



General Assembly

Amendment

January Session, 2007

LCO No. 7419

HB0620907419HDO

Offered by:

REP. FONTANA, 87th Dist.

REP. WILLIAMS, 68th Dist.

REP. WILBER, 63rd Dist.

To: Subst. House Bill No. 6209

File No. 200

Cal. No. 199

"AN ACT CONCERNING THE RENEWABLE ENERGY INVESTMENT FUND."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 16-245n of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2007*):

5 (a) For purposes of this section, "renewable energy" means solar
6 energy, wind, ocean thermal energy, wave or tidal energy, fuel cells,
7 landfill gas, hydrogen production and hydrogen conversion
8 technologies, low emission advanced biomass conversion technologies,
9 usable electricity from combined heat and power systems with waste
10 heat recovery systems, thermal storage systems and other energy
11 resources and emerging technologies which have significant potential
12 for commercialization and which do not involve the combustion of
13 coal, petroleum or petroleum products, municipal solid waste or

14 nuclear fission.

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

48 deposits into the Renewable Energy Investment Fund, provided such
49 expenditures were approved by the department following August 20,
50 2003, and prior to the date of determination that the rate reduction
51 bonds cannot be issued, shall be recovered by the companies from
52 their respective competitive transition assessment or systems benefits
53 charge except that such expenditures shall not exceed one million
54 dollars per month. All receipts from the remaining charges imposed
55 under this subsection, after reduction of such charges to offset the
56 increase in the competitive transition assessment as provided in this
57 subsection, shall be disbursed to the Renewable Energy Investment
58 Fund commencing as of July 1, 2003. Any increase in the competitive
59 transition assessment or decrease in the renewable energy investment
60 component of an electric distribution company's rates resulting from
61 the issuance of or obligations under rate reduction bonds shall be
62 included as rate adjustments on customer bills.

63 (c) There is hereby created a Renewable Energy Investment Fund
64 which shall be [administered by] within Connecticut Innovations,
65 Incorporated for administrative purposes only. The fund may receive
66 any amount required by law to be deposited into the fund and may
67 receive any federal funds as may become available to the state for
68 renewable energy investments. Upon authorization of the Renewable
69 Energy Investments Board established pursuant to subsection (d) of
70 this section, Connecticut Innovations, Incorporated, may use any
71 amount in said fund for expenditures which promote investment in
72 renewable energy sources in accordance with a comprehensive plan
73 developed by it to foster the growth, development and
74 commercialization of renewable energy sources, related enterprises
75 and stimulate demand for renewable energy and deployment of
76 renewable energy sources which serve end use customers in this state.
77 Such expenditures may include, but not be limited to, reimbursement
78 for services provided by the administrator of the fund including a
79 management fee, disbursements from the fund to develop and carry
80 out the plan developed pursuant to subsection (d) of this section,
81 grants, direct or equity investments, contracts or other actions which

82 support research, development, manufacture, commercialization,
83 deployment and installation of renewable energy technologies, and
84 actions which expand the expertise of individuals, businesses and
85 lending institutions with regard to renewable energy technologies.

86 (d) [The chairperson of the board of directors of Connecticut
87 Innovations, Incorporated, shall convene] There is hereby created a
88 Renewable Energy Investments [Advisory Committee to assist
89 Connecticut Innovations, Incorporated, in] Board to act on matters
90 related to the Renewable Energy Investment Fund, including, but not
91 limited to, development of a comprehensive plan and expenditure of
92 funds. The [advisory committee] Renewable Energy Investments
93 Board shall, in such plan, give preference to projects that maximize the
94 reduction of federally mandated congestion charges. The plan shall be
95 consistent with the comprehensive energy plan approved by the
96 Connecticut Energy Advisory Board pursuant to section 16a-7a. [The
97 advisory committee shall include not more than twelve individuals
98 with knowledge and experience in matters related to the purpose and
99 activities of said fund. The advisory committee shall consist of the
100 following members: (1) One person with expertise regarding
101 renewable energy resources appointed by the speaker of the House of
102 Representatives; (2) one person representing a state or regional
103 organization primarily concerned with environmental protection
104 appointed by the president pro tempore of the Senate; (3) one person
105 with experience in business or commercial investments appointed by
106 the majority leader of the House of Representatives; (4) one person
107 representing a state or regional organization primarily concerned with
108 environmental protection appointed by the majority leader of the
109 Senate; (5) one person with experience in business or commercial
110 investments appointed by the minority leader of the House of
111 Representatives; (6) one person with experience in business or
112 commercial investments appointed by the minority leader of the
113 Senate; (7) two state officials with experience in matters relating to
114 energy policy and one person with expertise regarding renewable
115 energy resources appointed by the Governor; and (8) three persons

116 with experience in business or commercial investments appointed by
117 the board of directors of Connecticut Innovations, Incorporated. The
118 advisory committee shall issue annually a report to such chairperson
119 reviewing the activities of the fund in detail and shall provide a copy
120 of such report, in accordance with the provisions of section 11-4a, to
121 the joint standing committee of the General Assembly having
122 cognizance of matters relating to energy, the Department of Public
123 Utility Control and the Office of Consumer Counsel. The report shall
124 include a description of the programs and activities undertaken during
125 the reporting period jointly or in collaboration with the Energy
126 Conservation and Load Management Funds established pursuant to
127 section 16-245m.] The Renewable Energy Investments Board shall
128 make a draft of the comprehensive plan available for public comment
129 for not less than thirty days. The board shall conduct three public
130 hearings in three different regions of the state on the draft
131 comprehensive plan and shall include a summarization of all public
132 comments received at said public hearings in the final comprehensive
133 plan approved by the board. The board shall provide a copy of the
134 comprehensive plan, in accordance with the provisions of section 11-
135 4a, to the joint standing committees of the General Assembly having
136 cognizance of matters relating to energy and commerce. The
137 Department of Public Utility Control shall, in an uncontested
138 procedure, during which the department may hold a public hearing,
139 approve, modify or reject the comprehensive plan prepared pursuant
140 to this subsection.

141 (e) The Renewable Energy Investments Board shall include not
142 more than fifteen individuals with knowledge and experience in
143 matters related to the purpose and activities of the Renewable Energy
144 Investment Fund. The board shall consist of the following members:
145 (1) One person with expertise regarding renewable energy resources
146 appointed by the speaker of the House of Representatives; (2) one
147 person representing a state or regional organization primarily
148 concerned with environmental protection appointed by the president
149 pro tempore of the Senate; (3) one person with experience in business

150 or commercial investments appointed by the majority leader of the
151 House of Representatives; (4) one person representing a state or
152 regional organization primarily concerned with environmental
153 protection appointed by the majority leader of the Senate; (5) one
154 person with experience in business or commercial investments
155 appointed by the minority leader of the House of Representatives; (6)
156 the Commissioner of Emergency Management and Homeland Security
157 or the commissioner's designee; (7) one person with expertise
158 regarding renewable energy resources appointed by the Governor; (8)
159 two persons with experience in business or commercial investments
160 appointed by the board of directors of Connecticut Innovations,
161 Incorporated; (9) a representative of a state-wide business association,
162 manufacturing association or chamber of commerce appointed by the
163 minority leader of the Senate; (10) the Consumer Counsel; (11) the
164 Secretary of the Office of Policy and Management or the secretary's
165 designee; (12) the Commissioner of Environmental Protection or the
166 commissioner's designee; (13) a representative of organized labor
167 appointed by the Governor; and (14) a representative of residential
168 customers or low-income customers appointed by Governor. On a
169 biennial basis, the board shall elect a chairperson and vice-chairperson
170 from among its members and shall adopt such bylaws and procedures
171 it deems necessary to carry out its functions. The board may establish
172 committees and subcommittees as necessary to conduct its business.

173 (f) The board shall issue annually a report to the Department of
174 Public Utility Control reviewing the activities of the Renewable Energy
175 Investment Fund in detail and shall provide a copy of such report, in
176 accordance with the provisions of section 11-4a, to the joint standing
177 committees of the General Assembly having cognizance of matters
178 relating to energy and commerce and the Office of Consumer Counsel.
179 The report shall include a description of the programs and activities
180 undertaken during the reporting period jointly or in collaboration with
181 the Energy Conservation and Load Management Funds established
182 pursuant to section 16-245m.

183 [(e)] (g) There shall be a joint committee of the Energy Conservation

184 Management Board and the Renewable Energy Investments [Advisory
185 Committee] Board, as provided in subdivision (2) of subsection (d) of
186 section 16-245m, as amended by this act.

187 [(f)] (h) No later than December 31, 2006, and no later than
188 December thirty-first every five years thereafter, the [advisory
189 committee] board shall, after consulting with the Energy Conservation
190 Management Board, conduct an evaluation of the performance of the
191 programs and activities of the fund and submit a report, in accordance
192 with the provisions of section 11-4a, of the evaluation to the joint
193 standing [committee] committees of the General Assembly having
194 cognizance of matters relating to energy and commerce.

195 Sec. 2. Section 32-39 of the general statutes is amended by adding
196 subdivision (39) as follows (*Effective from passage*):

197 (NEW) (39) To administer the Renewable Energy Investment Fund
198 established pursuant to section 16-245n, as amended by this act.

199 Sec. 3. Section 16-245m of the general statutes is repealed and the
200 following is substituted in lieu thereof (*Effective October 1, 2007*):

201 (a) (1) On and after January 1, 2000, the Department of Public Utility
202 Control shall assess or cause to be assessed a charge of three mills per
203 kilowatt hour of electricity sold to each end use customer of an electric
204 distribution company to be used to implement the program as
205 provided in this section for conservation and load management
206 programs but not for the amortization of costs incurred prior to July 1,
207 1997, for such conservation and load management programs.

208 (2) Notwithstanding the provisions of this section, receipts from
209 such charge shall be disbursed to the resources of the General Fund
210 during the period from July 1, 2003, to June 30, 2005, unless the
211 department shall, on or before October 30, 2003, issue a financing order
212 for each affected electric distribution company in accordance with
213 sections 16-245e to 16-245k, inclusive, to sustain funding of
214 conservation and load management programs by substituting an

215 equivalent amount, as determined by the department in such financing
216 order, of proceeds of rate reduction bonds for disbursement to the
217 resources of the General Fund during the period from July 1, 2003, to
218 June 30, 2005. The department may authorize in such financing order
219 the issuance of rate reduction bonds that substitute for disbursement to
220 the General Fund for receipts of both the charge under this subsection
221 and under subsection (b) of section 16-245n and also may, in its
222 discretion, authorize the issuance of rate reduction bonds under this
223 subsection and subsection (b) of section 16-245n that relate to more
224 than one electric distribution company. The department shall, in such
225 financing order or other appropriate order, offset any increase in the
226 competitive transition assessment necessary to pay principal,
227 premium, if any, interest and expenses of the issuance of such rate
228 reduction bonds by making an equivalent reduction to the charge
229 imposed under this subsection, provided any failure to offset all or any
230 portion of such increase in the competitive transition assessment shall
231 not affect the need to implement the full amount of such increase as
232 required by this subsection and by sections 16-245e to 16-245k,
233 inclusive. Such financing order shall also provide if the rate reduction
234 bonds are not issued, any unrecovered funds expended and committed
235 by the electric distribution companies for conservation and load
236 management programs, provided such expenditures were approved
237 by the department after August 20, 2003, and prior to the date of
238 determination that the rate reduction bonds cannot be issued, shall be
239 recovered by the companies from their respective competitive
240 transition assessment or systems benefits charge but such expenditures
241 shall not exceed four million dollars per month. All receipts from the
242 remaining charge imposed under this subsection, after reduction of
243 such charge to offset the increase in the competitive transition
244 assessment as provided in this subsection, shall be disbursed to the
245 Energy Conservation and Load Management Fund commencing as of
246 July 1, 2003. Any increase in the competitive transition assessment or
247 decrease in the conservation and load management component of an
248 electric distribution company's rates resulting from the issuance of or
249 obligations under rate reduction bonds shall be included as rate

250 adjustments on customer bills.

251 (b) The electric distribution company shall establish an Energy
252 Conservation and Load Management Fund which shall be held
253 separate and apart from all other funds or accounts. Receipts from the
254 charge imposed under subsection (a) of this section shall be deposited
255 into the fund. Any balance remaining in the fund at the end of any
256 fiscal year shall be carried forward in the fiscal year next succeeding.
257 Disbursements from the fund by electric distribution companies to
258 carry out the plan developed under subsection (d) of this section shall
259 be authorized by the Department of Public Utility Control upon its
260 approval of such plan.

261 (c) The Department of Public Utility Control shall appoint and
262 convene an Energy Conservation Management Board which shall
263 include representatives of: (1) An environmental group knowledgeable
264 in energy conservation program collaboratives; (2) the Office of
265 Consumer Counsel; (3) the Attorney General; (4) the Department of
266 Environmental Protection; (5) the electric distribution companies in
267 whose territories the activities take place for such programs; (6) a state-
268 wide manufacturing association; (7) a chamber of commerce; (8) a
269 state-wide business association; (9) a state-wide retail organization;
270 (10) a representative of a municipal electric energy cooperative created
271 pursuant to chapter 101a; (11) two representatives selected by the gas
272 companies in this state; and (12) residential customers. Such members
273 shall serve for a period of five years and may be reappointed.
274 Representatives of the gas companies shall not vote on matters
275 unrelated to gas conservation. Representatives of the electric
276 distribution companies and the municipal electric energy cooperative
277 shall not vote on matters unrelated to electricity conservation.

278 (d) (1) The Energy Conservation Management Board shall advise
279 and assist the electric distribution companies in the development and
280 implementation of a comprehensive plan, which plan shall be
281 approved by the Department of Public Utility Control, to implement
282 cost-effective energy conservation programs and market

283 transformation initiatives. The plan shall be consistent with the
284 comprehensive energy plan approved by the Connecticut Energy
285 Advisory Board pursuant to section 16a-7a at the time of submission to
286 the department. Each program contained in the plan shall be reviewed
287 by the electric distribution company and either accepted or rejected by
288 the Energy Conservation Management Board prior to submission to
289 the department for approval. The Energy Conservation Management
290 Board shall, as part of its review, examine opportunities to offer joint
291 programs providing similar efficiency measures that save more than
292 one fuel resource or otherwise to coordinate programs targeted at
293 saving more than one fuel resource. Any costs for joint programs shall
294 be allocated equitably among the conservation programs. The Energy
295 Conservation Management Board shall give preference to projects that
296 maximize the reduction of federally mandated congestion charges. The
297 Department of Public Utility Control shall, in an uncontested
298 proceeding during which the department may hold a public hearing,
299 approve, modify or reject the comprehensive plan prepared pursuant
300 to this subsection.

301 (2) There shall be a joint committee of the Energy Conservation
302 Management Board and the Renewable Energy Investments [Advisory
303 Committee] Board. The board and the advisory committee shall each
304 appoint members to such joint committee. The joint committee shall
305 examine opportunities to coordinate the programs and activities
306 funded by the Renewable Energy Investment Fund pursuant to section
307 16-245n with the programs and activities contained in the plan
308 developed under this subsection to reduce the long-term cost,
309 environmental impacts and security risks of energy in the state. Such
310 joint committee shall hold its first meeting on or before August 1, 2005.

311 (3) Programs included in the plan developed under subdivision (1)
312 of this subsection [(d) of this section] shall be screened through cost-
313 effectiveness testing which compares the value and payback period of
314 program benefits to program costs to ensure that programs are
315 designed to obtain energy savings and system benefits, including
316 mitigation of federally mandated congestion charges, whose value is

317 greater than the costs of the programs. Cost-effectiveness testing shall
318 utilize available information obtained from real-time monitoring
319 systems to ensure accurate validation and verification of energy use.
320 Program cost-effectiveness shall be reviewed annually, or otherwise as
321 is practicable. If a program is determined to fail the cost-effectiveness
322 test as part of the review process, it shall either be modified to meet the
323 test or shall be terminated. On or before March 1, 2005, and on or
324 before March first annually thereafter, the board shall provide a report,
325 in accordance with the provisions of section 11-4a, to the joint standing
326 committees of the General Assembly having cognizance of matters
327 relating to energy and the environment (A) that documents
328 expenditures and fund balances and evaluates the cost-effectiveness of
329 such programs conducted in the preceding year, and (B) that
330 documents the extent to and manner in which the programs of such
331 board collaborated and cooperated with programs, established under
332 section 7-233y, of municipal electric energy cooperatives. To maximize
333 the reduction of federally mandated congestion charges, programs in
334 the plan may allow for disproportionate allocations between the
335 amount of contributions to the Energy Conservation and Load
336 Management Funds by a certain rate class and the programs that
337 benefit such a rate class. Before conducting such evaluation, the board
338 shall consult with the Renewable Energy Investments [Advisory
339 Committee] Board. The report shall include a description of the
340 activities undertaken during the reporting period jointly or in
341 collaboration with the Renewable Energy Investment Fund established
342 pursuant to subsection (c) of section 16-245n, as amended by this act.

343 (4) Programs included in the plan developed under subdivision (1)
344 of this subsection [(d) of this section] may include, but not be limited
345 to: (A) Conservation and load management programs, including
346 programs that benefit low-income individuals; (B) research,
347 development and commercialization of products or processes which
348 are more energy-efficient than those generally available; (C)
349 development of markets for such products and processes; (D) support
350 for energy use assessment, real-time monitoring systems, engineering

351 studies and services related to new construction or major building
352 renovation; (E) the design, manufacture, commercialization and
353 purchase of energy-efficient appliances and heating, air conditioning
354 and lighting devices; (F) program planning and evaluation; (G) indoor
355 air quality programs relating to energy conservation; (H) joint fuel
356 conservation initiatives programs targeted at reducing consumption of
357 more than one fuel resource; and (I) public education regarding
358 conservation. Such support may be by direct funding, manufacturers'
359 rebates, sale price and loan subsidies, leases and promotional and
360 educational activities. The plan shall also provide for expenditures by
361 the Energy Conservation Management Board for the retention of
362 expert consultants and reasonable administrative costs provided such
363 consultants shall not be employed by, or have any contractual
364 relationship with, an electric distribution company. Such costs shall
365 not exceed five per cent of the total revenue collected from the
366 assessment.

367 (e) Notwithstanding the provisions of subsections (a) to (d),
368 inclusive, of this section, the Department of Public Utility Control shall
369 authorize the disbursement of a total of one million dollars in each
370 month, commencing with July, 2003, and ending with July, 2005, from
371 the Energy Conservation and Load Management Funds established
372 pursuant to said subsections. The amount disbursed from each Energy
373 Conservation and Load Management Fund shall be proportionately
374 based on the receipts received by each fund. Such disbursements shall
375 be deposited in the General Fund.

376 (f) No later than December 31, 2006, and no later than December
377 thirty-first every five years thereafter, the Energy Conservation
378 Management Board shall, after consulting with the Renewable Energy
379 Investments [Advisory Committee] Board, conduct an evaluation of
380 the performance of the programs and activities of the fund and submit
381 a report, in accordance with the provisions of section 11-4a, of the
382 evaluation to the joint standing committee of the General Assembly
383 having cognizance of matters relating to energy.

384 (g) Repealed by P.A. 06-186, S. 91, effective July 1, 2006."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	16-245n
Sec. 2	<i>from passage</i>	32-39
Sec. 3	<i>October 1, 2007</i>	16-245m