authorized to undertake constitute the performance of an essential
1113 governmental function, no board shall be required to pay any taxes or
1114 assessments upon any project acquired and constructed by it under the
1115 provisions of said sections. The bonds, notes, certificates or other
1116 evidences of debt issued under the provisions of section 26 of this act,
1117 their transfer and the income therefrom, including any profit made on
1118 the sale thereof, shall at all times be free and exempt from taxation by
1119 the state and by any political subdivision thereof.

1120 Sec. 31. (NEW) (*Effective October 1, 2007*) Bonds issued by an Energy
1121 Improvement District Board pursuant to section 26 of this act, shall be
1122 securities in which all public officers and public bodies of the state and
1123 its political subdivisions, all insurance companies, trust companies,
1124 banking associations, investment companies and executors,
1125 administrators, trustees and other fiduciaries may properly and legally
1126 invest funds, including capital in their control or belonging to them.
1127 Such bonds shall be securities that may properly and legally be
1128 deposited with and received by any state or municipal officer or any
1129 agency or political subdivision of the state for any purpose for which
1130 the deposit of bonds or obligations is now or may hereafter be
1131 authorized by law.

1132 Sec. 32. (NEW) (*Effective October 1, 2007*) A municipality may, by
1133 ordinance, and any other governmental unit may, without any
1134 referendum or public or competitive bidding, and any person may sell,
1135 lease, lend, grant or convey to an Energy Improvement District Board,

1136 or to permit a board to use, maintain or operate as part of any
1137 distributed resource facility, any real or personal property that may be
1138 necessary or useful and convenient for the purposes of the board and
1139 accepted by the board. Any such sale, lease, loan, grant, conveyance or
1140 permit may be made or given with or without consideration and for a
1141 specified or an unlimited period of time and under any agreement and
1142 on any terms and conditions that may be approved by such
1143 municipality, governmental unit or person and that may be agreed to
1144 by the board in conformity with its contract with the holders of any
1145 bonds. Subject to any such contracts with the holders of bonds, the
1146 board may enter into and perform any and all agreements with respect
1147 to property so purchased, leased, borrowed, received or accepted by it,
1148 including agreements for the assumption of principal or interest or
1149 both of indebtedness of such municipality, governmental unit or
1150 person or of any mortgage or lien existing with respect to such
1151 property or for the operation and maintenance of such property as part
1152 of any energy improvement district distributed resources facility.

1153 Sec. 33. (NEW) (*Effective October 1, 2007*) A municipality,
1154 governmental unit or person may enter into and perform any lease or
1155 other agreement with any Energy Improvement District Board for the
1156 lease or other agreement with any municipality, governmental unit or
1157 person of all or any part of any energy improvement district
1158 distributed resource facility or facilities. Any such lease or other
1159 agreement may provide for the payment to the board by such
1160 municipality, governmental unit or person, annually or otherwise, of
1161 such sum or sums of money, computed at fixed amount or by any
1162 formula or in any other manner, as may be so fixed or computed. Any
1163 such lease or other agreement may be made and entered into for a
1164 term beginning currently or at some future or contingent date and
1165 with or without consideration and for a specified or unlimited time
1166 and on any terms and conditions which may be approved by such
1167 municipality, governmental unit or person and which may be agreed
1168 to by the board in conformity with its contract with the holders of any
1169 bonds, and shall be valid and binding on such municipality,

1170 governmental unit or person whether or not an appropriation is made
1171 thereby prior to authorization or execution of such lease or other
1172 agreement. Such municipality, governmental unit or person shall do
1173 all acts and things necessary, convenient or desirable to carry out and
1174 perform any such lease or other agreement entered into by it and to
1175 provide for the payment or discharge of any obligation thereunder in
1176 the same manner as other obligations of such municipality,
1177 governmental unit or person.

1178 Sec. 34. (NEW) (*Effective October 1, 2007*) For the purpose of aiding
1179 an Energy Improvement District Board, a municipality, by ordinance
1180 or by resolution of its legislative body, shall have power from time to
1181 time and for such period and upon such terms, with or without
1182 consideration, as may be provided by such resolution or ordinance and
1183 accepted by the board, (1) to appropriate moneys for the purposes of
1184 the board, and to loan or donate such money to the board in such
1185 installments and upon such terms as may be agreed upon with the
1186 board, (2) to covenant and agree with the board to pay to or on the
1187 order of the board annually or at shorter intervals as a subsidy for the
1188 promotion of its purposes not more than such sums of money as may
1189 be stated in such resolution or ordinance or computed in accordance
1190 therewith, (3) upon authorization by it in accordance with law of the
1191 performance of any act or thing which it is empowered by law to
1192 authorize and perform and after appropriation of the moneys, if any,
1193 necessary for such performance, to covenant and agree with the board
1194 to do and perform such act or thing and as to the time, manner and
1195 other details of its doing and performance, and (4) to appropriate
1196 money for all or any part of the cost of acquisition or construction of
1197 such facility, and, in accordance with the limitations and any
1198 exceptions thereto and in accordance with procedure prescribed by
1199 law, to incur indebtedness, borrow money and issue its negotiable
1200 bonds for the purpose of financing such distributed resource facility
1201 and appropriation, and to pay the proceeds of such bonds to the board.

1202 Sec. 35. (NEW) (*Effective October 1, 2007*) For the purpose of aiding

1203 an Energy Improvement District Board in the planning, undertaking,
1204 acquisition, construction or operation of any distributed resource
1205 facility, a participating municipality may, pursuant to resolution
1206 adopted by its legislative body in the manner provided for adoption of
1207 a resolution authorizing bonds of such municipality and with or
1208 without consideration and upon such terms and conditions as may be
1209 agreed to by and between the municipality and the board,
1210 unconditionally guarantee the punctual payment of the principal of
1211 and interest on any bonds of the board and pledge the full faith and
1212 credit of the municipality to the payment thereof. Any guarantee of
1213 bonds of the board made pursuant to this section shall be evidenced by
1214 endorsement thereof on such bonds, executed in the name of the
1215 municipality and on its behalf by such officer thereof as may be
1216 designated in the resolution authorizing such guaranty, and such
1217 municipality shall thereupon and thereafter be obligated to pay the
1218 principal of and interest on said bonds in the same manner and to the
1219 same extent as in the case of bonds issued by it. As part of the
1220 guarantee of the municipality for payment of principal and interest on
1221 the bonds, the municipality may pledge to and agree with the owners
1222 of bonds issued under this chapter and with those persons who may
1223 enter into contracts with the municipality or the board or any
1224 successor agency pursuant to the provisions of this chapter that it will
1225 not limit or alter the rights thereby vested in the bond owners, the
1226 board or any contracting party until such bonds, together with the
1227 interest thereon, are fully met and discharged and such contracts are
1228 fully performed on the part of the municipality or the board, provided
1229 nothing in this subsection shall preclude such limitation or alteration if
1230 and when adequate provisions shall be made by law for the protection
1231 of the owners of such bonds of the municipality or the board or those
1232 entering into such contracts with the municipality or the board. The
1233 board is authorized to include this pledge and undertaking for the
1234 municipality in such bonds or contracts. To the extent provided in
1235 such agreement or agreements, the obligations of the municipality
1236 thereunder shall be obligatory upon the municipality and the

1237 inhabitants and property thereof, and thereafter the municipality shall
1238 appropriate in each year during the term of such agreement, and there
1239 shall be available on or before the date when the same are payable, an
1240 amount of money that, together with other revenue available for such
1241 purpose, shall be sufficient to pay such principal and interest
1242 guaranteed by it and payable thereunder in that year, and there shall
1243 be included in the tax levy for each such year in an amount that,
1244 together with other revenues available for such purpose, shall be
1245 sufficient to meet such appropriation. Any such agreement shall be
1246 valid, binding and enforceable against the municipality if approved by
1247 action of the legislative body of such municipality. Any such guaranty
1248 of bonds of the board may be made, and any resolution authorizing
1249 such guaranty may be adopted, notwithstanding any statutory debt or
1250 other limitations, but the principal amount of bonds so guaranteed
1251 shall, after their issuance, be included in the gross debt of such
1252 municipality for the purpose of determining the indebtedness of such
1253 municipality under subsection (b) of section 7-374 of the general
1254 statutes. The principal amount of bonds so guaranteed and included in
1255 gross debt shall be deducted and is declared to be and to constitute a
1256 deduction from such gross debt under and for all the purposes of
1257 subsection (b) of said section 7-374, (1) from and after the time of
1258 issuance of said bonds until the end of the fiscal year beginning next
1259 after the completion of acquisition and construction of the distributed
1260 resource facility to be financed from the proceeds of such bonds, and
1261 (2) during any subsequent fiscal year if the revenues of the board in the
1262 preceding fiscal year are sufficient to pay its expenses of operation and
1263 maintenance in such year and all amounts payable in such year on
1264 account of the principal and interest on all such guaranteed bonds, all
1265 bonds of the municipality issued as provided in this section and all
1266 bonds of the Energy Improvement District Board issued under section
1267 26 of this act.

1268 Sec. 36. (NEW) (*Effective October 1, 2007*) Any lease or other
1269 agreement, and any instruments making or evidencing the same, may
1270 be pledged or assigned by the board to secure its bonds and thereafter

1271 may not be modified except as provided by the terms of such
1272 instrument or by the terms of such pledge or assignment.

1273 Sec. 37. (NEW) (*Effective October 1, 2007*) All property of an Energy
1274 Improvement District Board shall be exempt from levy and sale by
1275 virtue of an execution and no execution or other judicial process shall
1276 issue against the same nor shall any judgment against the board be a
1277 charge or lien upon its property, provided nothing in this section shall
1278 apply to or limit the rights of the holder of any bonds to pursue any
1279 remedy for the enforcement of any pledge or lien given by the board
1280 on its facility revenues or other moneys.

1281 Sec. 38. (NEW) (*Effective October 1, 2007*) An Energy Improvement
1282 District Board and the municipality in which any property of the board
1283 is located may enter into agreements with respect to the payment by
1284 the board to such municipality of annual sums of money in lieu of
1285 taxes on such property in such amount as may be agreed upon
1286 between the board and the municipality. The board may make, and the
1287 municipality may accept, such payments and apply them in the
1288 manner in which taxes may be applied in such municipality, provided
1289 no such annual payment with respect to any parcel of such property
1290 shall exceed the amount of taxes paid thereon for the taxable year
1291 immediately prior to the time of its acquisition by the board.

1292 Sec. 39. Subsection (b) of section 16-243a of the general statutes is
1293 repealed and the following is substituted in lieu thereof (*Effective*
1294 *October 1, 2007*):

1295 (b) Each electric public service company, municipal electric energy
1296 cooperative and municipal electric utility shall: (1) Purchase any
1297 electrical energy and capacity made available, directly by a private
1298 power producer or indirectly under subdivision (4) of this subsection;
1299 (2) sell backup electricity to any private power producer in its service
1300 territory; (3) make such interconnections in accordance with the
1301 regulations adopted pursuant to subsection (h) of this section
1302 necessary to accomplish such purchases and sales; (4) upon approval

1303 by the Department of Public Utility Control of an application filed by a
1304 willing private power producer, transmit energy or capacity from the
1305 private power producer to any other such company, cooperative or
1306 utility or to another facility operated by the private power producer;
1307 and (5) offer to operate in parallel with a private power producer. In
1308 making a decision on an application filed under subdivision (4) of this
1309 subsection, the department shall consider whether such transmission
1310 would (A) adversely impact the customers of the company,
1311 cooperative or utility which would transmit energy or capacity to the
1312 private power producer, (B) result in an uncompensated loss for, or
1313 unduly burden, such company, cooperative, utility or private power
1314 producer, (C) impair the reliability of service of such company,
1315 cooperative or utility, or (D) impair the ability of the company,
1316 cooperative or utility to provide adequate service to its customers. The
1317 department shall issue a decision on such an application not later than
1318 one hundred twenty days after the application is filed, provided, the
1319 department may, before the end of such period and upon notifying all
1320 parties and intervenors to the proceeding, extend the period by thirty
1321 days. If the department does not issue a decision within one hundred
1322 twenty days after receiving such an application, or within one hundred
1323 fifty days if the department extends the period in accordance with the
1324 provisions of this subsection, the application shall be deemed to have
1325 been approved. The requirements under subdivisions (3), (4) and (5) of
1326 this subsection shall be subject to reasonable standards for operating
1327 safety and reliability and the nondiscriminatory assessment of costs
1328 against private power producers, approved by the Department of
1329 Public Utility Control with respect to electric public service companies
1330 or determined by municipal electric energy cooperatives and
1331 municipal electric utilities.

1332 Sec. 40. Section 16-243a of the general statutes is amended by adding
1333 subsection (h) as follows (*Effective October 1, 2007*):

1334 (NEW) (h) Not later than January 1, 2008, the Department of Public
1335 Utility Control shall adopt regulations in accordance with the

1336 provisions of chapter 54 containing interconnection standards that
1337 promote the policies of this section and meet or exceed national
1338 standards of interconnectivity. If the department does not adopt
1339 regulations by October 1, 2008, each electric distribution company,
1340 municipal electric energy cooperative and municipal electric utility
1341 shall meet the standards set forth in Title 4, Chapter 4, Subchapter 9,
1342 "New Metering and Interconnection Standards for Class I Renewable
1343 Energy Systems" of the New Jersey Administrative Code.

1344 Sec. 41. Subsection (a) of section 16-245n of the general statutes is
1345 repealed and the following is substituted in lieu thereof (*Effective*
1346 *October 1, 2007*):

1347 (a) For purposes of this section, "renewable energy" means solar
1348 photovoltaic energy, solar thermal energy, wind, ocean thermal
1349 energy, wave or tidal energy, fuel cells, landfill gas, hydropower that
1350 will meet the low-impact standards of the Low-Impact Hydropower
1351 Institute, hydrogen production and hydrogen conversion technologies,
1352 low emission advanced biomass conversion technologies, alternative
1353 fuel, including ethanol, biodiesel, or other fuel produced in
1354 Connecticut and derived from agricultural produce, food waste or
1355 waste vegetable oil, usable electricity from combined heat and power
1356 systems with waste heat recovery systems, thermal storage systems
1357 and other energy resources and emerging technologies which have
1358 significant potential for commercialization and which do not involve
1359 the combustion of coal, petroleum or petroleum products, municipal
1360 solid waste or nuclear fission.

1361 Sec. 42. Section 16-243h of the general statutes is repealed and the
1362 following is substituted in lieu thereof (*Effective October 1, 2007*):

1363 On and after January 1, 2000, each electric supplier or any electric
1364 distribution company providing standard offer, transitional standard
1365 offer, standard service or back-up electric generation service, pursuant
1366 to section 16-244c, as amended by this act, shall give a credit for any
1367 electricity generated by a residential or commercial customer from a

1368 Class I renewable energy source or a hydropower facility that has a
1369 nameplate capacity rating of two megawatts or less. The electric
1370 distribution company providing electric distribution services to such a
1371 customer shall make such interconnections necessary to accomplish
1372 such purpose. An electric distribution company, at the request of any
1373 residential customer served by such company and if necessary to
1374 implement the provisions of this section, shall provide for the
1375 installation of metering equipment that (1) measures electricity
1376 consumed by such customer from the facilities of the electric
1377 distribution company, (2) deducts from the measurement the amount
1378 of electricity produced by the customer and not consumed by the
1379 customer, and (3) registers, for each billing period, the net amount of
1380 electricity either (A) consumed and produced by the customer, or (B)
1381 the net amount of electricity produced by the customer. If, in a given
1382 monthly billing period, a customer-generator supplies more electricity
1383 to the electric distribution system than the electric distribution
1384 company or electric supplier delivers to the customer-generator, the
1385 electric distribution company and electric supplier shall credit the
1386 customer-generator for the excess by reducing the customer-
1387 generator's bill for the next monthly billing period to compensate for
1388 the excess electricity from the customer-generator in the previous
1389 billing period. The electric distribution company and electric supplier
1390 shall carry over credit earned from monthly billing period to monthly
1391 billing period, and the credit shall accumulate until the end of the
1392 annualized period. At the end of each annualized period, the electric
1393 distribution company and electric supplier shall compensate the
1394 customer-generator for any excess kilowatt-hours generated, at the
1395 avoided cost of wholesale power. A residential customer who
1396 generates electricity from a generating unit with a name plate capacity
1397 of more than ten kilowatts of electricity pursuant to the provisions of
1398 this section shall be assessed for the competitive transition assessment,
1399 pursuant to section 16-245g and the systems benefits charge, pursuant
1400 to section 16-245l based on the amount of electricity consumed by the
1401 customer from the facilities of the electric distribution company

1402 without netting any electricity produced by the customer. For
1403 purposes of this section, "residential customer" means a customer of a
1404 single-family dwelling or multifamily dwelling consisting of two to
1405 four units.

1406 Sec. 43. Section 16-245a of the general statutes is repealed and the
1407 following is substituted in lieu thereof (*Effective October 1, 2007*):

1408 (a) [On and after January 1, 2006, an] An electric supplier and an
1409 electric distribution company providing standard service or supplier of
1410 last resort service, pursuant to section 16-244c, as amended by this act,
1411 shall demonstrate;

1412 (1) On and after January 1, 2006, that not less than two per cent of
1413 the total output or services of any such supplier or distribution
1414 company shall be generated from Class I renewable energy sources
1415 and an additional three per cent of the total output or services shall be
1416 from Class I or Class II renewable energy sources; [.]

1417 (2) On and after January 1, 2007, not less than three and one-half per
1418 cent of the total output or services of any such supplier or distribution
1419 company shall be generated from Class I renewable energy sources
1420 and an additional three per cent of the total output or services shall be
1421 from Class I or Class II renewable energy sources; [.]

1422 (3) On and after January 1, 2008, not less than five per cent of the
1423 total output or services of any such supplier or distribution company
1424 shall be generated from Class I renewable energy sources and an
1425 additional three per cent of the total output or services shall be from
1426 Class I or Class II renewable energy sources; [.]

1427 (4) On and after January 1, 2009, not less than [six] seven per cent of
1428 the total output or services of any such supplier or distribution
1429 company shall be generated from Class I renewable energy sources
1430 and an additional three per cent of the total output or services shall be
1431 from Class I or Class II renewable energy sources; [.]

1432 (5) On and after January 1, 2010, not less than [seven] nine per cent
1433 of the total output or services of any such supplier or distribution
1434 company shall be generated from Class I renewable energy sources
1435 and an additional three per cent of the total output or services shall be
1436 from Class I or Class II renewable energy sources;

1437 (6) On and after January 1, 2011, not less than eleven per cent of the
1438 total output or services of any such supplier or distribution company
1439 shall be generated from Class I renewable energy sources and an
1440 additional three per cent of the total output or services shall be from
1441 Class I or Class II renewable energy sources.

1442 (b) An electric supplier or electric distribution company may satisfy
1443 the requirements of this section (1) by purchasing certificates issued by
1444 the New England Power Pool Generation Information System,
1445 provided the certificates are for (A) energy produced by a generating
1446 unit using Class I or Class II renewable energy sources and the
1447 generating unit is located in the jurisdiction of the regional
1448 independent system operator, or (B) energy imported into the control
1449 area of the regional independent system operator pursuant to New
1450 England Power Pool Generation Information System Rule 2.7(c), as in
1451 effect on January 1, 2006; [or] (2) for those renewable energy
1452 certificates under contract to serve end-use customers in the state on or
1453 before October 1, 2006, by participating in a renewable energy trading
1454 program within said jurisdictions as approved by the Department of
1455 Public Utility Control; or (3) by purchasing electricity from residential
1456 customers who are net producers.

1457 (c) Any supplier who provides electric generation services solely
1458 from a Class II renewable energy source shall not be required to
1459 comply with the provisions of this section.

1460 (d) An electric supplier or an electric distribution company shall
1461 base its demonstration of generation sources, as required under
1462 subsection (a) of this section on historical data, which may consist of
1463 data filed with the regional independent system operator.

1464 (e) (1) A supplier or an electric distribution company may make up
1465 any deficiency within its renewable energy portfolio within the first
1466 three months of the succeeding calendar year or as otherwise provided
1467 by generation information system operating rules approved by New
1468 England Power Pool or its successor to meet the generation source
1469 requirements of subsection (a) of this section for the previous year.

1470 (2) No such supplier or electric distribution company shall receive
1471 credit for the current calendar year for generation from Class I or Class
1472 II renewable energy sources pursuant to this section where such
1473 supplier or distribution company receives credit for the preceding
1474 calendar year pursuant to subdivision (1) of this subsection.

1475 (f) The department shall adopt regulations, in accordance with the
1476 provisions of chapter 54, to implement the provisions of this section.

1477 Sec. 44. (NEW) (*Effective July 1, 2007*) (a) A municipal electric energy
1478 cooperative, created pursuant to chapter 101a of the general statutes,
1479 shall submit a comprehensive report on the activities of the municipal
1480 electric utilities with regard to promotion of renewable energy
1481 resources. Such report shall identify the standards and activities of
1482 municipal electric utilities in the promotion, encouragement and
1483 expansion of the deployment and use of renewable energy sources
1484 within the service areas of the municipal electric utilities for the prior
1485 calendar year. The cooperative shall submit the report to the
1486 Renewable Energy Investment Advisory Committee established
1487 pursuant to section 16-245n of the general statutes, as amended by this
1488 act, not later than ninety days after the end of each calendar year that
1489 describes the activities undertaken pursuant to this subsection during
1490 the previous calendar year for the promotion and development of
1491 renewable energy sources for all electric customer classes.

1492 (b) Such cooperative shall develop standards for the promotion of
1493 renewable resources that apply to each municipal electric utility. On or
1494 before January 1, 2008, and annually thereafter, such cooperative shall
1495 submit such standards to the Renewable Energy Investment Advisory

1496 Committee.

1497 Sec. 45. (NEW) (*Effective from passage*) (a) Notwithstanding the
1498 provisions of title 16 of the general statutes, a customer who
1499 implements energy conservation or customer-side distributed
1500 resources, as defined in section 16-1 of the general statutes, as
1501 amended by this act, on or after January 1, 2008, shall be eligible for
1502 Class III credits, pursuant to section 16-243q of the general statutes, as
1503 amended by this act. The Class III credit shall be not less than one cent
1504 per kilowatt hour or fifty per cent of the value of the Class I renewable
1505 energy credit, whichever is greater. The credits earned pursuant to this
1506 section shall be aggregated and directed to the customer who
1507 implements energy conservation or customer-side distribution
1508 resources pursuant to this section with the remainder directed to the
1509 Conservation and Load Management Funds. Not later than July 1,
1510 2007, the Department of Public Utility Control shall conduct a
1511 contested case proceeding in accordance with the provisions of chapter
1512 54 of the general statutes, to develop a procedure for awarding and
1513 aggregating credits pursuant to this section.

1514 (b) In order to be eligible for ongoing Class III credits, the customer
1515 shall, annually, submit an application, in a form prescribed by the
1516 Department of Public Utility Control, to said department. The
1517 application shall require (1) certification by an independent licensed
1518 engineer, and (2) (A) the number of kilowatt hours generated from the
1519 customer-side distributed resource system for the annual period, or (B)
1520 the number of kilowatt hours reduced by the energy conservation
1521 investments for the annual period.

1522 Sec. 46. Section 16-243q of the general statutes is repealed and the
1523 following is substituted in lieu thereof (*Effective October 1, 2007*):

1524 (a) On and after January 1, 2007, each electric distribution company
1525 providing standard service pursuant to section 16-244c, as amended by
1526 this act, and each electric supplier as defined in section 16-1, as
1527 amended by this act, shall demonstrate to the satisfaction of the

1528 Department of Public Utility Control that not less than one per cent of
1529 the total output of such supplier or such standard service of an electric
1530 distribution company shall be obtained from Class III [resources]
1531 sources. On and after January 1, 2008, not less than two per cent of the
1532 total output of any such supplier or such standard service of an electric
1533 distribution company shall, on demonstration satisfactory to the
1534 Department of Public Utility Control, be obtained from Class III
1535 [resources] sources. On or after January 1, 2009, not less than three per
1536 cent of the total output of any such supplier or such standard service of
1537 an electric distribution company shall, on demonstration satisfactory to
1538 the Department of Public Utility Control, be obtained from Class III
1539 [resources] sources. On and after January 1, 2010, not less than four per
1540 cent of the total output of any such supplier or such standard service of
1541 an electric distribution company shall, on demonstration satisfactory to
1542 the Department of Public Utility Control, be obtained from Class III
1543 [resources] sources. Electric power obtained from customer-side
1544 distributed resources that does not meet air and water quality
1545 standards of the Department of Environmental Protection is not
1546 eligible for purposes of meeting the percentage standards in this
1547 section.

1548 (b) Except as provided in subsection (d) of this section, the
1549 Department of Public Utility Control shall assess each electric supplier
1550 and each electric distribution company that fails to meet the
1551 percentage standards of subsection (a) of this section a charge of up to
1552 five and five-tenths cents for each kilowatt hour of electricity that such
1553 supplier or company is deficient in meeting such percentage
1554 standards. Seventy-five per cent of such assessed charges shall be
1555 deposited in the Energy Conservation and Load Management Fund
1556 established in section 16-245m, and twenty-five per cent shall be
1557 deposited in the Renewable Energy Investment Fund established in
1558 section 16-245n, as amended by this act, except that such seventy-five
1559 per cent of assessed charges with respect to an electric supplier shall be
1560 divided among the Energy Conservation and Load Management
1561 Funds of electric distribution companies in proportion to the amount

1562 of electricity such electric supplier provides to end use customers in
1563 the state using the facilities of each electric distribution company.

1564 (c) An electric supplier or electric distribution company may satisfy
1565 the requirements of this section by participating in a conservation and
1566 distributed resources trading program approved by the Department of
1567 Public Utility Control. Credits created by conservation and customer-
1568 side distributed resources shall be allocated to the person that
1569 conserved the electricity or installed the project for customer-side
1570 distributed resources to which the credit is attributable and to the
1571 Energy Conservation and Load Management Fund. Such credits shall
1572 be made in the following manner: A minimum of twenty-five per cent
1573 of the credits shall be allocated to the person that conserved the
1574 electricity or installed the project for customer-side distributed
1575 resources to which the energy credit is attributable and the remainder
1576 of the credits shall be allocated to the Energy Conservation and Load
1577 Management Fund, based on a schedule created by the department no
1578 later than January 1, 2007, and reviewed annually thereafter. The
1579 department may, in a proceeding and for good cause shown, allocate a
1580 larger proportion of such credits to the person who conserved the
1581 electricity or installed the customer-side distributed resources. The
1582 department shall consider the proportion of investment made by a
1583 ratepayer through various ratepayer-funded incentive programs and
1584 the resulting reduction in federally mandated congestion charges. The
1585 portion allocated to the Energy Conservation and Load Management
1586 Fund shall be used for measures that respond to energy demand and
1587 for peak reduction programs.

1588 (d) An electric distribution company providing standard service
1589 may contract with its wholesale suppliers to comply with the
1590 conservation and customer-side distributed resources standards set
1591 forth in subsection (a) of this section. The Department of Public Utility
1592 Control shall annually conduct a contested case, in accordance with the
1593 provisions of chapter 54, to determine whether the electric distribution
1594 company's wholesale suppliers met the conservation and distributed

1595 resources standards during the preceding year. Any such contract shall
1596 include a provision that requires such supplier to pay the electric
1597 distribution company in an amount of up to five and one-half cents per
1598 kilowatt hour if the wholesale supplier fails to comply with the
1599 conservation and distributed resources standards during the subject
1600 annual period. The electric distribution company shall immediately
1601 transfer seventy-five per cent of any payment received from the
1602 wholesale supplier for the failure to meet the conservation and
1603 distributed resources standards to the Energy Conservation and Load
1604 Management Fund and twenty-five per cent to the Renewable Energy
1605 Investment Fund. Any payment made pursuant to this section shall
1606 not be considered revenue or income to the electric distribution
1607 company.

1608 (e) The Department of Public Utility Control shall conduct a
1609 contested proceeding to develop the administrative processes and
1610 program specifications that are necessary to implement a Class III
1611 sources conservation and distributed resources trading program. The
1612 proceeding shall include, but not be limited to, an examination of
1613 issues such as (1) the manner in which qualifying activities are
1614 certified, tracked and reported, (2) the manner in which Class III
1615 certificates are created, accounted for and transferred, [(3) the
1616 feasibility and benefits of expanding eligible Class III resources to
1617 include those resulting from electricity savings made by residential
1618 customers, (4)] (3) verification of the accuracy of conservation and
1619 customer-side distributed resources credits, [(5)] (4) verification of the
1620 fact that resources or credits used to satisfy the requirement of this
1621 section have not been used to satisfy any other portfolio or similar
1622 requirement, [(6)] (5) the manner in which credits created by
1623 conservation and customer-side distributed resources may best be
1624 allocated to maximize the impact of the trading program, and [(7)] (6)
1625 setting such alternative payment amounts at a level that encourages
1626 development of conservation and customer-side distributed resources.
1627 The department may retain the services of a third party entity with
1628 expertise in the development of energy efficiency trading or

1629 verification programs to assist in the development and operation of the
1630 program. The department shall issue a decision no later than February
1631 1, [2006] 2008.

1632 Sec. 47. Subdivision (44) of subsection (a) of section 16-1 of the
1633 general statutes is repealed and the following is substituted in lieu
1634 thereof (*Effective from passage*):

1635 (44) "Class III [renewable energy] source" means the electricity
1636 output from combined heat and power systems with an operating
1637 efficiency level of no less than fifty per cent that are part of customer-
1638 side distributed resources developed at commercial and industrial
1639 facilities in this state on or after January 1, 2006, a waste heat recovery
1640 system installed on or after April 1, 2007, that produces electrical or
1641 thermal energy by capturing preexisting waste heat or pressure from
1642 industrial or commercial processes, or the electricity savings created at
1643 commercial and industrial facilities and residences in this state from
1644 conservation and load management programs begun on or after
1645 January 1, 2006.

1646 Sec. 48. Subsection (a) of section 22a-6 of the general statutes is
1647 repealed and the following is substituted in lieu thereof (*Effective*
1648 *October 1, 2007*):

1649 (a) The commissioner may: (1) Adopt, amend or repeal, in
1650 accordance with the provisions of chapter 54, such environmental
1651 standards, criteria and regulations, and such procedural regulations as
1652 are necessary and proper to carry out his functions, powers and duties;
1653 (2) enter into contracts with any person, firm, corporation or
1654 association to do all things necessary or convenient to carry out the
1655 functions, powers and duties of the department; (3) initiate and receive
1656 complaints as to any actual or suspected violation of any statute,
1657 regulation, permit or order administered, adopted or issued by him.
1658 The commissioner shall have the power to hold hearings, administer
1659 oaths, take testimony and subpoena witnesses and evidence, enter
1660 orders and institute legal proceedings including, but not limited to,

1661 suits for injunctions, for the enforcement of any statute, regulation,
1662 order or permit administered, adopted or issued by him; (4) in
1663 accordance with regulations adopted by him, require, issue, renew,
1664 revoke, modify or deny permits, under such conditions as he may
1665 prescribe, governing all sources of pollution in Connecticut within his
1666 jurisdiction; (5) in accordance with constitutional limitations, enter at
1667 all reasonable times, without liability, upon any public or private
1668 property, except a private residence, for the purpose of inspection and
1669 investigation to ascertain possible violations of any statute, regulation,
1670 order or permit administered, adopted or issued by him and the
1671 owner, managing agent or occupant of any such property shall permit
1672 such entry, and no action for trespass shall lie against the
1673 commissioner for such entry, or he may apply to any court having
1674 criminal jurisdiction for a warrant to inspect such premises to
1675 determine compliance with any statute, regulation, order or permit
1676 administered, adopted or enforced by him, provided any information
1677 relating to secret processes or methods of manufacture or production
1678 ascertained by the commissioner during, or as a result of, any
1679 inspection, investigation, hearing or otherwise shall be kept
1680 confidential and shall not be disclosed except that, notwithstanding the
1681 provisions of subdivision (5) of subsection (b) of section 1-210, such
1682 information may be disclosed by the commissioner to the United States
1683 Environmental Protection Agency pursuant to the federal Freedom of
1684 Information Act of 1976, (5 USC 552) and regulations adopted
1685 thereunder or, if such information is submitted after June 4, 1986, to
1686 any person pursuant to the federal Clean Water Act (33 USC 1251 et
1687 seq.); (6) undertake any studies, inquiries, surveys or analyses he may
1688 deem relevant, through the personnel of the department or in
1689 cooperation with any public or private agency, to accomplish the
1690 functions, powers and duties of the commissioner; (7) require the
1691 posting of sufficient performance bond or other security to assure
1692 compliance with any permit or order; (8) provide by notice printed on
1693 any form that any false statement made thereon or pursuant thereto is
1694 punishable as a criminal offense under section 53a-157b; (9) construct

1695 or repair or contract for the construction or repair of any dam or flood
1696 and erosion control system under his control and management, make
1697 or contract for the making of any alteration, repair or addition to any
1698 other real asset under his control and management, including rented
1699 or leased premises, involving an expenditure of five hundred thousand
1700 dollars or less, and, with prior approval of the Commissioner of Public
1701 Works, make or contract for the making of any alteration, repair or
1702 addition to such other real asset under his control and management
1703 involving an expenditure of more than five hundred thousand dollars
1704 but not more than one million dollars; (10) in consultation with
1705 affected town and watershed organizations, enter into a lease
1706 agreement with a private entity to allow the private entity to generate
1707 hydroelectricity; (11) by regulations adopted in accordance with the
1708 provisions of chapter 54, require the payment of a fee sufficient to
1709 cover the reasonable cost of the search, duplication and review of
1710 records requested under the Freedom of Information Act, as defined in
1711 section 1-200, and the reasonable cost of reviewing and acting upon an
1712 application for and monitoring compliance with the terms and
1713 conditions of any state or federal permit, license, registration, order,
1714 certificate or approval required pursuant to subsection (i) of section
1715 22a-39, subsections (c) and (d) of section 22a-96, subsections (h), (i) and
1716 (k) of section 22a-424, and sections 22a-6d, 22a-32, 22a-134a, 22a-134e,
1717 22a-135, 22a-148, 22a-150, 22a-174, 22a-208, 22a-208a, 22a-209, 22a-342,
1718 22a-345, 22a-354i, 22a-361, 22a-363c, 22a-368, 22a-372, 22a-379, 22a-403,
1719 22a-409, 22a-416, 22a-428 to 22a-432, inclusive, 22a-449 and 22a-454 to
1720 22a-454c, inclusive, and Section 401 of the federal Clean Water Act, (33
1721 USC 1341). Such costs may include, but are not limited to the costs of
1722 (A) public notice, (B) reviews, inspections and testing incidental to the
1723 issuance of and monitoring of compliance with such permits, licenses,
1724 orders, certificates and approvals, and (C) surveying and staking
1725 boundary lines. The applicant shall pay the fee established in
1726 accordance with the provisions of this section prior to the final
1727 decision of the commissioner on the application. The commissioner
1728 may postpone review of an application until receipt of the payment.

1729 Payment of a fee for monitoring compliance with the terms or
1730 conditions of a permit shall be at such time as the commissioner deems
1731 necessary and is required for an approval to remain valid; and [(11)]
1732 (12) by regulations adopted in accordance with the provisions of
1733 chapter 54, require the payment of a fee sufficient to cover the
1734 reasonable cost of responding to requests for information concerning
1735 the status of real estate with regard to compliance with environmental
1736 statutes, regulations, permits or orders. Such fee shall be paid by the
1737 person requesting such information at the time of the request. Funds
1738 not exceeding two hundred thousand dollars received by the
1739 commissioner pursuant to subsection (g) of section 22a-174, during the
1740 fiscal year ending June 30, 1985, shall be deposited in the General Fund
1741 and credited to the appropriations of the Department of
1742 Environmental Protection in accordance with the provisions of section
1743 4-86, and such funds shall not lapse until June 30, 1986. In any action
1744 brought against any employee of the department acting within his
1745 scope of delegated authority in performing any of the above-listed
1746 duties, the employee shall be represented by the Attorney General.

1747 Sec. 49. Subdivision (2) of subsection (j) of section 16-244c of the
1748 general statutes is repealed and the following is substituted in lieu
1749 thereof (*Effective from passage*):

1750 (2) Notwithstanding the provisions of subsection (d) of this section
1751 regarding an alternative transitional standard offer option or an
1752 alternative standard service option, an electric distribution company
1753 providing transitional standard offer service, standard service,
1754 supplier of last resort service or back-up electric generation service in
1755 accordance with this section shall, not later than July 1, 2008, file with
1756 the Department of Public Utility Control for its approval one or more
1757 long-term power purchase contracts from Class I renewable energy
1758 source projects that receive funding from the Renewable Energy
1759 Investment Fund and that are not less than one megawatt in size, at a
1760 price that is either, at the determination of the project owner, (A) not
1761 more than the total of the comparable wholesale market price for

1762 generation plus five and one-half cents per kilowatt hour, or (B) fifty
1763 per cent of the wholesale market electricity cost at the point at which
1764 transmission lines intersect with each other or interface with the
1765 distribution system, plus the project cost of fuel indexed to natural gas
1766 futures contracts on the New York Mercantile Exchange at the natural
1767 gas pipeline interchange located in Vermillion Parish, Louisiana that
1768 serves as the delivery point for such futures contracts, plus the fuel
1769 delivery charge for transporting fuel to the project, plus five and one-
1770 half cents per kilowatt hour. In its approval of such contracts, the
1771 department shall give preference to purchase contracts from those
1772 projects that would provide a financial benefit to ratepayers or would
1773 enhance the reliability of the electric transmission system of the state.
1774 Such projects shall be located in this state. The owner of a fuel cell
1775 project principally manufactured in this state shall be allocated all
1776 available air emissions credits and tax credits attributable to the project
1777 and no less than fifty per cent of the energy credits in the Class I
1778 renewable energy credits program established in section 16-245a
1779 attributable to the project. Such contracts shall be comprised of not less
1780 than a total, apportioned among each electric distribution company, of
1781 one hundred fifty megawatts. The cost of such contracts and the
1782 administrative costs for the procurement of such contracts directly
1783 incurred shall be eligible for inclusion in the adjustment to the
1784 transitional standard offer as provided in this section and any
1785 subsequent rates for standard service, provided such contracts are for a
1786 period of time sufficient to provide financing for such projects, but not
1787 less than ten years, and are for projects which began operation on or
1788 after July 1, 2003. Except as provided in this subdivision, the amount
1789 from Class I renewable energy sources contracted under such contracts
1790 shall be applied to reduce the applicable Class I renewable energy
1791 source portfolio standards. For purposes of this subdivision, the
1792 department's determination of the comparable wholesale market price
1793 for generation shall be based upon a reasonable estimate.

1794 Sec. 50. Subdivision (57) of section 12-81 of the general statutes is
1795 repealed and the following is substituted in lieu thereof (*Effective*

1796 *October 1, 2007, and applicable to assessment years commencing on or after*
1797 *October 1, 2007):*

1798 (57) (a) [Subject to authorization of the exemption by ordinance in
1799 any municipality, any] Any Class I renewable energy source, as
1800 defined in section 16-1, or any hydropower facility described in
1801 subdivision (27) of said section 16-1, as amended by this act, installed
1802 for the generation of electricity for private residential use, provided
1803 such installation occurs on or after October 1, 1977, and further
1804 provided such installation is for a single family dwelling or
1805 multifamily dwelling consisting of two to four units, or any passive or
1806 active solar water or space heating system or geothermal energy
1807 resource;

1808 (b) Any person claiming the exemption provided in this subdivision
1809 for any assessment year shall, on or before the first day of November
1810 in such assessment year, file with the assessor or board of assessors in
1811 the town in which such hydropower facility, Class I renewable energy
1812 source, or passive or active solar water or space heating system or
1813 geothermal energy resource is located, written application claiming
1814 such exemption. Failure to file such application in the manner and
1815 form as provided by such assessor or board within the time limit
1816 prescribed shall constitute a waiver of the right to such exemption for
1817 such assessment year. Such application shall not be required for any
1818 assessment year following that for which the initial application is filed,
1819 provided if such hydropower facility, Class I renewable energy source,
1820 or passive or active solar water or space heating system or geothermal
1821 energy resource is altered in a manner which would require a building
1822 permit, such alteration shall be deemed a waiver of the right to such
1823 exemption until a new application, applicable with respect to such
1824 altered source, is filed and the right to such exemption is established as
1825 required initially.

1826 Sec. 51. Subdivision (63) of section 12-81 of the general statutes is
1827 repealed and the following is substituted in lieu thereof (*Effective*

1828 *October 1, 2007, and applicable to assessment years commencing on or after*
1829 *October 1, 2007):*

1830 (63) (a) Subject to authorization of the exemption by ordinance in
1831 any municipality and to the provisions of subparagraph (b) of this
1832 subdivision, [any solar energy electricity generating system which is
1833 not eligible for exemption under subdivision (57) of this section,] any
1834 cogeneration system [, or both,] installed on or after July 1, 1981, [and
1835 before October 1, 2006.] The ordinance shall establish the number of
1836 years that a system will be exempt from taxation, except that it may
1837 not provide for an exemption beyond the first fifteen assessment years
1838 following the installation of a system. The ordinance shall prohibit the
1839 exemption from applying to additions to resources recovery facilities
1840 operating on October 1, 1994, or to resources recovery facilities
1841 constructed on and after that date and may prohibit the exemption
1842 from applying to property acquired by eminent domain for the
1843 purpose of qualifying for the exemption;

1844 (b) As used in this subdivision, [(A) "solar energy electricity
1845 generating system" means equipment which is designed, operated and
1846 installed as a system which utilizes solar energy as the energy source
1847 for at least seventy-five per cent of the electricity produced by the
1848 system and meets the standards established by regulation, in
1849 accordance with the provisions of chapter 54, by the Secretary of the
1850 Office of Policy and Management, and (B)] "cogeneration system"
1851 means equipment which is designed, operated and installed as a
1852 system which produces, in the same process, electricity and exhaust
1853 steam, waste steam, heat or other resultant thermal energy which is
1854 used for space or water heating or cooling, industrial, commercial,
1855 manufacturing or other useful purposes and which meets standards
1856 established by regulation, in accordance with the provisions of chapter
1857 54, by the Secretary of the Office of Policy and Management;

1858 (c) Any municipality which adopts an ordinance authorizing an
1859 exemption provided by this subdivision may enter into a written

1860 agreement with an applicant for the exemption, which may require the
1861 applicant to make payments to the municipality in lieu of taxes. The
1862 agreement may vary the amount of the payments in lieu of taxes in
1863 each assessment year of the agreement, provided the payment in any
1864 assessment year is not greater than the taxes which would otherwise
1865 be due in the absence of the exemption. Any agreement negotiated
1866 under this subdivision shall be submitted to the legislative body of the
1867 municipality for its approval or rejection;

1868 (d) Any person claiming the exemption provided in this subdivision
1869 for any assessment year and whose application has been approved in
1870 accordance with subparagraph (c) of this subdivision shall, on or
1871 before the first day of November in such assessment year, file with the
1872 assessor or board of assessors in the town in which the system is
1873 located written application claiming the exemption. Failure to file the
1874 application in the manner and form as provided by such assessor or
1875 board within the time limit prescribed shall constitute a waiver of the
1876 right to the exemption for such assessment year. Such application shall
1877 not be required for any assessment year following that for which the
1878 initial application is filed, provided if such [solar energy electricity
1879 generating system or] cogeneration system is altered in a manner
1880 which would require a building permit, such alteration shall be
1881 deemed a waiver of the right to such exemption until a new
1882 application, applicable with respect to such altered system, is filed and
1883 the right to such exemption is established as required initially.

1884 Sec. 52. Section 20-340 of the general statutes is repealed and the
1885 following is substituted in lieu thereof (*Effective from passage*):

1886 The provisions of this chapter shall not apply to: (1) Persons
1887 employed by any federal, state or municipal agency; (2) employees of
1888 any public service company regulated by the Department of Public
1889 Utility Control or of any corporate affiliate of any such company when
1890 the work performed by such affiliate is on behalf of a public service
1891 company, but in either case only if the work performed is in

1892 connection with the rendition of public utility service, including the
1893 installation or maintenance of wire for community antenna television
1894 service, or is in connection with the installation or maintenance of wire
1895 or telephone sets for single-line telephone service located inside the
1896 premises of a consumer; (3) employees of any municipal corporation
1897 specially chartered by this state; (4) employees of any contractor while
1898 such contractor is performing electrical-line or emergency work for
1899 any public service company; (5) persons engaged in the installation,
1900 maintenance, repair and service of electrical or other appliances of a
1901 size customarily used for domestic use where such installation
1902 commences at an outlet receptacle or connection previously installed
1903 by persons licensed to do the same and maintenance, repair and
1904 service is confined to the appliance itself and its internal operation; (6)
1905 employees of industrial firms whose main duties concern the
1906 maintenance of the electrical work, plumbing and piping work, solar
1907 thermal work, heating, piping, cooling work, sheet metal work,
1908 elevator installation, repair and maintenance work, automotive glass
1909 work or flat glass work of such firm on its own premises or on
1910 premises leased by it for its own use; (7) employees of industrial firms
1911 when such employees' main duties concern the fabrication of glass
1912 products or electrical, plumbing and piping, fire protection sprinkler
1913 systems, solar, heating, piping, cooling, chemical piping, sheet metal or
1914 elevator installation, repair and maintenance equipment used in the
1915 production of goods sold by industrial firms, except for products,
1916 electrical, plumbing and piping systems and repair and maintenance
1917 equipment used directly in the production of a product for human
1918 consumption; (8) persons performing work necessary to the
1919 manufacture or repair of any apparatus, appliances, fixtures,
1920 equipment or devices produced by it for sale or lease; (9) employees of
1921 stage and theatrical companies performing the operation, installation
1922 and maintenance of electrical equipment if such installation
1923 commences at an outlet receptacle or connection previously installed
1924 by persons licensed to make such installation; (10) employees of
1925 carnivals, circuses or similar transient amusement shows who install

1926 electrical work, provided such installation shall be subject to the
1927 approval of the State Fire Marshal prior to use as otherwise provided
1928 by law and shall comply with applicable municipal ordinances and
1929 regulations; (11) persons engaged in the installation, maintenance,
1930 repair and service of glass or electrical, plumbing, fire protection
1931 sprinkler systems, solar, heating, piping, cooling and sheet metal
1932 equipment in and about single-family residences owned and occupied
1933 or to be occupied by such persons; provided any such installation,
1934 maintenance and repair shall be subject to inspection and approval by
1935 the building official of the municipality in which such residence is
1936 located and shall conform to the requirements of the State Building
1937 Code; (12) persons who install, maintain or repair glass in a motor
1938 vehicle owned or leased by such persons; (13) persons or entities
1939 holding themselves out to be retail sellers of glass products, but not
1940 such persons or entities that also engage in automotive glass work or
1941 flat glass work; (14) persons who install preglazed or preassembled
1942 windows or doors in residential or commercial buildings; (15) persons
1943 registered under chapter 400 who install safety-backed mirror
1944 products or repair or replace flat glass in sizes not greater than thirty
1945 square feet in residential buildings; [and] (16) sheet metal work
1946 performed in residential buildings consisting of six units or less by
1947 new home construction contractors registered pursuant to chapter
1948 399a, by home improvement contractors registered pursuant to chapter
1949 400 or by persons licensed pursuant to this chapter, when such work is
1950 limited to exhaust systems installed for hoods and fans in kitchens and
1951 baths, clothes dryer exhaust systems, radon vent systems, fireplaces,
1952 fireplace flues, masonry chimneys or prefabricated metal chimneys
1953 rated by the Underwriter's Laboratory or installation of stand-alone
1954 appliances including wood, pellet or other stand-alone stoves that are
1955 installed in residential buildings by such contractors or persons; and
1956 (17) employees of or any contractor employed by and under the
1957 direction of a properly licensed solar contractor, performing work
1958 limited to the hoisting, placement and anchoring of solar collectors,
1959 photovoltaic panels, towers or turbines.

1960 Sec. 53. Section 16-244c of the general statutes is repealed and the
1961 following is substituted in lieu thereof (*Effective from passage*):

1962 (a) (1) On and after January 1, 2000, each electric distribution
1963 company shall make available to all customers in its service area, the
1964 provision of electric generation and distribution services through a
1965 standard offer. Under the standard offer, a customer shall receive
1966 electric services at a rate established by the Department of Public
1967 Utility Control pursuant to subdivision (2) of this subsection. Each
1968 electric distribution company shall provide electric generation services
1969 in accordance with such option to any customer who affirmatively
1970 chooses to receive electric generation services pursuant to the standard
1971 offer or does not or is unable to arrange for or maintain electric
1972 generation services with an electric supplier. The standard offer shall
1973 automatically terminate on January 1, 2004. While providing electric
1974 generation services under the standard offer, an electric distribution
1975 company may provide electric generation services through any of its
1976 generation entities or affiliates, provided such entities or affiliates are
1977 licensed pursuant to section 16-245.

1978 (2) Not later than October 1, 1999, the Department of Public Utility
1979 Control shall establish the standard offer for each electric distribution
1980 company, effective January 1, 2000, which shall allocate the costs of
1981 such company among electric transmission and distribution services,
1982 electric generation services, the competitive transition assessment and
1983 the systems benefits charge. The department shall hold a hearing that
1984 shall be conducted as a contested case in accordance with chapter 54 to
1985 establish the standard offer. The standard offer shall provide that the
1986 total rate charged under the standard offer, including electric
1987 transmission and distribution services, the conservation and load
1988 management program charge described in section 16-245m, the
1989 renewable energy investment charge described in section 16-245n,
1990 electric generation services, the competitive transition assessment and
1991 the systems benefits charge shall be at least ten per cent less than the
1992 base rates, as defined in section 16-244a, in effect on December 31,

1993 1996. The standard offer shall be adjusted to the extent of any increase
1994 or decrease in state taxes attributable to sections 12-264 and 12-265 and
1995 any other increase or decrease in state or federal taxes resulting from a
1996 change in state or federal law and shall continue to be adjusted during
1997 such period pursuant to section 16-19b. Notwithstanding the
1998 provisions of section 16-19b, the provisions of said section 16-19b shall
1999 apply to electric distribution companies. The standard offer may be
2000 adjusted, by an increase or decrease, to the extent approved by the
2001 department, in the event that (A) the revenue requirements of the
2002 company are affected as the result of changes in (i) legislative
2003 enactments other than public act 98-28*, (ii) administrative
2004 requirements, or (iii) accounting standards occurring after July 1, 1998,
2005 provided such accounting standards are adopted by entities
2006 independent of the company that have authority to issue such
2007 standards, or (B) an electric distribution company incurs extraordinary
2008 and unanticipated expenses required for the provision of safe and
2009 reliable electric service to the extent necessary to provide such service.
2010 Savings attributable to a reduction in taxes shall not be shifted between
2011 customer classes.

2012 (3) The price reduction provided in subdivision (2) of this
2013 subsection shall not apply to customers who, on or after July 1, 1998,
2014 are purchasing electric services from an electric company or electric
2015 distribution company, as the case may be, under a special contract or
2016 flexible rate tariff, and the company's filed standard offer tariffs shall
2017 reflect that such customers shall not receive the standard offer price
2018 reduction.

2019 (b) (1) (A) On and after January 1, 2004, each electric distribution
2020 company shall make available to all customers in its service area, the
2021 provision of electric generation and distribution services through a
2022 transitional standard offer. Under the transitional standard offer, a
2023 customer shall receive electric services at a rate established by the
2024 Department of Public Utility Control pursuant to subdivision (2) of
2025 this subsection. Each electric distribution company shall provide

2026 electric generation services in accordance with such option to any
2027 customer who affirmatively chooses to receive electric generation
2028 services pursuant to the transitional standard offer or does not or is
2029 unable to arrange for or maintain electric generation services with an
2030 electric supplier. The transitional standard offer shall terminate on
2031 December 31, 2006. While providing electric generation services under
2032 the transitional standard offer, an electric distribution company may
2033 provide electric generation services through any of its generation
2034 entities or affiliates, provided such entities or affiliates are licensed
2035 pursuant to section 16-245.

2036 (B) The department shall conduct a proceeding to determine
2037 whether a practical, effective, and cost-effective process exists under
2038 which an electric customer, when initiating electric service, may
2039 receive information regarding selecting electric generating services
2040 from a qualified entity. The department shall complete such
2041 proceeding on or before December 1, 2005, and shall implement the
2042 resulting decision on or before March 1, 2006, or on such later date that
2043 the department considers appropriate. An electric distribution
2044 company's costs of participating in the proceeding and implementing
2045 the results of the department's decision shall be recoverable by the
2046 company as generation services costs through an adjustment
2047 mechanism as approved by the department.

2048 (2) (A) Not later than December 15, 2003, the Department of Public
2049 Utility Control shall establish the transitional standard offer for each
2050 electric distribution company, effective January 1, 2004.

2051 (B) The department shall hold a hearing that shall be conducted as a
2052 contested case in accordance with chapter 54 to establish the
2053 transitional standard offer. The transitional standard offer shall
2054 provide that the total rate charged under the transitional standard
2055 offer, including electric transmission and distribution services, the
2056 conservation and load management program charge described in
2057 section 16-245m, the renewable energy investment charge described in

2058 section 16-245n, electric generation services, the competitive transition
2059 assessment and the systems benefits charge, and excluding federally
2060 mandated congestion costs, shall not exceed the base rates, as defined
2061 in section 16-244a, in effect on December 31, 1996, excluding any rate
2062 reduction ordered by the department on September 26, 2002.

2063 (C) (i) Each electric distribution company shall, on or before January
2064 1, 2004, file with the department an application for an amendment of
2065 rates pursuant to section 16-19, which application shall include a four-
2066 year plan for the provision of electric transmission and distribution
2067 services. The department shall conduct a contested case proceeding
2068 pursuant to sections 16-19 and 16-19e to approve, reject or modify the
2069 application and plan. Upon the approval of such plan, as filed or as
2070 modified by the department, the department shall order that such plan
2071 shall establish the electric transmission and distribution services
2072 component of the transitional standard offer.

2073 (ii) Notwithstanding the provisions of this subparagraph, an electric
2074 distribution company that, on or after September 1, 2002, completed a
2075 proceeding pursuant to sections 16-19 and 16-19e, shall not be required
2076 to file an application for an amendment of rates as required by this
2077 subparagraph. The department shall establish the electric transmission
2078 and distribution services component of the transitional standard offer
2079 for any such company equal to the electric transmission and
2080 distribution services component of the standard offer established
2081 pursuant to subsection (a) of this section in effect on July 1, 2003, for
2082 such company. If such electric distribution company applies to the
2083 department, pursuant to section 16-19, for an amendment of its rates
2084 on or before December 31, 2006, the application of the electric
2085 distribution company shall include a four-year plan.

2086 (D) The transitional standard offer (i) shall be adjusted to the extent
2087 of any increase or decrease in state taxes attributable to sections 12-264
2088 and 12-265 and any other increase or decrease in state or federal taxes
2089 resulting from a change in state or federal law, (ii) shall be adjusted to

2090 provide for the cost of contracts under subdivision (2) of subsection (j)
2091 of this section and the administrative costs for the procurement of such
2092 contracts, and (iii) shall continue to be adjusted during such period
2093 pursuant to section 16-19b. Savings attributable to a reduction in taxes
2094 shall not be shifted between customer classes. Notwithstanding the
2095 provisions of section 16-19b, the provisions of section 16-19b shall
2096 apply to electric distribution companies.

2097 (E) The transitional standard offer may be adjusted, by an increase
2098 or decrease, to the extent approved by the department, in the event
2099 that (i) the revenue requirements of the company are affected as the
2100 result of changes in (I) legislative enactments other than public act 03-
2101 135* or public act 98-28*, (II) administrative requirements, or (III)
2102 accounting standards adopted after July 1, 2003, provided such
2103 accounting standards are adopted by entities that are independent of
2104 the company and have authority to issue such standards, or (ii) an
2105 electric distribution company incurs extraordinary and unanticipated
2106 expenses required for the provision of safe and reliable electric service
2107 to the extent necessary to provide such service.

2108 (3) The price provided in subdivision (2) of this subsection shall not
2109 apply to customers who, on or after July 1, 2003, purchase electric
2110 services from an electric company or electric distribution company, as
2111 the case may be, under a special contract or flexible rate tariff,
2112 provided the company's filed transitional standard offer tariffs shall
2113 reflect that such customers shall not receive the transitional standard
2114 offer price during the term of said contract or tariff.

2115 (4) (A) In addition to its costs received pursuant to subsection (h) of
2116 this section, as compensation for providing transitional standard offer
2117 service, each electric distribution company shall receive an amount
2118 equal to five-tenths of one mill per kilowatt hour. Revenues from such
2119 compensation shall not be included in calculating the electric
2120 distribution company's earnings for purposes of, or in determining
2121 whether its rates are just and reasonable under, sections 16-19, 16-19a

2122 and 16-19e, including an earnings sharing mechanism. In addition,
2123 each electric distribution company may earn compensation for
2124 mitigating the prices of the contracts for the provision of electric
2125 generation services, as provided in subdivision (2) of this subsection.

2126 (B) The department shall conduct a contested case proceeding
2127 pursuant to the provisions of chapter 54 to establish an incentive plan
2128 for the procurement of long-term contracts for transitional standard
2129 offer service by an electric distribution company. The incentive plan
2130 shall be based upon a comparison of the actual average firm full
2131 requirements service contract price for electricity obtained by the
2132 electric distribution company compared to the regional average firm
2133 full requirements service contract price for electricity, adjusted for such
2134 variables as the department deems appropriate, including, but not
2135 limited to, differences in locational marginal pricing. If the actual
2136 average firm full requirements service contract price obtained by the
2137 electric distribution company is less than the actual regional average
2138 firm full requirements service contract price for the previous year, the
2139 department shall split five-tenths of one mill per kilowatt hour equally
2140 between ratepayers and the company. Revenues from such incentive
2141 plan shall not be included in calculating the electric distribution
2142 company's earnings for purposes of, or in determining whether its
2143 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.
2144 The department may, as it deems necessary, retain a third party entity
2145 with expertise in energy procurement to assist with the development
2146 of such incentive plan.

2147 (c) (1) On and after January 1, 2007, each electric distribution
2148 company shall provide electric generation services through standard
2149 service to any customer who (A) does not arrange for or is not
2150 receiving electric generation services from an electric supplier, and (B)
2151 [does not use a demand meter or] has a maximum demand of less than
2152 five hundred kilowatts.

2153 (2) Not later than October 1, 2006, and [periodically as required by

2154 subdivision (3) of this subsection, but not more often than every
2155 calendar quarter] annually thereafter, the Department of Public Utility
2156 Control shall establish the standard service price for such customers
2157 pursuant to [subdivision (3) of] this subsection, except the department
2158 may adjust the price more frequently if it determines that such
2159 adjustment would be in the best interest of ratepayers, but not more
2160 than once per calendar quarter. Said price shall reflect the cost of
2161 electricity purchased for current and former customers for which the
2162 electric distribution companies procured contracts for electric
2163 generation services to assure that customers who leave standard
2164 service continue to pay an appropriate amount of the costs of
2165 electricity commitments for such service. Each electric distribution
2166 company shall recover the actual net costs of procuring and providing
2167 electric generation services pursuant to this subsection, provided such
2168 company mitigates the costs it incurs for the procurement of electric
2169 generation services for customers who are no longer receiving service
2170 pursuant to this subsection.

2171 (3) An electric distribution company providing electric generation
2172 services pursuant to this subsection shall mitigate the variation of the
2173 price of the service offered to its customers by procuring electric
2174 generation services contracts in the manner prescribed in a plan
2175 approved by the department. Such plan shall require the procurement
2176 of a portfolio of service contracts sufficient to meet the projected load
2177 of the electric distribution company. Such plan shall require that the
2178 portfolio of service contracts be procured in an overlapping pattern of
2179 fixed periods at such times and in such manner and duration as the
2180 department determines to be most likely to produce just, reasonable
2181 and reasonably stable retail rates while reflecting underlying
2182 wholesale market prices over time. The portfolio of contracts shall be
2183 assembled in such manner as to invite competition; guard against
2184 favoritism, improvidence, extravagance, fraud and corruption; and
2185 secure a reliable electricity supply while avoiding unusual, anomalous
2186 or excessive pricing. The portfolio of contracts procured under such
2187 plan shall be for terms of not less than six months, provided contracts

2188 for shorter periods may be procured under such conditions as the
2189 department shall prescribe to (A) ensure for end-use customers the
2190 lowest rates possible, [for end-use customers] giving due consideration
2191 to risk and amount of volatility in the overall ratio; (B) ensure reliable
2192 service under extraordinary circumstances; and (C) ensure the prudent
2193 management of the contract portfolio. An electric distribution
2194 company may receive a bid for an electric generation services contract
2195 from any of its generation entities or affiliates, provided such
2196 generation entity or affiliate submits its bid the business day preceding
2197 the first day on which an unaffiliated electric supplier may submit its
2198 bid and further provided the electric distribution company and the
2199 generation entity or affiliate are in compliance with the code of
2200 conduct established in section 16-244h.

2201 (4) The department, in consultation with the Office of Consumer
2202 Counsel, shall retain the services of a third-party entity with expertise
2203 in the area of energy procurement to oversee the initial development of
2204 the request for proposals and the procurement of contracts by an
2205 electric distribution company for the provision of electric generation
2206 services offered pursuant to this subsection. Costs associated with the
2207 retention of such third-party entity shall be included in the cost of
2208 electric generation services that is included in such price.

2209 (5) Each bidder for a standard service contract shall submit its bid to
2210 the electric distribution company and the third-party entity who shall
2211 jointly review the bids, conduct a cost-based analysis of such bids and
2212 submit an overview of all bids together with a joint recommendation
2213 to the department as to the preferred bidders. The department shall
2214 make available to the Office of Consumer Counsel and the Attorney
2215 General all bids it receives pursuant to this subsection, provided the
2216 Office of Consumer Counsel and the Attorney General shall not make
2217 the bids available to the public until the department does so pursuant
2218 to subdivision (6) of this subsection. The department may, within ten
2219 business days of submission of the overview, reject the
2220 recommendation regarding preferred bidders if the bids are not in the

2221 best interest of the customer. In analyzing the bids, the department
2222 shall determine if they are consistent with the approved integrated
2223 resource plan pursuant to section 55 of this act. In the event that the
2224 department rejects the preferred bids, the electric distribution
2225 company and the third-party entity shall rebid the service pursuant to
2226 this subdivision.

2227 (6) Upon approval of the preferred bids by the department, the
2228 respective electric distribution company shall enter into contracts with
2229 approved bidders. All bids received by the department during the
2230 procurement process shall be available for public review six months
2231 after department approval or rejection and shall include written
2232 reasons for rejection and findings of fact, as applicable.

2233 (7) Not later than October 1, 2009, and biennially thereafter, the
2234 department shall conduct a contested case proceeding in accordance
2235 with chapter 54 to review the efficacy of the process of procuring
2236 contracts pursuant to this subsection including as assessment of the
2237 extent to which the standards set forth in sections 55 and 58 of this act
2238 are met.

2239 (d) (1) [Notwithstanding] Not later than January 1, 2008, and on a
2240 continuing basis, notwithstanding the provisions of this section
2241 regarding the electric generation services component of the transitional
2242 standard offer or the procurement of electric generation services under
2243 standard service, section 16-244h or 16-245o, the Department of Public
2244 Utility Control [may, from time to time, direct an electric distribution
2245 company] shall direct the electric distribution companies to offer,
2246 through an electric supplier or electric suppliers, [before January 1,
2247 2007, one or more alternative transitional standard offer options or, on
2248 or after January 1, 2007,] one or more [alternative standard] renewable
2249 service options. Such [alternative] renewable service options shall
2250 include, but not be limited to, an option that consists of the provision
2251 of electric generation services that exceed the renewable portfolio
2252 standards established in section 16-245a and an option that allows

2253 consumers to purchase renewable energy directly and may include an
2254 option that utilizes strategies or technologies that reduce the overall
2255 consumption of electricity of the customer.

2256 (2) (A) The department shall develop such [alternative] renewable
2257 service option or options in [a contested case] contested cases, as
2258 necessary, conducted in accordance with the provisions of chapter 54.
2259 The department shall determine the terms and conditions of such
2260 [alternative] renewable service option or options, including, but not
2261 limited to, (i) the minimum contract terms, including pricing, length
2262 and termination of the contract, and (ii) the minimum percentage of
2263 electricity derived from Class I or Class II renewable energy sources, if
2264 applicable. The electric distribution [company] companies shall, under
2265 the supervision of the department, subsequently conduct a bidding
2266 process in order to solicit electric suppliers to provide such
2267 [alternative] renewable service option or options.

2268 (B) The department may reject some or all of the bids received
2269 pursuant to the bidding process.

2270 (3) The department may require an electric supplier to provide
2271 forms of assurance to satisfy the department that the contracts
2272 resulting from the bidding process will be fulfilled.

2273 (4) An electric supplier who fails to fulfill its contractual obligations
2274 resulting from this subdivision shall be subject to civil penalties, in
2275 accordance with the provisions of section 16-41, or the suspension or
2276 revocation of such supplier's license or a prohibition on the acceptance
2277 of new customers, following a hearing that is conducted as a contested
2278 case, in accordance with the provisions of chapter 54.

2279 (e) (1) On and after January 1, 2007, an electric distribution company
2280 shall serve customers that are not eligible to receive standard service
2281 pursuant to subsection (c) of this section as the supplier of last resort.
2282 This subsection shall not apply to customers purchasing power under
2283 contracts entered into pursuant to section 16-19hh. Any customer

2284 previously receiving electric generation services from an electric
2285 supplier shall not be eligible to receive supplier of last resort service
2286 pursuant to this subsection unless such customer agrees to receive
2287 supplier of last resort service for a period of not less than one year.

2288 (2) An electric distribution company shall procure electricity
2289 annually to provide electric generation services to customers pursuant
2290 to this subsection. The Department of Public Utility Control shall
2291 determine a price for such customers that reflects the full cost of
2292 providing the electricity on a monthly basis and that is consistent with
2293 the approved integrated resource plan pursuant to sections 55 and 58
2294 of this act or, on a alternative basis as determined pursuant to
2295 subdivision (3) of this subsection. All twelve months of prices shall be
2296 published before any customer receives generation services pursuant
2297 to this subsection. Each electric distribution company shall recover the
2298 actual net costs of procuring and providing electric generation services
2299 pursuant to this subsection, provided such company mitigates the
2300 costs it incurs for the procurement of electric generation services for
2301 customers that are no longer receiving service pursuant to this
2302 subsection. Each electric distribution company shall set rates for
2303 municipal customers in one-year blocks and inform the chief executive
2304 officer of a municipality of rates for the upcoming fiscal year by March
2305 first annually.

2306 (3) On or after July 1, 2008, the Department of Public Utility Control
2307 may conduct a contested case proceeding, in accordance with the
2308 provisions of chapter 54, to study the frequency with which it should
2309 determine the price for supplier of last resort service. All bids received
2310 by the department pursuant to this section shall be available for public
2311 review six months after department approval or rejection.

2312 (f) On and after January 1, 2000, and until such time the regional
2313 independent system operator implements procedures for the provision
2314 of back-up power to the satisfaction of the Department of Public Utility
2315 Control, each electric distribution company shall provide electric

2316 generation services to any customer who has entered into a service
2317 contract with an electric supplier that fails to provide electric
2318 generation services for reasons other than the customer's failure to pay
2319 for such services. Between January 1, 2000, and December 31, 2006, an
2320 electric distribution company may procure electric generation services
2321 through a competitive bidding process or through any of its generation
2322 entities or affiliates. On and after January 1, 2007, such company shall
2323 procure electric generation services through a competitive bidding
2324 process pursuant to a plan submitted by the electric distribution
2325 company and approved by the department. Such company may
2326 procure electric generation services through any of its generation
2327 entities or affiliates, provided such entity or affiliate is the lowest
2328 qualified bidder and provided further any such entity or affiliate is
2329 licensed pursuant to section 16-245.

2330 (g) An electric distribution company is not required to be licensed
2331 pursuant to section 16-245 to provide standard offer electric generation
2332 services in accordance with subsection (a) of this section, transitional
2333 standard offer service pursuant to subsection (b) of this section,
2334 standard service pursuant to subsection (c) of this section, supplier of
2335 last resort service pursuant to subsection (e) of this section or back-up
2336 electric generation service pursuant to subsection (f) of this section.

2337 (h) The electric distribution company shall be entitled to recover
2338 reasonable costs incurred as a result of providing standard offer
2339 electric generation services pursuant to the provisions of subsection (a)
2340 of this section, transitional standard offer service pursuant to
2341 subsection (b) of this section, standard service pursuant to subsection
2342 (c) of this section or back-up electric generation service pursuant to
2343 subsection (f) of this section. The provisions of this section and section
2344 16-244a shall satisfy the requirements of section 16-19a until January 1,
2345 2007.

2346 (i) The Department of Public Utility Control shall establish, by
2347 regulations adopted pursuant to chapter 54, procedures for when and

2348 how a customer is notified that his electric supplier has defaulted and
2349 of the need for the customer to choose a new electric supplier within a
2350 reasonable period of time.

2351 (j) (1) Notwithstanding the provisions of subsection (d) of this
2352 section regarding an alternative transitional standard offer option or
2353 an alternative standard service option, an electric distribution
2354 company providing transitional standard offer service, standard
2355 service, supplier of last resort service or back-up electric generation
2356 service in accordance with this section shall contract with its wholesale
2357 suppliers to comply with the renewable portfolio standards. The
2358 Department of Public Utility Control shall annually conduct a
2359 contested case, in accordance with the provisions of chapter 54, in
2360 order to determine whether the electric distribution company's
2361 wholesale suppliers met the renewable portfolio standards during the
2362 preceding year. An electric distribution company shall include a
2363 provision in its contract with each wholesale supplier that requires the
2364 wholesale supplier to pay the electric distribution company an amount
2365 of five and one-half cents per kilowatt hour if the wholesale supplier
2366 fails to comply with the renewable portfolio standards during the
2367 subject annual period. The electric distribution company shall
2368 promptly transfer any payment received from the wholesale supplier
2369 for the failure to meet the renewable portfolio standards to the
2370 Renewable Energy Investment Fund for the development of Class I
2371 renewable energy sources. Any payment made pursuant to this section
2372 shall not be considered revenue or income to the electric distribution
2373 company.

2374 (2) Notwithstanding the provisions of subsection (d) of this section
2375 regarding an alternative transitional standard offer option or an
2376 alternative standard service option, an electric distribution company
2377 providing transitional standard offer service, standard service,
2378 supplier of last resort service or back-up electric generation service in
2379 accordance with this section shall, not later than July 1, 2008, file with
2380 the Department of Public Utility Control for its approval one or more

2381 long-term power purchase contracts from Class I renewable energy
2382 source projects that receive funding from the Renewable Energy
2383 Investment Fund and that are not less than one megawatt in size, at a
2384 price that is either, at the determination of the project owner, (A) not
2385 more than the total of the comparable wholesale market price for
2386 generation plus five and one-half cents per kilowatt hour, or (B) fifty
2387 per cent of the wholesale market electricity cost at the point at which
2388 transmission lines intersect with each other or interface with the
2389 distribution system, plus the project cost of fuel indexed to natural gas
2390 futures contracts on the New York Mercantile Exchange at the natural
2391 gas pipeline interchange located in Vermillion Parish, Louisiana that
2392 serves as the delivery point for such futures contracts, plus the fuel
2393 delivery charge for transporting fuel to the project, plus five and one-
2394 half cents per kilowatt hour. In its approval of such contracts, the
2395 department shall give preference to purchase contracts from those
2396 projects that would provide a financial benefit to ratepayers or would
2397 enhance the reliability of the electric transmission system of the state.
2398 Such projects shall be located in this state. The owner of a fuel cell
2399 project principally manufactured in this state shall be allocated all
2400 available air emissions credits and tax credits attributable to the project
2401 and no less than fifty per cent of the energy credits in the Class I
2402 renewable energy credits program established in section 16-245a
2403 attributable to the project. Such contracts shall be comprised of not less
2404 than a total, apportioned among each electric distribution company, of
2405 one hundred megawatts. The cost of such contracts and the
2406 administrative costs for the procurement of such contracts directly
2407 incurred shall be eligible for inclusion in the adjustment to the
2408 transitional standard offer as provided in this section and any
2409 subsequent rates for standard service, provided such contracts are for a
2410 period of time sufficient to provide financing for such projects, but not
2411 less than ten years, and are for projects which began operation on or
2412 after July 1, 2003. Except as provided in this subdivision, the amount
2413 from Class I renewable energy sources contracted under such contracts
2414 shall be applied to reduce the applicable Class I renewable energy

2415 source portfolio standards. For purposes of this subdivision, the
2416 department's determination of the comparable wholesale market price
2417 for generation shall be based upon a reasonable estimate.

2418 (k) Notwithstanding the process in subsection (c) of this section, any
2419 electric distribution company may enter into a tentative proposed
2420 contract for standard service or last resort service. Such tentative
2421 contract shall be subject to a Department of Public Utility Control
2422 contested case proceeding for approval. The department shall conduct
2423 said contested case proceeding in accordance with chapter 54. Upon
2424 approval of the contracts by the department, the respective electric
2425 distribution company may enter into the contract.

2426 Sec. 54. (NEW) (*Effective from passage*) If, based on the proposals
2427 requested pursuant to section 16-243m of the general statutes, the
2428 Department of Public Utility Control determines that the state needs
2429 peaking generation, the department shall, for every megawatt of
2430 peaking generation awarded to a nonutility generator, direct the
2431 distribution companies to submit bids for an at least equal amount of
2432 megawatts of peaking generation. Each distribution company may
2433 submit proposals in proportion to their relative share of customer load
2434 in the state. An electric distribution company submitting a proposal
2435 pursuant to this subsection shall (1) include its full projected costs,
2436 such that any project costs recovered from or defrayed by ratepayers
2437 are included in the projected costs, and (2) demonstrate to the
2438 department that its proposal is not supported in any form of cross
2439 subsidization by affiliated entities. The department may request that
2440 the electric distribution company submitting a proposal submit further
2441 information that the department determines to be in the public
2442 interest, which the department may use in evaluating the proposal.
2443 The department may reject proposals that are not in the best interests
2444 of customers. An electric distribution company, in an annual retail
2445 generation rate contested case, shall be entitled to recover its prudently
2446 incurred costs of such project, including, but not limited to, capital
2447 costs, operation and maintenance expenses, depreciation, fuel costs,

2448 taxes and other governmental charges and a reasonable rate of return
2449 on equity. The department shall review such recovery of costs
2450 consistent with the principles set forth in sections 16-19, 16-19b and 16-
2451 19e of the general statutes, as amended by this act, provided the return
2452 on equity associated with such project shall be established in the initial
2453 annual contested case proceeding under this subsection and updated
2454 at least once every four years.

2455 Sec. 55. (NEW) (*Effective from passage*) (a) The electric distribution
2456 companies shall develop a comprehensive plan for the procurement of
2457 energy resources, including, but not limited to, conventional and
2458 renewable generating facilities, energy efficiency, load management,
2459 demand response, combined heat and power facilities and distributed
2460 generation to meet the projected requirements of their customers in a
2461 manner that minimizes the cost of such resources to customers over
2462 time consistent with the state's environmental goals and standards. On
2463 or before September 1, 2007, and every two years thereafter, the
2464 companies shall submit to the Connecticut Energy Advisory Board,
2465 established pursuant to section 16a-3 of the general statutes, as
2466 amended by this act, an assessment of (1) the energy and capacity
2467 requirements of the customers for the next two, five and ten years, (2)
2468 the impact of current and projected environmental standards,
2469 including, but not limited to, those related to greenhouse gas emissions
2470 and the federal Clean Air Act goals and how different resources could
2471 help achieve those standards and goals, (3) energy security and
2472 economic risks associated with potential energy resources, and (4) the
2473 estimated lifetime cost and availability of potential energy resources.

2474 (b) Resource needs shall first be met through all available energy
2475 efficiency and demand reduction resources that are cost effective,
2476 reliable and feasible. The plan shall specify (1) the total amount of
2477 energy and capacity resources needed to meet the requirements of all
2478 customers, (2) the extent to which demand side measures, including
2479 efficiency, conservation, demand response and load management can
2480 cost-effectively meet these needs, (3) needs for generating capacity and

2481 transmission and distribution improvements, (4) how the development
2482 of such resources will reduce and stabilize the costs of electricity to
2483 consumers, and (5) the manner in which each of the proposed
2484 resources should be procured, including the optimal contract periods
2485 for various resources.

2486 (c) The procurement plan shall consider: (1) Approaches to
2487 maximizing the impact of demand side measures; (2) the extent to
2488 which generation needs can be met by renewable and combined heat
2489 and power facilities and by the impact of regional market incentives;
2490 (3) types and locations for generation that would optimize the
2491 generation portfolio within the state; (4) fuel types, diversity,
2492 availability, firmness of supply and security and environmental
2493 impacts thereof, including impacts on meeting the state's greenhouse
2494 gas emission goals; (5) reliability, peak load and energy forecasts,
2495 system contingencies and existing resource availabilities; (6) import
2496 limitations and the appropriate reliance on such imports; (7) the costs
2497 and benefits of options for the ownership of energy resources,
2498 including ownership by an electric distribution company; (8) if it is in
2499 the best interest of customers, how new resources could be integrated
2500 into the standard service and last-resort service provided pursuant to
2501 section 16-244c of the general statutes, as amended by this act; and (9)
2502 the impact of the plan on the costs of electric customers, including, but
2503 not limited to, effects on capacity and energy costs, rate stability and
2504 affordability for low-income customers.

2505 (d) The board shall review and approve the proposed procurement
2506 plan as submitted not later than one hundred twenty days after
2507 receipt. For the purpose of reviewing the plan, the Commissioners of
2508 Transportation and Agriculture, or their respective designees, shall not
2509 participate. The companies shall provide any additional information
2510 requested by the board that is relevant to the consideration of the
2511 procurement plan. In the course of conducting such review, the board
2512 may retain the services of a third-party entity with experience in the
2513 area of energy procurement and may consult with the regional

2514 independent system operator. The board shall submit the reviewed
2515 plan, together with a statement of any unresolved issues, to the
2516 Department of Public Utility Control. The department shall consider
2517 the plan in an uncontested proceeding and shall provide an
2518 opportunity for interested parties to submit comments regarding the
2519 plan. Not later than one hundred twenty days after submission of the
2520 plan, the department shall approve, or modify and approve, the plan.

2521 Sec. 56. (NEW) (*Effective from passage*) (a) The Department of Public
2522 Utility Control shall implement the procurement plan established in
2523 section 55 of this act by (1) issuing requests for proposals pursuant to
2524 section 58 of this act to meet specified energy resource needs set forth
2525 in the plan or by directing the electric distribution companies to issue
2526 such requests for proposals, (2) directing the electric distribution
2527 companies to incorporate additional demand-side measures set forth
2528 in the plan into the comprehensive conservation and load management
2529 plan prepared pursuant to section 16-245m of the general statutes for
2530 review by the Energy Conservation Management Board, (3) directing
2531 the distribution companies to submit proposals for specific
2532 transmission or distribution improvements or projects set forth in the
2533 plan, or (4) taking other actions within its authority to implement the
2534 plan.

2535 (b) Effective January 1, 2008, until the comprehensive plan is
2536 implemented by the department, the electric distribution companies
2537 shall include all available energy efficiency and demand reduction
2538 resources that are cost effective, reliable and feasible in the
2539 comprehensive conservation and load management plan prepared
2540 pursuant to section 16-245m of the general statutes for review by the
2541 Energy Conservation Management Board.

2542 Sec. 57. Section 16a-3 of the general statutes is repealed and the
2543 following is substituted in lieu thereof (*Effective from passage*):

2544 (a) There is established a Connecticut Energy Advisory Board
2545 consisting of [nine] eleven members, including the Commissioner of

2546 Environmental Protection, [the chairperson of the Public Utilities
2547 Control Authority,] the Commissioner of Transportation, the
2548 Consumer Counsel, the Commissioner of Agriculture, and the
2549 Secretary of the Office of Policy and Management or their respective
2550 designees. The Governor shall appoint [one member,] a representative
2551 of an environmental organization knowledgeable in energy efficiency
2552 programs, a representative of in-state generators and a representative
2553 of a consumer advocacy organization knowledgeable in energy issues.
2554 The Governor, the president pro tempore of the Senate [shall appoint
2555 one member,] and the speaker of the House of Representatives shall
2556 each appoint one member [, all] of the public, each of whom shall be
2557 considered an expert in electricity, generation, procurement or
2558 conservation programs and shall serve in accordance with section 4-1a.
2559 No appointee may be employed by, or a consultant of, a public service
2560 company, as defined in section 16-1, as amended by this act, or an
2561 electric supplier, as defined in section 16-1, as amended by this act, or
2562 an affiliate or subsidiary of such company or supplier.

2563 (b) The board shall, (1) prepare an annual report pursuant to section
2564 16a-7a; (2) represent the state in regional energy system planning
2565 processes conducted by the regional independent system operator, as
2566 defined in section 16-1, as amended by this act; (3) encourage
2567 representatives from the municipalities that are affected by a proposed
2568 project of regional significance to participate in regional energy system
2569 planning processes conducted by the regional independent system
2570 operator; (4) issue a request-for-proposal in accordance with
2571 subsections (b) and (c) of section 16a-7c; (5) evaluate the proposals
2572 received pursuant to the request-for-proposal in accordance with
2573 subsection (f) of section 16a-7c; (6) participate in a forecast proceeding
2574 conducted pursuant to subsection (a) of section 16-50r; [and] (7)
2575 participate in a life-cycle proceeding conducted pursuant to subsection
2576 (b) of section 16-50r; and (8) review the procurement plan submitted
2577 by the electric distribution companies pursuant to section 55 of this act.

2578 (c) The board shall elect a chairman and a vice-chairman from

2579 among its members and shall adopt such rules of procedure as are
2580 necessary to carry out its functions.

2581 (d) The board shall convene its first meeting not later than
2582 September 1, 2003. A quorum of the board shall consist of two-thirds
2583 of the members currently serving on the board.

2584 (e) The board shall employ such staff as is required for the proper
2585 discharge of its duties. The board shall annually submit to the
2586 Department of Public Utility Control a proposal regarding the level of
2587 funding required for the discharge of its duties, which proposal shall
2588 be approved by the department either as submitted or as modified by
2589 the department.

2590 (f) The Connecticut Energy Advisory Board shall be within the
2591 Office of Policy and Management for administrative purposes only.

2592 Sec. 58. (NEW) (*Effective from passage*) (a) Pursuant to the assessment
2593 conducted under section 55 of this act, the Department of Public Utility
2594 Control may, from time to time, conduct a contested case proceeding
2595 to develop and issue a request for proposals to solicit the development
2596 of demand response, efficiency and load management and new,
2597 expanded or repowered cost-of-service generation. A person that is not
2598 an electric distribution company submitting a proposal pursuant to
2599 this subsection shall include draft contracts containing information
2600 required by subsection (d) of this section in its submission, with
2601 compensation based on cost-of-service. The department may request
2602 that a person submitting a proposal submit further information that
2603 the department determines to be in the public interest, which the
2604 department may use in evaluating the proposal. The department shall
2605 approve contracts consistent with the principles set forth in sections
2606 16-19, 16-19b and 16-19e of the general statutes, as amended by this
2607 act. The department may reject proposals that are not in the best
2608 interests of customers.

2609 (b) The Department of Public Utility Control shall evaluate

2610 proposals received pursuant to subsection (a) of this section and may
2611 approve one or more of such proposals. The department shall evaluate
2612 the proposals based on consistency with environmental sustainability,
2613 reduction and stabilization of electric rates, the promotion of fuel
2614 diversity and the reduction or overall minimization of increases in
2615 greenhouse gas emissions. The department shall only approve such
2616 proposals that are in the best long-term interest of the customers of the
2617 state. All bids received by the department pursuant to this section shall
2618 be available for public review six months after department approval or
2619 rejection.

2620 (c) The Department of Public Utility Control shall publish requests
2621 for proposals under this section in one or more newspapers or
2622 periodicals, as selected by the department, and shall post such request
2623 for proposals on its web site. The department may retain the services
2624 of a third-party entity with expertise in the area of energy procurement
2625 to oversee the development of the requests for proposals and to assist
2626 the department in its approval of proposals pursuant to this section.
2627 The reasonable and proper expenses for retaining such third-party
2628 entity shall be recoverable through federally mandated congestion
2629 charges, as defined in section 16-1 of the general statutes, as amended
2630 by this act, which charges the department shall allocate to electric
2631 distribution companies in proportion to their revenue.

2632 (d) Any person, other than an electric distribution company,
2633 submitting a proposal pursuant to this section shall include with its
2634 proposal a draft of a contract that includes the transfer to the electric
2635 distribution company of all the capacity rights related to the facility
2636 under contract, and for baseload and intermediate proposals all rights
2637 related to the facility, including, but not limited to, energy, installed
2638 capacity, forward reserve capacity, locational forward reserve capacity,
2639 environmental credits and all other similar or ancillary products
2640 associated with such proposal. The draft contract shall also include
2641 compensation based on cost-of-service and security for ensuring
2642 performance of the contractual obligations. No such draft of a contract

2643 shall have a term exceeding fifteen years. Such draft contract shall
2644 include such provisions as the Department of Public Utility Control
2645 directs.

2646 (e) An electric distribution company shall enter into contracts to
2647 implement those proposals approved pursuant to this section, and
2648 shall apply to the Department of Public Utility Control for approval of
2649 each such contract. After thirty days, either party may request the
2650 assistance of the department to resolve any outstanding issues. No
2651 such contract may become effective without approval of the
2652 department. The department shall hold a hearing that shall be
2653 conducted as a contested case, in accordance with the provisions of
2654 chapter 54 of the general statutes, to approve, reject or modify an
2655 application for approval of such contracts. Such a contract shall contain
2656 terms that mitigate the long-term risk assumed by customers. No
2657 contract approved by the department shall have a term exceeding
2658 fifteen years.

2659 (f) Projects approved pursuant to this section are eligible for
2660 expedited siting through a petition for declaratory ruling pursuant to
2661 subsection (a) of section 16-50k of the general statutes. The provisions
2662 of section 16a-7c of the general statutes shall not apply to projects
2663 approved pursuant to this section.

2664 Sec. 59. (*Effective July 1, 2007*) On and after July 1, 2009, if the
2665 Department of Public Utility Control does not receive and approve
2666 proposals pursuant to the requests for proposal processes pursuant to
2667 section 58 of this act, sufficient to reach the goal set by the plan
2668 approved pursuant to section 55 of this act, the department shall
2669 conduct a contested case proceeding, in accordance with chapter 54 of
2670 the general statutes, to perform a needs assessment to determine the
2671 total amount and type of energy resource needs, if any, that remain
2672 unaddressed. If the department determines that said needs have been
2673 unaddressed, the department shall conduct a contested case
2674 proceeding to determine the costs and benefits of the state serving as

2675 the builder of last resort for the shortfall of megawatts from said
2676 request for proposal process, and may issue a request for proposal, in
2677 accordance with the provisions of subdivision (1) of subsection (a) of
2678 section 58 of this act to electric distribution companies to address the
2679 shortfall of new, expanded or repowered eligible generation, including
2680 baseload, intermediate, peaking, renewable and demand response. The
2681 department may request that the electric distribution company
2682 submitting a proposal submit further information that the department
2683 determines to be in the public interest, which the department may use
2684 in evaluating the proposal. Each electric distribution company shall be
2685 entitled to recover its prudently incurred costs of such project,
2686 including, but not limited to, capital costs, operation and maintenance
2687 expenses, depreciation, fuel costs, taxes and other governmental
2688 charges, and a reasonable rate or return on equity. The department
2689 shall review such recovery of costs consistent with the principles set
2690 forth in sections 16-19, 16-19b and 16-19e of the general statutes, as
2691 amended by this act, provided the return on equity associated with
2692 such project shall be established in the initial annual contested case
2693 proceeding under this subsection and updated at least once every four
2694 years.

2695 Sec. 60. Section 16-32f of the general statutes is repealed and the
2696 following is substituted in lieu thereof (*Effective July 1, 2007*):

2697 (a) On or before October first of each even-numbered year, a gas
2698 company, as defined in section 16-1, as amended by this act, shall
2699 furnish a report to the Department of Public Utility Control containing
2700 a five-year forecast of loads and resources. The report shall describe
2701 the facilities and supply sources that, in the judgment of such gas
2702 company, will be required to meet gas demands during the forecast
2703 period. The report shall be made available to the public and shall be
2704 furnished to the chief executive officer of each municipality in the
2705 service area of such gas company, the regional planning agency which
2706 encompasses each such municipality, the Attorney General, the
2707 president pro tempore of the Senate, the speaker of the House of

2708 Representatives, the joint standing committee of the General Assembly
2709 having cognizance of matters relating to public utilities, any other
2710 member of the General Assembly making a request to the department
2711 for the report and such other state and municipal entities as the
2712 department may designate by regulation. The report shall include: (1)
2713 A tabulation of estimated peak loads and resources for each year; (2)
2714 data on gas use and peak loads for the five preceding calendar years;
2715 (3) a list of present and projected gas supply sources; (4) specific
2716 measures to control load growth and promote conservation; and (5)
2717 such other information as the department may require by regulation. A
2718 full description of the methodology used to arrive at the forecast of
2719 loads and resources shall also be furnished to the department. The
2720 department shall hold a public hearing on such reports upon the
2721 request of any person. On or before August first of each odd-
2722 numbered year, the department may request a gas company to furnish
2723 to the department an updated report. A gas company shall furnish any
2724 such updated report not later than sixty days following the request of
2725 the department.

2726 (b) Not later than October 1, 2005, and annually thereafter, a gas
2727 company, as defined in section 16-1, as amended by this act, shall
2728 submit to the Department of Public Utility Control a gas conservation
2729 plan, in accordance with the provisions of this section, to implement
2730 cost-effective energy conservation programs and market
2731 transformation initiatives. All supply and conservation and load
2732 management options shall be evaluated and selected within an
2733 integrated supply and demand planning framework. Such plan shall
2734 be funded during each state fiscal year by the revenue from the tax
2735 imposed by section 12-264 on the gross receipts of sales of all public
2736 services companies that is in excess of the revenue estimate for said tax
2737 that is approved by the General Assembly in the appropriations act for
2738 such fiscal year, provided the amount of such excess revenue that shall
2739 be allocated to fund such plan in any state fiscal year shall not exceed
2740 ten million dollars. Such excess revenue shall be deposited in an
2741 account held by the Energy Conservation Management Board,

2742 established pursuant to section 16-245m. Services provided under the
2743 plan shall be available to all gas company customers. Each gas
2744 company shall apply to the Energy Conservation Management Board
2745 for reimbursement for expenditures pursuant to the plan. The
2746 department shall, in an uncontested proceeding during which the
2747 department may hold a public hearing, approve, modify or reject the
2748 plan.

2749 (c) (1) The Energy Conservation Management Board [, established
2750 pursuant to section 16-245m,] shall advise and assist each such gas
2751 company in the development and implementation of the plan
2752 submitted under subsection (b) of this section. Each program
2753 contained in the plan shall be reviewed by each such gas company and
2754 shall be either accepted, modified or rejected by the Energy
2755 Conservation Management Board before submission of the plan to the
2756 department for approval. The Energy Conservation Management
2757 Board shall, as part of its review, examine opportunities to offer joint
2758 programs providing similar efficiency measures that save more than
2759 one fuel resource or to otherwise coordinate programs targeted at
2760 saving more than one fuel resource. Any costs for joint programs shall
2761 be allocated equitably among the conservation programs.

2762 (2) Programs included in the plan shall be screened through cost-
2763 effectiveness testing that compares the value and payback period of
2764 program benefits to program costs to ensure that the programs are
2765 designed to obtain gas savings whose value is greater than the costs of
2766 the program. Program cost-effectiveness shall be reviewed annually by
2767 the department, or otherwise as is practicable. If the department
2768 determines that a program fails the cost-effectiveness test as part of the
2769 review process, the program shall either be modified to meet the test
2770 or be terminated. On or before January 1, 2007, and annually
2771 thereafter, the board shall provide a report, in accordance with the
2772 provisions of section 11-4a, to the joint standing committees of the
2773 General Assembly having cognizance of matters relating to energy and
2774 the environment, that documents expenditures and funding for such

2775 programs and evaluates the cost-effectiveness of such programs
2776 conducted in the preceding year, including any increased cost-
2777 effectiveness owing to offering programs that save more than one fuel
2778 resource.

2779 (3) Programs included in the plan may include, but are not limited
2780 to: (A) Conservation and load management programs, including
2781 programs that benefit low-income individuals; (B) research,
2782 development and commercialization of products or processes that are
2783 more energy-efficient than those generally available; (C) development
2784 of markets for such products and processes; (D) support for energy use
2785 assessment, engineering studies and services related to new
2786 construction or major building renovations; (E) the design,
2787 manufacture, commercialization and purchase of energy-efficient
2788 appliances, air conditioning and heating devices; (F) program planning
2789 and evaluation; (G) joint fuel conservation initiatives and programs
2790 targeted at saving more than one fuel resource; and (H) public
2791 education regarding conservation. Such support may be by direct
2792 funding, manufacturers' rebates, sale price and loan subsidies, leases
2793 and promotional and educational activities. The plan shall also provide
2794 for expenditures by the Energy Conservation Management Board for
2795 the retention of expert consultants and reasonable administrative costs,
2796 provided such consultants shall not be employed by, or have any
2797 contractual relationship with, a gas company. Such costs shall not
2798 exceed five per cent of the total cost of the plan.

2799 [(d) Nothing in this section shall be construed to require the
2800 Department of Public Utility Control to establish a conservation charge
2801 to support the programs in this section.]

2802 Sec. 61. Section 16a-7c of the general statutes is amended by adding
2803 subsection (g) as follows (*Effective July 1, 2007*):

2804 (NEW) (g) When evaluating submissions pursuant to subsection (f)
2805 of this section for a facility described in subdivision (3) of subsection
2806 (a) of section 16-50i that are in excess of sixty-five megawatts, the

2807 board shall perform a net energy analysis for each proposal. Such
2808 analysis shall include calculations of all embodied energy
2809 requirements used in the materials for initial construction of the
2810 facility over its projected useful lifetime. The analysis shall be
2811 expressed in a dimensionless unit as an energy profit ratio of energy
2812 generated by the facility to the calculated net energy expended in plant
2813 construction, maintenance and total fuel cycle energy requirements
2814 over the projected useful lifetime of the facility. The boundary for both
2815 the net energy calculations of the fuel cycle and materials for the
2816 facility construction and maintenance shall both be at the point of
2817 primary material extraction and include the energy consumed through
2818 the entire supply chain to final, but not be limited to, such subsequent
2819 steps as transportation, refinement and energy for delivery to the end
2820 consumer. The results of said net energy analysis shall be included in
2821 the results forwarded to the Connecticut Siting Council pursuant to
2822 subsection (f) of this section. For purposes of this subsection, "facility
2823 net energy" means the heat energy delivered by the facility contained
2824 in a fuel minus the life cycle energy used to produce the facility. "Fuel
2825 net energy" means the heat energy contained in a fuel minus the
2826 energy used to extract the fuel from the environment, refine it to a
2827 socially useful state and deliver it to consumers, and "embodied
2828 energy" means the total energy used to build and maintain a process,
2829 expressed in calorie equivalents of one type of energy.

2830 Sec. 62. Subsection (b) of section 16a-7c of the general statutes is
2831 repealed and the following is substituted in lieu thereof (*Effective July*
2832 *1, 2007*):

2833 (b) On or after December 1, 2004, not later than fifteen days after the
2834 filing of an application pursuant to subdivision (1) of subsection (a) of
2835 section 16-50i, except for an application for a facility described in
2836 subdivision (5) or (6) of subsection (a) of section 16-50i, the Connecticut
2837 Energy Advisory Board shall issue a request-for-proposal to seek
2838 alternative solutions to the need that will be addressed by the
2839 proposed facility in such application. Such request-for-proposal shall,

2840 where relevant, solicit proposals that include distributed generation or
2841 energy efficiency measures. The board shall publish such request-for-
2842 proposal in one or more newspapers or periodicals, as selected by the
2843 board. Any facility generating not more than five megawatts shall be
2844 exempt from the request for proposal process described in this
2845 subsection. Notwithstanding the provisions of this subsection, the
2846 board, by a vote of two-thirds of the members present and voting, may
2847 determine that a request-for-proposal is unnecessary for a specific
2848 application because the process is not likely to result in a reasonable
2849 alternative to the proposed facility. On or before December 1, 2007,
2850 after seeking public comment, the board shall approve additional
2851 criteria for considering whether a request-for-proposal process should
2852 not be required for a specific application. Any determination that a
2853 request-for-proposal is not required shall include the board's reasons
2854 for such determination.

2855 Sec. 63. Subdivision (2) of subsection (a) of section 16-50l of the
2856 general statutes is repealed and the following is substituted in lieu
2857 thereof (*Effective July 1, 2007*):

2858 (2) On or after December 1, 2004, the filing of an application
2859 pursuant to subdivision (1) of this subsection shall initiate the request-
2860 for-proposal process, except for an application for a facility described
2861 in subdivision (4), (5) or (6) of subsection (a) of section 16-50i.

2862 Sec. 64. (*Effective from passage*) Notwithstanding the provisions of
2863 title 22a of the general statutes, the Department of Environmental
2864 Protection shall review any permit applications filed on or after
2865 January 1, 2008, and not later than January 1, 2010, that are necessary
2866 for the installation of distributed resources, as defined in section 16-1
2867 of the general statutes, as amended by this act, including cogeneration
2868 systems that utilize fossil fuels as the primary fuel source and issue a
2869 final decision not later than one hundred twenty days after the
2870 application submission date.

2871 Sec. 65. (NEW) (*Effective from passage*) On or before January 1, 2007,

2872 the Commissioner of Public Utility Control and the Commissioner of
2873 Environmental Protection shall enter into a memorandum of
2874 understanding for operating emergency generation dispatch. Not later
2875 than February 1, 2008, and upon any modification to such
2876 memorandum of understanding, said commissioners shall report the
2877 details of such memorandum of understanding to the joint standing
2878 committees of the General Assembly having cognizance of matters
2879 relating to energy and the environment.

2880 Sec. 66. Section 13a-126 of the general statutes is repealed and the
2881 following is substituted in lieu thereof (*Effective from passage*):

2882 As used in this section, "public service facility" includes all
2883 privately, publicly or cooperatively owned lines, facilities and systems
2884 for producing, transmitting or distributing communications, cable
2885 television, power, electricity, light, heat, gas, oil, crude products,
2886 water, steam, waste, storm water not connected with highway
2887 drainage and any other similar commodities, including fire and police
2888 signal systems and street lighting systems which directly or indirectly
2889 serve the public. Whenever the commissioner determines that any
2890 public service facility located within, on, along, over or under any land
2891 comprising the right-of-way of a state highway or any other public
2892 highway when necessitated by the construction or reconstruction of a
2893 state highway shall be readjusted or relocated in or removed from such
2894 right-of-way, the commissioner shall issue an appropriate order to the
2895 company, corporation or municipality owning or operating such
2896 facility, and such company, corporation or municipality shall readjust,
2897 relocate or remove the same promptly in accordance with such order;
2898 provided an equitable share of the cost of such readjustment,
2899 relocation or removal, including the cost of installing and constructing
2900 a facility of equal capacity in a new location, shall be borne by the
2901 state, except that the state shall not bear any share of the cost of a
2902 project of an electrical distribution company, as defined in section 16-1,
2903 as amended by this act, to readjust, relocate or remove any facility, as
2904 defined in subsection (a) of section 16-50i, used for transmitting

2905 electricity or as an electric transmission trunkline. The Department of
2906 Transportation shall evaluate the total costs of such a project, including
2907 department costs for construction or reconstruction and electric
2908 distribution company costs for readjusting, relocating or removing
2909 such facility, so as to minimize the overall costs incurred by the state
2910 and the electric distribution company. The electric distribution
2911 company may provide the department with proposed alternatives to
2912 the relocation, readjustment or removal proposed by the department
2913 and shall be responsible for any changes to project costs attributable to
2914 adoption of the company's proposed alternative designs for such
2915 project, including changes to the area of the relocation, readjustment or
2916 removal and any incremental costs incurred by the department to
2917 evaluate such alternatives. If such electric distribution company and
2918 the department cannot agree on a plan for such project, the
2919 Commissioner of Transportation and the chairperson of the
2920 Department of Public Utility Control shall, on request of the company,
2921 jointly determine the alternative for the project. Such equitable share,
2922 in the case of or in connection with the construction or reconstruction
2923 of any limited access highway, shall be the entire cost, less the
2924 deductions provided in this section, and, in the case of or in connection
2925 with the construction or reconstruction of any other state highway,
2926 shall be such portion or all of the entire cost, less the deductions
2927 provided in this section, as may be fair and just under all the
2928 circumstances, but shall not be less than fifty per cent of such cost after
2929 the deductions provided in this section. In establishing the equitable
2930 share of the cost to be borne by the state, there shall be deducted from
2931 the cost of the readjusted, relocated or removed facilities a sum based
2932 on a consideration of the value of materials salvaged from existing
2933 installations, the cost of the original installation, the life expectancy of
2934 the original facility and the unexpired term of such life use. When any
2935 facility is removed from the right-of-way of a public highway to a
2936 private right-of-way, the state shall not pay for such private right-of-
2937 way, provided, when a municipally-owned facility is thus removed
2938 from a municipally-owned highway, the state shall pay for the private

2939 right-of-way needed by the municipality for such relocation. If the
2940 commissioner and the company, corporation or municipality owning
2941 or operating such facility cannot agree upon the share of the cost to be
2942 borne by the state, either may apply to the superior court for the
2943 judicial district within which such highway is situated, or, if said court
2944 is not in session, to any judge thereof, for a determination of the cost to
2945 be borne by the state, and said court or such judge, after causing notice
2946 of the pendency of such application to be given to the other party, shall
2947 appoint a state referee to make such determination. Such referee,
2948 having given at least ten days' notice to the parties interested of the
2949 time and place of the hearing, shall hear both parties, shall view such
2950 highway, shall take such testimony as such referee deems material and
2951 shall thereupon determine the amount of the cost to be borne by the
2952 state and immediately report to the court. If the report is accepted by
2953 the court, such determination shall, subject to right of appeal as in civil
2954 actions, be conclusive upon both parties.

2955 Sec. 67. (NEW) (*Effective July 1, 2007*) Notwithstanding any
2956 limitation imposed by its charter, each domestic electric company is
2957 authorized and empowered to generate and transmit electric energy,
2958 and to acquire utility facilities necessary or convenient for the
2959 purposes of its electric utility business or undivided interest therein
2960 and to operate the same, anywhere within or without this state,
2961 provided nothing in this section shall be construed to authorize such a
2962 company to sell electric energy in this state to any person, or any area,
2963 except as otherwise authorized by its charter or the general statutes.
2964 For purposes of this section, "domestic electric company" means an
2965 electric company or electric distribution company, as defined in section
2966 16-1 of the general statutes, as amended by this act, any membership
2967 electric cooperative organized under chapter 597 of the general statutes
2968 and any municipal electric utility or municipal electric energy
2969 cooperative, as defined respectively in section 7-233b of the general
2970 statutes that has been chartered by or organized or constitute within or
2971 under the laws of this state.

2972 Sec. 68. Subsection (e) of section 16-2 of the general statutes is
2973 repealed and the following is substituted in lieu thereof (*Effective*
2974 *October 1, 2007*):

2975 (e) To insure the highest standard of public utility regulation, on
2976 and after July 1, 1997, at least three of the commissioners of the
2977 authority shall have education or training and three or more years of
2978 experience in one or more of the following fields: Economics,
2979 engineering, law, accounting, finance, utility regulation, public or
2980 government administration, consumer advocacy, business
2981 management, and environmental management. On and after July 1,
2982 1997, at least three of these fields shall be represented on the authority
2983 by individual commissioners at all times. Anytime a commissioner is
2984 appointed on and after October 1, 2008, at least one of the
2985 commissioners shall have experience in utility customer advocacy.

2986 Sec. 69. (*Effective July 1, 2007*) Not later than January 1, 2008, the
2987 Connecticut Energy Advisory Board shall conduct a study to develop
2988 recommendations on how to (1) coordinate and integrate the state's
2989 energy entities; (2) achieve the goals of (A) the Regional Greenhouse
2990 Gas Initiative, and (B) the state, with regard to the reduction of
2991 emissions of greenhouse gas, as provided by section 22a-200a of the
2992 general statutes; and (3) promote indigenous alternative fuel resources.
2993 The board shall submit a report containing its recommendations,
2994 including recommendations for legislation, to the joint standing
2995 committee of the General Assembly having cognizance of matters
2996 relating to energy and technology not later than January 1, 2009.

2997 Sec. 70. (*Effective from passage*) (a) Not later than July 1, 2007, the
2998 Connecticut Energy Advisory Board shall conduct a study on the
2999 efficacy, innovativeness and customer focus on electric conservation
3000 programs. The board shall hold a public hearing on such matters. In
3001 the study, the board shall investigate the options of (1) selecting a
3002 state-wide provider of conservation programs through a competitive
3003 process, which shall be open to electric distribution companies, the

3004 Connecticut Municipal Electrical Energy Cooperative and other
3005 entities; (2) retaining the current delivery system for conservation
3006 programs; and (3) having a nonprofit organization provide the
3007 conservation programs.

3008 (b) Not later than October 1, 2007, the Connecticut Energy Advisory
3009 Board shall conduct a study of the effectiveness of the Renewable
3010 Energy Investment Fund. The board shall hold a public hearing on
3011 such matters. Such study shall include, but not be limited to, (1) the
3012 selection of clean energy production projects and rates of success, (2)
3013 the actual megawatts of renewable power in operation in this state
3014 funded by Renewable Energy Investment Fund programs, (3) the
3015 efficacy of Renewable Energy Investment Fund technology
3016 commercialization plans and strategies, (4) the cost and cost trends of
3017 procuring clean energy options, and (5) overall program cost-
3018 effectiveness.

3019 (c) The board shall submit a report containing its findings to the
3020 joint standing committee of the General Assembly having cognizance
3021 of matters relating to energy and technology not later than February 1,
3022 2008.

3023 Sec. 71. (*Effective October 1, 2007*) Not later than January 1, 2009, the
3024 Department of Public Utility Control shall conduct a contested case
3025 proceeding to review (A) the performance of last resort service
3026 provided pursuant to subsection (e) of section 16-244c of the general
3027 statutes, as amended by this act, including, but not limited to, the
3028 service's effect on commercial and industrial customers and the
3029 development of a competitive electric supply marketplace with
3030 competitive suppliers and products, and (B) the performance of
3031 standard service pursuant to subsection (c) of section 16-244c of the
3032 general statutes, as amended by this act, including, but not limited to,
3033 the service's performance with respect to the standards set forth in
3034 section 55 of this act.

3035 Sec. 72. (*Effective from passage*) Not later than September 1, 2007, the

3036 Department of Public Utility Control shall conduct a contested case
3037 proceeding to determine how and whether to bid competitively for the
3038 aggregation and procurement of contracts for the customers receiving
3039 standard service pursuant to section 16-244c of the general statutes, as
3040 amended by this act. The department's decision shall be based on the
3041 standards set forth in section 55 of this act.

3042 Sec. 73. (NEW) (*Effective July 1, 2007*) (a) For purposes of this section,
3043 "fuel oil" means the product designated by the American Society for
3044 Testing and Materials as "Specifications for Heating Oil D396-69",
3045 commonly known as number 2 heating oil, and grade number 4, grade
3046 number 5 and grade number 6 fuel oil, provided such heating and fuel
3047 oil are used for purposes other than the generation of power to propel
3048 motor vehicles or for the generation of electricity.

3049 (b) On or before November 1, 2007, the Fuel Oil Conservation Board
3050 shall, after issuing a request for proposals, select an entity qualified to
3051 administer and implement conservation and energy efficiency
3052 programs for fuel oil customers, as described in this section, to act as
3053 the program administrator for such programs and shall enter into a
3054 contract not to exceed three years in duration for such purpose. At the
3055 expiration of the contract, the board may renew the contract if it finds
3056 that the administrator's performance has been satisfactory, or the
3057 board may issue a new request for proposals.

3058 (c) On or before March 1, 2008, the program administrator shall
3059 submit to the Energy Conservation Management Board a fuel oil
3060 conservation plan in accordance with the provisions of this section for
3061 the balance of 2008. On or before October 1, 2008, and annually
3062 thereafter, the program administrator shall submit to the Fuel Oil
3063 Conservation Board a fuel oil conservation plan for the next calendar
3064 year in accordance with the provisions of this section. The board shall
3065 hold a public hearing on each such plan.

3066 (d) (1) The Fuel Oil Conservation Board shall advise and assist the
3067 program administrator in the development and implementation of a

3068 comprehensive plan, which shall be approved by the board, that
3069 implements cost-effective fuel oil energy conservation programs and
3070 market transformation initiatives for residential, commercial and
3071 industrial fuel oil customers. The board shall, as part of its review,
3072 examine opportunities to offer joint programs providing similar
3073 efficiency measures that save more than one fuel resource or to
3074 otherwise coordinate programs targeted at saving more than one fuel
3075 resource.

3076 (2) Program cost-effectiveness shall be reviewed annually by the
3077 Fuel Oil Conservation Board, or otherwise as practicable. Programs
3078 included in the plan shall be evaluated as to cost-effectiveness by
3079 comparing the value and payback period of the program benefits to
3080 the program costs to ensure that the programs are designed to obtain
3081 fuel oil savings, the value of which are greater than the costs of the
3082 program. If the board determines that a program fails such cost-
3083 effectiveness test, the board shall modify the program to meet the test
3084 or terminate the program. On or before February 1, 2009, and annually
3085 thereafter, the Fuel Oil Conservation Board shall provide a report to
3086 the joint standing committees of the General Assembly having
3087 cognizance of matters relating to energy and the environment, in
3088 accordance with the provisions of section 11-4a of the general statutes,
3089 that documents expenditures and fund balances and evaluates the
3090 cost-effectiveness of such programs conducted in the preceding year,
3091 including any increased cost-effectiveness due to offering programs
3092 that save more than one fuel resource.

3093 (3) Programs included in the plan may include, but not be limited
3094 to: (A) Conservation programs, including programs that benefit low-
3095 income persons; (B) research, development and commercialization of
3096 products or processes that are more energy-efficient than those
3097 generally available; (C) development of markets for such products and
3098 processes; (D) support for energy use assessment, engineering studies
3099 and services related to new construction or major building
3100 renovations; (E) the design, manufacture, commercialization and

3101 purchase of energy-efficient appliances and heating devices; (F)
3102 program planning and evaluation; (G) joint fuel conservation
3103 initiatives and programs targeted at saving more than one fuel
3104 resource; and (H) public education regarding conservation. Such
3105 support may be by direct funding, manufacturers' rebates, sale price
3106 and loan subsidies, leases and promotional and educational activities.
3107 The plan shall also provide for expenditures by the Fuel Oil
3108 Conservation Board for the retention of expert consultants and
3109 reasonable administrative costs, provided such consultants shall not be
3110 employed by, or have any contractual relationship with, a fuel oil
3111 company or the program administrator. Such costs shall not exceed
3112 five per cent of the total cost of the plan.

3113 (e) (1) There is established a Fuel Oil Conservation Board consisting
3114 of fifteen members, including:

3115 (A) Two members representing dealers with retail oil heat sales in
3116 excess of fifteen million gallons in the state, appointed by the president
3117 pro tempore of the Senate;

3118 (B) Three members representing dealers with retail oil heat sales of
3119 less than fifteen million gallons in the state, appointed by the speaker
3120 of the House of Representatives;

3121 (C) Two members representing the heating, ventilation and air-
3122 conditioning trades licensed under chapter 393 of the general statutes,
3123 appointed by the majority leader of the Senate;

3124 (D) Three members representing wholesale heating distributors
3125 operating within the state, appointed by the majority leader of the
3126 House of Representatives;

3127 (E) One member representing a statewide environmental advocacy
3128 group, appointed by the minority leader of the Senate;

3129 (F) The chairperson of the Heating, Piping, Cooling and Sheet Metal
3130 Work Board established under chapter 393 of the general statutes;

3131 (G) One member from a state-wide retail oil dealer trade
3132 association, appointed by the minority leader of the House of
3133 Representatives; and

3134 (H) Two members of the public appointed by the Governor.

3135 All appointed members of the board shall serve in accordance with
3136 section 4-1a of the general statutes.

3137 (2) The Fuel Oil Conservation Board shall establish itself as a tax
3138 exempt organization in accordance with the provisions of Section
3139 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent
3140 corresponding internal revenue code of the United States, as from time
3141 to time amended. Not later than July 1, 2008, and biennially thereafter,
3142 a third party selected by the Attorney General shall audit the activities
3143 of the board. The results of such audit shall be submitted in a report to
3144 the joint standing committees of the General Assembly having
3145 cognizance of matters relating to energy and the environment, in
3146 accordance with the provisions of section 11-4a of the general statutes.

3147 (3) The Fuel Oil Conservation Board shall establish a fuel oil
3148 conservation account. The account shall be held in an interest-bearing
3149 account in a banking institution licensed to operate in the state. The
3150 fuel oil conservation account shall be funded by annual revenue from
3151 the tax imposed by section 12-587 of the general statutes on the sale of
3152 petroleum products gross earnings that is in excess of said revenue
3153 collected during 2006, provided the amount of such revenue that shall
3154 be allocated to said account in any year shall not exceed ten million
3155 dollars. Said funds shall be deposited into the fuel oil conservation
3156 account.

3157 (4) The Fuel Oil Conservation Board shall authorize specific
3158 amounts from the fuel oil conservation account established pursuant to
3159 subdivision (3) of this subsection to the program administrator
3160 selected to implement an approved plan under this section.

3161 Sec. 74. Subsection (j) of section 16-19b of the general statutes is
3162 repealed and the following is substituted in lieu thereof (*Effective July*
3163 *1, 2007*):

3164 (j) Any purchased gas adjustment clause or energy adjustment
3165 clause approved by the department may include a provision designed
3166 to allow the electric or gas company to charge or reimburse the
3167 customer for any under-recovery or over-recovery of overhead and
3168 fixed costs due solely to the deviation of actual retail sales of electricity
3169 or gas from projected retail sales of electricity or gas. The department
3170 shall include such provision in any energy adjustment clause approved
3171 for an electric company if it determines (1) that a significant cause of
3172 excess earnings by the electric company is an increase in actual retail
3173 sales of electricity over projected retail sales of electricity as
3174 determined at the time of the electric company's most recent rate
3175 amendment, and (2) that such provision is likely to benefit the
3176 customers of the electric company. Not later than January 1, 2009, the
3177 department shall include such provision in any purchased gas
3178 adjustment clause approved for a gas company on or after the issuance
3179 of a final decision in a proceeding on amendments to rate schedules for
3180 such company.

3181 Sec. 75. Subsection (a) of section 16-50k of the general statutes is
3182 repealed and the following is substituted in lieu thereof (*Effective*
3183 *October 1, 2007*):

3184 (a) Except as provided in subsection (b) of section 16-50z, no person
3185 shall exercise any right of eminent domain in contemplation of,
3186 commence the preparation of the site for, [or] commence the
3187 construction or supplying of a facility, or commence any modification
3188 of a facility, that may, as determined by the council, have a substantial
3189 adverse environmental effect in the state without having first obtained
3190 a certificate of environmental compatibility and public need,
3191 hereinafter referred to as a "certificate", issued with respect to such
3192 facility or modification by the council. [, except] Certificates shall not

3193 be required for (1) fuel cells built within the state with a generating
3194 capacity of two hundred fifty kilowatts or less, or (2) fuel cells built
3195 elsewhere with a generating capacity of ten kilowatts or less. [which
3196 shall not require such certificate.] Any facility with respect to which a
3197 certificate is required shall thereafter be built, maintained and operated
3198 in conformity with such certificate and any terms, limitations or
3199 conditions contained therein. Notwithstanding the provisions of this
3200 chapter or title 16a, the council shall, in the exercise of its jurisdiction
3201 over the siting of generating facilities, approve by declaratory ruling
3202 [(1)] (A) the construction of a facility solely for the purpose of
3203 generating electricity, other than an electric generating facility that
3204 uses nuclear materials or coal as fuel, at a site where an electric
3205 generating facility operated prior to July 1, 2004, [(2)] (B) the
3206 construction or location of any fuel cell, unless the council finds a
3207 substantial adverse environmental effect, or of any customer-side
3208 distributed resources project or facility or grid-side distributed
3209 resources project or facility with a capacity of not more than sixty-five
3210 megawatts, as long as such project meets air and water quality
3211 standards of the Department of Environmental Protection, and [(3)] (C)
3212 the siting of temporary generation solicited by the Department of
3213 Public Utility Control pursuant to section 16-19ss, as amended by this
3214 act.

3215 Sec. 76. Subdivision (6) of subsection (a) of section 16-244e of the
3216 general statutes is repealed and the following is substituted in lieu
3217 thereof (*Effective July 1, 2007*):

3218 (6) Once unbundling is completed to the satisfaction of the
3219 department and consistent with the provisions of section 16-244, (A)
3220 any corporate affiliate or separate division that provides electric
3221 generation services as a result of unbundling pursuant to this
3222 subsection shall be considered a generation entity or affiliate of the
3223 electric company, and the division or corporate affiliate of the electric
3224 company that provides transmission and distribution services shall be
3225 considered an electric distribution company, and (B) an electric

3226 distribution company shall not own or operate generation assets,
3227 except as provided in this section, [and] section 16-243m, as amended
3228 by this act, and sections 54 and 59 of this act.

3229 Sec. 77. Subsection (d) of section 16-19ss of the general statutes is
3230 repealed and the following is substituted in lieu thereof (*Effective July*
3231 *1, 2007*):

3232 (d) Nothing in this section shall be construed to allow an electric
3233 distribution company to own, operate, lease or control any facility or
3234 asset that generates electricity, or retain any interest in such facility or
3235 asset as part of any transaction concluded pursuant to this section,
3236 except as provided in subsection (e) of section 16-244e [and] section 16-
3237 243m, as amended by this act, and sections 54 and 59 of this act.

3238 Sec. 78. Section 1 of public act 05-2 of the October 25 special session
3239 is repealed and the following is substituted in lieu thereof (*Effective July*
3240 *1, 2007*):

3241 Notwithstanding the provisions of sections 4-28b and 16a-41a of the
3242 general statutes, the Commissioner of Social Services shall [amend the
3243 adopted] adopt a low income home energy assistance program block
3244 grant allocation plan for the [purpose of modifying the 2005/2006]
3245 2007/2008 Connecticut energy assistance program state plan in the
3246 following manner: (1) To increase the basic benefit provided to all
3247 eligible households, including eligible households whose heat is
3248 included in their rent, over the benefit provided for the 2005/2006
3249 plan, prior to the amendment of said plan, by two hundred dollars, (2)
3250 to fund, for the fiscal year ending June 30, 2008, the contingency
3251 heating assistance program under the Connecticut energy assistance
3252 program to provide a three hundred dollar basic benefit to eligible
3253 households, as defined in the Connecticut energy assistance program
3254 state plan, whose gross annual income is not more than sixty per cent
3255 of the median state income by household size, and an additional two
3256 hundred dollar crisis assistance benefit for such households who have
3257 exhausted their basic benefit and are unable to secure primary heat,

3258 causing a life threatening situation, (3) to increase the number of
3259 households weatherized pursuant to the Connecticut energy assistance
3260 program, and (4) to increase the number of households receiving home
3261 heating equipment tune-ups and home energy efficiency measures
3262 pursuant to the home energy assistance and reimbursements for tune-
3263 ups on heating equipment grant program as administered pursuant to
3264 subsection (c) of section 2 of [this act] public act 05-2 of the October 25
3265 special session, as amended by section 1 of public act 05-4 of the
3266 October 25 special session.

3267 Sec. 79. Section 16a-41a of the general statutes is repealed and the
3268 following is substituted in lieu thereof (*Effective July 1, 2007*):

3269 (a) The Commissioner of Social Services shall submit to the joint
3270 standing committees of the General Assembly having cognizance of
3271 energy planning and activities, appropriations, and human services the
3272 following on the implementation of the block grant program
3273 authorized under the Low-Income Home Energy Assistance Act of
3274 1981, as amended:

3275 (1) Not later than August first, annually, a Connecticut energy
3276 assistance program annual plan which establishes guidelines for the
3277 use of funds authorized under the Low-Income Home Energy
3278 Assistance Act of 1981, as amended, and includes the following:

3279 (A) Criteria for determining which households are to receive
3280 emergency and weatherization assistance;

3281 (B) A description of systems used to ensure referrals to other energy
3282 assistance programs and the taking of simultaneous applications, as
3283 required under section 16a-41;

3284 (C) A description of outreach efforts;

3285 (D) Estimates of the total number of households eligible for
3286 assistance under the program and the number of households in which
3287 one or more elderly or physically disabled individuals eligible for

3288 assistance reside; and

3289 (E) Design of a basic grant for eligible households that does not
3290 discriminate against such households based on the type of energy used
3291 for heating;

3292 (2) Not later than January thirtieth, annually, a report covering the
3293 preceding months of the program year, including:

3294 (A) In each community action agency geographic area and
3295 Department of Social Services region, the number of fuel assistance
3296 applications filed, approved and denied, the number of emergency
3297 assistance requests made, approved and denied and the number of
3298 households provided weatherization assistance;

3299 (B) In each such area and district, the total amount of fuel,
3300 emergency and weatherization assistance, itemized by such type of
3301 assistance, and total expenditures to date; and

3302 (C) For each state-wide office of each state agency administering the
3303 program, each community action agency and each Department of
3304 Social Services region, administrative expenses under the program, by
3305 line item, and an estimate of outreach expenditures; and

3306 (3) Not later than November first, annually, a report covering the
3307 preceding twelve calendar months, including:

3308 (A) In each community action agency geographic area and
3309 Department of Social Services region, (i) seasonal totals for the
3310 categories of data submitted under subdivision (1) of this subsection,
3311 (ii) the number of households receiving fuel assistance in which elderly
3312 or physically disabled individuals reside, and (iii) the average
3313 combined benefit level of fuel, emergency and renter assistance;

3314 (B) Types of weatherization assistance provided;

3315 (C) Percentage of weatherization assistance provided to tenants;

3316 (D) The number of homeowners and tenants whose heat or total
3317 energy costs are not included in their rent receiving fuel and
3318 emergency assistance under the program by benefit level;

3319 (E) The number of homeowners and tenants whose heat is included
3320 in their rent and who are receiving assistance, by benefit level; and

3321 (F) The number of households receiving assistance, by energy type
3322 and total expenditures for each energy type.

3323 (b) The Commissioner of Social Services shall implement a program
3324 to purchase [number two home heating oil at a reduced rate for low-
3325 income households participating in the Connecticut energy assistance
3326 program and the state-appropriated fuel assistance program. Each
3327 agency administering a fuel assistance program shall submit reports,
3328 as requested by the commissioner, concerning pricing information
3329 from vendors of number two home heating oil participating in the
3330 program. Such information shall include, but not be limited to, a
3331 vendor's regular retail price per gallon of number two home heating
3332 oil, the reduced price per gallon paid by the state for the heating oil,
3333 the number of gallons delivered to the state under the program and the
3334 total savings under the program due to the purchase of number two
3335 home heating oil at a reduced rate] deliverable fuel for low-income
3336 households participating in the Connecticut energy assistance program
3337 and the state-appropriated fuel assistance program. The commissioner
3338 shall ensure that all fuel assistance recipients are treated the same as
3339 any other similarly situated customer and that no fuel vendor
3340 discriminates against fuel assistance program recipients who are under
3341 the vendor's standard payment, delivery, service or other similar
3342 plans. The commissioner shall take advantage of programs offered by
3343 fuel vendors that reduce the cost of the fuel purchased, including, but
3344 not limited to, fixed price, capped price, prepurchase or summer-fill
3345 programs that reduce program cost and that make the maximum use
3346 of program revenues. The commissioner shall ensure that all agencies
3347 administering the fuel assistance program shall make payments to

3348 program fuel vendors in advance of the delivery of energy where
3349 vendor provided price-management strategies require payments in
3350 advance.

3351 (c) Each community action agency administering a fuel assistance
3352 program shall submit reports, as requested by the Commissioner of
3353 Social Services, concerning pricing information from vendors of
3354 deliverable fuel participating in the program. Such information shall
3355 include, but not be limited to, the state-wide or regional retail price per
3356 unit of deliverable fuel, the reduced price per unit paid by the state for
3357 the deliverable fuel in utilizing price management strategies offered by
3358 program vendors for all consumers, the number of units delivered to
3359 the state under the program and the total savings under the program
3360 due to the purchase of deliverable fuel utilizing price-management
3361 strategies offered by program vendors for all consumers.

3362 (d) Each community action agency administering a fuel assistance
3363 program shall begin accepting applications for the program not later
3364 than September first of each year.

3365 Sec. 80. Section 16-262c of the general statutes is repealed and the
3366 following is substituted in lieu thereof (*Effective October 1, 2007*):

3367 (a) Notwithstanding any other provision of the general statutes no
3368 electric, electric distribution, gas, telephone or water company, no
3369 electric supplier or certified telecommunications provider, and no
3370 municipal utility furnishing electric, gas, telephone or water service
3371 shall cause cessation of any such service by reason of delinquency in
3372 payment for such service (1) on any Friday, Saturday, Sunday, legal
3373 holiday or day before any legal holiday, provided such a company,
3374 electric supplier, certified telecommunications provider or municipal
3375 utility may cause cessation of such service to a nonresidential account
3376 on a Friday which is not a legal holiday or the day before a legal
3377 holiday when the business offices of the company, electric supplier,
3378 certified telecommunications provider or municipal utility are open to
3379 the public the succeeding Saturday, (2) at any time during which the

3380 business offices of said company, electric supplier, certified
3381 telecommunications provider or municipal utility are not open to the
3382 public, or (3) within one hour before the closing of the business offices
3383 of said company, electric supplier or municipal utility.

3384 (b) (1) From November first to [~~April fifteenth~~] May first, inclusive,
3385 no electric or electric distribution company, as defined in section 16-1,
3386 as amended by this act, no electric supplier and no municipal utility
3387 furnishing electricity shall terminate or refuse to reinstate residential
3388 electric service in hardship cases where the customer lacks the
3389 financial resources to pay his or her entire account. From November
3390 first to [~~April fifteenth~~] May first, inclusive, no gas company and no
3391 municipal utility furnishing gas shall terminate or refuse to reinstate
3392 residential gas service in hardship cases where the customer uses such
3393 gas for heat and lacks the financial resources to pay his or her entire
3394 account, except a gas company that, between [~~April sixteenth~~] May
3395 second and October thirty-first, terminated gas service to a residential
3396 customer who uses gas for heat and who, during the previous period
3397 of November first to [~~April fifteenth~~] May first, had gas service
3398 maintained because of hardship status, may refuse to reinstate the gas
3399 service from November first to [~~April fifteenth~~] May first, inclusive,
3400 only if the customer has failed to pay, since the preceding November
3401 first, the lesser of: (A) Twenty per cent of the outstanding principal
3402 balance owed the gas company as of the date of termination, (B) one
3403 hundred dollars, or (C) the minimum payments due under the
3404 customer's amortization agreement. Notwithstanding any other
3405 provision of the general statutes to the contrary, no electric, electric
3406 distribution or gas company, no electric supplier and no municipal
3407 utility furnishing electricity or gas shall terminate or refuse to reinstate
3408 residential electric or gas service where the customer lacks the financial
3409 resources to pay his or her entire account and for which customer or a
3410 member of the customer's household the termination or failure to
3411 reinstate such service would create a life-threatening situation.

3412 (2) During any period in which a residential customer is subject to

3413 termination, an electric, electric distribution or gas company, an
3414 electric supplier or a municipal utility furnishing electricity or gas shall
3415 provide such residential customer whose account is delinquent an
3416 opportunity to enter into a reasonable amortization agreement with
3417 such company, electric supplier or utility to pay such delinquent
3418 account and to avoid termination of service. Such amortization
3419 agreement shall allow such customer adequate opportunity to apply
3420 for and receive the benefits of any available energy assistance
3421 program. An amortization agreement shall be subject to amendment
3422 on customer request if there is a change in the customer's financial
3423 circumstances.

3424 (3) As used in this section, (A) "household income" means the
3425 combined income over a twelve-month period of the customer and all
3426 adults, except children of the customer, who are and have been
3427 members of the household for six months or more, and (B) "hardship
3428 case" includes, but is not limited to: (i) A customer receiving local, state
3429 or federal public assistance; (ii) a customer whose sole source of
3430 financial support is Social Security, Veterans' Administration or
3431 unemployment compensation benefits; (iii) a customer who is head of
3432 the household and is unemployed, and the household income is less
3433 than three hundred per cent of the poverty level determined by the
3434 federal government; (iv) a customer who is seriously ill or who has a
3435 household member who is seriously ill; (v) a customer whose income
3436 falls below one hundred twenty-five per cent of the poverty level
3437 determined by the federal government; and (vi) a customer whose
3438 circumstances threaten a deprivation of food and the necessities of life
3439 for himself or dependent children if payment of a delinquent bill is
3440 required.

3441 (4) In order for a residential customer of a gas or electric distribution
3442 company using gas or electricity for heat to be eligible to have any
3443 moneys due and owing deducted from the customer's delinquent
3444 account pursuant to this subdivision, the company furnishing gas or
3445 electricity shall require that the customer (A) apply and be eligible for

3446 benefits available under the Connecticut energy assistance program or
3447 state appropriated fuel assistance program; (B) authorize the company
3448 to send a copy of the customer's monthly bill directly to any energy
3449 assistance agency for payment; (C) enter into and comply with an
3450 amortization agreement, which agreement is consistent with decisions
3451 and policies of the Department of Public Utility Control. Such an
3452 amortization agreement shall reduce a customer's payment by the
3453 amount of the benefits reasonably anticipated from the Connecticut
3454 energy assistance program, state appropriated fuel assistance program
3455 or other energy assistance sources. Unless the customer requests
3456 otherwise, the company shall budget a customer's payments over a
3457 twelve-month period with an affordable increment to be applied to
3458 any arrearage, provided such payment plan will not result in loss of
3459 any energy assistance benefits to the customer. If a customer
3460 authorizes the company to send a copy of his monthly bill directly to
3461 any energy assistance agency for payment, the energy assistance
3462 agency shall make payments directly to the company. If, on April
3463 thirtieth, a customer has been in compliance with the requirements of
3464 subparagraphs (A) to (C), inclusive, of this subdivision, during the
3465 period starting on the preceding November first, or from such time as
3466 the customer's account becomes delinquent, the company shall deduct
3467 from such customer's delinquent account an additional amount equal
3468 to the amount of money paid by the customer between the preceding
3469 November first and April thirtieth and paid on behalf of the customer
3470 through the Connecticut energy assistance program and state
3471 appropriated fuel assistance program. Any customer in compliance
3472 with the requirements of subparagraphs (A) to (C), inclusive, of this
3473 subdivision, on April thirtieth who continues to comply with an
3474 amortization agreement through the succeeding October thirty-first,
3475 shall also have an amount equal to the amount paid pursuant to such
3476 agreement and any amount paid on behalf of such customer between
3477 May first and the succeeding October thirty-first deducted from the
3478 customer's delinquent account. In no event shall the deduction of any
3479 amounts pursuant to this subdivision result in a credit balance to the

3480 customer's account. No customer shall be denied the benefits of this
3481 subdivision due to an error by the company. The Department of Public
3482 Utility Control shall allow the amounts deducted from the customer's
3483 account pursuant to the implementation plan, described in subdivision
3484 (5) of this subsection, to be recovered by the company in its rates as an
3485 operating expense, pursuant to said implementation plan. If the
3486 customer fails to comply with the terms of the amortization agreement
3487 or any decision of the department rendered in lieu of such agreement
3488 and the requirements of subparagraphs (A) to (C), inclusive, of this
3489 subdivision, the company may terminate service to the customer,
3490 pursuant to all applicable regulations, provided such termination shall
3491 not occur between November first and April fifteenth.

3492 (5) Each gas and electric distribution company shall submit to the
3493 Department of Public Utility Control annually, on or before July first,
3494 an implementation plan which shall include information concerning
3495 amortization agreements, counseling, reinstatement of eligibility, rate
3496 impacts and any other information deemed relevant by the
3497 department. The Department of Public Utility Control may, in
3498 consultation with the Office of Policy and Management, approve or
3499 modify such plan within ninety days of receipt of the plan. If the
3500 department does not take any action on such plan within ninety days
3501 of its receipt, the plan shall automatically take effect at the end of the
3502 ninety-day period, provided the department may extend such period
3503 for an additional thirty days by notifying the company before the end
3504 of the ninety-day period. Any amount recovered by a company in its
3505 rates pursuant to this subsection shall not include any amount
3506 approved by the Department of Public Utility Control as an
3507 uncollectible expense. The department may deny all or part of the
3508 recovery required by this subsection if it determines that the company
3509 seeking recovery has been imprudent, inefficient or acting in violation
3510 of statutes or regulations regarding amortization agreements.

3511 (6) On or after January 1, 1993, the Department of Public Utility
3512 Control may require gas companies to expand the provisions of

3513 subdivisions (4) and (5) of this subsection to all hardship customers.
3514 Any such requirement shall not be effective until November 1, 1993.

3515 (7) (A) All electric, electric distribution and gas companies, electric
3516 suppliers and municipal utilities furnishing electricity or gas shall
3517 collaborate in developing, subject to approval by the Department of
3518 Public Utility Control, standard provisions for the notice of
3519 delinquency and impending termination under subsection (a) of
3520 section 16-262d. Each such company and utility shall place on the front
3521 of such notice a provision that the company, electric supplier or utility
3522 shall not effect termination of service to a residential dwelling for
3523 nonpayment of disputed bills during the pendency of any complaint.
3524 In addition, the notice shall state that the customer must pay current
3525 and undisputed bill amounts during the pendency of the complaint.
3526 (B) At the beginning of any discussion with a customer concerning a
3527 reasonable amortization agreement, any such company or utility shall
3528 inform the customer (i) of the availability of a process for resolving
3529 disputes over what constitutes a reasonable amortization agreement,
3530 (ii) that the company, electric supplier or utility will refer such a
3531 dispute to one of its review officers as the first step in attempting to
3532 resolve the dispute, and (iii) that the company, electric supplier or
3533 utility shall not effect termination of service to a residential dwelling
3534 for nonpayment of a delinquent account during the pendency of any
3535 complaint, investigation, hearing or appeal initiated by the customer,
3536 unless the customer fails to pay undisputed bills, or undisputed
3537 portions of bills, for service received during such period. (C) Each such
3538 company, electric supplier and utility shall inform and counsel all
3539 customers who are hardship cases as to the availability of all public
3540 and private energy conservation programs, including programs
3541 sponsored or subsidized by such companies and utilities, eligibility
3542 criteria, where to apply, and the circumstances under which such
3543 programs are available without cost.

3544 (8) The Department of Public Utility Control shall adopt regulations
3545 in accordance with chapter 54 to carry out the provisions of this

3546 subsection. Such regulations shall include, but not be limited to,
3547 criteria for determining hardship cases and for reasonable
3548 amortization agreements, including appeal of such agreements, for
3549 categories of customers. Such regulations may include the
3550 establishment of a reasonable rate of interest which a company may
3551 charge on the unpaid balance of a customer's delinquent bill and a
3552 description of the relationship and responsibilities of electric suppliers
3553 to customers.

3554 (c) Each electric, electric distribution and gas company, electric
3555 supplier and municipal utility shall, not later than December first,
3556 annually, submit a report to the department and the General Assembly
3557 indicating (1) the number of customers in each of the following
3558 categories and the total delinquent balances for such customers as of
3559 the preceding April fifteenth: (A) Customers who are hardship cases
3560 and (i) who made arrangements for reasonable amortization
3561 agreements, (ii) who did not make such arrangements and (B)
3562 customers who are nonhardship cases and who made arrangements
3563 for reasonable amortization, (2) (A) the number of heating customers
3564 receiving energy assistance during the preceding heating season and
3565 the total amount of such assistance and (B) the total balance of the
3566 accounts of such customers after all energy assistance is applied to the
3567 accounts, (3) the number of hardship cases reinstated between
3568 November first of the preceding year and [April fifteenth] May first of
3569 the same year, the number of hardship cases terminated between
3570 [April fifteenth] May first of the same year and November first and the
3571 number of hardship cases reinstated during each month from [April]
3572 May to November, inclusive, of the same year, (4) the number of
3573 reasonable amortization agreements executed and the number
3574 breached during the same year by (A) hardship cases and (B)
3575 nonhardship cases, and (5) the number of accounts of (A) hardship
3576 cases and (B) nonhardship cases for which part or all of the
3577 outstanding balance is written off as uncollectible during the
3578 preceding year and the total amount of such uncollectibles.

3579 (d) Nothing in this section shall (1) prohibit a public service
3580 company, electric supplier or municipal utility from terminating
3581 residential utility service upon request of the customer or in
3582 accordance with section 16-262d upon default by the customer on an
3583 amortization agreement or collecting delinquent accounts through
3584 legal processes, including the processes authorized by section 16-262f,
3585 or (2) relieve such company, electric supplier or municipal utility of its
3586 responsibilities set forth in sections 16-262d and 16-262e to occupants
3587 of residential dwellings or, with respect to a public service company or
3588 electric supplier, the responsibilities set forth in section 19a-109.

3589 (e) No provision of the Freedom of Information Act, as defined in
3590 section 1-200, shall be construed to require or permit a municipal
3591 utility furnishing electric, gas or water service, a municipality
3592 furnishing water or sewer service, a district established by special act
3593 or pursuant to chapter 105 and furnishing water or sewer service or a
3594 regional authority established by special act to furnish water or sewer
3595 service to disclose records under the Freedom of Information Act, as
3596 defined in section 1-200, which identify or could lead to identification
3597 of the utility usage or billing information of individual customers, to
3598 the extent such disclosure would constitute an invasion of privacy.

3599 (f) If an electric supplier suffers a loss of revenue by operation of
3600 this section, the supplier may make a claim for such revenue to the
3601 department. The electric distribution company shall reimburse the
3602 electric supplier for such losses found to be reasonable by the
3603 department at the lower of (1) the price of the contract between the
3604 supplier and the customer, or (2) the electric distribution company's
3605 price to customers for default service, as determined by the
3606 department. The electric distribution company may recover such
3607 reimbursement, along with transaction costs, through the systems
3608 benefits charge.

3609 Sec. 81. Section 12-412 of the general statutes is amended by adding
3610 subdivision (117) as follows (*Effective July 1, 2007, and applicable to sales*

3611 *occurring on or after July 1, 2007):*

3612 (NEW) (117) Sales of solar energy electricity generating systems and
3613 passive or active solar water or space heating systems, including
3614 equipment related to such systems, and sales of services relating to the
3615 installation of such systems.

3616 Sec. 82. Section 12-412k of the general statutes is repealed and the
3617 following is substituted in lieu thereof (*Effective June 1, 2007*):

3618 (a) For purposes of this section, "residential weatherization
3619 products" means programmable thermostats, window film, caulking,
3620 window and door weather strips, insulation, water heater blankets,
3621 water heaters, natural gas and propane furnaces and boilers that meet
3622 the federal Energy Star standard, windows and doors that meet the
3623 federal Energy Star standard, oil furnaces and boilers that are not less
3624 than [eighty-five] eighty-four per cent efficient and [ground-based]
3625 ground-source heat pumps that meet the minimum federal energy
3626 efficiency rating.

3627 (b) Notwithstanding the provisions of the general statutes, [from
3628 November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30,
3629 2007,] the provisions of this chapter shall not apply to sales of any
3630 residential weatherization products or compact fluorescent light bulbs.

3631 Sec. 83. (NEW) (*Effective from passage*) Notwithstanding the
3632 provisions of the general statutes, from the effective date of this section
3633 to June 30, 2008, the provisions of chapter 219 of the general statutes
3634 shall not apply to sales of any household appliance that meets the
3635 federal Energy Star standard.

3636 Sec. 84. Subsection (a) of section 16a-41h of the general statutes is
3637 repealed and the following is substituted in lieu thereof (*Effective from*
3638 *passage*):

3639 (a) (1) Each electric [and] distribution company, gas company [, as
3640 defined in section 16-1, having at least seventy-five thousand

3641 customers] and municipal utility furnishing electric or gas service,
3642 shall include in its monthly bills a request to each customer to add a
3643 [one-dollar] donation in an amount designated by the customer to the
3644 bill payment. Such company shall provide to all of its customers the
3645 opportunity to donate one dollar, two dollars, three dollars or another
3646 amount on each bill provided to a customer either through the mail or
3647 electronically. Such designation shall be made available and included
3648 where customers are either electronically billed or bill payment is
3649 handled electronically. The opportunity to donate one dollar, two
3650 dollars, three dollars or another amount shall be included on the bill in
3651 such a way that facilitates such donations.

3652 (2) Operation Fuel, Incorporated, shall provide fundraising inserts
3653 and remittance envelopes to retail dealers of fuel oil that volunteer to
3654 include the inserts and envelopes in their customers' bills for one or
3655 more billing cycles each year. Such retail dealers of fuel oil shall inform
3656 Operation Fuel, Incorporated, as to the number of inserts and
3657 envelopes needed to conduct such a mailing.

3658 (3) Each electric, gas or fuel oil company shall transmit all such
3659 donations received each month and match dollars to Operation Fuel,
3660 Inc., a state-wide nonprofit organization designed to respond to people
3661 within the state who are in financial crisis and need emergency energy
3662 assistance. [Donations] Operation Fuel, Inc. shall [be distributed]
3663 distribute donations and match dollars to nonprofit social services
3664 agencies and private fuel banks in accordance with guidelines
3665 established by the board of directors of Operation Fuel, Inc., provided
3666 such funds shall be distributed on a priority basis to low-income
3667 elderly and working poor households [which] that are not eligible for
3668 public assistance or state-administered general assistance but are faced
3669 with a financial crisis and are unable to make timely payments on
3670 winter fuel, electricity or gas bills. Such companies shall coordinate
3671 their promotions of this program, holding promotions during the same
3672 month and using similar formats.

3673 Sec. 85. Section 12-635 of the general statutes is repealed and the
3674 following is substituted in lieu thereof (*Effective July 1, 2007*):

3675 The Commissioner of Revenue Services shall grant a credit against
3676 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
3677 212 (1) in an amount not to exceed [sixty] one hundred per cent of the
3678 total cash amount invested during the taxable year by the business
3679 firm in programs operated or created pursuant to proposals approved
3680 pursuant to section 12-632 for energy conservation projects directed
3681 toward properties occupied by persons, at least seventy-five per cent
3682 of whom are at an income level not exceeding one hundred fifty per
3683 cent of the poverty level for the year next preceding the year during
3684 which such tax credit is to be granted; [, or] (2) in an amount equal to
3685 one hundred per cent of the total cash amount invested during the
3686 taxable year by the business firm in programs operated or created
3687 pursuant to proposals approved pursuant to section 12-632 for energy
3688 conservation projects at properties owned or occupied by charitable
3689 corporations, foundations, trusts or other entities as determined under
3690 regulations adopted pursuant to this chapter; or (3) in an amount not
3691 to exceed sixty per cent of the total cash amount invested during the
3692 taxable year by the business firm in employment and training
3693 programs directed at youths, at least seventy-five per cent of whom are
3694 at an income level not exceeding one hundred fifty per cent of the
3695 poverty level for the year next preceding the year during which such
3696 tax credit is to be granted; in employment and training programs
3697 directed at handicapped persons as determined under regulations
3698 adopted pursuant to this chapter; in employment and training
3699 programs for unemployed workers who are fifty years of age or older;
3700 in education and employment training programs for recipients in the
3701 temporary family assistance program; or in child care services. Any
3702 other program which serves persons at least seventy-five per cent of
3703 whom are at an income level not exceeding one hundred fifty per cent
3704 of the poverty level for the year next preceding the year during which
3705 such tax credit is to be granted and which meets the standards for
3706 eligibility under this chapter shall be eligible for tax credit under this

3707 section.

3708 Sec. 86. (NEW) (*Effective July 1, 2007*) (a) For the purposes described
3709 in subsection (b) of this section, the State Bond Commission shall have
3710 the power, from time to time, to authorize the issuance of bonds of the
3711 state in one or more series and in principal amounts not exceeding in
3712 the aggregate thirty million dollars.

3713 (b) The proceeds of the sale of said bonds, to the extent of the
3714 amount stated in subsection (a) of this section, shall be used by the
3715 Department of Public Works for the purpose of funding the net project
3716 costs, or the balance of any projects after applying any public or
3717 private financial incentives available, for any energy services project
3718 that results in increased efficiency measures in state buildings.

3719 (c) All provisions of section 3-20 of the general statutes, or the
3720 exercise of any right or power granted thereby, which are not
3721 inconsistent with the provisions of this section are hereby adopted and
3722 shall apply to all bonds authorized by the State Bond Commission
3723 pursuant to this section, and temporary notes in anticipation of the
3724 money to be derived from the sale of any such bonds so authorized
3725 may be issued in accordance with said section 3-20 and from time to
3726 time renewed. Such bonds shall mature at such time or times not
3727 exceeding twenty years from their respective dates as may be provided
3728 in or pursuant to the resolution or resolutions of the State Bond
3729 Commission authorizing such bonds. None of said bonds shall be
3730 authorized except upon a finding by the State Bond Commission that
3731 there has been filed with it a request for such authorization which is
3732 signed by or on behalf of the Secretary of the Office of Policy and
3733 Management and states such terms and conditions as said commission,
3734 in its discretion, may require. Said bonds issued pursuant to this
3735 section shall be general obligations of the state and the full faith and
3736 credit of the state of Connecticut are pledged for the payment of the
3737 principal of and interest on said bonds as the same become due, and
3738 accordingly and as part of the contract of the state with the holders of

3739 said bonds, appropriation of all amounts necessary for punctual
3740 payment of such principal and interest is hereby made, and the State
3741 Treasurer shall pay such principal and interest as the same become
3742 due.

3743 Sec. 87. Section 10a-180 of the general statutes is amended by adding
3744 subsection (w) as follows (*Effective October 1, 2007*):

3745 (NEW) (w) To make grants or provide other forms of financial
3746 assistance to any institution for higher education, to any health care
3747 institution, to any nursing home, to any child care or child
3748 development facility and to any qualified nonprofit organization in
3749 such amounts, for energy efficient construction or renovation projects
3750 or renewable energy construction or renovation projects subject to
3751 such eligibility and other requirements the board establishes pursuant
3752 to written procedures adopted by the board of directors pursuant to
3753 subsection (h) of section 10a-179.

3754 Sec. 88. Section 5 of public act 05-2 of the October 25 special session
3755 is repealed and the following is substituted in lieu thereof (*Effective*
3756 *from passage*):

3757 Notwithstanding the provisions of section 16a-40b of the general
3758 statutes, as amended by section 5 of public act 05-191, for the fiscal
3759 year ending June 30, [2006] 2008, the range of rates of interest payable
3760 on all loans pursuant to subsection (b) of said section 16a-40b for
3761 purchases set forth in subsection (a) of said section 16a-40b, except for
3762 goods or services relating to [aluminum or vinyl siding,] replacement
3763 central air conditioning, [replacement roofs,] heat pumps or solar
3764 systems and passive solar additions, shall be not less than zero per cent
3765 for any applicant in the lowest income class and not more than three
3766 per cent for any applicant for whom the adjusted gross income of the
3767 household member or members who contribute to the support of the
3768 household was at least one hundred fifteen per cent of the median area
3769 income by household size.

3770 Sec. 89. Section 16a-2 of the general statutes is repealed and the
3771 following is substituted in lieu thereof (*Effective from passage*):

3772 As used in this chapter and sections 16a-45a, 16a-46, 16a-46a and
3773 16a-46b:

3774 (a) "Office" means the Office of Policy and Management;

3775 (b) "Board" means the Connecticut Energy Advisory Board;

3776 (c) "Secretary" means the Secretary of the Office of Policy and
3777 Management;

3778 (d) "Energy" means work or heat that is, or may be, produced from
3779 any fuel or source whatsoever;

3780 (e) "Energy emergency" means a situation where the health, safety
3781 or welfare of the citizens of the state is threatened by an actual or
3782 impending acute shortage in usable energy resources;

3783 (f) "Energy resource" means natural gas, petroleum products, coal
3784 and coal products, wood fuels, geothermal sources, radioactive
3785 materials and any other resource yielding energy;

3786 (g) "Person" means any individual, firm, partnership, association,
3787 syndicate, company, trust, corporation, limited liability company,
3788 municipality, agency or political or administrative subdivision of the
3789 state, or other legal entity of any kind;

3790 (h) "Service area" means any geographic area serviced by the same
3791 energy-producing public service company, as defined in section 16-1;

3792 (i) "Renewable resource" means solar, wind, water, wood or other
3793 biomass source of energy and geothermal energy;

3794 (j) "Energy-related products" means (1) energy systems and
3795 equipment that utilize renewable resources to provide space heating or
3796 cooling, water heating, electricity or other useful energy, (2) insulation

3797 materials, and (3) equipment designed to conserve energy or increase
3798 the efficiency of its use, including that used for residential, commercial,
3799 industrial and transportation purposes;

3800 (k) "Energy-related services" means (1) the design, construction,
3801 installation, inspection, maintenance, adjustment or repair of energy-
3802 related products, (2) inspection, adjustment, maintenance or repair of
3803 any conventional energy system, (3) the performance of energy audits
3804 or the provision of energy management consulting services, and (4)
3805 weatherization activities carried out under any federal, state or
3806 municipal program;

3807 (l) "Conventional energy system" means any system for supplying
3808 space heating or cooling, ventilation or domestic or commercial hot
3809 water which is not included in subdivision (1) of subsection (j) of this
3810 section; [and]

3811 (m) "Energy supply" means any energy resource capable of being
3812 used to perform useful work and any form of energy such as electricity
3813 produced or derived from energy resources which may be so used;
3814 and

3815 (n) "Energy facility" means a structure that generates, transmits or
3816 stores electricity, natural gas, refined petroleum products, renewable
3817 fuels, coal and coal products, wood fuels, geothermal sources,
3818 radioactive material and other resources yielding energy.

3819 Sec. 90. Section 16a-7b of the general statutes is repealed and the
3820 following is substituted in lieu thereof (*Effective from passage*):

3821 (a) Not later than December 1, 2004, the Connecticut Energy
3822 Advisory Board shall develop infrastructure criteria guidelines for the
3823 evaluation process under subsection (f) of section 16a-7c, which
3824 guidelines shall be consistent with state environmental policy, state
3825 economic development policy, the state's policy regarding the
3826 restructuring of the electric industry, as set forth in section 16-244, and

3827 the findings in the comprehensive energy plan prepared pursuant to
3828 section 16a-7a, and shall include, but not be limited to, the following:
3829 (1) Environmental preference standards; (2) efficiency standards,
3830 including, but not limited to, efficiency standards for transmission,
3831 generation and demand-side management; (3) generation preference
3832 standards; (4) electric capacity, use trends and forecasted resource
3833 needs; (5) natural gas capacity, use trends and forecasted resource
3834 needs; and (6) national and regional reliability criteria applicable to the
3835 regional bulk power grid, as determined in consultation with the
3836 regional independent system operator, as defined in section 16-1. In
3837 developing environmental preference standards, the board shall
3838 consider the recommendations and findings of the task force
3839 established pursuant to section 25-157a and Executive Order Number
3840 26 of Governor John G. Rowland.

3841 (b) No municipality may take an action to condemn, in whole or in
3842 part, or restrict the operation of any existing or currently operating
3843 energy facility, provided such facility is first determined by the
3844 Department of Public Utility Control, following a contested case
3845 proceeding, held in accordance with the provisions of chapter 54, to
3846 comprise a critical component of the state's energy infrastructure and
3847 provided further that the municipality first receive written approval
3848 from the department, the Office of Policy and Management, the
3849 Connecticut Energy Advisory Board and the Connecticut Siting
3850 Council that such taking would not have a detrimental impact on the
3851 state's or region's ability to provide a particular energy resource to its
3852 citizens.

3853 Sec. 91. Section 29-256a of the general statutes is repealed and the
3854 following is substituted in lieu thereof (*Effective October 1, 2007*):

3855 (a) The State Building Inspector and the Codes and Standards
3856 Committee shall revise the State Building Code to require that
3857 buildings and building elements be designed to provide optimum cost-
3858 effective energy efficiency over the useful life of the building. Such

3859 revision shall meet the American Society of Heating, Refrigerating and
3860 Air Conditioning Engineers Standard 90.1 for new construction.

3861 (b) Notwithstanding subsection (a) of this section, the State Building
3862 Inspector and the Codes and Standards Committee shall revise the
3863 State Building Code to require that any (1) building, except a
3864 residential building with no more than four units, constructed after
3865 January 1, 2010, that is projected to cost not less than five million
3866 dollars, and (2) renovation to any building, except a residential
3867 building with no more than four units, started after January 1, 2010,
3868 that is projected to cost not less than two million dollars shall be built
3869 or renovated using building construction standards consistent with or
3870 exceeding the silver building rating of the Leadership in Energy and
3871 Environmental Design's rating system for new commercial
3872 construction and major renovation projects, as established by the
3873 United States Green Building Council, or an equivalent standard,
3874 including, but not limited to, a two-globe rating in the Green Globes
3875 USA design program. The inspector and the committee shall provide
3876 for an exemption for any building if the Institute for Sustainable
3877 Energy finds, in a written analysis, that the cost of such compliance
3878 significantly outweighs the benefits.

3879 Sec. 92. Subsection (a) of section 16-245e of the general statutes is
3880 amended by adding subdivisions (14) to (18), inclusive, as follows
3881 (*Effective from passage*):

3882 (NEW) (14) "State rate reduction bonds" means the rate reduction
3883 bonds issued on June 23, 2004, by the state to sustain funding of
3884 conservation and load management and renewable energy investment
3885 programs by substituting for disbursements to the General Fund from
3886 the Energy Conservation and Load Management Fund, established by
3887 section 16-245m, and from the Renewable Energy Investment Fund,
3888 established by section 16-245n, as amended by this act. The state rate
3889 reduction bonds for the purposes of section 4-30a shall be deemed to
3890 be outstanding indebtedness of the state;

3891 (NEW) (15) "Operating expenses" in connection with the state rate
3892 reduction bonds, means (A) all expenses, costs and liabilities of the
3893 state or the trustee incurred in connection with the administration or
3894 payment of the state rate reduction bonds or in discharge of its
3895 obligations and duties under the state rate reduction bonds or bond
3896 documents, expenses and other costs and expenses arising in
3897 connection with the state rate reduction bonds or pursuant to the
3898 financing order providing for the issuance of such bonds including any
3899 arbitrage rebate and penalties payable under the code in connection
3900 with such bonds, and (B) all fees and expenses payable or disburseable
3901 to the servicers or others under the bond documents;

3902 (NEW) (16) "Bond documents" means, in connection with the state
3903 rate reduction bonds, the following documents: The servicing
3904 agreements, the tax compliance agreement and certificate, and the
3905 continuing disclosure agreement entered into in connection with the
3906 state rate reduction bonds and the indenture;

3907 (NEW) (17) "Indenture" means, in connection with the state rate
3908 reduction bonds, the RRB Indenture, dated as of June 23, 2004, by and
3909 between the state and the trustee, as amended from time to time; and

3910 (NEW) (18) "Trustee" means in connection with the state rate
3911 reduction bonds the trustee appointed under the indenture.

3912 Sec. 93. Section 16-245e of the general statutes is amended by adding
3913 subsection (l) as follows (*Effective from passage*):

3914 (NEW) (l) The sum of ninety-five million dollars is appropriated to
3915 the Treasurer, from the General Fund, for the fiscal year ending June
3916 30, 2007, for the purpose of (1) defeasing the rate reduction bonds
3917 maturing after December 30, 2007, by irrevocably depositing with the
3918 bond trustee in trust such appropriation to be used for the scheduled
3919 payments of principal and interest on the said rate reduction bonds
3920 and paying operating expenses, (2) if the Treasurer determines it to be
3921 in the state's best interest, purchasing state rate reduction bonds

3922 maturing after December 30, 2007, in the open market on such terms
3923 and conditions as the Treasurer determines to be in the best interest of
3924 the state for purposes of satisfying such bonds, or (3) defeasing or
3925 satisfying the rate reduction bonds maturing after December 30, 2007,
3926 by a combination of the methods described in subdivisions (1) and (2)
3927 of this subsection. Such appropriation is for the purpose of paying debt
3928 service on bonds or other evidences of indebtedness and related costs
3929 and expenses provided for in the indenture. After the defeasance or
3930 satisfaction of all outstanding rate reduction bonds, the trustee shall
3931 deliver to the Treasurer or apply in accordance with the instructions of
3932 the Treasurer all moneys held by it not necessary to defease or satisfy
3933 such bonds or allocated to pay operating expenses. Such funds shall be
3934 first applied to satisfy any unpaid operating expenses. After payment
3935 of the operating expenses, seventy-five per cent of any remaining
3936 amounts shall be paid to the Energy Conservation and Load
3937 Management Fund, established pursuant to section 16-245m, and
3938 twenty-five per cent of such remaining amount shall be paid to the
3939 Renewable Energy Investment Fund, established pursuant to section
3940 16-245n, as amended by this act. The Treasurer and the finance
3941 authority have the authority to take any necessary and appropriate
3942 actions to implement the defeasance or satisfaction of the rate
3943 reduction bonds and the payment of all operating expenses so that the
3944 amount of rate reduction charges which before defeasance secured the
3945 rate reduction bonds can be applied to the Energy Conservation and
3946 Load Management Fund and the Renewable Energy Investment Fund.

3947 Sec. 94. (NEW) (*Effective from passage*) Notwithstanding any
3948 provision of the general statutes, the Connecticut Housing Investment
3949 Fund, Incorporated, established pursuant to section 8-218f of the
3950 general statutes, shall, under its energy conservation loan program,
3951 offer loans of up to twenty-five thousand dollars to homeowners of
3952 residential properties with no more than four units.

3953 Sec. 95. (*Effective July 1, 2007*) (a) For the purposes described in
3954 subsection (b) of this section, the State Bond Commission shall have

3955 the power, from time to time, to authorize the issuance of bonds of the
3956 state in one or more series and in principal amounts not exceeding in
3957 the aggregate thirty million dollars.

3958 (b) The proceeds of the sale of said bonds, to the extent of the
3959 amount stated in subsection (a) of this section, shall be used by
3960 Connecticut Innovations, Incorporated, for the purpose of funding the
3961 net project costs, or the balance of any projects after applying any
3962 public or private financial incentives available, for any renewable
3963 energy projects in state buildings. The funds shall be made available
3964 through the Renewable Energy Investment Fund, established pursuant
3965 to section 16-245n of the general statutes, as amended by this act.
3966 Eligible state buildings shall be Leadership in Energy and
3967 Environmental Design (LEED) certified or in the process of becoming
3968 LEED certified.

3969 (c) All provisions of section 3-20 of the general statutes, or the
3970 exercise of any right or power granted thereby, which are not
3971 inconsistent with the provisions of this section are hereby adopted and
3972 shall apply to all bonds authorized by the State Bond Commission
3973 pursuant to this section, and temporary notes in anticipation of the
3974 money to be derived from the sale of any such bonds so authorized
3975 may be issued in accordance with said section 3-20 and from time to
3976 time renewed. Such bonds shall mature at such time or times not
3977 exceeding twenty years from their respective dates as may be provided
3978 in or pursuant to the resolution or resolutions of the State Bond
3979 Commission authorizing such bonds. None of said bonds shall be
3980 authorized except upon a finding by the State Bond Commission that
3981 there has been filed with it a request for such authorization which is
3982 signed by or on behalf of the Secretary of the Office of Policy and
3983 Management and states such terms and conditions as said commission,
3984 in its discretion, may require. Said bonds issued pursuant to this
3985 section shall be general obligations of the state and the full faith and
3986 credit of the state of Connecticut are pledged for the payment of the
3987 principal of and interest on said bonds as the same become due, and

3988 accordingly and as part of the contract of the state with the holders of
 3989 said bonds, appropriation of all amounts necessary for punctual
 3990 payment of such principal and interest is hereby made, and the State
 3991 Treasurer shall pay such principal and interest as the same become
 3992 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>from passage</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 6
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>October 1, 2007</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>October 1, 2007</i>	16-32g
Sec. 8	<i>October 1, 2007</i>	16-19e(a)
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>January 1, 2008</i>	16a-38k
Sec. 12	<i>October 1, 2007</i>	10-286
Sec. 13	<i>October 1, 2007</i>	16a-48(a)(16)
Sec. 14	<i>October 1, 2007</i>	16a-48(a)
Sec. 15	<i>October 1, 2007</i>	16a-48(b)
Sec. 16	<i>October 1, 2007</i>	16a-48(d)(1)
Sec. 17	<i>October 1, 2007</i>	16a-48(g)
Sec. 18	<i>October 1, 2007</i>	4a-67c
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>July 1, 2007</i>	16-243r
Sec. 21	<i>January 1, 2008</i>	New section
Sec. 22	<i>January 1, 2008</i>	12-412(110)
Sec. 23	<i>October 1, 2007</i>	New section
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>October 1, 2007</i>	New section
Sec. 26	<i>October 1, 2007</i>	New section
Sec. 27	<i>October 1, 2007</i>	New section
Sec. 28	<i>October 1, 2007</i>	New section
Sec. 29	<i>October 1, 2007</i>	New section

Sec. 30	<i>October 1, 2007</i>	New section
Sec. 31	<i>October 1, 2007</i>	New section
Sec. 32	<i>October 1, 2007</i>	New section
Sec. 33	<i>October 1, 2007</i>	New section
Sec. 34	<i>October 1, 2007</i>	New section
Sec. 35	<i>October 1, 2007</i>	New section
Sec. 36	<i>October 1, 2007</i>	New section
Sec. 37	<i>October 1, 2007</i>	New section
Sec. 38	<i>October 1, 2007</i>	New section
Sec. 39	<i>October 1, 2007</i>	16-243a(b)
Sec. 40	<i>October 1, 2007</i>	16-243a
Sec. 41	<i>October 1, 2007</i>	16-245n(a)
Sec. 42	<i>October 1, 2007</i>	16-243h
Sec. 43	<i>October 1, 2007</i>	16-245a
Sec. 44	<i>July 1, 2007</i>	New section
Sec. 45	<i>from passage</i>	New section
Sec. 46	<i>October 1, 2007</i>	16-243q
Sec. 47	<i>from passage</i>	16-1(a)(44)
Sec. 48	<i>October 1, 2007</i>	22a-6(a)
Sec. 49	<i>from passage</i>	16-244c(j)(2)
Sec. 50	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(57)
Sec. 51	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(63)
Sec. 52	<i>from passage</i>	20-340
Sec. 53	<i>from passage</i>	16-244c
Sec. 54	<i>from passage</i>	New section
Sec. 55	<i>from passage</i>	New section
Sec. 56	<i>from passage</i>	New section
Sec. 57	<i>from passage</i>	16a-3
Sec. 58	<i>from passage</i>	New section
Sec. 59	<i>July 1, 2007</i>	New section
Sec. 60	<i>July 1, 2007</i>	16-32f
Sec. 61	<i>July 1, 2007</i>	16a-7c
Sec. 62	<i>July 1, 2007</i>	16a-7c(b)
Sec. 63	<i>July 1, 2007</i>	16-501(a)(2)

Sec. 64	<i>from passage</i>	New section
Sec. 65	<i>from passage</i>	New section
Sec. 66	<i>from passage</i>	13a-126
Sec. 67	<i>July 1, 2007</i>	New section
Sec. 68	<i>October 1, 2007</i>	16-2(e)
Sec. 69	<i>July 1, 2007</i>	New section
Sec. 70	<i>from passage</i>	New section
Sec. 71	<i>October 1, 2007</i>	New section
Sec. 72	<i>from passage</i>	New section
Sec. 73	<i>July 1, 2007</i>	New section
Sec. 74	<i>July 1, 2007</i>	16-19b(j)
Sec. 75	<i>October 1, 2007</i>	16-50k(a)
Sec. 76	<i>July 1, 2007</i>	16-244e(a)(6)
Sec. 77	<i>July 1, 2007</i>	16-19ss(d)
Sec. 78	<i>July 1, 2007</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 1
Sec. 79	<i>July 1, 2007</i>	16a-41a
Sec. 80	<i>October 1, 2007</i>	16-262c
Sec. 81	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	12-412
Sec. 82	<i>June 1, 2007</i>	12-412k
Sec. 83	<i>from passage</i>	New section
Sec. 84	<i>from passage</i>	16a-41h(a)
Sec. 85	<i>July 1, 2007</i>	12-635
Sec. 86	<i>July 1, 2007</i>	New section
Sec. 87	<i>October 1, 2007</i>	10a-180
Sec. 88	<i>from passage</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 5
Sec. 89	<i>from passage</i>	16a-2
Sec. 90	<i>from passage</i>	16a-7b
Sec. 91	<i>October 1, 2007</i>	29-256a
Sec. 92	<i>from passage</i>	16-245e(a)
Sec. 93	<i>from passage</i>	16-245e
Sec. 94	<i>from passage</i>	New section
Sec. 95	<i>July 1, 2007</i>	New section

Statement of Purpose:

To protect Connecticut's energy future.

[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.]