



General Assembly

January Session, 2007

Raised Bill No. 1374

LCO No. 5097

05097_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING ELECTRICITY PROCUREMENT AND ENERGY EFFICIENCY.

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

1 Section 1. Subsection (c) of section 16-244c of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (c) (1) On and after January 1, 2007, each electric distribution
5 company shall provide electric generation services through standard
6 service to any customer who (A) does not arrange for or is not
7 receiving electric generation services from an electric supplier, and (B)
8 does not use a demand meter or has a maximum demand of less than
9 five hundred kilowatts.

10 (2) Not later than October 1, 2006, and periodically as required by
11 subdivision (3) of this subsection, but not more often than every
12 calendar quarter, the Department of Public Utility Control shall
13 establish the standard service price for such customers pursuant to
14 subdivision (3) of this subsection. Each electric distribution company
15 shall recover the actual net costs of procuring and providing electric

16 generation services pursuant to this subsection, provided such
17 company mitigates the costs it incurs for the procurement of electric
18 generation services for customers who are no longer receiving service
19 pursuant to this subsection.

20 (3) [An] Until December 31, 2007, an electric distribution company
21 providing electric generation services pursuant to this subsection shall
22 mitigate the variation of the price of the service offered to its customers
23 by procuring electric generation services contracts in the manner
24 prescribed in a plan approved by the department. Such plan shall
25 require the procurement of a portfolio of service contracts sufficient to
26 meet the projected load of the electric distribution company. Such plan
27 shall require that the portfolio of service contracts be procured in an
28 overlapping pattern of fixed periods at such times and in such manner
29 and duration as the department determines to be most likely to
30 produce just, reasonable and reasonably stable retail rates while
31 reflecting underlying wholesale market prices over time. The portfolio
32 of contracts shall be assembled in such manner as to invite
33 competition; guard against favoritism, improvidence, extravagance,
34 fraud and corruption; and secure a reliable electricity supply while
35 avoiding unusual, anomalous or excessive pricing. The portfolio of
36 contracts procured under such plan shall be for terms of not less than
37 six months, provided contracts for shorter periods may be procured
38 under such conditions as the department shall prescribe to (A) ensure
39 the lowest rates possible for end-use customers; (B) ensure reliable
40 service under extraordinary circumstances; and (C) ensure the prudent
41 management of the contract portfolio. An electric distribution
42 company may receive a bid for an electric generation services contract
43 from any of its generation entities or affiliates, provided such
44 generation entity or affiliate submits its bid the business day preceding
45 the first day on which an unaffiliated electric supplier may submit its
46 bid and further provided the electric distribution company and the
47 generation entity or affiliate are in compliance with the code of
48 conduct established in section 16-244h.

49 (4) On and after January 1, 2008, an electric distribution company
50 providing electric generation services pursuant to this subsection shall
51 mitigate the variation of the price of the service offered to its customers
52 by procuring electric generation services in the manner prescribed in a
53 standard service procurement plan approved by the department. Such
54 plan shall specify the method for purchasing power for standard
55 service, and may require the electric distribution company to (A)
56 procure load following, full requirements service contracts in a manner
57 similar to that pursuant to subdivision (3) of this subsection; (B)
58 procure individual electric supply components electricity directly from
59 a supplier, or generator, including, but not limited to, base load,
60 intermediate and peaking energy resource, capacity and other power
61 supply services, using both requests for proposals and bilateral
62 contracts outside the request for proposal process; and (C) procure
63 physical and financial hedges to manage prices, including, but not
64 limited to, tolling arrangements and financial transmission rights. Such
65 plan shall describe how an electric distribution company shall, over
66 time, transition to its new supply aggregation role as described in this
67 section from the current method of procuring power supply pursuant
68 to subdivision (3) of this subsection to a mix of the procurement
69 options described in this section. Once its procurement plan has been
70 approved by the department, an electric distribution company shall be
71 allowed to manage the power supply portfolio on a real-time basis,
72 thereby enabling it to optimize supply for the benefit of customers. The
73 department shall set standard service rates annually by combining the
74 costs of the arrangements undertaken under the procurement plan,
75 provided that such rates will be trued up to actual revenues and
76 expenses twice per year, with any over or under recovery being
77 included in either the current period or subsequent standard service
78 rate, as determined by the department. An electric distribution
79 company shall be entitled to collect the reasonable costs it incurs to
80 provide such service.

81 [(4) The] (5) In approving the plans pursuant to subdivisions (3) and
82 (4) of this subsection, the department, in consultation with the Office of

83 Consumer Counsel, shall retain the services of a third-party entity with
84 expertise in the area of energy procurement to oversee the initial
85 development of the request for proposals and the procurement of
86 contracts by an electric distribution company for the provision of
87 electric generation services offered pursuant to this subsection. Costs
88 associated with the retention of such third-party entity shall be
89 included in the cost of electric generation services that is included in
90 such price.

91 [(5) Each] (6) For resources acquired pursuant to a request for
92 proposal process, each bidder for a standard service contract shall
93 submit its bid to the electric distribution company and the third-party
94 entity who shall jointly review the bids and submit an overview of all
95 bids together with a joint recommendation to the department as to the
96 preferred bidders. The department shall make available to the Office of
97 Consumer Counsel and the Attorney General all bids it receives
98 pursuant to this subsection, provided the Office of Consumer Counsel
99 and the Attorney General shall not make the bids available to the
100 public until the department does so. The department may, [within ten]
101 not later than two business days [of] after submission of the overview,
102 reject the recommendation regarding preferred bidders. In the event
103 that the department rejects the preferred bids, the electric distribution
104 company and the third-party entity shall rebid the service pursuant to
105 this subdivision. For other resources acquired by an electric
106 distribution company pursuant to subdivision (4) of this subsection,
107 such company shall submit information on such acquisitions to the
108 department as shall be specified in the procurement plan.

109 Sec. 2. (NEW) (*Effective from passage*) Not later than January 1, 2008,
110 and annually thereafter, the electric distribution companies, in
111 consultation with the regional system operator and the Energy
112 Resources Procurement Board, shall develop and submit an integrated
113 resource plan to the Department of Public Utility Control that
114 analyzes, over the short term and long term, the state's electricity
115 energy resources, and specifies actions for acquiring such resources

116 into the future from the broadest possible range of options. The plan
117 shall consider and enable the use of all forms of resources that would
118 provide benefits to customers, including, but not limited to, energy
119 efficiency, new and existing conventional and renewable generation,
120 and distributed generation. The plan shall focus on obtaining resources
121 on a cost-of-service basis.

122 Sec. 3. Subsection (j) of section 16-19b of the general statutes is
123 repealed and the following is substituted in lieu thereof (*Effective July*
124 *1, 2007*):

125 (j) [Any] In order to ensure that the interests of gas and electric
126 distribution companies are aligned with customer interests in reducing
127 energy costs by severing the link between sales levels and recovery of
128 costs, any purchased gas adjustment clause or energy adjustment
129 clause approved by the department may include a provision designed
130 to allow the electric or gas company to charge or reimburse the
131 customer for any under-recovery or over-recovery of overhead and
132 fixed costs due solely to the deviation of actual retail sales of electricity
133 or gas from projected retail sales of electricity or gas. The department
134 shall include such provision in any energy adjustment clause approved
135 for an electric company if it determines (1) that a significant cause of
136 excess earnings by the electric company is an increase in actual retail
137 sales of electricity over projected retail sales of electricity as
138 determined at the time of the electric company's most recent rate
139 amendment, and (2) that such provision is likely to benefit the
140 customers of the electric company. The department shall include such
141 provision in any purchased gas adjustment clause approved for a gas
142 distribution company or energy adjustment clause approved for an
143 electric distribution company on or after the issuance of a final
144 decision in a proceeding on amendments to rate schedules for such
145 company, but not later than January 1, 2009. The department shall not
146 consider the existence of such provision in determining the return on
147 equity of such company.

148 Sec. 4. (NEW) (*Effective July 1, 2007*) (a) The Department of Public
149 Utility Control shall, in coordination with the Energy Conservation
150 Management Board, established pursuant to section 16-245m of the
151 general statutes, as amended by this act, establish a state-wide energy
152 efficiency and outreach marketing campaign to target the following
153 sectors: (1) Commercial, including small businesses, (2) industrial, (3)
154 governmental, (4) institutional, including schools, hospitals and
155 nonprofits, (5) agricultural, and (6) residential.

156 (b) The goals of the campaign established pursuant to subsection (a)
157 of this section shall include, but not be limited to, (1) educating
158 residents on the benefits of energy efficiency, (2) motivating said
159 residents to take action to achieve lasting energy savings, (3) educating
160 and informing said residents about the real-time energy reports
161 prepared pursuant to section 6 of this act and the real-time energy alert
162 system prepared pursuant to section 7 of this act, and (4) supporting
163 the energy efficiency programs already in existence.

164 (c) On or before October 1, 2007, the department shall develop a
165 plan to meet the goals of said program pursuant to subsection (b) of
166 this section and, on or before January 1, 2008, the department shall
167 implement said plan. Said plan shall include a coordinated range of
168 marketing activities and outreach strategies, including, but not limited
169 to, television, radio and newspaper advertisements; printed
170 educational materials; events; a comprehensive web site resource
171 serving all sectors; a biweekly electronic newsletter; planning forums
172 and meetings throughout the state; and partnerships with businesses,
173 government entities and nonprofit organizations.

174 Sec. 5. Subsection (c) of section 16-245m of the general statutes is
175 repealed and the following is substituted in lieu thereof (*Effective July*
176 *1, 2007*):

177 (c) The Department of Public Utility Control shall appoint and
178 convene an Energy Conservation Management Board which shall
179 include representatives of: (1) An environmental group knowledgeable

180 in energy conservation program collaboratives; (2) the Office of
181 Consumer Counsel; (3) the Attorney General; (4) the Department of
182 Environmental Protection; (5) the electric distribution companies in
183 whose territories the activities take place for such programs; (6) a state-
184 wide manufacturing association; (7) a chamber of commerce; (8) a
185 state-wide business association; (9) a state-wide retail organization;
186 (10) a representative of a municipal electric energy cooperative created
187 pursuant to chapter 101a; (11) two representatives selected by the gas
188 companies in this state; [and] (12) residential customers; (13) a
189 representative of the educational sector; (14) a representative of state
190 hospitals; (15) a representative of nonprofit organizations; (16) a
191 representative of the transportation sector; and (17) a representative of
192 the agricultural sector. Such members shall serve for a period of five
193 years and may be reappointed. Representatives of the gas companies
194 shall not vote on matters unrelated to gas conservation.
195 Representatives of the electric distribution companies and the
196 municipal electric energy cooperative shall not vote on matters
197 unrelated to electricity conservation.

198 Sec. 6. (NEW) (*Effective July 1, 2007*) (a) As part of the energy
199 efficiency and outreach marketing campaign established pursuant to
200 section 1 of this act, the Department of Public Utility Control shall, in
201 consultation with the Energy Conservation Management Board,
202 established pursuant to section 16-245m of the general statutes, as
203 amended by this act, develop a real-time energy report for use on
204 television and other media as part of daily weather reports. The report
205 shall (1) identify the state's current real-time energy demand, along
206 with how the demand has changed over the course of the day, and in
207 the case of television news broadcasts, the real-time change between
208 the beginning and end of the broadcast; (2) emphasize the importance
209 of reducing peak demand and provide estimates of the money leaving
210 the state and country because of our dependence on fossil fuels; and
211 (3) provide tips on conservation measures, promote community and
212 business competition to reduce energy consumption and give visibility
213 to communities and businesses that have implemented energy saving

214 changes or that are using renewable resources.

215 (b) The department shall get the information needed to develop the
216 real-time energy reports established pursuant to subsection (a) of this
217 section from the regional independent system operator.

218 (c) The Commissioner of Public Utility Control shall adopt
219 regulations, in accordance with the provisions of chapter 54 of the
220 general statutes, to determine the parameters of developing the real-
221 time energy report established pursuant to subsection (a) of this
222 section.

223 Sec. 7. (NEW) (*Effective July 1, 2007*) (a) As part of the energy
224 efficiency and outreach marketing campaign established pursuant to
225 section 1 of this act, the Department of Public Utility Control shall, in
226 consultation with the Energy Conservation Management Board,
227 established pursuant to section 16-245m of the general statutes, as
228 amended by this act, develop a real-time energy electronic mail and
229 cellular phone alert system to notify the public of the need to reduce
230 energy consumption during peak power periods.

231 (b) The Commissioner of Public Utility Control shall adopt
232 regulations, in accordance with the provisions of chapter 54 of the
233 general statutes, to determine the parameters of the real-time energy
234 electronic mail and cellular phone alert system established pursuant to
235 subsection (a) of this section.

236 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) On or before September 1,
237 2007, the Department of Education, in consultation with the
238 Department of Public Utility Control, electrical distribution companies
239 and interested manufacturers of compact fluorescent light bulbs, shall
240 (1) establish a week-long promotional event, to be known as See the
241 Light Week, in late September or early October each year, that will
242 promote renewable energy and energy conservation, (2) encourage
243 and solicit school districts, individual schools and other educational
244 institutions under its jurisdiction to participate in a state-wide compact

245 fluorescent light bulbs fundraiser established pursuant to subsection
246 (b) of this section, and (3) provide outreach, guidance and training to
247 districts, parent and teacher organizations and schools concerning the
248 value of renewable energy.

249 (b) (1) The Department of Public Utility Control shall, in
250 consultation with the Department of Education and the Energy
251 Conservation Management Board, established pursuant to section 16-
252 245m of the general statutes, as amended by this act, develop and
253 implement a state-wide fundraiser for all state elementary through
254 high schools, in which students would sell compact fluorescent light
255 bulbs. The participating schools would earn a portion of each sale.

256 (2) The Commissioner of Public Utility Control shall establish a sales
257 target for the state-wide fundraiser developed pursuant to subdivision
258 (1) of this subsection, as well as adopt regulations, in accordance with
259 the provisions of chapter 54 of the general statutes, to determine the
260 parameters of said fundraiser.

261 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) On or before October 1, 2007,
262 the Department of Public Utility Control shall establish a plan to
263 implement a voluntary rate program that will add a fourth tier to the
264 rates required pursuant to section 16-243n of the general statutes. Said
265 program shall (1) establish the surcharge on peak rates, which shall
266 apply to high-demand peak days, for customers choosing to
267 participate, (2) encourage a shift of demand, and (3) include an
268 educational component.

269 (b) The department shall establish parameters for the program
270 established in subsection (a) of this section, including, but not limited
271 to, facilitating the delivery of meters. The department shall implement
272 said program on or before June 1, 2008.

273 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) On and after October 1,
274 2007, the Department of Public Utility Control shall, in consultation
275 with the Department of Environmental Protection and the Department

276 of Public Works, establish a grant program for clean and distributive
277 generation, generated from a Class I renewable energy source, projects
278 for businesses and state buildings.

279 (b) The Department of Public Utility Control shall award grants as
280 follows: (1) Not more than twenty-five million dollars shall be
281 awarded to fuel cell projects, and (2) not more than twenty-five million
282 dollars shall be awarded for all other clean and distributive generation
283 projects.

284 (c) The Commissioner of Public Utility Control shall adopt
285 regulations, in accordance with the provisions of chapter 54 of the
286 general statutes, to set the parameters of the grant program established
287 pursuant to this section.

288 Sec. 11. (*Effective July 1, 2007*) (a) For the purposes described in
289 subsection (b) of this section, the State Bond Commission shall have
290 the power, from time to time, to authorize the issuance of bonds of the
291 state in one or more series and in principal amounts not exceeding in
292 the aggregate fifty million dollars.

293 (b) The proceeds of the sale of said bonds, to the extent of the
294 amount stated in subsection (a) of this section, shall be used by the
295 Department of Public Utility Control for the purpose of the grant
296 program established in section 10 of this act.

297 (c) All provisions of section 3-20 of the general statutes, or the
298 exercise of any right or power granted thereby, which are not
299 inconsistent with the provisions of this section are hereby adopted and
300 shall apply to all bonds authorized by the State Bond Commission
301 pursuant to this section, and temporary notes in anticipation of the
302 money to be derived from the sale of any such bonds so authorized
303 may be issued in accordance with said section 3-20 and from time to
304 time renewed. Such bonds shall mature at such time or times not
305 exceeding twenty years from their respective dates as may be provided
306 in or pursuant to the resolution or resolutions of the State Bond

307 Commission authorizing such bonds. None of said bonds shall be
308 authorized except upon a finding by the State Bond Commission that
309 there has been filed with it a request for such authorization which is
310 signed by or on behalf of the Secretary of the Office of Policy and
311 Management and states such terms and conditions as said commission,
312 in its discretion, may require. Said bonds issued pursuant to this
313 section shall be general obligations of the state and the full faith and
314 credit of the state of Connecticut are pledged for the payment of the
315 principal of and interest on said bonds as the same become due, and
316 accordingly and as part of the contract of the state with the holders of
317 said bonds, appropriation of all amounts necessary for punctual
318 payment of such principal and interest is hereby made, and the State
319 Treasurer shall pay such principal and interest as the same become
320 due.

321 Sec. 12. (NEW) (*Effective July 1, 2007*) On and after July 1, 2007, and
322 not later than July 1, 2017, the Secretary of the Office of Policy and
323 Management shall provide a five-hundred-dollar rebate for the
324 purchase and installation in residential structures of replacement
325 natural gas, propane and oil furnaces and boilers that are not less than
326 eighty-four per cent efficient. Such rebates shall not exceed five million
327 dollars in aggregate per year. Persons may apply to the secretary, on a
328 form prescribed by the secretary, to receive such rebate. The rebate
329 shall be available for only a residential structure containing not more
330 than four dwelling units. Eligibility for said rebate program shall
331 coincide with the guidelines set forth in subsection (c) of section 12-
332 704c of the general statutes. The costs of the rebates pursuant to this
333 section shall be recovered through the systems benefit charge
334 established pursuant to section 16-245l of the general statutes.

335 Sec. 13. (NEW) (*Effective July 1, 2007*) The Department of
336 Environmental Protection, in consultation with the Department of
337 Public Utility Control, shall have the authority to conduct an auction
338 for carbon dioxide credits allocated under the Regional Greenhouse
339 Gas Initiative. One hundred per cent of funds generated through any

340 such auction must be allocated to consumer benefit, including, but not
341 limited to, energy efficiency programs.

342 Sec. 14. Section 16a-38k of the general statutes is repealed and the
343 following is substituted in lieu thereof (*Effective January 1, 2008*):

344 (a) Notwithstanding any provision of the general statutes, any (1)
345 new construction [of a state facility, except salt sheds, parking garages,
346 maintenance facilities or school construction,] that is projected to cost
347 not less than five million dollars, [or more,] of which two million
348 dollars is state funding, and is approved and funded on or after
349 January 1, [2007] 2008, and (2) renovation of a state facility that is
350 projected to cost not less than two million dollars, that is financed with
351 state funds and is approved and funded on or after January 1, 2008,
352 shall comply with the regulations adopted pursuant to subsection (b)
353 of this section. The Secretary of the Office of Policy and Management,
354 in consultation with the Commissioner of Public Works, [and the
355 Institute for Sustainable Energy,] shall exempt any facility from
356 complying with said regulations if [said secretary] the Institute for
357 Sustainable Energy finds, in a written analysis, that the cost of such
358 compliance significantly outweighs the benefits.

359 (b) Not later than January 1, 2007, the Secretary of the Office of
360 Policy and Management, in consultation with the Commissioner of
361 Public Works, the Commissioner of Environmental Protection and the
362 Commissioner of Public Safety, shall adopt regulations, in accordance
363 with the provisions of chapter 54, to adopt building construction
364 standards that are consistent with or exceed the silver building rating
365 of the Leadership in Energy and Environmental Design's rating system
366 for new commercial construction and major renovation projects, as
367 established by the United States Green Building Council, or an
368 equivalent standard, including, but not limited to, a two-globe rating
369 in the Green Globes USA design program, and thereafter update such
370 regulations as the secretary deems necessary.

371 Sec. 15. (NEW) (*Effective January 1, 2008*) Any municipality may, by

372 vote of its legislative body or, in a municipality where the legislative
373 body is a town meeting, by vote of the board of selectmen, provide a
374 property tax exemption to any owner of a motor vehicle exempt from
375 sales and use taxes under subdivision (110) or (115) of section 12-412 of
376 the general statutes, as amended by this act.

377 Sec. 16. Subdivision (110) of section 12-412 of the general statutes is
378 repealed and the following is substituted in lieu thereof (*Effective*
379 *January 1, 2008*):

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

384 Sec. 17. Subdivision (57) of section 12-81 of the general statutes is
385 repealed and the following is substituted in lieu thereof (*Effective*
386 *October 1, 2007, and applicable to assessment years commencing on or after*
387 *October 1, 2007*):

388 (57) (a) [Subject to authorization of the exemption by ordinance in
389 any municipality, any] Any Class I renewable energy source, as
390 defined in section 16-1, or any hydropower facility described in
391 subdivision (27) of said section 16-1, as amended by this act, installed
392 for the generation of electricity for private residential use, provided
393 such installation occurs on or after October 1, 1977, and further
394 provided such installation is for a single family dwelling or
395 multifamily dwelling consisting of two to four units, or any passive or
396 active solar water or space heating system or geothermal energy
397 resource;

398 (b) Any person claiming the exemption provided in this subdivision
399 for any assessment year shall, on or before the first day of November
400 in such assessment year, file with the assessor or board of assessors in
401 the town in which such hydropower facility, Class I renewable energy
402 source, or passive or active solar water or space heating system or

403 geothermal energy resource is located, written application claiming
404 such exemption. Failure to file such application in the manner and
405 form as provided by such assessor or board within the time limit
406 prescribed shall constitute a waiver of the right to such exemption for
407 such assessment year. Such application shall not be required for any
408 assessment year following that for which the initial application is filed,
409 provided if such hydropower facility, Class I renewable energy source,
410 or passive or active solar water or space heating system or geothermal
411 energy resource is altered in a manner which would require a building
412 permit, such alteration shall be deemed a waiver of the right to such
413 exemption until a new application, applicable with respect to such
414 altered source, is filed and the right to such exemption is established as
415 required initially.

416 Sec. 18. Subdivision (63) of section 12-81 of the general statutes is
417 repealed and the following is substituted in lieu thereof (*Effective*
418 *October 1, 2007, and applicable to assessment years commencing on or after*
419 *October 1, 2007*):

420 (63) (a) Subject to authorization of the exemption by ordinance in
421 any municipality and to the provisions of subparagraph (b) of this
422 subdivision, [any solar energy electricity generating system which is
423 not eligible for exemption under subdivision (57) of this section,] any
424 cogeneration system [, or both,] installed on or after July 1, 1981, [and
425 before October 1, 2006.] The ordinance shall establish the number of
426 years that a system will be exempt from taxation, except that it may
427 not provide for an exemption beyond the first fifteen assessment years
428 following the installation of a system. The ordinance shall prohibit the
429 exemption from applying to additions to resources recovery facilities
430 operating on October 1, 1994, or to resources recovery facilities
431 constructed on and after that date and may prohibit the exemption
432 from applying to property acquired by eminent domain for the
433 purpose of qualifying for the exemption;

434 (b) As used in this subdivision, [(A) "solar energy electricity

435 generating system" means equipment which is designed, operated and
436 installed as a system which utilizes solar energy as the energy source
437 for at least seventy-five per cent of the electricity produced by the
438 system and meets the standards established by regulation, in
439 accordance with the provisions of chapter 54, by the Secretary of the
440 Office of Policy and Management, and (B)] "cogeneration system"
441 means equipment which is designed, operated and installed as a
442 system which produces, in the same process, electricity and exhaust
443 steam, waste steam, heat or other resultant thermal energy which is
444 used for space or water heating or cooling, industrial, commercial,
445 manufacturing or other useful purposes and which meets standards
446 established by regulation, in accordance with the provisions of chapter
447 54, by the Secretary of the Office of Policy and Management;

448 (c) Any municipality which adopts an ordinance authorizing an
449 exemption provided by this subdivision may enter into a written
450 agreement with an applicant for the exemption, which may require the
451 applicant to make payments to the municipality in lieu of taxes. The
452 agreement may vary the amount of the payments in lieu of taxes in
453 each assessment year of the agreement, provided the payment in any
454 assessment year is not greater than the taxes which would otherwise
455 be due in the absence of the exemption. Any agreement negotiated
456 under this subdivision shall be submitted to the legislative body of the
457 municipality for its approval or rejection;

458 (d) Any person claiming the exemption provided in this subdivision
459 for any assessment year and whose application has been approved in
460 accordance with subparagraph (c) of this subdivision shall, on or
461 before the first day of November in such assessment year, file with the
462 assessor or board of assessors in the town in which the system is
463 located written application claiming the exemption. Failure to file the
464 application in the manner and form as provided by such assessor or
465 board within the time limit prescribed shall constitute a waiver of the
466 right to the exemption for such assessment year. Such application shall
467 not be required for any assessment year following that for which the

468 initial application is filed, provided if such [solar energy electricity
469 generating system or] cogeneration system is altered in a manner
470 which would require a building permit, such alteration shall be
471 deemed a waiver of the right to such exemption until a new
472 application, applicable with respect to such altered system, is filed and
473 the right to such exemption is established as required initially.

474 Sec. 19. Section 1 of public act 05-2 of the October 25 special session
475 is repealed and the following is substituted in lieu thereof (*Effective July*
476 *1, 2007*):

477 Notwithstanding the provisions of sections 4-28b and 16a-41a of the
478 general statutes, the Commissioner of Social Services shall [amend the
479 adopted] adopt a low income home energy assistance program block
480 grant allocation plan for the [purpose of modifying the 2005/2006]
481 2007/2008 Connecticut energy assistance program state plan in the
482 following manner: (1) To increase the basic benefit provided to all
483 eligible households, including eligible households whose heat is
484 included in their rent, over the benefit provided for the 2005/2006
485 plan, prior to the amendment of said plan, by two hundred dollars, (2)
486 to fund, for the fiscal year ending June 30, 2008, the contingency
487 heating assistance program under the Connecticut energy assistance
488 program to provide a three hundred dollar basic benefit to eligible
489 households, as defined in the Connecticut energy assistance program
490 state plan, whose gross annual income is not more than sixty per cent
491 of the median state income by household size, and an additional two
492 hundred dollar crisis assistance benefit for such households who have
493 exhausted their basic benefit and are unable to secure primary heat,
494 causing a life threatening situation, (3) to increase the number of
495 households weatherized pursuant to the Connecticut energy assistance
496 program, and (4) to increase the number of households receiving home
497 heating equipment tune-ups and home energy efficiency measures
498 pursuant to the home energy assistance and reimbursements for tune-
499 ups on heating equipment grant program as administered pursuant to
500 subsection (c) of section 2 of [this act] public act 05-2 of the October 25

501 special session, as amended by section 1 of public act 05-4 of the
502 October 25 special session.

503 Sec. 20. Subsection (a) of section 16a-41h of the general statutes is
504 repealed and the following is substituted in lieu thereof (*Effective from*
505 *passage*):

506 (a) (1) Each electric [and] distribution company, gas company [, as
507 defined in section 16-1, having at least seventy-five thousand
508 customers] and municipal utility furnishing electric or gas service,
509 shall include in its monthly bills a request to each customer to add a
510 [one-dollar] donation in an amount designated by the customer to the
511 bill payment. Such company shall provide to all of its customers the
512 opportunity to donate one dollar, two dollars, three dollars or another
513 amount on each bill provided to a customer either through the mail or
514 electronically. Such designation shall be made available and included
515 where customers are either electronically billed or bill payment is
516 handled electronically. The opportunity to donate one dollar, two
517 dollars, three dollars or another amount shall be included on the bill in
518 such a way that facilitates such donations.

519 (2) Operation Fuel, Incorporated, shall provide fundraising inserts
520 and remittance envelopes to retail dealers of fuel oil that volunteer to
521 include the inserts and envelopes in their customers' bills for one or
522 more billing cycles each year. Such retail dealers of fuel oil shall inform
523 Operation Fuel, Incorporated, as to the number of inserts and
524 envelopes needed to conduct such a mailing.

525 (3) Each electric, gas or fuel oil company shall transmit all such
526 donations received each month and match dollars to Operation Fuel,
527 Inc., a state-wide nonprofit organization designed to respond to people
528 within the state who are in financial crisis and need emergency energy
529 assistance. [Donations] Operation Fuel, Inc. shall [be distributed]
530 distribute donations and match dollars to nonprofit social services
531 agencies and private fuel banks in accordance with guidelines
532 established by the board of directors of Operation Fuel, Inc., provided

533 such funds shall be distributed on a priority basis to low-income
534 elderly and working poor households [which] that are not eligible for
535 public assistance or state-administered general assistance but are faced
536 with a financial crisis and are unable to make timely payments on
537 winter fuel, electricity or gas bills. Such companies shall coordinate
538 their promotions of this program, holding promotions during the same
539 month and using similar formats.

540 Sec. 21. Section 10a-180 of the general statutes is amended by adding
541 subsection (w) as follows (*Effective October 1, 2007*):

542 (NEW) (w) To make grants or provide other forms of financial
543 assistance to any institution for higher education, to any health care
544 institution, to any nursing home, to any child care or child
545 development facility and to any qualified nonprofit organization in
546 such amounts, for energy efficient construction or renovation projects
547 or renewable energy construction or renovation projects subject to
548 such eligibility and other requirements the board establishes pursuant
549 to written procedures adopted by the board of directors pursuant to
550 subsection (h) of section 10a-179.

551 Sec. 22. Section 5 of public act 05-2 of the October 25 special session
552 is repealed and the following is substituted in lieu thereof (*Effective*
553 *from passage*):

554 Notwithstanding the provisions of section 16a-40b of the general
555 statutes, as amended by section 5 of public act 05-191, for the fiscal
556 year ending June 30, [2006] 2008, the range of rates of interest payable
557 on all loans pursuant to subsection (b) of said section 16a-40b for
558 purchases set forth in subsection (a) of said section 16a-40b, except for
559 goods or services relating to [aluminum or vinyl siding,] replacement
560 central air conditioning, [replacement roofs,] heat pumps or solar
561 systems and passive solar additions, shall be not less than zero per cent
562 for any applicant in the lowest income class and not more than three
563 per cent for any applicant for whom the adjusted gross income of the
564 household member or members who contribute to the support of the

565 household was at least one hundred fifteen per cent of the median area
566 income by household size.

567 Sec. 23. Section 29-256a of the general statutes is repealed and the
568 following is substituted in lieu thereof (*Effective October 1, 2007*):

569 (a) [The] On and after January 1, 2008, the State Building Inspector
570 and the Codes and Standards Committee shall revise the State
571 Building Code to require that buildings and building elements,
572 including residential, be designed to provide optimum cost-effective
573 energy efficiency over the useful life of the building. Such revision
574 shall meet the American Society of Heating, Refrigerating and Air
575 Conditioning Engineers Standard 90.1 for new construction.

576 (b) Notwithstanding subsection (a) of this section, the State Building
577 Inspector and the Codes and Standards Committee shall revise the
578 State Building Code to require that any (1) building, except a
579 residential building with no more than four units, constructed after
580 January 1, 2009, that is projected to cost not less than five million
581 dollars, and (2) renovation to any building, except a residential
582 building with no more than four units, started after January 1, 2010,
583 that is projected to cost not less than two million dollars shall be built
584 or renovated using building construction standards consistent with or
585 exceeding the silver building rating of the Leadership in Energy and
586 Environmental Design's rating system for new commercial
587 construction and major renovation projects, as established by the
588 United States Green Building Council, or an equivalent standard,
589 including, but not limited to, a two-globe rating in the Green Globes
590 USA design program. The inspector and the committee shall provide
591 for an exemption for any building if the Institute for Sustainable
592 Energy finds, in a written analysis, that the cost of such compliance
593 significantly outweighs the benefits.

594 Sec. 24. (NEW) (*Effective from passage*) Notwithstanding any
595 provision of the general statutes, the Connecticut Housing Investment
596 Fund, Incorporated, established pursuant to section 8-218f of the

597 general statutes, shall, under its energy conservation loan program,
 598 offer loans of up to twenty-five thousand dollars to homeowners of
 599 residential properties with no more than four units.

600 Sec. 25. (*Effective July 1, 2007*) The sum of five million dollars is
 601 appropriated to the Department of Public Utility Control, from the
 602 General Fund, for the fiscal year ending June 30, 2008, for the purposes
 603 of carrying out the requirements of sections 4 to 8, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-244c(c)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2007</i>	16-19b(j)
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	16-245m(c)
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>January 1, 2008</i>	16a-38k
Sec. 15	<i>January 1, 2008</i>	New section
Sec. 16	<i>January 1, 2008</i>	12-412(110)
Sec. 17	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(57)
Sec. 18	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(63)
Sec. 19	<i>July 1, 2007</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 1
Sec. 20	<i>from passage</i>	16a-41h(a)
Sec. 21	<i>October 1, 2007</i>	10a-180

Sec. 22	<i>from passage</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 5
Sec. 23	<i>October 1, 2007</i>	29-256a
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>July 1, 2007</i>	New section

Statement of Purpose:

To affect energy policy, consumption and efficiency to help Connecticut ratepayers.

[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.]