General Assembly **Amendment**

January Session, 2007 LCO No. **8014**

HB0709808014HD0

Offered by:

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REP. BARTLETT, 2nd Dist.
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REP. OLSON, 46th Dist.
REP. ORANGE, 48th Dist.
REP. O'ROURKE, 32nd Dist.
REP. REYNOLDS, 42nd Dist.
REP. RITTER, 38th Dist.
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REP. RYAN, 139th Dist.
REP. SCHOFIELD, 16th Dist.
REP. SHAPIRO, 144th Dist.
REP. SHARKEY, 88th Dist.
REP. SPALLONE, 36th Dist.
REP. TABORSAK, 109th Dist.
REP. TALLARITA, 58th Dist.
REP. TERCYAK, 26th Dist.
REP. THOMPSON, 13th Dist.
REP. TONG, 147th Dist.
REP. TRUGLIA, 145th Dist.
REP. URBAN, 43rd Dist.
REP. VILLANO, 91st Dist.
REP. WALKER, 93rd Dist.
REP. WIDLITZ, 98th Dist.
REP. WILLIS, 64th Dist.
REP. WRIGHT, 41st Dist.
REP. ZALASKI, 81st Dist.

To: Subst. House Bill No. **7098** File No. 863 Cal. No. 198

"AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE."

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

"Section 1. (NEW) (*Effective July 1, 2007*) (a) Between September 1, 2007, and September 1, 2012, inclusive, the Secretary of the Office of Policy and Management shall provide a five-hundred-dollar rebate for the purchase and installation in residential structures of replacement natural gas, propane and oil furnaces and burners that meet or exceed federal Energy Star standards. Persons may apply to the secretary, on a form prescribed by the secretary, to receive such rebate. The rebate shall be available for only a residential structure containing not more than four dwelling units.

(b) On or before January 1, 2009, the Energy Conservation Management Board shall report to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the cost-effectiveness of the rebate program established pursuant to subsection (a) of this section.

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 Section 6 of public act 05-2 of the October 25 special session is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five million dollars <u>per year</u>. The proceeds of the sale of said bonds shall be deposited in the Energy Conservation Loan Fund established under

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

50 Sec. 3. (*Effective from passage*) (a) On or before January 1, 2008, the
51 Energy Conservation Management Board, in consultation with the
52 electric distribution companies, shall develop and establish a cost-
53 effective program to (1) provide enhanced rebates to residential
54 customers of electric distribution companies who replace an existing
55 window air conditioning unit that does not meet the federal Energy
56 Star standard with a unit that does meet said standard. Said program
57 shall be in effect from January 1, 2008, to September 1, 2008. Such
58 rebates shall be not less than twenty-five dollars for an air conditioner

59 with a retail price of one hundred dollars to two hundred dollars; not
60 less than fifty dollars for an air conditioner with a retail price of more
61 than two hundred dollars but less than three hundred dollars; and not
62 less than one hundred dollars for an air conditioner with a retail price
63 of more than three hundred dollars, unless the board demonstrates
64 that such rebate levels are not cost-effective, and (2) provide rebates of
65 not less than five hundred dollars to residential customers of electric
66 distribution companies who replace an existing central air
67 conditioning unit that does not meet the federal Energy Star standard
68 with a unit that does meet said standard. The board, in consultation
69 with the Low-Income Energy Advisory Board, established pursuant to
70 section 16a-41b of the general statutes, shall determine the parameters
71 of the program with regard to residential customers who live in
72 apartments.

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

76 (c) The Commissioner of Consumer Protection shall certify to
77 participate in the program established in subsection (a) of this section
78 only those retailers that will provide the rebate to only those customers
79 who present an air conditioning unit to a retailer for disposal upon or
80 before the purchase of an air conditioning unit that meets the federal
81 Energy Star standard. The commissioner may impose a fine of not
82 more than ten thousand dollars on any retailer providing the rebate
83 without removing or disposing of an air conditioning unit.

84 (d) The Energy Conservation Management Board shall provide for
85 the environmentally responsible disposal of air conditioning units
86 returned pursuant to subsection (c) of this section.

87 (e) On or before January 1, 2009, the Energy Conservation
88 Management Board shall report to the joint standing committee of the
89 General Assembly having cognizance of matters relating to energy the
90 results of the rebate program established in subsection (a) of this

91 section.

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

99 Sec. 5. (NEW) (*Effective from passage*) On and after January 1, 2008,
100 the Department of Public Utility Control shall order and direct that
101 any intermediate or base load electric generating unit owned by an
102 electric distribution company or covered by a bilateral contract with an
103 electric distribution company that is fueled by either oil or natural gas,
104 with a rating of not less than sixty-five megawatts, to have the actual
105 ability to operate on demand for a forty-eight-hour period using either
106 oil or natural gas, provided the department may determine that dual
107 fuel capability is not required for a specific generating unit if imposing
108 such requirement is not in the best interest of Connecticut consumers.

109 Sec. 6. (*Effective from passage*) Not later than July 1, 2007, the
110 Department of Public Utility Control shall initiate an uncontested case
111 proceeding to analyze (1) the appropriate number of linemen that are
112 necessary for an electric distribution company to maintain, repair and
113 extend its electric distribution lines by region under normal
114 circumstances and under extraordinary circumstances, including, but
115 not limited to, storm conditions, (2) whether the consolidation or
116 centralization of line repair facilities and personnel results in longer
117 times to reach affected areas, (3) whether greater use of newer
118 technologies may reduce the incidence of power outages, and (4) the
119 most efficacious way to notify the public regarding an electric power
120 outage and the status of an electric distribution company's efforts to
121 restore electricity to a particular area of the state. Not later than
122 February 1, 2008, the department shall submit a report with the results
123 of such analysis to the joint standing committee of the General

124 Assembly having cognizance of matters relating to energy in
125 accordance with the provisions of section 11-4a of the general statutes.

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

128 Not later than January 1, **[**1988**]** 2008, and annually thereafter, each
129 electric or electric distribution company shall submit to the
130 Department of Public Utility Control a plan for the maintenance of
131 poles, wires, conduits or other fixtures, along public highways or
132 streets for the transmission or distribution of electric current, owned,
133 operated, managed or controlled by such company, in such format as
134 the department shall prescribe. Such plan shall include a summary of
135 appropriate staffing levels necessary for the maintenance of said
136 fixtures and a program for the trimming of tree branches and limbs
137 located in close proximity to overhead electric wires where such
138 branches and limbs may cause damage to such electric wires. The
139 department shall review each plan and may issue such orders as may
140 be necessary to ensure compliance with this section. The department
141 may require each electric or electric distribution company to submit an
142 updated plan at such time and containing such information as the
143 department may prescribe. The department shall adopt regulations, in
144 accordance with the provisions of chapter 54, to carry out the
145 provisions of this section.

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

149 (a) In the exercise of its powers under the provisions of this title, the
150 Department of Public Utility Control shall examine and regulate the
151 transfer of existing assets and franchises, the expansion of the plant
152 and equipment of existing public service companies, the operations
153 and internal workings of public service companies and the
154 establishment of the level and structure of rates in accordance with the
155 following principles: (1) That there is a clear public need for the service

156 being proposed or provided; (2) that the public service company shall
157 be fully competent to provide efficient and adequate service to the
158 public in that such company is technically, financially and
159 managerially expert and efficient; (3) that the department and all
160 public service companies shall perform all of their respective public
161 responsibilities with economy, efficiency and care for **[**the**]** public
162 safety and energy security, and so as to promote economic
163 development within the state with consideration for energy and water
164 conservation, energy efficiency and the development and utilization of
165 renewable sources of energy and for the prudent management of the
166 natural environment; (4) that the level and structure of rates be
167 sufficient, but no more than sufficient, to allow public service
168 companies to cover their operating costs including, but not limited to,
169 appropriate staffing levels, and capital costs, to attract needed capital
170 and to maintain their financial integrity, and yet provide appropriate
171 protection to the relevant public interests, both existing and
172 foreseeable which shall include, but not be limited to, reasonable costs
173 of security of assets, facilities and equipment that are incurred solely
174 for the purpose of responding to security needs associated with the
175 terrorist attacks of September 11, 2001, and the continuing war on
176 terrorism; (5) that the level and structure of rates charged customers
177 shall reflect prudent and efficient management of the franchise
178 operation; and (6) that the rates, charges, conditions of service and
179 categories of service of the companies not discriminate against
180 customers which utilize renewable energy sources or cogeneration
181 technology to meet a portion of their energy requirements.

182 Sec. 9. (NEW) (*Effective from passage*) Not later than September 1,
183 2007, the Connecticut Siting Council, in consultation with the
184 Department of Emergency Management and Homeland Security's
185 Coordinating Council, established pursuant to section 28-1b of the
186 general statutes, and the Department of Public Utility Control shall
187 initiate a contested case proceeding, in accordance with the provisions
188 of chapter 54 of the general statutes, to investigate energy security with
189 regard to the siting of electric generating facilities and transmission

190 facilities, including consideration of planning, preparedness, response
191 and recovery capabilities. The Connecticut Siting Council may conduct
192 such proceedings in an executive session with sensitive information
193 submitted under a protective order.

194 Sec. 10. (*Effective from passage*) Not later than July 1, 2007, the
195 Department of Public Utility Control shall initiate an uncontested case
196 proceeding, in consultation with the Connecticut Siting Council, to
197 assess ways in which the state can ensure and enhance the reliability of
198 electric generating facilities located in the state during periods of peak
199 electric demand. Said proceeding shall include, but not be limited to,
200 an examination of (1) the current compliance status of electric
201 generation facilities with existing on-site dual fuel storage and
202 operational requirements, (2) the existing inventory of fuel storage and
203 fuel delivery resources available to supply electric generating facilities
204 located in the state, (3) the amount of fuel delivery and storage
205 infrastructure that would be necessary to ensure the reliable operation
206 of in-state generating facilities during periods of peak electric demand,
207 (4) the value for and appropriate level of firm fuel delivery contracts,
208 and (5) the types of incentives that can be offered to electric and gas
209 market participants to enhance the reliability of electric service during
210 periods of peak electric demand. In conducting the proceeding, the
211 council and the department shall seek the input of interested persons
212 and entities, including, but not limited to, the Office of Consumer
213 Counsel, the Attorney General, the state's electric distribution and gas
214 companies, the state's electric generators, owners of natural gas
215 pipeline facilities located in the state, and the regional independent
216 system operator. Not later than February 1, 2008, the department shall
217 submit a report containing its findings and recommendations to the
218 joint standing committee of the General Assembly having cognizance
219 of matters relating to energy in accordance with the provisions of
220 section 11-4a of the general statutes.

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

223 (a) Notwithstanding any provision of the general statutes, any (1)
224 new construction of a state facility [, except salt sheds, parking
225 garages, maintenance facilities or school construction,] that is projected
226 to cost five million dollars or more, and is approved and funded on or
227 after January 1, [2007] 2008, and (2) renovation of a state facility that is
228 projected to cost not less than two million dollars, that is financed with
229 state funds and is approved and funded on or after January 1, 2008,
230 shall comply with the regulations adopted pursuant to subsection (b)
231 of this section. The Secretary of the Office of Policy and Management,
232 in consultation with the Commissioner of Public Works, [and the
233 Institute for Sustainable Energy,] shall exempt any facility from
234 complying with said regulations if [said secretary] the Institute for
235 Sustainable Energy finds, in a written analysis, that the cost of such
236 compliance significantly outweighs the benefits. For purposes of this
237 section, "state facility" means any building, including, but not limited
238 to, a state-financed housing project, but not a building that is used or
239 intended to be used as a school.

240 (b) [Not later than January 1, 2007, the] The Secretary of the Office of
241 Policy and Management, in consultation with the Commissioner of
242 Public Works, the Commissioner of Environmental Protection and the
243 Commissioner of Public Safety, shall adopt regulations, in accordance
244 with the provisions of chapter 54, to adopt building construction
245 standards that (1) are consistent with or exceed the silver building
246 rating of the Leadership in Energy and Environmental Design's rating
247 system for new commercial construction and major renovation
248 projects, as established by the United States Green Building Council,
249 including energy standards that exceed those set forth in the 2004
250 edition of the American Society of Heating, Ventilating and Air
251 Conditioning Engineers (ASHRAE) Standard 90.1 by no less than
252 twenty per cent, or an equivalent standard, including, but not limited
253 to, a two-globe rating in the Green Globes USA design program, and
254 (2) will ensure that the completed building design and specifications
255 and completed commissioned building will receive an energy
256 performance rating of at least seventy-five on the Environmental

257 Protection Agency's Energy Star energy performance rating system,
258 and thereafter update such regulations as the secretary deems
259 necessary.

260 Sec. 12. Subsection (i) of section 16-243m of the general statutes is
261 repealed and the following is substituted in lieu thereof (*Effective*
262 *October 1, 2007*):

263 (i) An electric distribution company shall negotiate in good faith the
264 final terms of the draft contract, submitted under subsection (e) of this
265 section and included in a proposal approved under subsection (g) of
266 this section, and shall apply to the department for approval of each
267 such contract. After thirty days, either party may request the assistance
268 of the department to resolve any outstanding issues. No such contract
269 may become effective without approval of the department. The
270 department shall hold a hearing that shall be conducted as a contested
271 case, in accordance with the provisions of chapter 54, to approve, reject
272 or modify an application for approval of a capacity purchase contract.
273 No contract shall be approved unless the department finds that
274 approval of such contract would (1) result in the lowest reasonable cost
275 of such products and services, including providing lower overall
276 electric rates than a similar plant that is owned and operated by a state
277 electric authority for the sole benefit of consumers or a similar plant
278 owned and operated by an electric distribution company that provides
279 all of its electric output to ratepayers on a cost-plus basis, (2) increase
280 reliability, and (3) minimize federally mandated congestion charges to
281 the state over the life of the contract. Such a contract shall contain
282 terms that mitigate the long-term risk assumed by ratepayers. No
283 contract approved by the department shall have a term exceeding
284 fifteen years. As determined by the department, the electric
285 distribution company shall either sell into the capacity markets all or a
286 portion of capacity rights transferred pursuant to this section and use
287 all proceeds from such sales to offset federally mandated congestion
288 charges incurred by all customers, or shall retain such capacity rights
289 to offset electric capacity charges associated with transitional standard
290 offer, standard service or service as supplier of last resort under section

291 16-244c, as amended by this act. The costs associated with long-term
292 electric capacity contracts shall be recovered through federally
293 mandated congestion charges.

294 Sec. 13. Section 16a-48 of the general statutes is repealed and the
295 following is substituted in lieu thereof (*Effective October 1, 2007*):

296 (a) As used in this section:

297 (1) [**"Department" means the Department of Public Utility Control**]
298 "Office" means the Office of Policy and Management;

299 (2) "Fluorescent lamp ballast" or "ballast" means a device designed
300 to operate fluorescent lamps by providing a starting voltage and
301 current and limiting the current during normal operation, but does not
302 include such devices that have a dimming capability or are intended
303 for use in ambient temperatures of zero degrees Fahrenheit or less or
304 have a power factor of less than sixty-one hundredths for a single
305 F40T12 lamp;

306 (3) "F40T12 lamp" means a tubular fluorescent lamp that is a
307 nominal forty-watt lamp, with a forty-eight-inch tube length and one
308 and one-half inches in diameter;

309 (4) "F96T12 lamp" means a tubular fluorescent lamp that is a
310 nominal seventy-five-watt lamp with a ninety-six-inch tube length and
311 one and one-half inches in diameter;

312 (5) "Luminaire" means a complete lighting unit consisting of a
313 fluorescent lamp, or lamps, together with parts designed to distribute
314 the light, to position and protect such lamps, and to connect such
315 lamps to the power supply;

316 (6) "New product" means a product that is sold, offered for sale, or
317 installed for the first time and specifically includes floor models and
318 demonstration units;

319 (7) "Secretary" means the Secretary of the Office of Policy and

320 Management;

321 (8) "State Building Code" means the building code adopted
322 pursuant to section 29-252;

323 (9) "Torchiere lighting fixture" means a portable electric lighting
324 fixture with a reflector bowl giving light directed upward so as to give
325 indirect illumination;

326 (10) "Unit heater" means a self-contained, vented fan-type
327 commercial space heater that uses natural gas or propane that is
328 designed to be installed without ducts within the heated space. "Unit
329 heater" does not include a product regulated by federal standards
330 pursuant to 42 USC 6291, as amended from time to time, a product that
331 is a direct vent, forced flue heater with a sealed combustion burner, or
332 any oil fired heating system;

333 (11) "Transformer" means a device consisting of two or more coils of
334 insulated wire that transfers alternating current by electromagnetic
335 induction from one coil to another in order to change the original
336 voltage or current value;

337 (12) "Low-voltage dry-type transformer" means a transformer that:
338 (A) Has an input voltage of **[**600**]** <u>six hundred</u> volts or less; (B) is
339 between **[**14**]** <u>fourteen</u> kilovolt-amperes and **[**2,501**]** <u>two thousand five</u>
340 <u>hundred one</u> kilovolt-amperes in size; (C) is air-cooled; and (D) does
341 not use oil as a coolant. "Low-voltage dry-type transformer" does not
342 include such transformers excluded from the low-voltage dry-type
343 distribution transformer definition contained in the California Code of
344 Regulations, Title 20: Division 2, Chapter 4, Article 4: Appliance
345 Efficiency Regulations;

346 (13) "Pass-through cabinet" means a refrigerator or freezer with
347 hinged or sliding doors on both the front and rear of the refrigerator or
348 freezer;

349 (14) "Reach-in cabinet" means a refrigerator, freezer, or combination

350 thereof, with hinged or sliding doors or lids;

351 (15) "Roll-in" or "roll-through cabinet" means a refrigerator or
352 freezer with hinged or sliding doors that allows wheeled racks of
353 product to be rolled into or through the refrigerator or freezer;

354 (16) "Commercial refrigerators and freezers" means reach-in
355 cabinets, pass-through cabinets, roll-in cabinets and roll-through
356 cabinets that have less than eighty-five feet of capacity, **[**. "Commercial
357 refrigerators and freezers" does not include walk-in models or
358 consumer products regulated under the federal National Appliance
359 Energy Conservation Act of 1987**]** which are designed for the
360 refrigerated or frozen storage of food and food products;

361 (17) "Traffic signal module" means a standard eight-inch or twelve-
362 inch round traffic signal indicator consisting of a light source, lens and
363 all parts necessary for operation and communication of movement
364 messages to drivers through red, amber and green colors;

365 (18) "Illuminated exit sign" means an internally illuminated sign that
366 is designed to be permanently fixed in place and used to identify an
367 exit by means of a light source that illuminates the sign or letters from
368 within where the background of the exit sign is not transparent;

369 (19) "Packaged air-conditioning equipment" means air-conditioning
370 equipment that is built as a package and shipped as a whole to end-
371 user sites;

372 (20) "Large packaged air-conditioning equipment" means air-cooled
373 packaged air-conditioning equipment having not less than **[**240,000**]**
374 two hundred forty thousand BTUs per hour of capacity;

375 (21) "Commercial clothes washer" means a soft mount front-loading
376 or soft mount top-loading clothes washer that is designed for use in
377 (A) applications where the occupants of more than one household will
378 be using it, such as in multifamily housing common areas and coin
379 laundries; or (B) other commercial applications, if the clothes container

380 compartment is no greater than [3.5] three and one-half cubic feet for
381 horizontal-axis clothes washers [,] or no greater than [4.0] four cubic
382 feet for vertical-axis clothes washers;

383 (22) "Energy efficiency ratio" means a measure of the relative
384 efficiency of a heating or cooling appliance that is equal to the unit's
385 output in BTUs per hour divided by its consumption of energy,
386 measured in watts;

387 (23) "Electricity ratio" means the ratio of furnace electricity use to
388 total furnace energy use;

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

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

394 (26) "Residential furnace or boiler" means a product that utilizes
395 only single-phase electric current or single-phase electric current or DC
396 current in conjunction with natural gas, propane or home heating oil
397 and that (A) is designed to be the principal heating source for the
398 living space of a residence; (B) is not contained within the same cabinet
399 as a central air conditioner with a rated cooling capacity of not less
400 than sixty-five thousand BTUs per hour; (C) is an electric central
401 furnace, electric boiler, forced-air central furnace, gravity central
402 furnace or low pressure steam or hot water boiler; and (D) has a heat
403 input rate of less than three hundred thousand BTUs per hour for
404 electric boilers and low pressure steam or hot water boilers and less
405 than two hundred twenty-five thousand BTUs per hour for forced-air
406 central furnaces, gravity central furnaces and electric central furnaces;

407 (27) "Furnace air handler" means the section of the furnace that
408 includes the fan, blower and housing, generally upstream of the
409 burners and heat exchanger. The furnace air handler may include a
410 filter and a cooling coil;

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

416 (29) "Metal halide lamp" means a high intensity discharge lamp in
417 which the major portion of the light is produced by radiation of metal
418 halides and their products of dissociation, possibly in combination
419 with metallic vapors;

420 (30) "Metal halide lamp fixture" means a light fixture designed to be
421 operated with a metal halide lamp and a ballast for a metal halide
422 lamp;

423 (31) "Probe start metal halide ballast" means a ballast used to
424 operate metal halide lamps that does not contain an ignitor and that
425 instead starts lamps by using a third starting electrode probe in the arc
426 tube;

427 (32) "Single voltage external AC to DC power supply" means a
428 device that (A) is designed to convert line voltage AC input into lower
429 voltage DC output; (B) is able to convert to only one DC output voltage
430 at a time; (C) is sold with, or intended to be used with, a separate end-
431 use product that constitutes the primary power load; (D) is contained
432 within a separate physical enclosure from the end-use product; (E) is
433 connected to the end-use product in a removable or hard-wired male
434 and female electrical connection, cable, cord or other wiring; (F) does
435 not have batteries or battery packs, including those that are removable
436 or that physically attach directly to the power supply unit; (G) does not
437 have a battery chemistry or type selector switch and indicator light or a
438 battery chemistry or type selector switch and a state of charge meter;
439 and (H) has a nameplate output power less than or equal to two
440 hundred fifty watts;

441 (33) "State regulated incandescent reflector lamp" means a lamp that
442 is not colored or designed for rough or vibration service applications,

443 has an inner reflective coating on the outer bulb to direct the light, has
444 an E26 medium screw base, a rated voltage or voltage range that lies at
445 least partially within one hundred fifteen to one hundred thirty volts,
446 and that falls into one of the following categories: (A) A bulged
447 reflector or elliptical reflector or a blown PAR bulb shape and that has
448 a diameter that equals or exceeds two and one-quarter inches, or (B) a
449 reflector, parabolic aluminized reflector, bulged reflector or similar
450 bulb shape and that has a diameter of two and one-quarter to two and
451 three-quarters inches. "State regulated incandescent reflector lamp"
452 does not include ER30, BR30, BR40 and ER40 lamps of not more than
453 fifty watts, BR30, BR40 and ER40 lamps of sixty-five watts and R20
454 lamps of not more than forty-five watts;

455 (34) "Bottle-type water dispenser" means a water dispenser that uses
456 a bottle or reservoir as the source of potable water;

457 (35) "Commercial hot food holding cabinet" means a heated, fully-
458 enclosed compartment with one or more solid or partial glass doors
459 that is designed to maintain the temperature of hot food that has been
460 cooked in a separate appliance. "Commercial hot food holding cabinet"
461 does not include heated glass merchandizing cabinets, drawer
462 warmers or cook-and-hold appliances;

463 (36) "Pool heater" means an appliance designed for heating
464 nonpotable water contained at atmospheric pressure for swimming
465 pools, spas, hot tubs and similar applications, including natural gas,
466 heat pump, oil and electric resistance pool heaters;

467 (37) "Portable electric spa" means a factory-built electric spa or hot
468 tub supplied with equipment for heating and circulating water;

469 (38) "Residential pool pump" means a pump used to circulate and
470 filter pool water to maintain clarity and sanitation;

471 (39) "Walk-in refrigerator" means a space refrigerated to
472 temperatures at or above thirty-two degrees Fahrenheit that has a total
473 chilled storage area of less than three thousand square feet, can be

474 walked into and is designed for the refrigerated storage of food and
475 food products. "Walk-in refrigerator" does not include refrigerated
476 warehouses and products designed and marketed exclusively for
477 medical, scientific or research purposes;

478 (40) "Walk-in freezer" means a space refrigerated to temperatures
479 below thirty-two degrees Fahrenheit that has a total chilled storage
480 area of less than three thousand square feet, can be walked into and is
481 designed for the frozen storage of food and food products. "Walk-in
482 freezer" does not include refrigerated warehouses and products
483 designed and marketed exclusively for medical, scientific or research
484 purposes;

485 (41) "Central air conditioner" means a central air conditioning model
486 that consists of one or more factory-made assemblies, which normally
487 include an evaporator or cooling coil, compressor and condenser.
488 Central air conditioning models may provide the function of air
489 cooling, air cleaning, dehumidifying or humidifying.

490 (b) The provisions of this section apply to the testing, certification
491 and enforcement of efficiency standards for the following types of new
492 products sold, offered for sale or installed in the state: (1) Commercial
493 clothes washers; (2) commercial refrigerators and freezers; (3)
494 illuminated exit signs; (4) large packaged air-conditioning equipment;
495 (5) low voltage dry-type distribution transformers; (6) torchiere
496 lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)
497 residential furnaces and boilers; (10) residential pool pumps; (11) metal
498 halide lamp fixtures; (12) single voltage external AC to DC power
499 supplies; (13) state regulated incandescent reflector lamps; (14) bottle-
500 type water dispensers; (15) commercial hot food holding cabinets; (16)
501 portable electric spas; (17) walk-in refrigerators and walk-in freezers;
502 (18) pool heaters; and **[**(9)**]** (19) any other products as may be
503 designated by the **[**department**]** office in accordance with subdivision
504 (3) of subsection (d) of this section.

505 (c) The provisions of this section do not apply to (1) new products

506 manufactured in the state and sold outside the state, (2) new products
507 manufactured outside the state and sold at wholesale inside the state
508 for final retail sale and installation outside the state, (3) products
509 installed in mobile manufactured homes at the time of construction, or
510 (4) products designed expressly for installation and use in recreational
511 vehicles.

512 (d) (1) **[**Not later than July 1, 2005, the department**]** The office, in
513 consultation with the **[**secretary**]** Department of Public Utility Control,
514 shall adopt regulations, in accordance with the provisions of chapter
515 54, to implement the provisions of this section and to establish
516 minimum energy efficiency standards for the types of new products
517 set forth in subsection (b) of this section. The regulations shall provide
518 for the following minimum energy efficiency standards:

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

522 (B) **[**commercial**]** Commercial refrigerators and freezers shall meet
523 the August 1, 2004, requirements shown in Table A-6 of said California
524 regulation;

525 (C) **[**illuminated**]** Illuminated exit signs shall meet the version 2.0
526 product specification of the "Energy Star Program Requirements for
527 Exit Signs" developed by the United States Environmental Protection
528 Agency;

529 (D) **[**large**]** Large packaged air-conditioning equipment having not
530 more than **[**760,000**]** seven hundred sixty thousand BTUs per hour of
531 capacity shall meet a minimum energy efficiency ratio of 10.0 for units
532 using both electric heat and air conditioning or units solely using
533 electric air conditioning, and 9.8 for units using both natural gas heat
534 and electric air conditioning;

535 (E) **[**large**]** Large packaged air-conditioning equipment having not
536 less than **[**761,000**]** seven hundred sixty-one thousand BTUs per hour

537 of capacity shall meet a minimum energy efficiency ratio of 9.7 for
538 units using both electric heat and air conditioning or units solely using
539 electric air conditioning, and 9.5 for units using both natural gas heat
540 and electric air conditioning;

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

544 (G) **[**torchiere**]** Torchiere lighting fixtures shall not consume more
545 than **[**190**]** one hundred ninety watts and shall not be capable of
546 operating with lamps that total more than **[**190**]** one hundred ninety
547 watts;

548 (H) **[**traffic**]** Traffic signal modules shall meet the product
549 specification of the "Energy Star Program Requirements for Traffic
550 Signals" developed by the United States Environmental Protection
551 Agency that took effect in February, 2001, except where the
552 department, in consultation with the Commissioner of Transportation,
553 determines that such specification would compromise safe signal
554 operation;

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

557 (J) On or after January 1, 2009, residential furnaces and boilers
558 purchased by the state shall meet or exceed the following annual fuel
559 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
560 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
561 cent annual fuel utilization efficiency, (iii) for gas and propane hot
562 water boilers, eighty-four per cent annual fuel utilization efficiency,
563 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
564 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
565 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
566 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
567 for furnaces with furnace air handlers, an electricity ratio of not more
568 than 2.0, except air handlers for oil furnaces with a capacity of less than

569 ninety-four thousand BTUs per hour shall have an electricity ratio of
570 2.3 or less;

571 (K) On or after January 1, 2010, metal halide lamp fixtures designed
572 to be operated with lamps rated greater than or equal to one hundred
573 fifty watts but less than or equal to five hundred watts shall not
574 contain a probe-start metal halide lamp ballast;

575 (L) Single-voltage external AC to DC power supplies manufactured
576 on or after January 1, 2008, shall meet the energy efficiency standards
577 of table U-1 of section 1605.3 of the January 2006 California Code of
578 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
579 Efficiency Regulations. This standard applies to single voltage AC to
580 DC power supplies that are sold individually and to those that are sold
581 as a component of or in conjunction with another product. This
582 standard shall not apply to single voltage external AC to DC power
583 supplies sold with products subject to certification by the United States
584 Food and Drug Administration. A single-voltage external AC to DC
585 power supply that is made available by a manufacturer directly to a
586 consumer or to a service or repair facility after and separate from the
587 original sale of the product requiring the power supply as a service
588 part or spare part shall not be required to meet the standards in said
589 table U-1 until five years after the effective dates indicated in the table;

590 (M) On or after January 1, 2009, state regulated incandescent
591 reflector lamps shall be manufactured to meet the minimum average
592 lamp efficacy requirements for federally-regulated incandescent
593 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
594 indicate the date of manufacture;

595 (N) On or after January 1, 2009, bottle-type water dispensers,
596 commercial hot food holding cabinets, portable electric spas, walk-in
597 refrigerators and walk-in freezers shall meet the efficiency
598 requirements of section 1605.3 of the January 2006 California Code of
599 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
600 Efficiency Regulations. On or after January 1, 2010, residential pool

601 pumps shall meet said efficiency requirements;

602 (O) On or after January 1, 2009, pool heaters shall meet the
603 efficiency requirements of sections 1605.1 and 1605.3 of the January
604 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
605 Article 4: Appliance Efficiency Regulations.

606 (2) Such efficiency standards, where in conflict with the State
607 Building Code, shall take precedence over the standards contained in
608 the Building Code. Not later than July 1, 2007, and biennially
609 thereafter, the [department] office, in consultation with the [secretary]
610 Department of Public Utility Control, shall review and increase the
611 level of such efficiency standards by adopting regulations in
612 accordance with the provisions of chapter 54 upon a determination
613 that increased efficiency standards would serve to promote energy
614 conservation in the state and would be cost-effective for consumers
615 who purchase and use such new products, provided no such increased
616 efficiency standards shall become effective within one year following
617 the adoption of any amended regulations providing for such increased
618 efficiency standards.

619 (3) The [department] office, in consultation with the [secretary]
620 Department of Public Utility Control, shall adopt regulations, in
621 accordance with the provisions of chapter 54, to designate additional
622 products to be subject to the provisions of this section and to establish
623 efficiency standards for such products upon a determination that such
624 efficiency standards (A) would serve to promote energy conservation
625 in the state, (B) would be cost-effective for consumers who purchase
626 and use such new products, and (C) that multiple products are
627 available which meet such standards, provided no such efficiency
628 standards shall become effective within one year following their
629 adoption pursuant to this subdivision.

630 (e) On or after July 1, 2006, except for commercial clothes washers,
631 for which the date shall be July 1, 2007, commercial refrigerators and
632 freezers, for which the date shall be July 1, 2008, and large packaged

633 air-conditioning equipment, for which the date shall be July 1, 2009, no
634 new product of a type set forth in subsection (b) of this section or
635 designated by the [department] office may be sold, offered for sale, or
636 installed in the state unless the energy efficiency of the new product
637 meets or exceeds the efficiency standards set forth in such regulations
638 adopted pursuant to subsection (d) of this section.

639 (f) The [department] office, in consultation with the [secretary]
640 Department of Public Utility Control, shall adopt procedures for
641 testing the energy efficiency of the new products set forth in subsection
642 (b) of this section or designated by the department if such procedures
643 are not provided for in the State Building Code. The [department]
644 office shall use United States Department of Energy approved test
645 methods, or in the absence of such test methods, other appropriate
646 nationally recognized test methods. The manufacturers of such
647 products shall cause samples of such products to be tested in
648 accordance with the test procedures adopted pursuant to this
649 subsection or those specified in the State Building Code.

650 (g) Manufacturers of new products set forth in subsection (b) of this
651 section or designated by the [department] office shall certify to the
652 secretary that such products are in compliance with the provisions of
653 this section, except that certification is not required for single voltage
654 external AC to DC power supplies and walk-in refrigerators and walk-
655 in freezers. All single voltage external AC to DC power supplies shall
656 be labeled as described in the January 2006 California Code of
657 Regulations, Title 20, Section 1607 (9). The [department] office, in
658 consultation with the [secretary] Department of Public Utility Control,
659 shall promulgate regulations governing the certification of such
660 products. The secretary shall publish an annual list of such products.

661 (h) The Attorney General may institute proceedings to enforce the
662 provisions of this section. Any person who violates any provision of
663 this section shall be subject to a civil penalty of not more than two
664 hundred fifty dollars. Each violation of this section shall constitute a
665 separate offense, and each day that such violation continues shall

666 constitute a separate offense.

667 Sec. 14. (*Effective from passage*) (a) For the calendar year 2007, each
668 electric distribution company shall offer an electricity conservation
669 incentive program to its customers. Said program shall compare
670 electricity usage during the period beginning on July 1, 2007, and
671 ending on August 31, 2007, and during the same period in 2006 and
672 give customers a conservation incentive.

673 (b) Electric distribution companies shall issue credits to customers
674 on the electricity bill that is presented on or after November 1, 2007,
675 and shall calculate said credits as follows: (1) Any customer who uses
676 at least ten per cent less electricity during the 2007 period shall earn a
677 credit equal to ten per cent of the billed generation charges for usage
678 from July 1, 2007, to August 31, 2007, inclusive; (2) any customer who
679 uses at least fifteen per cent less electricity during the 2007 period shall
680 earn a credit equal to fifteen per cent of the billed generation charges
681 for usage from July 1, 2007, to August 31, 2007, inclusive; and (3) any
682 customer who uses at least twenty per cent less electricity during the
683 2007 period shall earn a credit equal to twenty per cent of the billed
684 generation charges for usage from July 1, 2007, to August 31, 2007,
685 inclusive. The calculation of reduction in electric energy usage shall be
686 made pursuant to this section and the Department of Public Utility
687 Control's decision in the proceeding required by subsection (c) of this
688 section. Customers who have overdue balances with the electric
689 distribution companies shall have any credits earned applied to such
690 overdue balances.

691 (c) Within fifteen days of the effective date of this section, each
692 electric distribution company shall file with the Department of Public
693 Utility Control an outline of the program established in subsection (a)
694 of this section. Said outline shall include, but not be limited to, how the
695 company plans to implement said program and the projected costs of
696 said program. Using the submitted outlines, the department shall
697 conduct an uncontested proceeding to design the parameters of the
698 program established in subsection (a) of this section and to consider

699 and implement reasonable means of marketing and promoting the
700 program. The department shall include, but not be limited to, the
701 following parameters necessary to encourage conservation, discourage
702 inaccuracy in measurement and assure that credits are only provided
703 to customers who have changed their usage by taking conservation
704 and load management actions: (1) The comparison of energy usage
705 shall be based on weather-normalized usage in 2007 compared to the
706 comparable period in 2006 for that particular address; (2) the program
707 shall not be available to customers without usage in comparable
708 months of 2006; and (3) for customers who participate in other demand
709 response programs, including, but not limited to, those sponsored by
710 the regional independent system operator, benefits from the program
711 established in subsection (a) of this section shall be pro-rated against
712 any benefits from any other programs.

713 (d) All costs incurred by an electric distribution company in
714 connection with the program established in subsection (a) of this
715 section, including incentive credits on customers' bills, shall be
716 recoverable through the systems benefits charge.

717 (e) On or before February 1, 2008, the department shall report to the
718 joint standing committee of the General Assembly having cognizance
719 of matters relating to energy regarding the success of, and any
720 recommendations for improvement of, the incentive program
721 established pursuant to subsection (a) of this section.

722 Sec. 15. Subsection (a) of section 16-245*l* of the general statutes is
723 repealed and the following is substituted in lieu thereof (*Effective from*
724 *passage*):

725 (a) The Department of Public Utility Control shall establish and each
726 electric distribution company shall collect a systems benefits charge to
727 be imposed against all end use customers of each electric distribution
728 company beginning January 1, 2000. The department shall hold a
729 hearing that shall be conducted as a contested case in accordance with
730 chapter 54 to establish the amount of the systems benefits charge. The

department may revise the systems benefits charge or any element of said charge as the need arises. The systems benefits charge shall be used to fund (1) the expenses of the public education outreach program developed under subsections (a), (f) and (g) of section 16-244d other than expenses for department staff, (2) the reasonable and proper expenses of the education outreach consultant pursuant to subsection (d) of section 16-244d, (3) the cost of hardship protection measures under sections 16-262c and 16-262d and other hardship protections, including, but not limited to, electric service bill payment programs, funding and technical support for energy assistance, fuel bank and weatherization programs and weatherization services, (4) the payment program to offset tax losses described in section 12-94d, (5) any sums paid to a resource recovery authority pursuant to subsection (b) of section 16-243e, (6) low income conservation programs approved by the Department of Public Utility Control, (7) displaced worker protection costs, (8) unfunded storage and disposal costs for spent nuclear fuel generated before January 1, 2000, approved by the appropriate regulatory agencies, (9) postretirement safe shutdown and site protection costs that are incurred in preparation for decommissioning, (10) decommissioning fund contributions, (11) the costs of temporary electric generation facilities incurred pursuant to section 16-19ss, (12) operating expenses for the Connecticut Energy Advisory Board, **[**and**]** (13) legal, appraisal and purchase costs of a conservation or land use restriction and other related costs as the department in its discretion deems appropriate, incurred by a municipality on or before January 1, 2000, to ensure the environmental, recreational and scenic preservation of any reservoir located within this state created by a pump storage hydroelectric generating facility, and (14) expenses related to the electricity conservation incentive program established in section 14 of this act. As used in this subsection, "displaced worker protection costs" means the reasonable costs incurred, prior to January 1, 2008, (A) by an electric supplier, exempt wholesale generator, electric company, an operator of a nuclear power generating facility in this state or a generation entity or affiliate arising from the dislocation of any employee other than an

766 officer, provided such dislocation is a result of (i) restructuring of the
767 electric generation market and such dislocation occurs on or after July
768 1, 1998, or (ii) the closing of a Title IV source or an exempt wholesale
769 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a
770 result of such source's failure to meet requirements imposed as a result
771 of sections 22a-197 and 22a-198 and this section or those Regulations of
772 Connecticut State Agencies adopted by the Department of
773 Environmental Protection, as amended from time to time, in
774 accordance with Executive Order Number 19, issued on May 17, 2000,
775 and provided further such costs result from either the execution of
776 agreements reached through collective bargaining for union
777 employees or from the company's or entity's or affiliate's programs
778 and policies for nonunion employees, and (B) by an electric
779 distribution company or an exempt wholesale generator arising from
780 the retraining of a former employee of an unaffiliated exempt
781 wholesale generator, which employee was involuntarily dislocated on
782 or after January 1, 2004, from such wholesale generator, except for
783 cause. "Displaced worker protection costs" includes costs incurred or
784 projected for severance, retraining, early retirement, outplacement,
785 coverage for surviving spouse insurance benefits and related expenses.
786 "Displaced worker protection costs" does not include those costs
787 included in determining a tax credit pursuant to section 12-217bb.

788 Sec. 16. (NEW) (*Effective July 1, 2007*) (a) On or before October 1,
789 2007, the Energy Conservation Management Board, established
790 pursuant to section 16-245m of the general statutes, in consultation
791 with the electric distribution and gas companies, shall develop and
792 estimate the cost of a comprehensive residential conservation program,
793 including, but not limited to, the following features: (1) An audit
794 identifying appropriate conservation measures applicable to a utility
795 customer's dwelling unit, whether owned or rented by the customer,
796 prioritizing measures for cost-effectiveness and reductions in peak
797 electricity demand; (2) a system that prioritizes customers to be
798 assisted at least in part by the customer's consent to installation of
799 those measures that are the most cost-effective and reduce peak

800 electricity demand; (3) a system of oversight that advises and assists a
801 customer in obtaining landlord authority where needed for installation
802 of cost-effective measures and assists a customer in accessing
803 incentives, other cost savings and financing for cost-effective measures
804 and identifying knowledgeable contractors for installation of such
805 measures and ensures successful installation of such measures; and (4)
806 provides financing for conservation measures on the utility bill, to the
807 extent such financing repayment does not exceed the expected life of
808 the measure, and the repayment amount plus the periodic customer
809 bill after installation of conservation measures does not exceed the
810 anticipated periodic bill for utility service without installation of such
811 conservation measures, and authorizes disconnection for nonpayment
812 by the customer of any financing repayment amount and assignment
813 of repayment obligations to subsequent owners or tenants of the
814 dwelling unit.

815 (b) On or before February 1, 2008, the Energy Conservation
816 Management Board shall provide a report to the joint standing
817 committees of the General Assembly having cognizance of matters
818 relating to energy and the environment regarding development and
819 the estimated cost of a comprehensive residential conservation
820 program as defined in subsection (a) of this section. Nothing herein
821 shall preclude development and implementation of conservation
822 programs with features described in subsection (a) of this section prior
823 to provision of said report, provided such programs have been
824 approved by the Department of Public Utility Control.

825 Sec. 17. Subsection (c) of section 16-245n of the general statutes is
826 repealed and the following is substituted in lieu thereof (*Effective from*
827 *passage*):

828 (c) There is hereby created a Renewable Energy Investment Fund
829 which shall be administered by Connecticut Innovations, Incorporated.
830 The fund may receive any amount required by law to be deposited
831 into the fund and may receive any federal funds as may become
832 available to the state for renewable energy investments. Connecticut

833 Innovations, Incorporated, may use any amount in said fund for
834 expenditures [which] that promote investment in renewable energy
835 sources in accordance with a comprehensive plan developed by it to
836 foster the growth, development and commercialization of renewable
837 energy sources, related enterprises and stimulate demand for
838 renewable energy and deployment of renewable energy sources
839 [which] that serve end use customers in this state and for the further
840 purpose of supporting operational demonstration projects for
841 advanced technologies that reduce energy utilization from traditional
842 sources. Such expenditures may include, but not be limited to, grants,
843 direct or equity investments, contracts or other actions which support
844 research, development, manufacture, commercialization, deployment
845 and installation of renewable energy technologies, and actions which
846 expand the expertise of individuals, businesses and lending
847 institutions with regard to renewable energy technologies.

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

850 The Department of Administrative Services and each other
851 budgeted agency, as defined in section 4-69, exercising procurement
852 authority shall procure equipment and appliances for state use [which]
853 that meet or exceed the federal energy conservation standards set forth
854 in the Energy Policy and Conservation Act, 42 USC 6295, any federal
855 regulations adopted thereunder, [and] any applicable energy
856 performance standards established in accordance with subsection (j) of
857 section 16a-38 and meet or exceed the federal Energy Star standards.
858 Purchases of equipment and appliances for which energy performance
859 standards have been established pursuant to subsection (j) of section
860 16a-38 shall be (1) made from among those specific models of
861 equipment and appliances which meet such standards, and (2) based,
862 when possible, on competitive bids. Such bids shall be evaluated on
863 the basis of the life-cycle cost standards, if any, established pursuant to
864 subsection (b) of section 16a-38.

865 Sec. 19. (NEW) (*Effective from passage*) (a) On or before July 1, 2007,

866 the Department of Public Utility Control shall initiate a contested case
867 proceeding, in accordance with chapter 54 of the general statutes, to
868 determine a municipal electric utility's share of the one-time awards
869 made to customer-side distributed resources made pursuant to
870 subsection (a) of section 16-243i of the general statutes, as amended by
871 this act, in order for customers in its service area to qualify for such
872 awards. Said share shall reflect an equitable method of cost allocation
873 that reflects the benefits that accrue to electric distribution customers
874 as a result of such customer-side distributed resources.

875 (b) To qualify for such an award, any customer shall submit an
876 application, in a form prescribed by the Department of Public Utility
877 Control, to said department. The application shall contain a
878 certification by an independent licensed engineer that the customer-
879 side distributed resource is intended to operate for purposes of
880 reducing customer peak electric loads and that the project is financially
881 viable.

882 Sec. 20. Section 16-243r of the general statutes is repealed and the
883 following is substituted in lieu thereof (*Effective July 1, 2007*):

884 The provisions of sections 7-233y, 16-1, <u>as amended by this act,</u> 16-
885 19ss, <u>as amended by this act,</u> 16-32f, 16-50i, 16-50k, <u>as amended by this</u>
886 <u>act,</u> 16-50x, 16-243i to 16-243q, inclusive, <u>as amended by this act,</u> 16-
887 244c, <u>as amended by this act,</u> 16-244e, <u>as amended by this act,</u> 16-245d,
888 16-245m, 16-245n, <u>as amended by this act,</u> 16-245z and 16-262i and
889 section 21 of public act 05-1 of the June special session*, apply to <u>new</u>
890 customer-side distributed resources and grid-side distributed
891 resources developed in this state that add electric capacity on and after
892 January 1, 2006, and <u>shall also apply to customer-side distributed</u>
893 <u>resources and grid-side distributed resources developed in this state</u>
894 <u>before January 1, 2007, that (1) have undergone upgrades that increase</u>
895 <u>the resource's thermal efficiency operating level by no fewer than ten</u>
896 <u>percentage points or, for resources that have a thermal efficiency level</u>
897 <u>of at least seventy per cent, have undergone upgrades that increase the</u>
898 <u>resource's turbine heat rate by no fewer than five percentage points</u>

899 and increase the electrical output of the resource by no fewer than ten
900 percentage points, (2) operate at a thermal efficiency level of at least
901 fifty per cent, and (3) add electric capacity in this state on or after
902 January 1, 2007, provided such measure is in accordance with the
903 provisions of said sections 7-233y, 16-1, 16-19ss, 16-32f, 16-50i, 16-50k,
904 16-50x, 16-243i to 16-243q, inclusive, 16-244c, 16-244e, 16-245d, 16-
905 245m, 16-245n, 16-245z and 16-262i and section 21 of public act 05-1 of
906 the June special session*. On or before January 1, 2009, the
907 Department of Public Utility Control, in consultation with the Office of
908 Consumer Counsel, shall report to the joint standing committee of the
909 General Assembly having cognizance of matters relating to energy
910 regarding the cost-effectiveness of programs pursuant to this section.

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

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

920 (110) On and after July 1, 2000, and prior to July 1, **[**2002**]** 2010, the
921 sale of any passenger car that has a United States Environmental
922 Protection Agency estimated city or highway gasoline mileage rating
923 of at least **[**fifty**]** forty miles per gallon.

924 Sec. 23. (NEW) (*Effective from passage*) As used in sections 24 to 38,
925 inclusive, of this act:

926 (1) "Energy improvement district distributed resources" means one
927 or more of the following owned, leased, or financed by an Energy
928 Improvement District Board: (A) Customer-side distributed resources,
929 as defined in section 16-1 of the general statutes, as amended by this
930 act; (B) grid-side distributed resources, as defined in said section 16-1;

931 (C) combined heat and power systems, as defined in said section 16-1;
932 and (D) Class III sources, as defined in said section 16-1;

933 (2) "Project" means the acquisition, purchase, construction,
934 reconstruction, improvement or extension of one or more of energy
935 improvement district distributed resources.

936 Sec. 24. (NEW) (*Effective from passage*) (a) Any municipality may, by
937 vote of its legislative body, establish an energy improvement district
938 within such municipality. The affairs of any such district shall be
939 administered by an Energy Improvement District Board. The chief
940 elected official of the municipality shall appoint the members of any
941 such board, who shall serve for such term as the legislative body may
942 prescribe and until their successors are appointed and have qualified.
943 The chief elected official shall fill any vacancy for the unexpired
944 portion of the term. The members of each such board shall serve
945 without compensation, except for necessary expenses.

946 (b) After a vote by a municipality to establish an energy
947 improvement district, the chief elected official of the municipality shall
948 notify by mail each property owner of record within said district of
949 said action. An owner may record on the land records in the
950 municipality its decision to participate in the energy improvement
951 district pursuant to sections 24 to 38, inclusive, of this act. Any owner
952 of record, including any new owner of record, may rescind said
953 decision at any time.

954 Sec. 25. (NEW) (*Effective from passage*) (a) An Energy Improvement
955 District Board shall fund energy improvement district distributed
956 resources in its district consistent with a comprehensive plan prepared
957 for the district by said board for the development and financing of
958 such resources, except on state or federally owned properties, with a
959 view to increasing efficiency and reliability and the furtherance of
960 commerce and industry in the energy improvement district, provided
961 such district's plan shall be consistent with the state-wide procurement
962 and deployment plan prepared and approved pursuant to section 55 of

963 this act and the siting determinations of the Connecticut Siting
964 Council. The board may lease or acquire office space and equip the
965 same with suitable furniture and supplies for the performance of work
966 of the board and may employ such personnel as may be necessary for
967 such performance. The board also shall have power to:

968 (1) Sue and be sued;

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

970 (3) Confer with any body or official having to do with electric power
971 distribution facilities within and without the district and hold public
972 hearings as to such facilities;

973 (4) Confer with electric distribution companies with reference to the
974 development of electric distribution facilities in such district and the
975 coordination of the same;

976 (5) Determine the location, type, size and construction of energy
977 improvement district distributed resources, subject to the approval of
978 any department, commission or official of the United States, the state
979 or the municipality where federal, state or municipal statute or
980 regulation requires it;

981 (6) Make surveys, maps and plans for, and estimates of the cost of,
982 the development and operation of requisite energy improvement
983 district distributed resources and for the coordination of such facilities
984 with existing agencies, both public and private, with the view of
985 increasing the efficiency of the electric distribution system in the
986 district and in the furtherance of commerce and industry in the district;

987 (7) Enter into contracts and leases, make loans and execute all
988 instruments necessary to carry out their duties pursuant to this section,
989 including the lending of proceeds of bonds issued in accordance with
990 subdivision (9) of this section to owners, lessees or occupants of
991 facilities in the energy improvement district;

992 (8) Fix fees, rates, rentals or other charges for the purpose of all

993 energy improvement district distributed resources owned by the
994 Energy Improvement District Board and collect such fees, rates, rentals
995 and other charges for such facilities owned by the board, which fees,
996 rates, rentals or other charges shall be sufficient to comply with all
997 covenants and agreements with the holders of any bonds issued
998 pursuant to section 26 of this act;

999 (9) Operate and maintain all energy improvement district
1000 distributed resources owned or leased by the board and use the
1001 revenues from such resources for the corporate purposes of the board
1002 in accordance with any covenants or agreements contained in the
1003 proceedings authorizing the issuance of bonds pursuant to section 26
1004 of this act;

1005 (10) Accept gifts, grants, loans or contributions from the United
1006 States, the state or any agency or instrumentality of either, or a person
1007 or corporation, by conveyance, bequest or otherwise, and expend the
1008 proceeds for any purpose of the board and, as necessary, contract with
1009 the United States, the state or any agency or instrumentality of either
1010 to accept gifts, grants, loans or contributions on such terms and
1011 conditions as may be provided by the law authorizing the same;

1012 (11) Maintain staff to promote and develop the movement of
1013 commerce through the energy improvement district; and

1014 (12) Use the officers, employees, facilities and equipment of the
1015 municipality, with the consent of the municipality, and pay a proper
1016 portion of the compensation or cost.

1017 (b) Nothing in sections 24 to 38, inclusive, of this act shall be
1018 construed to authorize an Energy Improvement District to:

1019 (1) Be an electric distribution company, as defined in section 16-1 of
1020 the general statutes, as amended by this act, or provide electric
1021 distribution or electric transmission services, as defined in said section
1022 16-1, or own or operate assets to provide such services;

1023 (2) Be a municipal electric utility, as defined in section 7-233 of the
1024 general statutes, or provide the services of a municipal electric utility;

1025 (3) Sell electricity to persons or entities in its municipality outside of
1026 the Energy Improvement District;

1027 (4) Undertake any authority or jurisdiction granted by the general
1028 statutes to the Connecticut Siting Council, the Department of Public
1029 Utility Control, or any other state agency, or to undertake any actions
1030 under the jurisdiction of any federal agency; or

1031 (5) Acquire property by eminent domain.

1032 Sec. 26. (NEW) (*Effective from passage*) (a) An Energy Improvement
1033 District Board may, from time to time, issue bonds subject to the
1034 approval of the legislative body in the municipality in which the
1035 energy improvement district is located for the purpose of paying all or
1036 any part of the cost of acquiring, purchasing, constructing,
1037 reconstructing, improving or extending any energy improvement
1038 district distributed resources project and acquiring necessary land and
1039 equipment thereof or for any other authorized purpose of the board.
1040 The board may issue such types of bonds as it may determine,
1041 including, but not limited to, bonds payable as to principal and
1042 interest: (1) From its revenues generally; (2) exclusively from the
1043 income and revenues of a particular project; or (3) exclusively from the
1044 income and revenues of certain designated projects, whether or not
1045 they are financed in whole or in part from the proceeds of such bonds.
1046 Any such bonds may be additionally secured by a pledge of any grant
1047 or contribution from a participating municipality, the state or any
1048 political subdivision, agency or instrumentality thereof, any federal
1049 agency or any private corporation, copartnership, association or
1050 individual, or a pledge of any income or revenues of the board, or a
1051 mortgage on any project or other property of the board, provided such
1052 pledge shall not create any liability on the entity making such grant or
1053 contribution beyond the amount of such grant or contribution.
1054 Whenever and for so long as any board has issued and has

1055 outstanding bonds, the board shall fix, charge and collect rates, rents,
1056 fees and other charges in accordance with section 28 of this act. Neither
1057 the members of the board nor any person executing the bonds shall be
1058 liable personally on the bonds by reason of the issuance thereof. The
1059 bonds and other obligations shall so state on their face that they shall
1060 not be a debt of the state or any political subdivision thereof, except
1061 when the board or a participating municipality, in accordance with
1062 section 35 of this act, has guaranteed payment of principal and of
1063 interest on the same, and no person other than the board or such a
1064 public body shall be liable thereon, nor shall such bonds or obligations
1065 be payable out of any funds or properties other than those of the board
1066 or such a participating municipality. Such bonds shall not constitute an
1067 indebtedness within the meaning of any statutory limitation on the
1068 indebtedness of any participating municipality. Bonds of the board are
1069 declared to be issued for an essential public and governmental
1070 purpose. In anticipation of the sale of such revenue bonds, the board
1071 may issue negotiable bond anticipation notes and may renew the same
1072 from time to time. The maximum maturity of any such note, including
1073 renewals thereof, shall not exceed five years from the date of original
1074 issue. Such notes shall be paid from any revenues of the board
1075 available therefor and not otherwise pledged or from the proceeds of
1076 sale of the revenue bonds of the Energy Improvement District Board in
1077 anticipation of which they were issued. The board shall issue the notes
1078 in the same manner as the revenue bonds. Such notes and the
1079 resolution or resolutions authorizing the same may contain any
1080 provisions, conditions or limitations that a bond resolution of the
1081 board may contain.

1082 (b) An Energy Improvement District Board may issue bonds as
1083 serial bonds, as term bonds or as both. Bonds shall be authorized by
1084 resolution of the members of the authority and shall bear such date or
1085 dates, mature at such time or times, not exceeding twenty years from
1086 their respective dates, bear interest at such rate or rates, or have
1087 provisions for the manner of determining such rate or rates, payable at
1088 such time or times, be in such denominations, be in such form, either

1089 coupon or registered, carry such registration privileges, be executed in
1090 such manner, be payable in lawful money of the United States of
1091 America at such place or places, and be subject to such terms of
1092 redemption, as such resolution or resolutions may provide. The
1093 revenue bonds or notes may be sold at public or private sale for such
1094 price or prices as the Energy Improvement District Board shall
1095 determine. Pending preparation of the definitive bonds, the Energy
1096 Improvement District Board may issue interim receipts or certificates
1097 that shall be exchanged for such definitive bonds.

1098 (c) Any resolution or resolutions authorizing any revenue bonds or
1099 any issue of revenue bonds may contain provisions, which shall be
1100 part of the contract with the holders of the revenue bonds to be
1101 authorized, as to: (1) Pledging all or any part of the revenues of a
1102 project or any revenue-producing contract or contracts made by the
1103 Energy Improvement District Board with any individual, partnership,
1104 corporation or association or other body, public or private, to secure
1105 the payment of the revenue bonds or of any particular issue of revenue
1106 bonds, subject to such agreements with bondholders as may then exist;
1107 (2) the rentals, fees and other charges to be charged, the amounts to be
1108 raised in each year thereby and the use and disposition of the
1109 revenues; (3) the setting aside of reserves or sinking funds or other
1110 funds or accounts as the board may establish and the regulation and
1111 disposition thereof, including requirements that any such funds and
1112 accounts be held separate from or not be commingled with other funds
1113 of the board; (4) limitations on the right of the board or its agent to
1114 restrict and regulate the use of the project; (5) limitations on the
1115 purpose to which the proceeds of sale of any issue of revenue bonds
1116 then or thereafter to be issued may be applied and pledging such
1117 proceeds to secure the payment of the revenue bonds or any issue of
1118 the revenue bonds; (6) limitations on the issuance of additional bonds,
1119 the terms upon which additional bonds may be issued and secured
1120 and the refunding of outstanding bonds; (7) the procedure, if any, by
1121 which the terms of any contract with bondholders may be amended or
1122 abrogated, the amount of bonds the holders of which must consent

1123 thereto and the manner in which such consent may be given; (8)
1124 limitations on the amount of moneys derived from the project to be
1125 expended for operating, administrative or other expenses of the board;
1126 (9) defining the acts or omissions to act that shall constitute a default in
1127 the duties of the board to holders of its obligations and providing the
1128 rights and remedies of such holders in the event of a default; (10) the
1129 mortgaging of a project and the site thereof for the purpose of securing
1130 the bondholder; and (11) provisions for the execution of
1131 reimbursement agreements or similar agreements in connection with
1132 credit facilities, including, but not limited to, letters of credit or policies
1133 of bond insurance, remarketing agreements and agreements for the
1134 purpose of moderating interest rate fluctuations.

1135 (d) If any member whose signature or a facsimile of whose
1136 signature appears on any bonds or coupons ceases to be such member
1137 before delivery of such bonds, such signature or such facsimile shall
1138 nevertheless be valid and sufficient for all purposes as if he had
1139 remained in office until such delivery. Notwithstanding the provisions
1140 of sections 24 to 38, inclusive, of this act, or any recitals in any bonds
1141 issued pursuant to this section, all such bonds shall be deemed to be
1142 negotiable instruments under the provisions of the general statutes.

1143 (e) Unless otherwise provided by the ordinance creating the Energy
1144 Improvement District Board, the board may issue bonds pursuant to
1145 this section, without obtaining the consent of the state or of any
1146 political subdivision thereof and without any other proceedings or
1147 conditions specifically required by sections 24 to 38, inclusive, of this
1148 act.

1149 (f) An Energy Improvement District Board may, within available
1150 funds, purchase its bonds or notes. The Energy Improvement District
1151 Board may hold, pledge, cancel or resell such bonds, subject to and in
1152 accordance with agreements with bondholders.

1153 (g) An Energy Improvement District Board shall cause a copy of any
1154 bond resolutions adopted by it to be filed for public inspection in its

1155 office and in the office of the clerk of each participating municipality
1156 and may thereupon cause to be published at least once, in a newspaper
1157 published or circulating in each participating municipality, a notice
1158 stating the fact and date of such adoption and the places where such
1159 bond resolution has been so filed for public inspection and the date of
1160 the first publication of such notice and also stating that any action or
1161 proceeding of any kind or nature in any court questioning the validity
1162 or proper authorization of bonds provided for by the bond resolution,
1163 or the validity of any covenants, agreements or contracts provided for
1164 by the bond resolution, shall be commenced not later than twenty days
1165 after the first publication of such notice. If any such notice is published
1166 and if no action or proceeding questions the validity or proper
1167 authorization of bonds provided for by the bond resolution referred to
1168 in such notice or the validity of any covenants, agreements or contracts
1169 provided for by the bond resolution is commenced or instituted not
1170 later than twenty days after the first publication of said notice, then all
1171 residents and taxpayers and owners of property in each participating
1172 municipality and all other persons shall be forever barred and
1173 foreclosed from instituting or commencing any action or proceeding in
1174 any court or from pleading any defense to any action or proceeding
1175 questioning the validity or proper authorization of such bonds or the
1176 validity of such covenants, agreements or contracts, and said bonds,
1177 covenants, agreements and contracts shall be conclusively deemed to
1178 be valid and binding obligations in accordance with their terms and
1179 tenor.

1180 (h) Notwithstanding any provision of the general statutes, (1) the
1181 state shall not have any liability or responsibility with regard to any
1182 obligation issued by the board, and (2) no political subdivision of the
1183 state shall have any liability or responsibility with regard to any
1184 obligation issued by the board except as expressly provided by
1185 sections 24 to 38, inclusive, of this act.

1186 Sec. 27. (NEW) (*Effective from passage*) An Energy Improvement
1187 District Board may secure any bonds issued pursuant to section 26 of
1188 this act by a trust indenture by way of conveyance, deed of trust or

1189 mortgage of any project or any other property of the board, whether or
1190 not financed in whole or in part from the proceeds of such bonds, or by
1191 a trust agreement by and between the board and a corporate trustee,
1192 which may be any trust company or bank having the powers of a trust
1193 company within or without the state or by both such conveyance, deed
1194 of trust or mortgage and indenture or trust agreement. Such trust
1195 indenture or agreement may pledge or assign any or all fees, rents and
1196 other charges to be received or proceeds of any contract or contracts
1197 pledged, and may convey or mortgage any property of the board. Such
1198 trust indenture or agreement may contain such provisions for
1199 protecting and enforcing the right and remedies of the bondholders as
1200 may be reasonable and proper and not in violation of law, including
1201 provisions that have been specifically authorized to be included in any
1202 resolution or resolutions of the board authorizing the issue of bonds.
1203 Any bank or trust company incorporated under the laws of the state
1204 may act as depository of the proceeds of such bonds or of revenues or
1205 other moneys and may furnish such indemnifying bonds or pledge
1206 such securities as may be required by the board. Such trust indenture
1207 may set forth rights and remedies of the bondholders and of the
1208 trustee and may restrict the individual right of action by bondholders.
1209 In addition, such trust indenture or agreement may contain such other
1210 provisions as the board may deem reasonable and proper for the
1211 security of the bondholders. All expenses incurred in carrying out the
1212 provisions of such trust indenture or agreement may be treated as part
1213 of the cost of a project.

1214 Sec. 28. (NEW) (*Effective from passage*) (a) An Energy Improvement
1215 District Board may fix, revise, charge and collect rates, rents, fees and
1216 charges for the use of and for the services furnished or to be furnished
1217 by each project and to contract with any person, partnership,
1218 association or corporation, or other body, public or private, in respect
1219 thereof. Such rates, rents, fees and charges shall be fixed and adjusted
1220 in respect of the aggregate of rates, rents, fees and charges from such
1221 project so as to provide funds sufficient with other revenues, if any, to
1222 (1) pay the cost of maintaining, repairing and operating the project and

1223 each and every portion thereof, to the extent that the payment of such
1224 cost has not otherwise been adequately provided for, (2) pay the
1225 principal and interest of outstanding revenue bonds of the board
1226 issued in respect of such project as the same shall become due and
1227 payable, and (3) create and maintain reserves required or provided for
1228 in any resolution authorizing, or trust agreement securing, such
1229 revenue bonds of the board. Such rates, rents, fees and charges shall
1230 not be subject to supervision or regulation by any department,
1231 commission, board, body, bureau or agency of this state other than the
1232 board. A sufficient amount of the revenues derived in respect of a
1233 project, except such part of such revenues as may be necessary to pay
1234 the cost of maintenance, repair and operation and to provide reserves
1235 and for renewals, replacements, extensions, enlargements and
1236 improvements as may be provided for in the resolution authorizing
1237 the issuance of any revenue bonds of the board or in the trust
1238 agreement securing the same, shall be set aside at such regular
1239 intervals as may be provided in such resolution or trust agreement in a
1240 sinking or other similar fund which is hereby pledged to, and charged
1241 with, the payment of the principal of and the interest on such revenue
1242 bonds as the same shall become due, and the redemption price or the
1243 purchase price of bonds retired by call or purchase as therein
1244 provided. Such pledge shall be valid and binding from the time when
1245 the pledge is made; the rates, rents, fees and charges and other
1246 revenues or other moneys so pledged and thereafter received by the
1247 board shall immediately be subject to the lien of any such pledge,
1248 without any physical delivery thereof or further act, and the lien of any
1249 such pledge shall be valid and binding as against all parties having
1250 claims of any kind in tort, contract or otherwise against the board,
1251 irrespective of whether such parties have notice thereof. Neither the
1252 resolution nor any trust indenture or agreement by which a pledge is
1253 created need be filed or recorded except in the records of the board.
1254 The use and disposition of moneys to the credit of such sinking or
1255 other similar fund shall be subject to the provisions of the resolution
1256 authorizing the issuance of such bonds or of such trust agreement.
1257 Except as may otherwise be provided in such resolution or such trust

1258 indenture or agreement, such sinking or other similar fund shall be a
1259 fund for all revenue bonds issued to finance a project of such board
1260 without distinction or priority of one over another.

1261 (b) All moneys received by the board pursuant to sections 24 to 38,
1262 inclusive, of this act, whether as proceeds from the sale of bonds or as
1263 revenues, shall be deemed to be trust funds to be held and applied
1264 solely as provided pursuant to this section.

1265 Sec. 29. (NEW) (*Effective from passage*) Any holder of bonds, notes,
1266 certificates or other evidences of borrowing issued pursuant to section
1267 26 of this act or of any of the coupons appertaining thereto and the
1268 trustee under any trust indenture or agreement, except to the extent
1269 the right may be restricted by such trust indenture or agreement, may,
1270 either at law or in equity, by suit, action, injunction, mandamus or
1271 other proceedings, protect and enforce any and all rights under the
1272 provisions of the general statutes or granted by sections 24 to 38,
1273 inclusive, of this act, or under such trust indenture or agreement or the
1274 resolution authorizing the issuance of such bonds, notes or certificates,
1275 and may enforce and compel the performance of all duties required by
1276 said section or by such trust indenture or agreement or solution to be
1277 performed by the Energy Improvement District Board or by any officer
1278 or agent thereof, including the fixing, charging and collection of fees,
1279 rents and other charges.

1280 Sec. 30. (NEW) (*Effective from passage*) An Energy Improvement
1281 District Board, in the exercise of its powers granted pursuant to
1282 sections 24 to 38, inclusive, of this act, shall be for the benefit of the
1283 inhabitants of the state, for the increase of their commerce and for the
1284 promotion of their safety, health, welfare, convenience and prosperity,
1285 and as the operation and maintenance of any project which the board
1286 is authorized to undertake constitute the performance of an essential
1287 governmental function, no board shall be required to pay any taxes or
1288 assessments upon any project acquired and constructed by it under the
1289 provisions of said sections. The bonds, notes, certificates or other
1290 evidences of debt issued pursuant to section 26 of this act, their

1291 transfer and the income therefrom, including any profit made on the
1292 sale thereof, shall at all times be free and exempt from taxation by the
1293 state and by any political subdivision thereof.

1294 Sec. 31. (NEW) (*Effective from passage*) Bonds issued by an Energy
1295 Improvement District Board pursuant to section 26 of this act, shall be
1296 securities in which all public officers and public bodies of the state and
1297 its political subdivisions, all insurance companies, trust companies,
1298 banking associations, investment companies and executors,
1299 administrators, trustees and other fiduciaries may properly and legally
1300 invest funds, including capital in their control or belonging to them.
1301 Such bonds shall be securities that may properly and legally be
1302 deposited with and received by any state or municipal officer or any
1303 agency or political subdivision of the state for any purpose for which
1304 the deposit of bonds or obligations is now or may hereafter be
1305 authorized by law.

1306 Sec. 32. (NEW) (*Effective from passage*) A municipality may, by
1307 ordinance, and any other governmental unit may, without any
1308 referendum or public or competitive bidding, and any person may sell,
1309 lease, lend, grant or convey to an Energy Improvement District Board
1310 or permit a board to use, maintain or operate as part of any distributed
1311 resource facility any real or personal property that may be necessary or
1312 useful and convenient for the purposes of the board and accepted by
1313 the board. Any such sale, lease, loan, grant, conveyance or permit may
1314 be made or given with or without consideration and for a specified or
1315 an unlimited period and under any agreement and on any terms and
1316 conditions that may be approved by such municipality, governmental
1317 unit or person and that may be agreed to by the board in conformity
1318 with its contract with the holders of any bonds. Subject to any such
1319 contracts with the holders of bonds, the board may enter into and
1320 perform any and all agreements with respect to property so purchased,
1321 leased, borrowed, received or accepted by it, including agreements for
1322 the assumption of principal or interest or both of indebtedness of such
1323 municipality, governmental unit or person or of any mortgage or lien
1324 existing with respect to such property or for the operation and

1325 maintenance of such property as part of any energy improvement
1326 district distributed resources facility.

1327 Sec. 33. (NEW) (*Effective from passage*) A municipality, governmental
1328 unit or person may enter into and perform any lease or other
1329 agreement with any Energy Improvement District Board for the lease
1330 or other agreement with any municipality, governmental unit or
1331 person of all or any part of any energy improvement district
1332 distributed resource facility or facilities. Any such lease or other
1333 agreement may provide for the payment to the board by such
1334 municipality, governmental unit or person, annually or otherwise, of
1335 such sum or sums of money, computed at fixed amount or by any
1336 formula or in any other manner, as may be so fixed or computed. Any
1337 such lease or other agreement may be made and entered into for a
1338 term beginning currently or at some future or contingent date and
1339 with or without consideration and for a specified or unlimited time
1340 and on any terms and conditions which may be approved by such
1341 municipality, governmental unit or person and which may be agreed
1342 to by the board in conformity with its contract with the holders of any
1343 bonds, and shall be valid and binding on such municipality,
1344 governmental unit or person whether or not an appropriation is made
1345 thereby prior to authorization or execution of such lease or other
1346 agreement. Such municipality, governmental unit or person shall do
1347 all acts and things necessary, convenient or desirable to carry out and
1348 perform any such lease or other agreement entered into by it and to
1349 provide for the payment or discharge of any obligation thereunder in
1350 the same manner as other obligations of such municipality,
1351 governmental unit or person.

1352 Sec. 34. (NEW) (*Effective from passage*) For the purpose of aiding an
1353 Energy Improvement District Board, a municipality, by ordinance or
1354 by resolution of its legislative body, shall have power from time to
1355 time and for such period and upon such terms, with or without
1356 consideration, as may be provided by such resolution or ordinance and
1357 accepted by the board, (1) to appropriate moneys for the purposes of
1358 the board, and to loan or donate such money to the board in such

1359 installments and upon such terms as may be agreed upon with the
1360 board, (2) to covenant and agree with the board to pay to or on the
1361 order of the board annually or at shorter intervals as a subsidy for the
1362 promotion of its purposes not more than such sums of money as may
1363 be stated in such resolution or ordinance or computed in accordance
1364 therewith, (3) upon authorization by it in accordance with law of the
1365 performance of any act or thing which it is empowered by law to
1366 authorize and perform and after appropriation of the moneys, if any,
1367 necessary for such performance, to covenant and agree with the board
1368 to do and perform such act or thing and as to the time, manner and
1369 other details of its doing and performance, and (4) to appropriate
1370 money for all or any part of the cost of acquisition or construction of
1371 such facility, and, in accordance with the limitations and any
1372 exceptions thereto and in accordance with procedure prescribed by
1373 law, to incur indebtedness, borrow money and issue its negotiable
1374 bonds for the purpose of financing such distributed resource facility
1375 and appropriation, and to pay the proceeds of such bonds to the board.

1376 Sec. 35. (NEW) (*Effective from passage*) For the purpose of aiding an
1377 Energy Improvement District Board in the planning, undertaking,
1378 acquisition, construction or operation of any distributed resource
1379 facility, a participating municipality may, pursuant to resolution
1380 adopted by its legislative body in the manner provided for adoption of
1381 a resolution authorizing bonds of such municipality and with or
1382 without consideration and upon such terms and conditions as may be
1383 agreed to by and between the municipality and the board,
1384 unconditionally guarantee the punctual payment of the principal of
1385 and interest on any bonds of the board and pledge the full faith and
1386 credit of the municipality to the payment thereof. Any guarantee of
1387 bonds of the board made pursuant to this section shall be evidenced by
1388 endorsement thereof on such bonds, executed in the name of the
1389 municipality and on its behalf by such officer thereof as may be
1390 designated in the resolution authorizing such guaranty, and such
1391 municipality shall thereupon and thereafter be obligated to pay the
1392 principal of and interest on said bonds in the same manner and to the

1393 same extent as in the case of bonds issued by it. As part of the
1394 guarantee of the municipality for payment of principal and interest on
1395 the bonds, the municipality may pledge to and agree with the owners
1396 of bonds issued under this chapter and with those persons who may
1397 enter into contracts with the municipality or the board or any
1398 successor agency pursuant to the provisions of this chapter that it will
1399 not limit or alter the rights thereby vested in the bond owners, the
1400 board or any contracting party until such bonds, together with the
1401 interest thereon, are fully met and discharged and such contracts are
1402 fully performed on the part of the municipality or the board, provided
1403 nothing in this subsection shall preclude such limitation or alteration if
1404 and when adequate provisions shall be made by law for the protection
1405 of the owners of such bonds of the municipality or the board or those
1406 entering into such contracts with the municipality or the board. The
1407 board is authorized to include this pledge and undertaking for the
1408 municipality in such bonds or contracts. To the extent provided in
1409 such agreement or agreements, the obligations of the municipality
1410 thereunder shall be obligatory upon the municipality and the
1411 inhabitants and property thereof, and thereafter the municipality shall
1412 appropriate in each year during the term of such agreement, and there
1413 shall be available on or before the date when the same are payable, an
1414 amount of money that, together with other revenue available for such
1415 purpose, shall be sufficient to pay such principal and interest
1416 guaranteed by it and payable thereunder in that year, and there shall
1417 be included in the tax levy for each such year in an amount that,
1418 together with other revenues available for such purpose, shall be
1419 sufficient to meet such appropriation. Any such agreement shall be
1420 valid, binding and enforceable against the municipality if approved by
1421 action of the legislative body of such municipality. Any such guaranty
1422 of bonds of the board may be made, and any resolution authorizing
1423 such guaranty may be adopted, notwithstanding any statutory debt or
1424 other limitations, but the principal amount of bonds so guaranteed
1425 shall, after their issuance, be included in the gross debt of such
1426 municipality for the purpose of determining the indebtedness of such
1427 municipality under subsection (b) of section 7-374 of the general

1428 statutes. The principal amount of bonds so guaranteed and included in
1429 gross debt shall be deducted and is declared to be and to constitute a
1430 deduction from such gross debt under and for all the purposes of
1431 subsection (b) of said section 7-374, (1) from and after the time of
1432 issuance of said bonds until the end of the fiscal year beginning next
1433 after the completion of acquisition and construction of the distributed
1434 resource facility to be financed from the proceeds of such bonds, and
1435 (2) during any subsequent fiscal year if the revenues of the board in the
1436 preceding fiscal year are sufficient to pay its expenses of operation and
1437 maintenance in such year and all amounts payable in such year on
1438 account of the principal and interest on all such guaranteed bonds, all
1439 bonds of the municipality issued as provided in this section and all
1440 bonds of the Energy Improvement District Board issued under section
1441 26 of this act.

1442 Sec. 36. (NEW) (*Effective from passage*) Any Energy Improvement
1443 District Board may pledge or assign any lease or other agreement, and
1444 any instruments making or evidencing the same to secure its bonds
1445 and thereafter may not modify such leases, agreements or instruments
1446 except as provided by the terms of such lease, agreement or
1447 instrument.

1448 Sec. 37. (NEW) (*Effective from passage*) All property of an Energy
1449 Improvement District Board shall be exempt from levy and sale by
1450 virtue of an execution and no execution or other judicial process shall
1451 issue against the same nor shall any judgment against the board be a
1452 charge or lien upon its property, provided nothing in this section shall
1453 apply to or limit the rights of the holder of any bonds to pursue any
1454 remedy for the enforcement of any pledge or lien given by the board
1455 on its facility revenues or other moneys.

1456 Sec. 38. (NEW) (*Effective from passage*) An Energy Improvement
1457 District Board and the municipality in which any property of the board
1458 is located may enter into agreements with respect to the payment by
1459 the board to such municipality of annual sums of money in lieu of
1460 taxes on such property in such amount as may be agreed upon

1461 between the board and the municipality. The board may make, and the
1462 municipality may accept, such payments and apply them in the
1463 manner in which taxes may be applied in such municipality, provided
1464 no such annual payment with respect to any parcel of such property
1465 shall exceed the amount of taxes paid thereon for the taxable year
1466 immediately prior to the time of its acquisition by the board.

1467 Sec. 39. Subsection (b) of section 16-243a of the general statutes is
1468 repealed and the following is substituted in lieu thereof (*Effective*
1469 *October 1, 2007*):

1470 (b) Each electric public service company, municipal electric energy
1471 cooperative and municipal electric utility shall: (1) Purchase any
1472 electrical energy and capacity made available, directly by a private
1473 power producer or indirectly under subdivision (4) of this subsection;
1474 (2) sell backup electricity to any private power producer in its service
1475 territory; (3) make such interconnections <u>in accordance with the</u>
1476 <u>regulations adopted pursuant to subsection (h) of this section</u>
1477 necessary to accomplish such purchases and sales; (4) upon approval
1478 by the Department of Public Utility Control of an application filed by a
1479 willing private power producer, transmit energy or capacity from the
1480 private power producer to any other such company, cooperative or
1481 utility or to another facility operated by the private power producer;
1482 and (5) offer to operate in parallel with a private power producer. In
1483 making a decision on an application filed under subdivision (4) of this
1484 subsection, the department shall consider whether such transmission
1485 would (A) adversely impact the customers of the company,
1486 cooperative or utility which would transmit energy or capacity to the
1487 private power producer, (B) result in an uncompensated loss for, or
1488 unduly burden, such company, cooperative, utility or private power
1489 producer, (C) impair the reliability of service of such company,
1490 cooperative or utility<u>,</u> or (D) impair the ability of the company,
1491 cooperative or utility to provide adequate service to its customers. The
1492 department shall issue a decision on such an application not later than
1493 one hundred twenty days after the application is filed, provided, the
1494 department may, before the end of such period and upon notifying all

1495 parties and intervenors to the proceeding, extend the period by thirty
1496 days. If the department does not issue a decision within one hundred
1497 twenty days after receiving such an application, or within one hundred
1498 fifty days if the department extends the period in accordance with the
1499 provisions of this subsection, the application shall be deemed to have
1500 been approved. The requirements under subdivisions (3), (4) and (5) of
1501 this subsection shall be subject to reasonable standards for operating
1502 safety and reliability and the nondiscriminatory assessment of costs
1503 against private power producers, approved by the Department of
1504 Public Utility Control with respect to electric public service companies
1505 or determined by municipal electric energy cooperatives and
1506 municipal electric utilities.

1507 Sec. 40. Section 16-243a of the general statutes is amended by adding
1508 subsection (h) as follows (*Effective October 1, 2007*):

1509 (NEW) (h) Not later than January 1, 2008, the Department of Public
1510 Utility Control shall issue a final decision regarding interconnection
1511 standards that meet or exceed national standards of interconnectivity.
1512 If the department does not issue a final decision by October 1, 2008,
1513 each electric distribution company, municipal electric energy
1514 cooperative and municipal electric utility shall meet the standards set
1515 forth in Title 4, Chapter 4, Subchapter 9, "Net Metering and
1516 Interconnection Standards for Class I Renewable Energy Systems" of
1517 the New Jersey Administrative Code.

1518 Sec. 41. Subsection (a) of section 16-245n of the general statutes is
1519 repealed and the following is substituted in lieu thereof (*Effective*
1520 *October 1, 2007*):

1521 (a) For purposes of this section, "renewable energy" means solar
1522 <u>photovoltaic energy, solar thermal</u> energy, wind, ocean thermal
1523 energy, wave or tidal energy, fuel cells, landfill gas, <u>hydropower that</u>
1524 <u>meets the low-impact standards of the Low-Impact Hydropower</u>
1525 <u>Institute,</u> hydrogen production and hydrogen conversion technologies,
1526 low emission advanced biomass conversion technologies, <u>alternative</u>

1527 fuel, including ethanol, biodiesel, or other fuel produced in
1528 Connecticut and derived from agricultural produce, food waste or
1529 waste vegetable oil, provided the Commissioner of Environmental
1530 Protection determines that such fuels provide net reductions in carbon
1531 emissions and fossil fuel consumption, usable electricity from
1532 combined heat and power systems with waste heat recovery systems,
1533 thermal storage systems and other energy resources and emerging
1534 technologies which have significant potential for commercialization
1535 and which do not involve the combustion of coal, petroleum or
1536 petroleum products, municipal solid waste or nuclear fission.

1537 Sec. 42. Section 16-243h of the general statutes is repealed and the
1538 following is substituted in lieu thereof (*Effective October 1, 2007*):

1539 On and after January 1, 2000, each electric supplier or any electric
1540 distribution company providing standard offer, transitional standard
1541 offer, standard service or back-up electric generation service, pursuant
1542 to section 16-244c, as amended by this act, shall give a credit for any
1543 electricity generated by a **[**residential**]** customer from a Class I
1544 renewable energy source or a hydropower facility when such
1545 renewable energy source or hydropower facility has a nameplate
1546 capacity rating of two megawatts or less. The electric distribution
1547 company providing electric distribution services to such a customer
1548 shall make such interconnections necessary to accomplish such
1549 purpose. An electric distribution company, at the request of any
1550 residential customer served by such company and if necessary to
1551 implement the provisions of this section, shall provide for the
1552 installation of metering equipment that (1) measures electricity
1553 consumed by such customer from the facilities of the electric
1554 distribution company, (2) deducts from the measurement the amount
1555 of electricity produced by the customer and not consumed by the
1556 customer, and (3) registers, for each billing period, the net amount of
1557 electricity either (A) consumed and produced by the customer, or (B)
1558 the net amount of electricity produced by the customer. If, in a given
1559 monthly billing period, a customer-generator supplies more electricity
1560 to the electric distribution system than the electric distribution

1561 company or electric supplier delivers to the customer-generator, the
1562 electric distribution company and electric supplier shall credit the
1563 customer-generator for the excess by reducing the customer-
1564 generator's bill for the next monthly billing period to compensate for
1565 the excess electricity from the customer-generator in the previous
1566 billing period. The electric distribution company and electric supplier
1567 shall carry over credit earned from monthly billing period to monthly
1568 billing period, and the credit shall accumulate until the end of the
1569 annualized period. At the end of each annualized period, the electric
1570 distribution company and electric supplier shall compensate the
1571 customer-generator for any excess kilowatt-hours generated, by
1572 paying to the customer-generator amounts in accordance with the
1573 company's Department of Public Utility Control approved nonfirm
1574 self-generator power purchase tariff. A **[**residential**]** customer who
1575 generates electricity from a generating unit with a name plate capacity
1576 of more than ten kilowatts of electricity pursuant to the provisions of
1577 this section shall be assessed for the competitive transition assessment,
1578 pursuant to section 16-245g and the systems benefits charge, pursuant
1579 to section 16-245*l* based on the amount of electricity consumed by the
1580 customer from the facilities of the electric distribution company
1581 without netting any electricity produced by the customer. For
1582 purposes of this section, "residential customer" means a customer of a
1583 single-family dwelling or multifamily dwelling consisting of two to
1584 four units. Electric distribution companies shall recover their net costs
1585 associated with payments pursuant to this section through
1586 nonbypassable federally mandated congestion charges.

1587 Sec. 43. Section 16-245a of the general statutes is repealed and the
1588 following is substituted in lieu thereof (*Effective October 1, 2007*):

1589 (a) **[**On and after January 1, 2006, an**]** An electric supplier and an
1590 electric distribution company providing standard service or supplier of
1591 last resort service, pursuant to section 16-244c, as amended by this act,
1592 shall demonstrate:

1593 (1) On and after January 1, 2006, that not less than two per cent of

1594 the total output or services of any such supplier or distribution
1595 company shall be generated from Class I renewable energy sources
1596 and an additional three per cent of the total output or services shall be
1597 from Class I or Class II renewable energy sources; [.]

1598 (2) On and after January 1, 2007, not less than three and one-half per
1599 cent of the total output or services of any such supplier or distribution
1600 company shall be generated from Class I renewable energy sources
1601 and an additional three per cent of the total output or services shall be
1602 from Class I or Class II renewable energy sources; [.]

1603 (3) On and after January 1, 2008, not less than five per cent of the
1604 total output or services of any such supplier or distribution company
1605 shall be generated from Class I renewable energy sources and an
1606 additional three per cent of the total output or services shall be from
1607 Class I or Class II renewable energy sources; [.]

1608 (4) On and after January 1, 2009, not less than six per cent of the
1609 total output or services of any such supplier or distribution company
1610 shall be generated from Class I renewable energy sources and an
1611 additional three per cent of the total output or services shall be from
1612 Class I or Class II renewable energy sources; [.]

1613 (5) On and after January 1, 2010, not less than seven per cent of the
1614 total output or services of any such supplier or distribution company
1615 shall be generated from Class I renewable energy sources and an
1616 additional three per cent of the total output or services shall be from
1617 Class I or Class II renewable energy sources;

1618 (6) On and after January 1, 2011, not less than eight per cent of the
1619 total output or services of any such supplier or distribution company
1620 shall be generated from Class I renewable energy sources and an
1621 additional three per cent of the total output or services shall be from
1622 Class I or Class II renewable energy sources;

1623 (7) On and after January 1, 2012, not less than nine per cent of the
1624 total output or services of any such supplier or distribution company

1625 shall be generated from Class I renewable energy sources and an
1626 additional three per cent of the total output or services shall be from
1627 Class I or Class II renewable energy sources;

1628 (8) On and after January 1, 2013, not less than ten per cent of the
1629 total output or services of any such supplier or distribution company
1630 shall be generated from Class I renewable energy sources and an
1631 additional three per cent of the total output or services shall be from
1632 Class I or Class II renewable energy sources;

1633 (9) On and after January 1, 2014, not less than eleven per cent of the
1634 total output or services of any such supplier or distribution company
1635 shall be generated from Class I renewable energy sources and an
1636 additional three per cent of the total output or services shall be from
1637 Class I or Class II renewable energy sources;

1638 (10) On and after January 1, 2015, not less than twelve and one-half
1639 per cent of the total output or services of any such supplier or
1640 distribution company shall be generated from Class I renewable
1641 energy sources and an additional three per cent of the total output or
1642 services shall be from Class I or Class II renewable energy sources;

1643 (11) On and after January 1, 2016, not less than fourteen per cent of
1644 the total output or services of any such supplier or distribution
1645 company shall be generated from Class I renewable energy sources
1646 and an additional three per cent of the total output or services shall be
1647 from Class I or Class II renewable energy sources;

1648 (12) On and after January 1, 2017, not less than fifteen and one-half
1649 per cent of the total output or services of any such supplier or
1650 distribution company shall be generated from Class I renewable
1651 energy sources and an additional three per cent of the total output or
1652 services shall be from Class I or Class II renewable energy sources;

1653 (13) On and after January 1, 2018, not less than seventeen per cent of
1654 the total output or services of any such supplier or distribution
1655 company shall be generated from Class I renewable energy sources

1656 and an additional three per cent of the total output or services shall be
1657 from Class I or Class II renewable energy sources;

1658 (14) On and after January 1, 2019, not less than nineteen and one-
1659 half per cent of the total output or services of any such supplier or
1660 distribution company shall be generated from Class I renewable
1661 energy sources and an additional three per cent of the total output or
1662 services shall be from Class I or Class II renewable energy sources;

1663 (15) On and after January 1, 2020, not less than twenty per cent of
1664 the total output or services of any such supplier or distribution
1665 company shall be generated from Class I renewable energy sources
1666 and an additional three per cent of the total output or services shall be
1667 from Class I or Class II renewable energy sources.

1668 (b) An electric supplier or electric distribution company may satisfy
1669 the requirements of this section (1) by purchasing certificates issued by
1670 the New England Power Pool Generation Information System,
1671 provided the certificates are for (A) energy produced by a generating
1672 unit using Class I or Class II renewable energy sources and the
1673 generating unit is located in the jurisdiction of the regional
1674 independent system operator, or (B) energy imported into the control
1675 area of the regional independent system operator pursuant to New
1676 England Power Pool Generation Information System Rule 2.7(c), as in
1677 effect on January 1, 2006; [or] (2) for those renewable energy
1678 certificates under contract to serve end-use customers in the state on or
1679 before October 1, 2006, by participating in a renewable energy trading
1680 program within said jurisdictions as approved by the Department of
1681 Public Utility Control; or (3) by purchasing electricity from residential
1682 customers who are net producers.

1683 (c) Any supplier who provides electric generation services solely
1684 from a Class II renewable energy source shall not be required to
1685 comply with the provisions of this section.

1686 (d) An electric supplier or an electric distribution company shall
1687 base its demonstration of generation sources, as required under

1688 subsection (a) of this section on historical data, which may consist of
1689 data filed with the regional independent system operator.

1690 (e) (1) A supplier or an electric distribution company may make up
1691 any deficiency within its renewable energy portfolio within the first
1692 three months of the succeeding calendar year or as otherwise provided
1693 by generation information system operating rules approved by New
1694 England Power Pool or its successor to meet the generation source
1695 requirements of subsection (a) of this section for the previous year.

1696 (2) No such supplier or electric distribution company shall receive
1697 credit for the current calendar year for generation from Class I or Class
1698 II renewable energy sources pursuant to this section where such
1699 supplier or distribution company receives credit for the preceding
1700 calendar year pursuant to subdivision (1) of this subsection.

1701 (f) The department shall adopt regulations, in accordance with the
1702 provisions of chapter 54, to implement the provisions of this section.

1703 Sec. 44. (NEW) (*Effective July 1, 2007*) (a) A municipal electric energy
1704 cooperative, created pursuant to chapter 101a of the general statutes,
1705 shall submit a comprehensive report on the activities of the municipal
1706 electric utilities with regard to promotion of renewable energy
1707 resources. Such report shall identify the standards and activities of
1708 municipal electric utilities in the promotion, encouragement and
1709 expansion of the deployment and use of renewable energy sources
1710 within the service areas of the municipal electric utilities for the prior
1711 calendar year. The cooperative shall submit the report to the
1712 Renewable Energy Investment Advisory Committee established
1713 pursuant to section 16-245n of the general statutes, as amended by this
1714 act, not later than ninety days after the end of each calendar year that
1715 describes the activities undertaken pursuant to this subsection during
1716 the previous calendar year for the promotion and development of
1717 renewable energy sources for all electric customer classes.

1718 (b) Such cooperative shall develop standards for the promotion of
1719 renewable resources that apply to each municipal electric utility. On or

1720 before January 1, 2008, and annually thereafter, such cooperative shall
1721 submit such standards to the Renewable Energy Investment Advisory
1722 Committee.

1723 Sec. 45. (NEW) (*Effective from passage*) (a) Notwithstanding the
1724 provisions of title 16 of the general statutes, a customer who
1725 implements energy conservation or customer-side distributed
1726 resources, as defined in section 16-1 of the general statutes, as
1727 amended by this act, on or after January 1, 2008, shall be eligible for
1728 Class III credits, pursuant to section 16-243q of the general statutes, as
1729 amended by this act. The Class III credit shall be not less than one cent
1730 per kilowatt hour. For nonresidential projects receiving conservation
1731 and load management funding, twenty-five per cent of the financial
1732 value derived from the credits earned pursuant to this section shall be
1733 directed to the customer who implements energy conservation or
1734 customer-side distribution resources pursuant to this section with the
1735 remainder of the financial value directed to the Conservation and Load
1736 Management Funds. For nonresidential projects not receiving
1737 conservation and load management funding submitted on or after
1738 March 9, 2007, seventy-five per cent of the financial value derived from
1739 the credits earned pursuant to this section shall be directed to the
1740 customer who implements energy conservation or customer-side
1741 distribution resources pursuant to this section with the remainder of
1742 the financial value directed to the Conservation and Load
1743 Management Funds. Not later than July 1, 2007, the Department of
1744 Public Utility Control shall initiate a contested case proceeding in
1745 accordance with the provisions of chapter 54 of the general statutes, to
1746 implement the provisions of this section.

1747 (b) In order to be eligible for ongoing Class III credits, the customer
1748 shall file an application that contains information necessary for the
1749 department to determine that the resource qualifies for Class III status.
1750 Such application shall (1) certify that installation and metering
1751 requirements have been met where appropriate, (2) provide a detailed
1752 energy savings or energy output calculation for such time period as
1753 specified by the department, and (3) include any other information

1754 that the department deems appropriate.

1755 (c) For conservation and load management projects that serve
1756 residential customers, seventy-five per cent of the financial value
1757 derived from the credits shall be directed to the Conservation and
1758 Load Management Funds.

1759 (d) On or before January 1, 2009, the Department of Public Utility
1760 Control shall report to the joint standing committee of the General
1761 Assembly having cognizance of matters relating to energy on the Class
1762 III credit program pursuant to this section.

1763 Sec. 46. Section 16-243q of the general statutes is repealed and the
1764 following is substituted in lieu thereof (*Effective October 1, 2007*):

1765 (a) On and after January 1, 2007, each electric distribution company
1766 providing standard service pursuant to section 16-244c, as amended by
1767 this act, and each electric supplier as defined in section 16-1, as
1768 amended by this act, shall demonstrate to the satisfaction of the
1769 Department of Public Utility Control that not less than one per cent of
1770 the total output of such supplier or such standard service of an electric
1771 distribution company shall be obtained from Class III **[**resources**]**
1772 sources. On and after January 1, 2008, not less than two per cent of the
1773 total output of any such supplier or such standard service of an electric
1774 distribution company shall, on demonstration satisfactory to the
1775 Department of Public Utility Control, be obtained from Class III
1776 **[**resources**]** sources. On or after January 1, 2009, not less than three per
1777 cent of the total output of any such supplier or such standard service of
1778 an electric distribution company shall, on demonstration satisfactory to
1779 the Department of Public Utility Control, be obtained from Class III
1780 **[**resources**]** sources. On and after January 1, 2010, not less than four per
1781 cent of the total output of any such supplier or such standard service of
1782 an electric distribution company shall, on demonstration satisfactory to
1783 the Department of Public Utility Control, be obtained from Class III
1784 **[**resources**]** sources. Electric power obtained from customer-side
1785 distributed resources that does not meet air and water quality

1786 standards of the Department of Environmental Protection is not
1787 eligible for purposes of meeting the percentage standards in this
1788 section.

1789 (b) Except as provided in subsection (d) of this section, the
1790 Department of Public Utility Control shall assess each electric supplier
1791 and each electric distribution company that fails to meet the
1792 percentage standards of subsection (a) of this section a charge of up to
1793 five and five-tenths cents for each kilowatt hour of electricity that such
1794 supplier or company is deficient in meeting such percentage
1795 standards. Seventy-five per cent of such assessed charges shall be
1796 deposited in the Energy Conservation and Load Management Fund
1797 established in section 16-245m, and twenty-five per cent shall be
1798 deposited in the Renewable Energy Investment Fund established in
1799 section 16-245n, as amended by this act, except that such seventy-five
1800 per cent of assessed charges with respect to an electric supplier shall be
1801 divided among the Energy Conservation and Load Management
1802 Funds of electric distribution companies in proportion to the amount
1803 of electricity such electric supplier provides to end use customers in
1804 the state using the facilities of each electric distribution company.

1805 (c) An electric supplier or electric distribution company may satisfy
1806 the requirements of this section by participating in a conservation and
1807 distributed resources trading program approved by the Department of
1808 Public Utility Control. Credits created by conservation and customer-
1809 side distributed resources shall be allocated to the person that
1810 conserved the electricity or installed the project for customer-side
1811 distributed resources to which the credit is attributable and to the
1812 Energy Conservation and Load Management Fund. Such credits shall
1813 be made in the following manner: A minimum of twenty-five per cent
1814 of the credits shall be allocated to the person that conserved the
1815 electricity or installed the project for customer-side distributed
1816 resources to which the energy credit is attributable and the remainder
1817 of the credits shall be allocated to the Energy Conservation and Load
1818 Management Fund, based on a schedule created by the department no
1819 later than January 1, 2007, and reviewed annually thereafter. The

1820 department may, in a proceeding and for good cause shown, allocate a
1821 larger proportion of such credits to the person who conserved the
1822 electricity or installed the customer-side distributed resources. The
1823 department shall consider the proportion of investment made by a
1824 ratepayer through various ratepayer-funded incentive programs and
1825 the resulting reduction in federally mandated congestion charges. The
1826 portion allocated to the Energy Conservation and Load Management
1827 Fund shall be used for measures that respond to energy demand and
1828 for peak reduction programs.

1829 (d) An electric distribution company providing standard service
1830 may contract with its wholesale suppliers to comply with the
1831 conservation and customer-side distributed resources standards set
1832 forth in subsection (a) of this section. The Department of Public Utility
1833 Control shall annually conduct a contested case, in accordance with the
1834 provisions of chapter 54, to determine whether the electric distribution
1835 company's wholesale suppliers met the conservation and distributed
1836 resources standards during the preceding year. Any such contract shall
1837 include a provision that requires such supplier to pay the electric
1838 distribution company in an amount of up to five and one-half cents per
1839 kilowatt hour if the wholesale supplier fails to comply with the
1840 conservation and distributed resources standards during the subject
1841 annual period. The electric distribution company shall immediately
1842 transfer seventy-five per cent of any payment received from the
1843 wholesale supplier for the failure to meet the conservation and
1844 distributed resources standards to the Energy Conservation and Load
1845 Management Fund and twenty-five per cent to the Renewable Energy
1846 Investment Fund. Any payment made pursuant to this section shall
1847 not be considered revenue or income to the electric distribution
1848 company.

1849 (e) The Department of Public Utility Control shall conduct a
1850 contested proceeding to develop the administrative processes and
1851 program specifications that are necessary to implement a Class III
1852 <u>sources</u> conservation and distributed resources trading program. The
1853 proceeding shall include, but not be limited to, an examination of

1854 issues such as (1) the manner in which qualifying activities are
1855 certified, tracked and reported, (2) the manner in which Class III
1856 certificates are created, accounted for and transferred, [(3) the
1857 feasibility and benefits of expanding eligible Class III resources to
1858 include those resulting from electricity savings made by residential
1859 customers, (4)] (3) verification of the accuracy of conservation and
1860 customer-side distributed resources credits, [(5)] (4) verification of the
1861 fact that resources or credits used to satisfy the requirement of this
1862 section have not been used to satisfy any other portfolio or similar
1863 requirement, [(6)] (5) the manner in which credits created by
1864 conservation and customer-side distributed resources may best be
1865 allocated to maximize the impact of the trading program, and [(7)] (6)
1866 setting such alternative payment amounts at a level that encourages
1867 development of conservation and customer-side distributed resources.
1868 The department may retain the services of a third party entity with
1869 expertise in the development of energy efficiency trading or
1870 verification programs to assist in the development and operation of the
1871 program. The department shall issue a decision no later than February
1872 1, [2006] 2008.

1873 Sec. 47. Subdivision (44) of subsection (a) of section 16-1 of the
1874 general statutes is repealed and the following is substituted in lieu
1875 thereof (*Effective from passage*):

1876 (44) "Class III [renewable energy] source" means the electricity
1877 output from combined heat and power systems with an operating
1878 efficiency level of no less than fifty per cent that are part of customer-
1879 side distributed resources developed at commercial and industrial
1880 facilities in this state on or after January 1, 2006, a waste heat recovery
1881 system installed on or after April 1, 2007, that produces electrical or
1882 thermal energy by capturing preexisting waste heat or pressure from
1883 industrial or commercial processes, or the electricity savings created at
1884 commercial and industrial facilities and residences in this state from
1885 conservation and load management programs begun on or after
1886 January 1, 2006.

1887 Sec. 48. Subsection (a) of section 22a-6 of the general statutes is
1888 repealed and the following is substituted in lieu thereof (*Effective*
1889 *October 1, 2007*):

1890 (a) The commissioner may: (1) Adopt, amend or repeal, in
1891 accordance with the provisions of chapter 54, such environmental
1892 standards, criteria and regulations, and such procedural regulations as
1893 are necessary and proper to carry out his functions, powers and duties;
1894 (2) enter into contracts with any person, firm, corporation or
1895 association to do all things necessary or convenient to carry out the
1896 functions, powers and duties of the department; (3) initiate and receive
1897 complaints as to any actual or suspected violation of any statute,
1898 regulation, permit or order administered, adopted or issued by him.
1899 The commissioner shall have the power to hold hearings, administer
1900 oaths, take testimony and subpoena witnesses and evidence, enter
1901 orders and institute legal proceedings including, but not limited to,
1902 suits for injunctions, for the enforcement of any statute, regulation,
1903 order or permit administered, adopted or issued by him; (4) in
1904 accordance with regulations adopted by him, require, issue, renew,
1905 revoke, modify or deny permits, under such conditions as he may
1906 prescribe, governing all sources of pollution in Connecticut within his
1907 jurisdiction; (5) in accordance with constitutional limitations, enter at
1908 all reasonable times, without liability, upon any public or private
1909 property, except a private residence, for the purpose of inspection and
1910 investigation to ascertain possible violations of any statute, regulation,
1911 order or permit administered, adopted or issued by him and the
1912 owner, managing agent or occupant of any such property shall permit
1913 such entry, and no action for trespass shall lie against the
1914 commissioner for such entry, or he may apply to any court having
1915 criminal jurisdiction for a warrant to inspect such premises to
1916 determine compliance with any statute, regulation, order or permit
1917 administered, adopted or enforced by him, provided any information
1918 relating to secret processes or methods of manufacture or production
1919 ascertained by the commissioner during, or as a result of, any
1920 inspection, investigation, hearing or otherwise shall be kept

1921 confidential and shall not be disclosed except that, notwithstanding the
1922 provisions of subdivision (5) of subsection (b) of section 1-210, such
1923 information may be disclosed by the commissioner to the United States
1924 Environmental Protection Agency pursuant to the federal Freedom of
1925 Information Act of 1976, (5 USC 552) and regulations adopted
1926 thereunder or, if such information is submitted after June 4, 1986, to
1927 any person pursuant to the federal Clean Water Act (33 USC 1251 et
1928 seq.); (6) undertake any studies, inquiries, surveys or analyses he may
1929 deem relevant, through the personnel of the department or in
1930 cooperation with any public or private agency, to accomplish the
1931 functions, powers and duties of the commissioner; (7) require the
1932 posting of sufficient performance bond or other security to assure
1933 compliance with any permit or order; (8) provide by notice printed on
1934 any form that any false statement made thereon or pursuant thereto is
1935 punishable as a criminal offense under section 53a-157b; (9) construct
1936 or repair or contract for the construction or repair of any dam or flood
1937 and erosion control system under his control and management, make
1938 or contract for the making of any alteration, repair or addition to any
1939 other real asset under his control and management, including rented
1940 or leased premises, involving an expenditure of five hundred thousand
1941 dollars or less, and, with prior approval of the Commissioner of Public
1942 Works, make or contract for the making of any alteration, repair or
1943 addition to such other real asset under his control and management
1944 involving an expenditure of more than five hundred thousand dollars
1945 but not more than one million dollars; (10) <u>in consultation with</u>
1946 <u>affected town and watershed organizations, enter into a lease</u>
1947 <u>agreement with a private entity owning a facility constructed on or</u>
1948 <u>before January 1, 2007, to allow the private entity to generate</u>
1949 <u>hydroelectricity provided the project meets the certification standards</u>
1950 <u>of the Low Impact Hydropower Institute; (11)</u> by regulations adopted
1951 in accordance with the provisions of chapter 54, require the payment
1952 of a fee sufficient to cover the reasonable cost of the search, duplication
1953 and review of records requested under the Freedom of Information
1954 Act, as defined in section 1-200, and the reasonable cost of reviewing
1955 and acting upon an application for and monitoring compliance with

1956 the terms and conditions of any state or federal permit, license,
1957 registration, order, certificate or approval required pursuant to
1958 subsection (i) of section 22a-39, subsections (c) and (d) of section 22a-
1959 96, subsections (h), (i) and (k) of section 22a-424, and sections 22a-6d,
1960 22a-32, 22a-134a, 22a-134e, 22a-135, 22a-148, 22a-150, 22a-174, 22a-208,
1961 22a-208a, 22a-209, 22a-342, 22a-345, 22a-354i, 22a-361, 22a-363c, 22a-
1962 368, 22a-372, 22a-379, 22a-403, 22a-409, 22a-416, 22a-428 to 22a-432,
1963 inclusive, 22a-449 and 22a-454 to 22a-454c, inclusive, and Section 401 of
1964 the federal Clean Water Act, (33 USC 1341). Such costs may include,
1965 but are not limited to the costs of (A) public notice, (B) reviews,
1966 inspections and testing incidental to the issuance of and monitoring of
1967 compliance with such permits, licenses, orders, certificates and
1968 approvals, and (C) surveying and staking boundary lines. The
1969 applicant shall pay the fee established in accordance with the
1970 provisions of this section prior to the final decision of the
1971 commissioner on the application. The commissioner may postpone
1972 review of an application until receipt of the payment. Payment of a fee
1973 for monitoring compliance with the terms or conditions of a permit
1974 shall be at such time as the commissioner deems necessary and is
1975 required for an approval to remain valid; and **[**(11)**]** (12) by regulations
1976 adopted in accordance with the provisions of chapter 54, require the
1977 payment of a fee sufficient to cover the reasonable cost of responding
1978 to requests for information concerning the status of real estate with
1979 regard to compliance with environmental statutes, regulations, permits
1980 or orders. Such fee shall be paid by the person requesting such
1981 information at the time of the request. Funds not exceeding two
1982 hundred thousand dollars received by the commissioner pursuant to
1983 subsection (g) of section 22a-174, during the fiscal year ending June 30,
1984 1985, shall be deposited in the General Fund and credited to the
1985 appropriations of the Department of Environmental Protection in
1986 accordance with the provisions of section 4-86, and such funds shall
1987 not lapse until June 30, 1986. In any action brought against any
1988 employee of the department acting within his scope of delegated
1989 authority in performing any of the above-listed duties, the employee
1990 shall be represented by the Attorney General.

1991 Sec. 49. Section 16-243i of the general statutes is repealed and the
1992 following is substituted in lieu thereof (*Effective October 1, 2007*):

1993 (a) The Department of Public Utility Control shall, not later than
1994 January 1, 2006, establish a program to grant awards to retail end use
1995 customers of electric distribution companies to fund the capital costs of
1996 obtaining projects of customer-side distributed resources, as defined in
1997 section 16-1. Any project shall receive a one-time, nonrecurring award.
1998 **[**in an amount of not less than two hundred dollars and not more than
1999 five hundred**]** In calendar year 2008, such awards shall be in an
2000 amount of not less than one hundred fifty dollars and not more than
2001 four hundred fifty dollars per kilowatt of capacity for such customer-
2002 side distributed resources, recoverable from federally mandated
2003 congestion charges, as defined in section 16-1, as amended by this act.
2004 In calendar year 2009, such awards shall be in an amount of not less
2005 than one hundred dollars and not more than four hundred dollars per
2006 kilowatt of capacity for such customer-side distributed resources. In
2007 calendar year 2010, such awards shall be in an amount of not less than
2008 fifty dollars and not more than three hundred fifty dollars per kilowatt
2009 of capacity for such customer-side distributed resources. No such
2010 grants shall be awarded after December 31, 2010. No such award may
2011 be made unless the projected reduction in federally mandated
2012 congestion charges attributed to the project for such distributed
2013 resources is greater than the amount of the award. The amount of an
2014 award shall depend on the impact that the customer-side distributed
2015 resources project has on reducing federally mandated congestion
2016 charges, as defined in section 16-1, as amended by this act. On and
2017 after January 1, 2008, the department shall only grant an award for
2018 capacity that exceeds a customer's peak demand during the thirty-six
2019 months prior to its application if it finds that an award for such
2020 additional capacity provides sufficient net benefits to other customers
2021 of the electric distribution company to justify making such additional
2022 award. In making its determination, the department shall consider the
2023 cost of the award and the projected reduction in the company's cost for
2024 energy, installed capacity, forward reserve capacity, locational forward

2025 reserve capacity and other factors the department deems relevant. Not
2026 later than October 1, 2005, the department shall conduct a contested
2027 case proceeding, in accordance with chapter 54, to establish additional
2028 standards for the amount of such awards and additional criteria and
2029 the process for making such awards.

2030 (b) The Department of Public Utility Control shall, not later than
2031 January 1, 2006, establish a program to grant to an electric distribution
2032 company a one-time, nonrecurring award to educate, assist and
2033 promote investments in customer-side distributed resources
2034 developed in such company's service territory, which resources the
2035 department determines will reduce federally mandated congestion
2036 charges, in accordance with the following: (1) **[**On**]** For projects
2037 proposed on or before January 1, 2008, two hundred dollars per
2038 kilowatt of such resources, (2) for projects proposed on or before
2039 January 1, 2009, **[**one hundred fifty**]** seventy-five dollars per kilowatt of
2040 such resources, (3) for projects proposed on or before January 1, 2010,
2041 **[**one hundred**]** fifty dollars per kilowatt of such resources, and (4)
2042 **[**fifty**]** ten dollars per kilowatt of such resources for projects proposed
2043 thereafter. Payment of the award shall be made at the time each such
2044 resource becomes operational. The cost of the award shall be
2045 recoverable from federally mandated congestion charges. Revenues
2046 from such awards shall not be included in calculating the electric
2047 distribution company's earnings for the purpose of determining
2048 whether its rates are just and reasonable under sections 16-19, 16-19a
2049 and 16-19e.

2050 Sec. 50. Subdivision (57) of section 12-81 of the general statutes is
2051 repealed and the following is substituted in lieu thereof (*Effective*
2052 *October 1, 2007, and applicable to assessment years commencing on or after*
2053 *October 1, 2007*):

2054 (57) (a) **[**Subject to authorization of the exemption by ordinance in
2055 any municipality, any**]** Any Class I renewable energy source, as
2056 defined in section 16-1, as amended by this act, or any hydropower
2057 facility described in subdivision (27) of said section 16-1, installed for

2058 the generation of electricity for private residential use, provided such
2059 installation occurs on or after October 1, 1977, and further provided
2060 such installation is for a single family dwelling or multifamily
2061 dwelling consisting of two to four units, or any passive or active solar
2062 water or space heating system or geothermal energy resource;

2063 (b) Any person claiming the exemption provided in this subdivision
2064 for any assessment year shall, on or before the first day of November
2065 in such assessment year, file with the assessor or board of assessors in
2066 the town in which such hydropower facility, Class I renewable energy
2067 source, or passive or active solar water or space heating system or
2068 geothermal energy resource is located, written application claiming
2069 such exemption. Failure to file such application in the manner and
2070 form as provided by such assessor or board within the time limit
2071 prescribed shall constitute a waiver of the right to such exemption for
2072 such assessment year. Such application shall not be required for any
2073 assessment year following that for which the initial application is filed,
2074 provided if such hydropower facility, Class I renewable energy source,
2075 or passive or active solar water or space heating system or geothermal
2076 energy resource is altered in a manner which would require a building
2077 permit, such alteration shall be deemed a waiver of the right to such
2078 exemption until a new application, applicable with respect to such
2079 altered source, is filed and the right to such exemption is established as
2080 required initially.

2081 Sec. 51. Subdivision (63) of section 12-81 of the general statutes is
2082 repealed and the following is substituted in lieu thereof (*Effective*
2083 *October 1, 2007, and applicable to assessment years commencing on or after*
2084 *October 1, 2007*):

2085 (63) (a) Subject to authorization of the exemption by ordinance in
2086 any municipality and to the provisions of subparagraph (b) of this
2087 subdivision, **[**any solar energy electricity generating system which is
2088 not eligible for exemption under subdivision (57) of this section,**]** any
2089 cogeneration system **[**, or both,**]** installed on or after July 1, 1981. **[**,and
2090 before October 1, 2006.**]** The ordinance shall establish the number of

2091 years that a system will be exempt from taxation, except that it may
2092 not provide for an exemption beyond the first fifteen assessment years
2093 following the installation of a system. The ordinance shall prohibit the
2094 exemption from applying to additions to resources recovery facilities
2095 operating on October 1, 1994, or to resources recovery facilities
2096 constructed on and after that date and may prohibit the exemption
2097 from applying to property acquired by eminent domain for the
2098 purpose of qualifying for the exemption;

2099 (b) As used in this subdivision, **[**(A) "solar energy electricity
2100 generating system" means equipment which is designed, operated and
2101 installed as a system which utilizes solar energy as the energy source
2102 for at least seventy-five per cent of the electricity produced by the
2103 system and meets the standards established by regulation, in
2104 accordance with the provisions of chapter 54, by the Secretary of the
2105 Office of Policy and Management, and (B)**]** "cogeneration system"
2106 means equipment which is designed, operated and installed as a
2107 system which produces, in the same process, electricity and exhaust
2108 steam, waste steam, heat or other resultant thermal energy which is
2109 used for space or water heating or cooling, industrial, commercial,
2110 manufacturing or other useful purposes and which meets standards
2111 established by regulation, in accordance with the provisions of chapter
2112 54, by the Secretary of the Office of Policy and Management;

2113 (c) Any municipality which adopts an ordinance authorizing an
2114 exemption provided by this subdivision may enter into a written
2115 agreement with an applicant for the exemption, which may require the
2116 applicant to make payments to the municipality in lieu of taxes. The
2117 agreement may vary the amount of the payments in lieu of taxes in
2118 each assessment year of the agreement, provided the payment in any
2119 assessment year is not greater than the taxes which would otherwise
2120 be due in the absence of the exemption. Any agreement negotiated
2121 under this subdivision shall be submitted to the legislative body of the
2122 municipality for its approval or rejection;

2123 (d) Any person claiming the exemption provided in this subdivision

2124 for any assessment year and whose application has been approved in
2125 accordance with subparagraph (c) of this subdivision shall, on or
2126 before the first day of November in such assessment year, file with the
2127 assessor or board of assessors in the town in which the system is
2128 located written application claiming the exemption. Failure to file the
2129 application in the manner and form as provided by such assessor or
2130 board within the time limit prescribed shall constitute a waiver of the
2131 right to the exemption for such assessment year. Such application shall
2132 not be required for any assessment year following that for which the
2133 initial application is filed, provided if such **[**solar energy electricity
2134 generating system or**]** cogeneration system is altered in a manner
2135 which would require a building permit, such alteration shall be
2136 deemed a waiver of the right to such exemption until a new
2137 application, applicable with respect to such altered system, is filed and
2138 the right to such exemption is established as required initially.

2139 Sec. 52. Section 20-340 of the general statutes is repealed and the
2140 following is substituted in lieu thereof (*Effective from passage*):

2141 The provisions of this chapter shall not apply to: (1) Persons
2142 employed by any federal, state or municipal agency; (2) employees of
2143 any public service company regulated by the Department of Public
2144 Utility Control or of any corporate affiliate of any such company when
2145 the work performed by such affiliate is on behalf of a public service
2146 company, but in either case only if the work performed is in
2147 connection with the rendition of public utility service, including the
2148 installation or maintenance of wire for community antenna television
2149 service, or is in connection with the installation or maintenance of wire
2150 or telephone sets for single-line telephone service located inside the
2151 premises of a consumer; (3) employees of any municipal corporation
2152 specially chartered by this state; (4) employees of any contractor while
2153 such contractor is performing electrical-line or emergency work for
2154 any public service company; (5) persons engaged in the installation,
2155 maintenance, repair and service of electrical or other appliances of a
2156 size customarily used for domestic use where such installation
2157 commences at an outlet receptacle or connection previously installed

2158 by persons licensed to do the same and maintenance, repair and
2159 service is confined to the appliance itself and its internal operation; (6)
2160 employees of industrial firms whose main duties concern the
2161 maintenance of the electrical work, plumbing and piping work, solar
2162 thermal work, heating, piping, cooling work, sheet metal work,
2163 elevator installation, repair and maintenance work, automotive glass
2164 work or flat glass work of such firm on its own premises or on
2165 premises leased by it for its own use; (7) employees of industrial firms
2166 when such employees' main duties concern the fabrication of glass
2167 products or electrical, plumbing and piping, fire protection sprinkler
2168 systems, solar, heating, piping, cooling, chemical piping, sheet metal or
2169 elevator installation, repair and maintenance equipment used in the
2170 production of goods sold by industrial firms, except for products,
2171 electrical, plumbing and piping systems and repair and maintenance
2172 equipment used directly in the production of a product for human
2173 consumption; (8) persons performing work necessary to the
2174 manufacture or repair of any apparatus, appliances, fixtures,
2175 equipment or devices produced by it for sale or lease; (9) employees of
2176 stage and theatrical companies performing the operation, installation
2177 and maintenance of electrical equipment if such installation
2178 commences at an outlet receptacle or connection previously installed
2179 by persons licensed to make such installation; (10) employees of
2180 carnivals, circuses or similar transient amusement shows who install
2181 electrical work, provided such installation shall be subject to the
2182 approval of the State Fire Marshal prior to use as otherwise provided
2183 by law and shall comply with applicable municipal ordinances and
2184 regulations; (11) persons engaged in the installation, maintenance,
2185 repair and service of glass or electrical, plumbing, fire protection
2186 sprinkler systems, solar, heating, piping, cooling and sheet metal
2187 equipment in and about single-family residences owned and occupied
2188 or to be occupied by such persons; provided any such installation,
2189 maintenance and repair shall be subject to inspection and approval by
2190 the building official of the municipality in which such residence is
2191 located and shall conform to the requirements of the State Building
2192 Code; (12) persons who install, maintain or repair glass in a motor

2193 vehicle owned or leased by such persons; (13) persons or entities
2194 holding themselves out to be retail sellers of glass products, but not
2195 such persons or entities that also engage in automotive glass work or
2196 flat glass work; (14) persons who install preglazed or preassembled
2197 windows or doors in residential or commercial buildings; (15) persons
2198 registered under chapter 400 who install safety-backed mirror
2199 products or repair or replace flat glass in sizes not greater than thirty
2200 square feet in residential buildings; **[**and**]** (16) sheet metal work
2201 performed in residential buildings consisting of six units or less by
2202 new home construction contractors registered pursuant to chapter
2203 399a, by home improvement contractors registered pursuant to chapter
2204 400 or by persons licensed pursuant to this chapter, when such work is
2205 limited to exhaust systems installed for hoods and fans in kitchens and
2206 baths, clothes dryer exhaust systems, radon vent systems, fireplaces,
2207 fireplace flues, masonry chimneys or prefabricated metal chimneys
2208 rated by the Underwriter's Laboratory or installation of stand-alone
2209 appliances including wood, pellet or other stand-alone stoves that are
2210 installed in residential buildings by such contractors or persons; and
2211 (17) employees of or any contractor employed by and under the
2212 direction of a properly licensed solar contractor, performing work
2213 limited to the hoisting, placement and anchoring of solar collectors,
2214 photovoltaic panels, towers or turbines.

2215 Sec. 53. Section 16-244c of the general statutes is repealed and the
2216 following is substituted in lieu thereof (*Effective from passage*):

2217 (a) (1) On and after January 1, 2000, each electric distribution
2218 company shall make available to all customers in its service area, the
2219 provision of electric generation and distribution services through a
2220 standard offer. Under the standard offer, a customer shall receive
2221 electric services at a rate established by the Department of Public
2222 Utility Control pursuant to subdivision (2) of this subsection. Each
2223 electric distribution company shall provide electric generation services
2224 in accordance with such option to any customer who affirmatively
2225 chooses to receive electric generation services pursuant to the standard
2226 offer or does not or is unable to arrange for or maintain electric

2227 generation services with an electric supplier. The standard offer shall
2228 automatically terminate on January 1, 2004. While providing electric
2229 generation services under the standard offer, an electric distribution
2230 company may provide electric generation services through any of its
2231 generation entities or affiliates, provided such entities or affiliates are
2232 licensed pursuant to section 16-245.

2233 (2) Not later than October 1, 1999, the Department of Public Utility
2234 Control shall establish the standard offer for each electric distribution
2235 company, effective January 1, 2000, which shall allocate the costs of
2236 such company among electric transmission and distribution services,
2237 electric generation services, the competitive transition assessment and
2238 the systems benefits charge. The department shall hold a hearing that
2239 shall be conducted as a contested case in accordance with chapter 54 to
2240 establish the standard offer. The standard offer shall provide that the
2241 total rate charged under the standard offer, including electric
2242 transmission and distribution services, the conservation and load
2243 management program charge described in section 16-245m, the
2244 renewable energy investment charge described in section 16-245n,
2245 electric generation services, the competitive transition assessment and
2246 the systems benefits charge shall be at least ten per cent less than the
2247 base rates, as defined in section 16-244a, in effect on December 31,
2248 1996. The standard offer shall be adjusted to the extent of any increase
2249 or decrease in state taxes attributable to sections 12-264 and 12-265 and
2250 any other increase or decrease in state or federal taxes resulting from a
2251 change in state or federal law and shall continue to be adjusted during
2252 such period pursuant to section 16-19b. Notwithstanding the
2253 provisions of section 16-19b, the provisions of said section 16-19b shall
2254 apply to electric distribution companies. The standard offer may be
2255 adjusted, by an increase or decrease, to the extent approved by the
2256 department, in the event that (A) the revenue requirements of the
2257 company are affected as the result of changes in (i) legislative
2258 enactments other than public act 98-28*, (ii) administrative
2259 requirements, or (iii) accounting standards occurring after July 1, 1998,
2260 provided such accounting standards are adopted by entities

2261 independent of the company that have authority to issue such
2262 standards, or (B) an electric distribution company incurs extraordinary
2263 and unanticipated expenses required for the provision of safe and
2264 reliable electric service to the extent necessary to provide such service.
2265 Savings attributable to a reduction in taxes shall not be shifted between
2266 customer classes.

2267 (3) The price reduction provided in subdivision (2) of this
2268 subsection shall not apply to customers who, on or after July 1, 1998,
2269 are purchasing electric services from an electric company or electric
2270 distribution company, as the case may be, under a special contract or
2271 flexible rate tariff, and the company's filed standard offer tariffs shall
2272 reflect that such customers shall not receive the standard offer price
2273 reduction.

2274 (b) (1) (A) On and after January 1, 2004, each electric distribution
2275 company shall make available to all customers in its service area, the
2276 provision of electric generation and distribution services through a
2277 transitional standard offer. Under the transitional standard offer, a
2278 customer shall receive electric services at a rate established by the
2279 Department of Public Utility Control pursuant to subdivision (2) of
2280 this subsection. Each electric distribution company shall provide
2281 electric generation services in accordance with such option to any
2282 customer who affirmatively chooses to receive electric generation
2283 services pursuant to the transitional standard offer or does not or is
2284 unable to arrange for or maintain electric generation services with an
2285 electric supplier. The transitional standard offer shall terminate on
2286 December 31, 2006. While providing electric generation services under
2287 the transitional standard offer, an electric distribution company may
2288 provide electric generation services through any of its generation
2289 entities or affiliates, provided such entities or affiliates are licensed
2290 pursuant to section 16-245.

2291 (B) The department shall conduct a proceeding to determine
2292 whether a practical, effective, and cost-effective process exists under
2293 which an electric customer, when initiating electric service, may

2294 receive information regarding selecting electric generating services
2295 from a qualified entity. The department shall complete such
2296 proceeding on or before December 1, 2005, and shall implement the
2297 resulting decision on or before March 1, 2006, or on such later date that
2298 the department considers appropriate. An electric distribution
2299 company's costs of participating in the proceeding and implementing
2300 the results of the department's decision shall be recoverable by the
2301 company as generation services costs through an adjustment
2302 mechanism as approved by the department.

2303 (2) (A) Not later than December 15, 2003, the Department of Public
2304 Utility Control shall establish the transitional standard offer for each
2305 electric distribution company, effective January 1, 2004.

2306 (B) The department shall hold a hearing that shall be conducted as a
2307 contested case in accordance with chapter 54 to establish the
2308 transitional standard offer. The transitional standard offer shall
2309 provide that the total rate charged under the transitional standard
2310 offer, including electric transmission and distribution services, the
2311 conservation and load management program charge described in
2312 section 16-245m, the renewable energy investment charge described in
2313 section 16-245n, electric generation services, the competitive transition
2314 assessment and the systems benefits charge, and excluding federally
2315 mandated congestion costs, shall not exceed the base rates, as defined
2316 in section 16-244a, in effect on December 31, 1996, excluding any rate
2317 reduction ordered by the department on September 26, 2002.

2318 (C) (i) Each electric distribution company shall, on or before January
2319 1, 2004, file with the department an application for an amendment of
2320 rates pursuant to section 16-19, which application shall include a four-
2321 year plan for the provision of electric transmission and distribution
2322 services. The department shall conduct a contested case proceeding
2323 pursuant to sections 16-19 and 16-19e<u>, as amended by this act,</u> to
2324 approve, reject or modify the application and plan. Upon the approval
2325 of such plan, as filed or as modified by the department, the department
2326 shall order that such plan shall establish the electric transmission and

2327 distribution services component of the transitional standard offer.

2328 (ii) Notwithstanding the provisions of this subparagraph, an electric
2329 distribution company that, on or after September 1, 2002, completed a
2330 proceeding pursuant to sections 16-19 and 16-19e, shall not be required
2331 to file an application for an amendment of rates as required by this
2332 subparagraph. The department shall establish the electric transmission
2333 and distribution services component of the transitional standard offer
2334 for any such company equal to the electric transmission and
2335 distribution services component of the standard offer established
2336 pursuant to subsection (a) of this section in effect on July 1, 2003, for
2337 such company. If such electric distribution company applies to the
2338 department, pursuant to section 16-19, for an amendment of its rates
2339 on or before December 31, 2006, the application of the electric
2340 distribution company shall include a four-year plan.

2341 (D) The transitional standard offer (i) shall be adjusted to the extent
2342 of any increase or decrease in state taxes attributable to sections 12-264
2343 and 12-265 and any other increase or decrease in state or federal taxes
2344 resulting from a change in state or federal law, (ii) shall be adjusted to
2345 provide for the cost of contracts under subdivision (2) of subsection (j)
2346 of this section and the administrative costs for the procurement of such
2347 contracts, and (iii) shall continue to be adjusted during such period
2348 pursuant to section 16-19b. Savings attributable to a reduction in taxes
2349 shall not be shifted between customer classes. Notwithstanding the
2350 provisions of section 16-19b, the provisions of section 16-19b shall
2351 apply to electric distribution companies.

2352 (E) The transitional standard offer may be adjusted, by an increase
2353 or decrease, to the extent approved by the department, in the event
2354 that (i) the revenue requirements of the company are affected as the
2355 result of changes in (I) legislative enactments other than public act 03-
2356 135* or public act 98-28*, (II) administrative requirements, or (III)
2357 accounting standards adopted after July 1, 2003, provided such
2358 accounting standards are adopted by entities that are independent of
2359 the company and have authority to issue such standards, or (ii) an

2360 electric distribution company incurs extraordinary and unanticipated
2361 expenses required for the provision of safe and reliable electric service
2362 to the extent necessary to provide such service.

2363 (3) The price provided in subdivision (2) of this subsection shall not
2364 apply to customers who, on or after July 1, 2003, purchase electric
2365 services from an electric company or electric distribution company, as
2366 the case may be, under a special contract or flexible rate tariff,
2367 provided the company's filed transitional standard offer tariffs shall
2368 reflect that such customers shall not receive the transitional standard
2369 offer price during the term of said contract or tariff.

2370 (4) (A) In addition to its costs received pursuant to subsection (h) of
2371 this section, as compensation for providing transitional standard offer
2372 service, each electric distribution company shall receive an amount
2373 equal to five-tenths of one mill per kilowatt hour. Revenues from such
2374 compensation shall not be included in calculating the electric
2375 distribution company's earnings for purposes of, or in determining
2376 whether its rates are just and reasonable under, sections 16-19, 16-19a
2377 and 16-19e, including an earnings sharing mechanism. In addition,
2378 each electric distribution company may earn compensation for
2379 mitigating the prices of the contracts for the provision of electric
2380 generation services, as provided in subdivision (2) of this subsection.

2381 (B) The department shall conduct a contested case proceeding
2382 pursuant to the provisions of chapter 54 to establish an incentive plan
2383 for the procurement of long-term contracts for transitional standard
2384 offer service by an electric distribution company. The incentive plan
2385 shall be based upon a comparison of the actual average firm full
2386 requirements service contract price for electricity obtained by the
2387 electric distribution company compared to the regional average firm
2388 full requirements service contract price for electricity, adjusted for such
2389 variables as the department deems appropriate, including, but not
2390 limited to, differences in locational marginal pricing. If the actual
2391 average firm full requirements service contract price obtained by the
2392 electric distribution company is less than the actual regional average

2393 firm full requirements service contract price for the previous year, the
2394 department shall split five-tenths of one mill per kilowatt hour equally
2395 between ratepayers and the company. Revenues from such incentive
2396 plan shall not be included in calculating the electric distribution
2397 company's earnings for purposes of, or in determining whether its
2398 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.
2399 The department may, as it deems necessary, retain a third party entity
2400 with expertise in energy procurement to assist with the development
2401 of such incentive plan.

2402 (c) (1) On and after **[**January 1, 2007,**]** the effective date of this
2403 section, each electric distribution company shall provide electric
2404 generation services through standard service to any customer who (A)
2405 does not arrange for or is not receiving electric generation services
2406 from an electric supplier **[**,**]** and **[**(B) does not use a demand meter or**]**
2407 has a maximum demand of less than five hundred kilowatts, and (B)
2408 school districts or municipalities.

2409 (2) Not later than October 1, 2006, and **[**periodically as required by
2410 subdivision (3) of this subsection, but not more often than every
2411 calendar quarter**]** annually thereafter, the Department of Public Utility
2412 Control shall establish the standard service price for such customers
2413 pursuant to **[**subdivision (3) of**]** this subsection except the department
2414 may adjust the price more frequently if it determines that such
2415 adjustment would be in the best interest of ratepayers, but not more
2416 than once every six months. Each electric distribution company shall
2417 recover the actual net costs of procuring and providing electric
2418 generation services pursuant to this subsection, provided such
2419 company mitigates the costs it incurs for the procurement of electric
2420 generation services for customers who are no longer receiving service
2421 pursuant to this subsection.

2422 (3) On or before August 1, 2007, the electric distribution companies
2423 shall file with the Department of Public Utility Control a proposal to
2424 establish principles and standards that shall govern the manner in
2425 which the companies enter into, and the department reviews and

2426 grants approval to, bilateral contracts to provide standard service
2427 supply. The department, in consultation with the Office of Consumer
2428 Counsel, shall conduct a contested proceeding to approve, modify or
2429 reject said proposal. No electric distribution company may initiate any
2430 bilateral negotiations for standard service contracts before the
2431 department's adoption of the principles and standards required
2432 pursuant to this section.

2433 [(3) An] (4) Until December 31, 2007, an electric distribution
2434 company providing electric generation services pursuant to this
2435 subsection shall mitigate the variation of the price of the service
2436 offered to its customers by procuring electric generation services
2437 contracts in the manner prescribed in a plan approved by the
2438 department. Such plan shall require the procurement of a portfolio of
2439 service contracts sufficient to meet the projected load of the electric
2440 distribution company. Such plan shall require that the portfolio of
2441 service contracts be procured in an overlapping pattern of fixed
2442 periods at such times and in such manner and duration as the
2443 department determines to be most likely to produce just, reasonable
2444 and reasonably stable retail rates while reflecting underlying
2445 wholesale market prices over time. The portfolio of contracts shall be
2446 assembled in such manner as to invite competition; guard against
2447 favoritism, improvidence, extravagance, fraud and corruption; and
2448 secure a reliable electricity supply while avoiding unusual, anomalous
2449 or excessive pricing. The portfolio of contracts procured under such
2450 plan shall be for terms of not less than six months, provided contracts
2451 for shorter periods may be procured under such conditions as the
2452 department shall prescribe to (A) ensure for end-use customers the
2453 lowest rates possible, [for end-use customers] giving due consideration
2454 to risk and amount of volatility in the overall rates; (B) ensure reliable
2455 service under extraordinary circumstances; and (C) ensure the prudent
2456 management of the contract portfolio. An electric distribution
2457 company may receive a bid for an electric generation services contract
2458 from any of its generation entities or affiliates, provided such
2459 generation entity or affiliate submits its bid the business day preceding

2460 the first day on which an unaffiliated electric supplier may submit its
2461 bid and further provided the electric distribution company and the
2462 generation entity or affiliate are in compliance with the code of
2463 conduct established in section 16-244h.

2464 [(4) The] (5) On and after January 1, 2008, an electric distribution
2465 company providing electric generation services pursuant to this
2466 subsection shall mitigate the variation of the price of the service
2467 offered to its customers by procuring electric generation services in the
2468 manner prescribed in a standard service procurement plan approved
2469 by the department. Such plan shall be consistent with the resource
2470 procurement plan approved pursuant to section 55 of this act, when
2471 available, and shall specify the method for purchasing power for
2472 standard service, and may require the electric distribution company to
2473 (A) procure load following, full requirements service contracts in a
2474 manner similar to that pursuant to subdivision (3) of this subsection;
2475 (B) procure individual electric supply components directly from a
2476 supplier, or generator, including, but not limited to, base load,
2477 intermediate and peaking energy resource, capacity and other power
2478 supply services, using both requests for proposals and bilateral
2479 contracts outside the request for proposal process; and (C) procure
2480 physical and financial hedges to manage prices, including, but not
2481 limited to, tolling arrangements and financial transmission rights. Such
2482 plan shall describe how an electric distribution company shall, over
2483 time, transition to its new supply aggregation role as described in this
2484 section from the current method of procuring power supply pursuant
2485 to subdivision (4) of this subsection to a mix of the procurement
2486 options described in this section. Once its procurement plan has been
2487 approved by the department, an electric distribution company shall be
2488 allowed to manage the power supply portfolio on a real-time basis,
2489 thereby enabling it to optimize supply for the benefit of customers. The
2490 department shall set standard service rates annually by combining the
2491 costs of the arrangements undertaken under the procurement plan,
2492 provided such rates will be trued up to actual revenues and expenses
2493 twice per year, with any over or under recovery being included in

2494 either the current period or subsequent standard service rate, as
2495 determined by the department. An electric distribution company shall
2496 be entitled to collect the reasonable costs it incurs to provide such
2497 service.

2498 (6) In approving the plans pursuant to subdivisions (4) and (5) of
2499 this subsection, the department, in consultation with the Office of
2500 Consumer Counsel, shall retain the services of a third-party entity with
2501 expertise in the area of energy procurement to oversee the initial
2502 development of the request for proposals and the procurement of
2503 contracts by an electric distribution company for the provision of
2504 electric generation services offered pursuant to this subsection. Costs
2505 associated with the retention of such third-party entity shall be
2506 included in the cost of electric generation services that is included in
2507 such price.

2508 [(5) Each] (7) For resources acquired pursuant to a request for
2509 proposal process, each bidder for a standard service contract shall
2510 submit its bid to the electric distribution company and the third-party
2511 entity who shall jointly review the bids, conduct an analysis of the cost
2512 of such proposal and submit an overview of all bids together with a
2513 joint recommendation to the department as to the preferred bidders.
2514 The department shall make available to the Office of Consumer
2515 Counsel and the Attorney General all bids it receives pursuant to this
2516 subsection, provided the bids and any analysis of such bids shall not
2517 be subject to disclosure under the Freedom of Information Act for a
2518 period of three months. The department may, [within ten] not later
2519 than two business days [of] after submission of the overview, reject the
2520 recommendation regarding preferred bidders. In the event that the
2521 department rejects the preferred bids, the electric distribution
2522 company and the third-party entity shall rebid the service pursuant to
2523 this subdivision. For other resources acquired by an electric
2524 distribution company pursuant to subdivision (5) of this subsection,
2525 such company shall submit information on such acquisitions to the
2526 department as shall be specified in the procurement plan.

2527 (8) Upon approval of the preferred bids by the department, the
2528 respective electric distribution company shall enter into contracts with
2529 approved bidders. The department shall approve or reject such
2530 contracts not later than seven calendar days after such contracts are
2531 entered into, but can extend such period an additional seven days with
2532 the consent of all parties.

2533 (9) Not later than October 1, 2009, and biennially thereafter, the
2534 department shall conduct a contested case proceeding in accordance
2535 with chapter 54 to review the efficacy of the process of procuring
2536 contracts pursuant to this subsection including as assessment of the
2537 extent to which the standards set forth in sections 55 and 58 of this act
2538 are met.

2539 (d) (1) [Notwithstanding] Not later than January 1, 2008, and on a
2540 continuing basis, notwithstanding the provisions of this section
2541 regarding the electric generation services component of the transitional
2542 standard offer or the procurement of electric generation services under
2543 standard service, section 16-244h or 16-245o, the Department of Public
2544 Utility Control [may, from time to time, direct an electric distribution
2545 company] shall direct the electric distribution companies to offer,
2546 through an electric supplier or electric suppliers, [before January 1,
2547 2007, one or more alternative transitional standard offer options or, on
2548 or after January 1, 2007,] one or more [alternative standard] renewable
2549 service options. Such [alternative] renewable service options shall
2550 include, but not be limited to, an option that consists of the provision
2551 of electric generation services that exceed the renewable portfolio
2552 standards established in section 16-245a and an option that allows
2553 consumers to purchase renewable energy directly and may include an
2554 option that utilizes strategies or technologies that reduce the overall
2555 consumption of electricity of the customer.

2556 (2) (A) The department shall develop such [alternative] renewable
2557 service option or options in [a contested case] contested cases, as
2558 necessary, conducted in accordance with the provisions of chapter 54.
2559 The department shall determine the terms and conditions of such

2560 [alternative] renewable service option or options, including, but not
2561 limited to, (i) the minimum contract terms, including pricing, length
2562 and termination of the contract, and (ii) the minimum percentage of
2563 electricity derived from Class I or Class II renewable energy sources, if
2564 applicable. The electric distribution [company] companies shall, under
2565 the supervision of the department, subsequently conduct a bidding
2566 process in order to solicit electric suppliers to provide such
2567 [alternative] renewable service option or options.

2568 (B) The department may reject some or all of the bids received
2569 pursuant to the bidding process.

2570 (3) The department may require an electric supplier to provide
2571 forms of assurance to satisfy the department that the contracts
2572 resulting from the bidding process will be fulfilled.

2573 (4) An electric supplier who fails to fulfill its contractual obligations
2574 resulting from this subdivision shall be subject to civil penalties, in
2575 accordance with the provisions of section 16-41, or the suspension or
2576 revocation of such supplier's license or a prohibition on the acceptance
2577 of new customers, following a hearing that is conducted as a contested
2578 case, in accordance with the provisions of chapter 54.

2579 (e) (1) On and after January 1, 2007, an electric distribution company
2580 shall serve customers that are not eligible to receive standard service
2581 pursuant to subsection (c) of this section as the supplier of last resort.
2582 This subsection shall not apply to customers purchasing power under
2583 contracts entered into pursuant to section 16-19hh. Any customer
2584 previously receiving electric generation services from an electric
2585 supplier shall not be eligible to receive supplier of last resort service
2586 pursuant to this subsection unless such customer agrees to receive
2587 supplier of last resort service for a period of not less than one year.

2588 (2) An electric distribution company shall procure electricity to
2589 provide electric generation services to customers pursuant to this
2590 subsection. The Department of Public Utility Control shall determine a
2591 price for such customers that reflects the full cost of providing the

2592 electricity on a monthly basis and that is consistent with the approved
2593 procurement and deployment plan pursuant to section 55 of this act or,
2594 on an alternative basis as determined pursuant to subdivision (3) of
2595 this subsection. Each electric distribution company shall recover the
2596 actual net costs of procuring and providing electric generation services
2597 pursuant to this subsection, provided such company mitigates the
2598 costs it incurs for the procurement of electric generation services for
2599 customers that are no longer receiving service pursuant to this
2600 subsection.

2601 (3) On or after July 1, 2008, the Department of Public Utility Control
2602 may conduct a contested case proceeding to study the frequency with
2603 which it should determine the price for supplier of last resort service.

2604 (f) On and after January 1, 2000, and until such time the regional
2605 independent system operator implements procedures for the provision
2606 of back-up power to the satisfaction of the Department of Public Utility
2607 Control, each electric distribution company shall provide electric
2608 generation services to any customer who has entered into a service
2609 contract with an electric supplier that fails to provide electric
2610 generation services for reasons other than the customer's failure to pay
2611 for such services. Between January 1, 2000, and December 31, 2006, an
2612 electric distribution company may procure electric generation services
2613 through a competitive bidding process or through any of its generation
2614 entities or affiliates. On and after January 1, 2007, such company shall
2615 procure electric generation services through a competitive bidding
2616 process pursuant to a plan submitted by the electric distribution
2617 company and approved by the department. Such company may
2618 procure electric generation services through any of its generation
2619 entities or affiliates, provided such entity or affiliate is the lowest
2620 qualified bidder and provided further any such entity or affiliate is
2621 licensed pursuant to section 16-245.

2622 (g) An electric distribution company is not required to be licensed
2623 pursuant to section 16-245 to provide standard offer electric generation
2624 services in accordance with subsection (a) of this section, transitional

2625 standard offer service pursuant to subsection (b) of this section,
2626 standard service pursuant to subsection (c) of this section, supplier of
2627 last resort service pursuant to subsection (e) of this section or back-up
2628 electric generation service pursuant to subsection (f) of this section.

2629 (h) The electric distribution company shall be entitled to recover
2630 reasonable costs incurred as a result of providing standard offer
2631 electric generation services pursuant to the provisions of subsection (a)
2632 of this section, transitional standard offer service pursuant to
2633 subsection (b) of this section, standard service pursuant to subsection
2634 (c) of this section or back-up electric generation service pursuant to
2635 subsection (f) of this section. The provisions of this section and section
2636 16-244a shall satisfy the requirements of section 16-19a until January 1,
2637 2007.

2638 (i) The Department of Public Utility Control shall establish, by
2639 regulations adopted pursuant to chapter 54, procedures for when and
2640 how a customer is notified that his electric supplier has defaulted and
2641 of the need for the customer to choose a new electric supplier within a
2642 reasonable period of time.

2643 (j) (1) Notwithstanding the provisions of subsection (d) of this
2644 section regarding **[**an alternative transitional standard offer option or
2645 an alternative standard**]** a renewable service option, an electric
2646 distribution company providing transitional standard offer service,
2647 standard service, supplier of last resort service or back-up electric
2648 generation service in accordance with this section shall contract with
2649 its wholesale suppliers to comply with the renewable portfolio
2650 standards. The Department of Public Utility Control shall annually
2651 conduct a contested case, in accordance with the provisions of chapter
2652 54, in order to determine whether the electric distribution company's
2653 wholesale suppliers met the renewable portfolio standards during the
2654 preceding year. An electric distribution company shall include a
2655 provision in its contract with each wholesale supplier that requires the
2656 wholesale supplier to pay the electric distribution company an amount
2657 of five and one-half cents per kilowatt hour if the wholesale supplier

2658 fails to comply with the renewable portfolio standards during the
2659 subject annual period. The electric distribution company shall
2660 promptly transfer any payment received from the wholesale supplier
2661 for the failure to meet the renewable portfolio standards to the
2662 Renewable Energy Investment Fund for the development of Class I
2663 renewable energy sources. Any payment made pursuant to this section
2664 shall not be considered revenue or income to the electric distribution
2665 company.

2666 (2) Notwithstanding the provisions of subsection (d) of this section
2667 regarding [an alternative transitional standard offer option or an
2668 alternative standard] a renewable service option, an electric
2669 distribution company providing transitional standard offer service,
2670 standard service, supplier of last resort service or back-up electric
2671 generation service in accordance with this section shall, not later than
2672 July 1, 2008, file with the Department of Public Utility Control for its
2673 approval one or more long-term power purchase contracts from Class I
2674 renewable energy source projects that receive funding from the
2675 Renewable Energy Investment Fund and that are not less than one
2676 megawatt in size, at a price that is either, at the determination of the
2677 project owner, (A) not more than the total of the comparable wholesale
2678 market price for generation plus five and one-half cents per kilowatt
2679 hour, or (B) fifty per cent of the wholesale market electricity cost at the
2680 point at which transmission lines intersect with each other or interface
2681 with the distribution system, plus the project cost of fuel indexed to
2682 natural gas futures contracts on the New York Mercantile Exchange at
2683 the natural gas pipeline interchange located in Vermillion Parish,
2684 Louisiana that serves as the delivery point for such futures contracts,
2685 plus the fuel delivery charge for transporting fuel to the project, plus
2686 five and one-half cents per kilowatt hour. The department shall
2687 approve or reject such contracts not later than thirty calendar days
2688 after such contract is filed, unless the department determines before
2689 the expiration of that period that additional time is needed, but in no
2690 event longer than a total of sixty days. If the department does not issue
2691 a decision within sixty calendar days, the contract shall be deemed to

2692 have been approved. In its approval of such contracts, the department
2693 shall give preference to purchase contracts from those projects that
2694 would provide a financial benefit to ratepayers or would enhance the
2695 reliability of the electric transmission system of the state. Such projects
2696 shall be located in this state. The owner of a fuel cell project principally
2697 manufactured in this state shall be allocated all available air emissions
2698 credits and tax credits attributable to the project and no less than fifty
2699 per cent of the energy credits in the Class I renewable energy credits
2700 program established in section 16-245a attributable to the project.
2701 [Such] On and after January 1, 2007, and until September 30, 2008, such
2702 contracts shall be comprised of not less than a total, apportioned
2703 among each electric distribution company, of one hundred twenty-five
2704 megawatts; and on and after October 1, 2008, such contracts shall be
2705 comprised of not less than a total, apportioned among each electrical
2706 distribution company, of one hundred fifty megawatts. The cost of
2707 such contracts and the administrative costs for the procurement of
2708 such contracts directly incurred shall be eligible for inclusion in the
2709 adjustment to the transitional standard offer as provided in this section
2710 and any subsequent rates for standard service, provided such contracts
2711 are for a period of time sufficient to provide financing for such
2712 projects, but not less than ten years, and are for projects which began
2713 operation on or after July 1, 2003. Except as provided in this
2714 subdivision, the amount from Class I renewable energy sources
2715 contracted under such contracts shall be applied to reduce the
2716 applicable Class I renewable energy source portfolio standards. For
2717 purposes of this subdivision, the department's determination of the
2718 comparable wholesale market price for generation shall be based upon
2719 a reasonable estimate. On or before July 1, 2007, the department, in
2720 consultation with the Office of Consumer Counsel and the Renewable
2721 Energy Investments Advisory Council, shall initiate a study of the
2722 operation of such renewable energy contracts and report its findings
2723 and recommendations to the joint standing committee of the General
2724 Assembly having cognizance of matters relating to energy.

2725 Sec. 54. (NEW) (*Effective from passage*) On or before September 1,

2726 2007, any person may, and an electric distribution company shall,
2727 submit a plan to build peaking generation, or the electric distribution
2728 companies may submit a joint ownership plan to build peaking
2729 generation, to be heard in a contested case proceeding before the
2730 Department of Public Utility Control. An electric distribution
2731 company's plan shall include its full projected costs, and shall
2732 demonstrate to the department that its plan is not supported in any
2733 form of cross subsidization by affiliated entities. Any plan approved
2734 by the department shall (1) include a requirement that the owner of the
2735 peaking generation is compensated at cost of service plus reasonable
2736 rate of return as determined by the department, and (2) require that
2737 such peaking generation facility is operated at such times and such
2738 capacity so as to reduce overall electricity rates for consumers. The
2739 department may retain a consultant to assist the department in
2740 determining if projected costs included in the plan are good faith
2741 preliminary estimates, and the department may require modification
2742 of the plan as necessary to protect the best interests of ratepayers. Not
2743 later than one hundred twenty days after the plan is submitted, the
2744 department shall approve the plan unless it demonstrates in detail,
2745 pursuant to section 16-19e of the general statutes, as amended by this
2746 act, that such plan is not in the best interests of ratepayers. The
2747 department shall request that any person submitting a plan submit
2748 further information that the department determines to be in the public
2749 interest that the department shall use in evaluating the proposal. Such
2750 person shall only recover the just and reasonable costs of construction
2751 of the facility and, in an annual retail generation rate contested case,
2752 shall be entitled to recover its prudently incurred costs of such project,
2753 including, but not limited to, capital costs, operation and maintenance
2754 expenses, depreciation, fuel costs, taxes and other governmental
2755 charges and a reasonable rate of return on equity. The department
2756 shall review such recovery of costs consistent with the principles set
2757 forth in sections 16-19, 16-19b and 16-19e of the general statutes, as
2758 amended by this act, provided the return on equity associated with
2759 such project shall be established in the initial annual contested case
2760 proceeding under this subsection and updated at least once every four

2761 years. A person operating a peaking generation unit pursuant to the
2762 provisions of this section shall bid the unit into all regional
2763 independent system operator markets, including the energy market,
2764 capacity market or forward reserve market, using cost of service
2765 principles and in accordance with guidelines established by the
2766 Department of Public Utility Control each year in the annual retail
2767 generation rate case referred to herein.

2768 Sec. 55. (NEW) (*Effective from passage*) (a) The electric distribution
2769 companies shall conduct an energy and capacity resource assessment
2770 and develop a comprehensive plan for the procurement and
2771 deployment of energy resources, including, but not limited to,
2772 conventional and renewable generating facilities, energy conservation,
2773 energy efficiency, load management, demand response, transmission
2774 combined heat and power facilities and distributed generation to meet
2775 the projected requirements of their customers in a manner that
2776 minimizes the cost and price volatility of such resources to customers
2777 over time and maximizes consumer benefits consistent with the state's
2778 environmental goals and standards. On or before January 1, 2008, and
2779 every two years thereafter, the companies shall submit to the
2780 Connecticut Energy Advisory Board, established pursuant to section
2781 16a-3 of the general statutes, as amended by this act, an assessment of
2782 (1) the energy and capacity requirements of customers for the next
2783 three, five and ten years, (2) the impact of current and projected
2784 environmental standards, including, but not limited to, those related to
2785 greenhouse gas emissions and the federal Clean Air Act goals and how
2786 different resources could help achieve those standards and goals, (3)
2787 energy security and economic risks associated with potential energy
2788 resources, and (4) the estimated lifetime cost and availability of
2789 potential energy resources, including those related to reliability and
2790 price volatility.

2791 (b) Resource needs shall first be met through all available energy
2792 efficiency and demand reduction resources that are cost effective,
2793 reliable and feasible. The plan shall specify (1) the total amount of
2794 energy and capacity resources needed to meet the requirements of all

2795 customers, (2) the extent to which demand side measures, including
2796 efficiency, conservation, demand response and load management can
2797 cost-effectively meet these needs, (3) needs for generating capacity and
2798 transmission and distribution improvements, and (4) how the
2799 development of such resources will reduce and stabilize the costs of
2800 electricity to consumers.

2801 (c) The procurement and deployment plan shall consider: (1)
2802 Approaches to maximizing the impact of demand side measures; (2)
2803 the extent to which generation needs can be met by renewable and
2804 combined heat and power facilities and by the impact of regional
2805 market incentives; (3) types and locations for generation that would
2806 optimize the generation portfolio within the state; (4) fuel types,
2807 diversity, availability, firmness of supply and security and
2808 environmental impacts thereof, including impacts on meeting the
2809 state's greenhouse gas emission goals; (5) reliability, peak load and
2810 energy forecasts, system contingencies and existing resource
2811 availabilities; (6) import limitations and the appropriate reliance on
2812 such imports; (7) the costs and benefits of options for the ownership of
2813 energy resources; (8) if it is in the best interest of customers, how new
2814 resources could be integrated into the standard service and last-resort
2815 service provided pursuant to section 16-244c of the general statutes, as
2816 amended by this act; and (9) the impact of the plan on the costs of
2817 electric customers, including, but not limited to, effects on capacity and
2818 energy costs, rate stability and affordability for low-income customers.

2819 (d) The board, in consultation with the regional independent system
2820 operator, in-state generators and other interested stakeholders, shall
2821 review and approve the proposed procurement and deployment plan
2822 as submitted not later than one hundred twenty days after receipt. For
2823 the purpose of reviewing the plan, the Commissioners of
2824 Transportation and Agriculture, or their respective designees, shall not
2825 participate. The companies shall provide any additional information
2826 requested by the board that is relevant to the consideration of the plan.
2827 In the course of conducting such review, the board may retain the
2828 services of a third-party entity with experience in the area of energy

2829 procurement and may consult with the regional independent system
2830 operator. The board shall submit the reviewed plan, together with a
2831 statement of any unresolved issues, to the Department of Public Utility
2832 Control. The department shall consider the plan in an uncontested
2833 proceeding and shall provide an opportunity for interested parties to
2834 submit comments regarding the plan. Not later than one hundred fifty
2835 days after submission of the plan, the department shall approve, or
2836 modify and approve, the plan.

2837 (e) All reasonable costs associated with the development of the
2838 resource assessment and procurement and deployment plan shall be
2839 recoverable by the electric distribution companies through the
2840 nonbypassable federally mandated congestion charge, as defined in
2841 section 16-1 of the general statutes, as amended by this act, the
2842 generation services charge or other charge consistent with section 16-
2843 19 of the general statutes and section 16-19e of the general statutes, as
2844 amended by this act.

2845 (f) The board shall meet at least quarterly to consider progress in the
2846 implementation of the procurement plan and any changes in
2847 circumstances that might affect the resource needs or said
2848 procurement plan. The board may, at any time, recommend to the
2849 companies and to the department that said plan be modified based on
2850 a substantial change in the need for or availability of resources. The
2851 companies or the department, on its own motion with notice to the
2852 board, may also request consideration of plan modifications based on
2853 changes in circumstance. The department shall consider any such
2854 request in an uncontested docket.

2855 Sec. 56. (NEW) (*Effective from passage*) (a) The Department of Public
2856 Utility Control shall implement the procurement and deployment plan
2857 established in section 55 of this act by (1) issuing requests for proposals
2858 pursuant to section 58 of this act to meet specified energy resource
2859 needs set forth in the plan or by directing the electric distribution
2860 companies to issue such requests for proposals, (2) directing the
2861 electric distribution companies to incorporate additional demand-side

2862 measures set forth in the plan into the comprehensive conservation
2863 and load management plan prepared pursuant to section 16-245m of
2864 the general statutes for review by the Energy Conservation
2865 Management Board, (3) directing the distribution companies to submit
2866 proposals for specific transmission or distribution improvements,
2867 generation projects or other projects set forth in the plan, or (4) taking
2868 other actions within its authority to implement the plan.

2869 (b) Effective January 1, 2008, until the comprehensive plan is
2870 implemented by the department, the electric distribution companies
2871 shall include all available energy efficiency and demand reduction
2872 resources that are cost effective, reliable and feasible in the
2873 comprehensive conservation and load management plan prepared
2874 pursuant to section 16-245m of the general statutes for review by the
2875 Energy Conservation Management Board.

2876 Sec. 57. Section 16a-3 of the general statutes is repealed and the
2877 following is substituted in lieu thereof (*Effective from passage*):

2878 (a) There is established a Connecticut Energy Advisory Board
2879 consisting of nine members, including the Commissioner of
2880 Environmental Protection, **[**the chairperson of the Public Utilities
2881 Control Authority, the Commissioner of Transportation,**]** the
2882 Consumer Counsel, **[**the Commissioner of Agriculture,**]** the executive
2883 director of Connecticut Innovations, Incorporated, and the Secretary of
2884 the Office of Policy and Management, or their respective designees.
2885 The Governor shall appoint **[**one member, the**]** a representative of a
2886 state-wide business association, a representative of a state-wide
2887 manufacturing association and a representative of low-income
2888 ratepayers. The president pro tempore of the Senate shall appoint **[**one
2889 member, and the**]** a representative of an environmental organization
2890 who is knowledgeable in energy efficiency programs. The speaker of
2891 the House of Representatives shall appoint **[**one member, all of whom**]**
2892 a representative of a consumer advocacy organization. All appointed
2893 members shall serve in accordance with section 4-1a. The appointing
2894 authorities shall make all appointments within ninety days of the

2895 effective date of this section. No appointee may be employed by, or a
2896 consultant of, a public service company, as defined in section 16-1, as
2897 amended by this act, or an electric supplier, as defined in section 16-1,
2898 amended by this act, or an affiliate or subsidiary of such company or
2899 supplier.

2900 (b) The board shall, (1) prepare an annual report pursuant to section
2901 16a-7a; (2) represent the state in regional energy system planning
2902 processes conducted by the regional independent system operator, as
2903 defined in section 16-1, as amended by this act; (3) encourage
2904 representatives from the municipalities that are affected by a proposed
2905 project of regional significance to participate in regional energy system
2906 planning processes conducted by the regional independent system
2907 operator; (4) issue a request-for-proposal in accordance with
2908 subsections (b) and (c) of section 16a-7c; (5) evaluate the proposals
2909 received pursuant to the request-for-proposal in accordance with
2910 subsection (f) of section 16a-7c; (6) participate in a forecast proceeding
2911 conducted pursuant to subsection (a) of section 16-50r; **[**and**]** (7)
2912 participate in a life-cycle proceeding conducted pursuant to subsection
2913 (b) of section 16-50r; and (8) review the procurement and deployment
2914 plan submitted by the electric distribution companies pursuant to
2915 section 55 of this act.

2916 (c) The board shall elect a chairman and a vice-chairman from
2917 among its members and shall adopt such rules of procedure as are
2918 necessary to carry out its functions.

2919 (d) The board shall convene its first meeting not later than
2920 September 1, 2003. A quorum of the board shall consist of two-thirds
2921 of the members currently serving on the board.

2922 (e) The board shall employ such staff as is required for the proper
2923 discharge of its duties. The board may also retain any third-party
2924 consultants it deems necessary to accomplish the goals set forth in
2925 subsection (b) of this section. The board shall annually submit to the
2926 Department of Public Utility Control a proposal regarding the level of

2927 funding required for the discharge of its duties, which proposal shall
2928 be approved by the department either as submitted or as modified by
2929 the department.

2930 (f) The Connecticut Energy Advisory Board shall be within the
2931 Office of Policy and Management for administrative purposes only.

2932 Sec. 58. (NEW) (*Effective from passage*) (a) Pursuant to the assessment
2933 conducted pursuant to section 55 of this act, the Department of Public
2934 Utility Control shall conduct a contested case proceeding to develop
2935 and issue a request for proposals pursuant to subparagraph (1) of
2936 subsection (2) of section 56 of this act to solicit the development of
2937 demand response, efficiency and load management and new,
2938 expanded or repowered cost-of-service generation to address any
2939 deficiencies or needs identified in the assessment prepared pursuant to
2940 section 55 of this act. A person, including an electric distribution
2941 company submitting a proposal pursuant to this subsection, shall
2942 include draft contracts containing information required by subsection
2943 (d) of this section in its submission, with compensation based
2944 exclusively on cost-of-service, including, but not limited to, a
2945 reasonable rate of return of and on prudent investment, operation and
2946 maintenance expenses, depreciation, fuel costs, taxes and other
2947 governmental charges. The department shall review the recovery of
2948 such charges in an annual, contested rate case as to all the units or
2949 measures owned by each person with a contract pursuant to this
2950 section, and said contract shall expressly subject such person to such
2951 review by the department. The department shall review such recovery
2952 of costs consistent with the principles set forth in sections 16-19, 16-19b
2953 and 16-19e of the general statutes, as amended by this act, provided
2954 the return on equity associated with such project shall be established in
2955 the initial annual contested case proceeding under this subsection for
2956 each person and updated at least once every four years. The
2957 department may retain a third-party consultant to help determine
2958 whether projected costs submitted by any person are reasonable
2959 preliminary estimates or whether the department should reject or
2960 require modification of any proposals that do not reflect reasonable

2961 estimates. The department may request that a person submitting a
2962 proposal submit further information that the department determines to
2963 be in the public interest, which the department may use in evaluating
2964 the proposal. The department shall approve contracts consistent with
2965 the principles set forth in sections 16-19, 16-19b and 16-19e of the
2966 general statutes, as amended by this act. The department shall reject
2967 proposals that are not in the best interests of customers.

2968 (b) The Department of Public Utility Control shall evaluate
2969 proposals received pursuant to subsection (a) of this section and may
2970 approve one or more of such proposals. The department shall evaluate
2971 the proposals based on an analysis of the expected costs and benefits of
2972 the proposals, consistency with environmental sustainability,
2973 reduction and stabilization of electric rates, market power risks, the
2974 promotion of fuel diversity and the reduction or overall minimization
2975 of increases in greenhouse gas emissions. The department shall only
2976 approve such proposals that have expected benefits in excess of
2977 expected costs and are in the best long-term interest of the customers
2978 of the state. All proposals received by the department pursuant to this
2979 section shall be available for public review six months after
2980 department approval or rejection.

2981 (c) The Department of Public Utility Control shall publish requests
2982 for proposals under this section in one or more newspapers or
2983 periodicals, as selected by the department, and shall post such request
2984 for proposals on its web site. The department may retain the services
2985 of a third-party entity with expertise in the area of energy procurement
2986 to oversee the development of the requests for proposals and to assist
2987 the department in its approval of proposals pursuant to this section.
2988 The reasonable and proper expenses for retaining such third-party
2989 entity shall be recoverable through federally mandated congestion
2990 charges, as defined in section 16-1 of the general statutes, as amended
2991 by this act, which charges the department shall allocate to electric
2992 distribution companies in proportion to their revenue.

2993 (d) Any person, other than an electric distribution company,

2994 submitting a proposal pursuant to this section shall include with its
2995 proposal a draft of a contract that includes the transfer to the electric
2996 distribution company of all rights to payment or to assignment of
2997 credits related to the facility, including, but not limited to, energy,
2998 installed capacity, forward reserve capacity, locational forward reserve
2999 capacity, environmental credits and all other similar or ancillary
3000 products associated with such proposal. The draft contract shall also
3001 include security for ensuring performance of the contractual
3002 obligations. No such contract shall have a term exceeding fifteen years.
3003 Such contract shall include such provisions as the Department of
3004 Public Utility Control directs.

3005 (e) An electric distribution company submitting a proposal pursuant
3006 to this section shall expressly state in its proposal that, in return for
3007 payment based on cost-of-service pursuant to subsection (a) of this
3008 section, such company will hold for the benefit of ratepayers all other
3009 rights to payment or assignment of environmental credits that derive
3010 from a contract pursuant to this section.

3011 (f) An electric distribution company shall enter into contracts to
3012 implement those proposals approved pursuant to this section, and
3013 shall apply to the Department of Public Utility Control for approval of
3014 each such contract. After thirty days, either party may request the
3015 assistance of the department to resolve any outstanding issues. No
3016 such contract may become effective without approval of the
3017 department. The department shall hold a hearing that shall be
3018 conducted as a contested case, in accordance with the provisions of
3019 chapter 54 of the general statutes, to approve, reject or modify an
3020 application for approval of such contracts. Such a contract shall contain
3021 terms that mitigate the long-term risk assumed by customers. The
3022 electric distribution company shall recover all reasonable costs
3023 incurred in implementing this section, including all costs incurred as a
3024 result of such contracts, through nonbypassable federally mandated
3025 congestion charges.

3026 (g) Projects approved pursuant to this section are eligible for

3027 expedited siting through a petition for declaratory ruling pursuant to
3028 subsection (a) of section 16-50k of the general statutes, as amended by
3029 this act. The provisions of section 16a-7c of the general statutes shall
3030 not apply to projects approved pursuant to this section.

3031 (h) All department reviews pursuant to this section shall be
3032 consistent with the principles set forth in sections 16-19, 16-19b and 16-
3033 19c of the general statutes.

3034 Sec. 59. (*Effective July 1, 2007*) (a) On and after July 1, 2009, if the
3035 Department of Public Utility Control does not receive and approve
3036 proposals pursuant to the requests for proposals processes, pursuant
3037 to section 58 of this act, sufficient to reach the goal set by the plan
3038 approved pursuant to section 55 of this act, the department shall order
3039 an electric distribution company to submit for the department's review
3040 in a contested case proceeding, in accordance with chapter 54 of the
3041 general statutes, a proposal to develop demand response, energy
3042 efficiency and load management or build new, expanded or repowered
3043 cost-of-service electric generation in the state. Each electric distribution
3044 company shall be entitled to recover its prudently incurred costs
3045 consistent with the principles set forth in section 16-19e of the general
3046 statutes, as amended by this act.

3047 (b) On or before January 1, 2008, the department shall initiate a
3048 contested case proceeding to determine the costs and benefits of the
3049 state serving as the builder of last resort for the shortfall of megawatts
3050 from said request for proposal process.

3051 Sec. 60. (NEW) (*Effective July 1, 2007*) (a) On or before October 1,
3052 2007, the Department of Public Utility Control shall establish a plan to
3053 implement a voluntary rate program that will add a fourth tier to the
3054 rates required pursuant to section 16-243n of the general statutes, as
3055 amended by this act. Said program shall (1) establish the surcharge on
3056 peak rates, which shall apply to high-demand peak days, for
3057 customers choosing to participate, (2) encourage a shift of demand,
3058 and (3) include an educational component.

3059 (b) The department shall establish parameters for the program
3060 established in subsection (a) of this section, including, but not limited
3061 to, facilitating the delivery of meters and ensuring revenue neutrality
3062 within and across rate classes.

3063 Sec. 61. Section 16a-7c of the general statutes is amended by adding
3064 subsection (g) as follows (*Effective July 1, 2007*):

3065 (NEW) (g) When evaluating submissions pursuant to subsection (f)
3066 of this section for a facility described in subdivision (3) of subsection
3067 (a) of section 16-50i that are in excess of sixty-five megawatts, the
3068 board shall perform a net energy analysis for each proposal. Such
3069 analysis shall include calculations of all embodied energy
3070 requirements used in the materials for initial construction of the
3071 facility over its projected useful lifetime. The analysis shall be
3072 expressed in a dimensionless unit as an energy profit ratio of energy
3073 generated by the facility to the calculated net energy expended in plant
3074 construction, maintenance and total fuel cycle energy requirements
3075 over the projected useful lifetime of the facility. The boundary for both
3076 the net energy calculations of the fuel cycle and materials for the
3077 facility construction and maintenance shall both be at the point of
3078 primary material extraction and include the energy consumed through
3079 the entire supply chain to final, but not be limited to, such subsequent
3080 steps as transportation, refinement and energy for delivery to the end
3081 consumer. The results of said net energy analysis shall be included in
3082 the results forwarded to the Connecticut Siting Council pursuant to
3083 subsection (f) of this section. For purposes of this subsection, "facility
3084 net energy" means the heat energy delivered by the facility contained
3085 in a fuel minus the life cycle energy used to produce the facility. "Fuel
3086 net energy" means the heat energy contained in a fuel minus the
3087 energy used to extract the fuel from the environment, refine it to a
3088 socially useful state and deliver it to consumers, and "embodied
3089 energy" means the total energy used to build and maintain a process,
3090 expressed in calorie equivalents of one type of energy.

3091 Sec. 62. Subsection (b) of section 16a-7c of the general statutes is

3092 repealed and the following is substituted in lieu thereof (*Effective July*
3093 *1, 2007*):

3094 (b) On or after December 1, 2004, not later than fifteen days after the
3095 filing of an application pursuant to subdivision (1) of subsection (a) of
3096 section 16-50i, except for an application for a facility described in
3097 subdivision (5) or (6) of subsection (a) of section 16-50i <u>or projects</u>
3098 <u>approved pursuant to sections 55 and 56 of this act</u>, the Connecticut
3099 Energy Advisory Board shall issue a request-for-proposal to seek
3100 alternative solutions to the need that will be addressed by the
3101 proposed facility in such application. Such request-for-proposal shall,
3102 where relevant, solicit proposals that include distributed generation or
3103 energy efficiency measures. The board shall publish such request-for-
3104 proposal in one or more newspapers or periodicals, as selected by the
3105 board. <u>Any facility generating not more than five megawatts and any</u>
3106 <u>electric transmission line, electric generation facility or electric</u>
3107 <u>substation otherwise constituting a facility as described in subsection</u>
3108 <u>(a) of section 16-50i that, as part of the proceeding conducted pursuant</u>
3109 <u>to section 9 of this act and in accordance with this subsection, shall be</u>
3110 <u>determined by the Connecticut Siting Council and the Department of</u>
3111 <u>Public Utility Control to be required for the reliability of electric</u>
3112 <u>supply to critical national defense and homeland security</u>
3113 <u>infrastructure shall be exempt from the request for proposal process</u>
3114 <u>described in this subsection and exempt from the municipal</u>
3115 <u>participation fee requirements of subdivision (1) of subsection (a) of</u>
3116 <u>section 16-50*l*, as amended by this act. Such determination shall be</u>
3117 <u>made on or before December 31, 2007. Notwithstanding the provisions</u>
3118 <u>of this subsection, the board, by a vote of two-thirds of the members</u>
3119 <u>present and voting, may determine that a request for proposal is</u>
3120 <u>unnecessary for a specific application because the process is not likely</u>
3121 <u>to result in a reasonable alternative to the proposed facility. On or</u>
3122 <u>before December 1, 2007, after seeking public comment, the board shall</u>
3123 <u>approve additional criteria for considering whether a request for</u>
3124 <u>proposal process should not be required for a specific application. Any</u>
3125 <u>determination that a request-for-proposal is not required shall include</u>

3126 the board's reasons for such determination.

3127 Sec. 63. Subdivision (2) of subsection (a) of section 16-50*l* of the
3128 general statutes is repealed and the following is substituted in lieu
3129 thereof (*Effective July 1, 2007*):

3130 (2) On or after December 1, 2004, the filing of an application
3131 pursuant to subdivision (1) of this subsection shall initiate the request-
3132 for-proposal process, except for an application for a facility described
3133 in subdivision (4), (5) or (6) of subsection (a) of section 16-50i and
3134 except for a facility exempt from such requirement pursuant to
3135 subsection (b) of section 16a-7c, as amended by this act.

3136 Sec. 64. (NEW) (*Effective from passage*) (a) Notwithstanding the
3137 provisions of title 22a of the general statutes, the Department of
3138 Environmental Protection shall review and issue a final decision no
3139 later than one hundred twenty days following the submission of a
3140 complete and accurate application with respect to each permit
3141 application filed with said department between September 1, 2007, and
3142 January 1, 2010, inclusive, which is required for the installation of
3143 emergency electric generation and distributed resources, as defined in
3144 section 16-1 of the general statutes, as amended by this act, to be
3145 offered in the locational forward reserve market including systems that
3146 utilize fossil fuels as the primary fuel source. Any such permit issued
3147 as directed by this section shall have a term of no less than three years.

3148 (b) The Department of Environmental Protection shall notify the
3149 Department of Public Utility Control not later than September 1, 2007,
3150 of the acceptable pollution control equipment or measures applicable
3151 to the various types of emergency electric generation resources that
3152 may participate in the locational forward reserve market.

3153 Sec. 65. (NEW) (*Effective July 1, 2007*) On or before September 1,
3154 2007, the chairperson of the Public Utilities Control Authority and the
3155 Commissioner of Environmental Protection shall enter into a
3156 collaborative memorandum of understanding allowing for the timely
3157 permitting and operation of emergency electric generation resources as

3158 dispatchable resources available to participate in the locational
3159 Forward Reserve Market administered by the regional independent
3160 system operator, the timely installation and coordination of pollution
3161 control equipment or measures as deemed appropriate on such
3162 resources, and any necessary regulatory reviews and approvals. The
3163 objectives of the collaborative memorandum of understanding shall be
3164 to maximize the savings to the state's electric ratepayers and to benefit
3165 the state's economy as a whole, while recognizing the agencies' mutual
3166 goals of promoting a healthy economy by reducing the cost of
3167 electricity while preserving and improving the environment. The
3168 memorandum shall recognize that electric reliability charges in
3169 Connecticut largely arise because the regional independent system
3170 operator has determined that all electric generation in the state is
3171 needed to meet operational reliability requirements of the
3172 interconnected electric system and there is insufficient "quick start"
3173 electric generation capacity within the state to allow the system to
3174 recover from contingency outages of large generating units or
3175 transmission lines and further recognize that entities with operations
3176 within the state have registered with the Department of Environmental
3177 Protection a significant number of resources able to synchronize to the
3178 transmission grid and commence the generation of electricity within
3179 thirty minutes or less of a request, where the regional independent
3180 system operator currently does not recognize such resources because
3181 they are not represented in the energy management system
3182 administered. The chairperson and the commissioner of the respective
3183 state agencies shall incorporate into and include for consideration in
3184 the collaborative memorandum of understanding an estimation of the
3185 emissions reductions resulting from not using steam driven fossil
3186 fueled generating units in a reserve and spinning status to meet the
3187 quick start generating needs of the state, the estimated emissions from
3188 the use of emergency generation operating under the locational
3189 forward reserve markets of the regional independent system operator,
3190 adders to the dispatch price of the emergency electric generating
3191 resources associated with any incremental environmental emissions
3192 from such facilities and the feasibility of actions required and

3193 estimated costs to remediate some portion of such emergency
3194 generation to comply with Connecticut air quality requirements in
3195 conformance with federal and regional clean air standards. On or
3196 before January 1, 2008, and upon any additional modification to such
3197 memorandum of understanding, said chairperson and said
3198 commissioner shall report on the actions and measures taken pursuant
3199 to the memorandum of understanding directed by this section to the
3200 joint standing committees of the General Assembly having cognizance
3201 of matters relating to energy and the environment in accordance with
3202 the provisions of section 11-4a of the general statutes.

3203 Sec. 66. Section 13a-126 of the general statutes is repealed and the
3204 following is substituted in lieu thereof (*Effective from passage*):

3205 As used in this section, "public service facility" includes all
3206 privately, publicly or cooperatively owned lines, facilities and systems
3207 for producing, transmitting or distributing communications, cable
3208 television, power, electricity, light, heat, gas, oil, crude products,
3209 water, steam, waste, storm water not connected with highway
3210 drainage and any other similar commodities, including fire and police
3211 signal systems and street lighting systems which directly or indirectly
3212 serve the public. Whenever the commissioner determines that any
3213 public service facility located within, on, along, over or under any land
3214 comprising the right-of-way of a state highway or any other public
3215 highway when necessitated by the construction or reconstruction of a
3216 state highway shall be readjusted or relocated in or removed from such
3217 right-of-way, the commissioner shall issue an appropriate order to the
3218 company, corporation or municipality owning or operating such
3219 facility, and such company, corporation or municipality shall readjust,
3220 relocate or remove the same promptly in accordance with such order;
3221 provided an equitable share of the cost of such readjustment,
3222 relocation or removal, including the cost of installing and constructing
3223 a facility of equal capacity in a new location, shall be borne by the
3224 state, except that the state shall not bear any share of the cost of a
3225 project <u>of an electric distribution company, as defined in section 16-1,</u>
3226 <u>as amended by this act,</u> to readjust, relocate or remove any facility, as

3227 defined in subsection (a) of section 16-50i, used for transmitting
3228 electricity or as an electric transmission trunkline. The Department of
3229 Transportation shall evaluate the total costs of such a project, including
3230 department costs for construction or reconstruction and electric
3231 distribution company costs for readjusting, relocating or removing
3232 such facility, so as to minimize the overall costs incurred by the state
3233 and the electric distribution company. The electric distribution
3234 company may provide the department with proposed alternatives to
3235 the relocation, readjustment or removal proposed by the department
3236 and shall be responsible for any changes to project costs attributable to
3237 adoption of the company's proposed alternative designs for such
3238 project, including changes to the area of the relocation, readjustment or
3239 removal and any incremental costs incurred by the department to
3240 evaluate such alternatives. If such electric distribution company and
3241 the department cannot agree on a plan for such project, the
3242 Commissioner of Transportation and the chairperson of the
3243 Department of Public Utility Control shall, on request of the company,
3244 jointly determine the alternative for the project. Such equitable share,
3245 in the case of or in connection with the construction or reconstruction
3246 of any limited access highway, shall be the entire cost, less the
3247 deductions provided in this section, and, in the case of or in connection
3248 with the construction or reconstruction of any other state highway,
3249 shall be such portion or all of the entire cost, less the deductions
3250 provided in this section, as may be fair and just under all the
3251 circumstances, but shall not be less than fifty per cent of such cost after
3252 the deductions provided in this section. In establishing the equitable
3253 share of the cost to be borne by the state, there shall be deducted from
3254 the cost of the readjusted, relocated or removed facilities a sum based
3255 on a consideration of the value of materials salvaged from existing
3256 installations, the cost of the original installation, the life expectancy of
3257 the original facility and the unexpired term of such life use. When any
3258 facility is removed from the right-of-way of a public highway to a
3259 private right-of-way, the state shall not pay for such private right-of-
3260 way, provided, when a municipally-owned facility is thus removed
3261 from a municipally-owned highway, the state shall pay for the private

3262 right-of-way needed by the municipality for such relocation. If the
3263 commissioner and the company, corporation or municipality owning
3264 or operating such facility cannot agree upon the share of the cost to be
3265 borne by the state, either may apply to the superior court for the
3266 judicial district within which such highway is situated, or, if said court
3267 is not in session, to any judge thereof, for a determination of the cost to
3268 be borne by the state, and said court or such judge, after causing notice
3269 of the pendency of such application to be given to the other party, shall
3270 appoint a state referee to make such determination. Such referee,
3271 having given at least ten days' notice to the parties interested of the
3272 time and place of the hearing, shall hear both parties, shall view such
3273 highway, shall take such testimony as such referee deems material and
3274 shall thereupon determine the amount of the cost to be borne by the
3275 state and immediately report to the court. If the report is accepted by
3276 the court, such determination shall, subject to right of appeal as in civil
3277 actions, be conclusive upon both parties.

3278 Sec. 67. (NEW) (*Effective July 1, 2007*) Notwithstanding any
3279 limitation imposed by its charter, each domestic electric company is
3280 authorized and empowered to generate and transmit electric energy,
3281 and to acquire utility facilities necessary or convenient for the
3282 purposes of its electric utility business or undivided interest therein
3283 and to operate the same, anywhere within or without this state,
3284 provided nothing in this section shall be construed to authorize such a
3285 company to deliver electric energy or sell electric energy in this state to
3286 any person, or any area, except as otherwise authorized by its charter
3287 or the general statutes. For purposes of this section, "domestic electric
3288 company" means an electric company or electric distribution company,
3289 as defined in section 16-1 of the general statutes, as amended by this
3290 act, any membership electric cooperative organized under chapter 597
3291 of the general statutes and any municipal electric utility or municipal
3292 electric energy cooperative, as defined respectively in section 7-233b of
3293 the general statutes that has been chartered by or organized or
3294 constituted within or under the laws of this state.

3295 Sec. 68. Subsection (e) of section 16-2 of the general statutes is

3296 repealed and the following is substituted in lieu thereof (*Effective*
3297 *October 1, 2007*):

3298 (e) To insure the highest standard of public utility regulation, **[**on
3299 and after July 1, 1997, at least three of the commissioners**]** each
3300 commissioner of the authority appointed on or after October 1, 2007,
3301 shall have education or training and three or more years of experience
3302 in one or more of the following fields: Economics, engineering, law,
3303 accounting, finance, utility regulation, public or government
3304 administration, consumer advocacy, business management, and
3305 environmental management. On and after July 1, 1997, at least three of
3306 these fields shall be represented on the authority by individual
3307 commissioners at all times. At least one of the commissioners shall
3308 have experience in utility customer advocacy at all times.

3309 Sec. 69. (*Effective July 1, 2007*) Not later than January 1, 2008, the
3310 Connecticut Energy Advisory Board shall conduct a study to develop
3311 recommendations on how to (1) coordinate and integrate the state's
3312 energy entities; (2) achieve the goals of (A) the Regional Greenhouse
3313 Gas Initiative, and (B) the state, with regard to the reduction of
3314 emissions of greenhouse gas, as provided by section 22a-200a of the
3315 general statutes; and (3) promote indigenous alternative fuel resources.
3316 The board shall submit a report containing its recommendations,
3317 including recommendations for legislation, to the joint standing
3318 committee of the General Assembly having cognizance of matters
3319 relating to energy and technology not later than January 1, 2009.

3320 Sec. 70. (*Effective from passage*) (a) Not later than July 1, 2007, the
3321 Connecticut Energy Advisory Board shall conduct a study on the
3322 efficacy, innovativeness and customer focus on electric conservation
3323 programs. The board shall hold a public hearing on such matters. In
3324 the study, the board shall investigate the options of (1) selecting a
3325 state-wide provider of conservation programs through a competitive
3326 process, which shall be open to electric distribution companies, the
3327 Connecticut Municipal Electrical Energy Cooperative and other
3328 entities; (2) retaining the current delivery system for conservation

3329 programs; and (3) having a nonprofit organization provide the
3330 conservation programs.

3331 (b) The board shall submit a report containing its findings to the
3332 joint standing committee of the General Assembly having cognizance
3333 of matters relating to energy and technology not later than February 1,
3334 2008.

3335 Sec. 71. (*Effective October 1, 2007*) Not later than January 1, 2009, the
3336 Department of Public Utility Control shall study (A) the efficacy and
3337 rate impact of last resort service provided pursuant to subsection (e) of
3338 section 16-244c of the general statutes, as amended by this act,
3339 including, but not limited to, the service's effect on the ability of this
3340 service to meet the needs of commercial and industrial customers and
3341 the development of a competitive electric supply marketplace with
3342 competitive suppliers and products, (B) the efficacy and rate impact of
3343 standard service pursuant to subsection (c) of section 16-244c of the
3344 general statutes, as amended by this act, including, but not limited to,
3345 the service's success in meeting performance with respect to the
3346 standards set forth in section 16-244c of the general statutes, as
3347 amended by this act, and (C) the costs and impact of retail competition
3348 on small business and residential consumers, including rates and
3349 volatility, and compare that analysis to the experience in other states.
3350 The department shall report on the results of said study to the joint
3351 standing committee of the General Assembly having cognizance of
3352 matters relating to energy not later than February 1, 2008.

3353 Sec. 72. (NEW) (*Effective July 1, 2007*) (a) The Department of
3354 Education, in consultation with the Energy Conservation Management
3355 Board, established pursuant to section 16-245m of the general statutes,
3356 and the Department of Public Utility Control, shall establish a plan for
3357 providing compact fluorescent light bulbs at low or no cost to schools
3358 in the state for the purpose of a state-wide school fundraiser. The
3359 Department of Education shall report the details of said plan to the
3360 Energy Conservation Management Board and the joint standing
3361 committees of the General Assembly having cognizance of matters

3362 relating to energy and education on or before February 1, 2008.

3363 (b) On or before June 1, 2008, the Energy Conservation Management
3364 Board, in consultation with the Department of Public Utility Control
3365 and the Department of Education, shall develop and implement a
3366 state-wide fundraiser pursuant to the plan submitted pursuant to
3367 subsection (a) of this section, for all public schools, in which students
3368 would sell compact fluorescent light bulbs. Said fundraiser shall be
3369 held in the 2008-2009 school year and annually thereafter. The
3370 participating schools would earn a portion of each sale.

3371 Sec. 73. (NEW) (*Effective July 1, 2007*) On or before October 1, 2007,
3372 the Department of Public Utility Control shall initiate a contested case
3373 proceeding to design a cost-effective revenue adjustment mechanism
3374 to provide additional flexibility within the link between sales levels
3375 and the recovery of costs for electric distribution companies. The
3376 department shall develop for each electric distribution company a
3377 revenue adjustment mechanism that adjusts billed revenues associated
3378 with the distribution component of rates to the gross revenues based
3379 on the rate decision and shall provide for an annual true-up of billed
3380 revenues compared to the base level for deviations from the base level
3381 directly resulting from new or ongoing energy efficiency, conservation,
3382 demand response or load management initiatives implemented by the
3383 company. On or before March 1, 2008, the Energy Conservation
3384 Management Board shall provide such deviations to the department.
3385 The department may implement the revenue adjustment mechanism if
3386 it determines such a mechanism to be in the best interest of ratepayers
3387 pursuant to the principles set forth in sections 16-19, 16-19b and 16-19e
3388 of the general statutes, as amended by this act. To assure the cost basis
3389 for Financial Accounting Standards 71 purposes, any over collection or
3390 under collection of the per-customer revenue shall be adjusted through
3391 a per kilowatt-hour charge or credit in the subsequent year. The
3392 accounting recognition of the impact of the mechanism shall be made
3393 in the year in which the sales actually occurred. The base level of
3394 revenues per customer shall be reset in each department decision
3395 modifying the company's distribution rates. On or before February 1,

3396 2010, the department shall report to the joint standing committee of the
3397 General Assembly having cognizance of matters relating to energy
3398 regarding said mechanism and the use thereof. The department shall
3399 use the existence of the mechanism as a factor in determining the
3400 company's authorized rate of return.

3401 Sec. 74. Subsection (a) of section 16-50k of the general statutes is
3402 repealed and the following is substituted in lieu thereof (*Effective*
3403 *October 1, 2007*):

3404 (a) Except as provided in subsection (b) of section 16-50z, no person
3405 shall exercise any right of eminent domain in contemplation of,
3406 commence the preparation of the site for, **[**or**]** commence the
3407 construction or supplying of a facility, or commence any modification
3408 of a facility, that may, as determined by the council, have a substantial
3409 adverse environmental effect in the state without having first obtained
3410 a certificate of environmental compatibility and public need,
3411 hereinafter referred to as a "certificate", issued with respect to such
3412 facility or modification by the council. **[**, except**]** Certificates shall not
3413 be required for (1) fuel cells built within the state with a generating
3414 capacity of two hundred fifty kilowatts or less, or (2) fuel cells built
3415 elsewhere with a generating capacity of ten kilowatts or less. **[**which
3416 shall not require such certificate.**]** Any facility with respect to which a
3417 certificate is required shall thereafter be built, maintained and operated
3418 in conformity with such certificate and any terms, limitations or
3419 conditions contained therein. Notwithstanding the provisions of this
3420 chapter or title 16a, the council shall, in the exercise of its jurisdiction
3421 over the siting of generating facilities, approve by declaratory ruling
3422 **[**(1)**]** (A) the construction of a facility solely for the purpose of
3423 generating electricity, other than an electric generating facility that
3424 uses nuclear materials or coal as fuel, at a site where an electric
3425 generating facility operated prior to July 1, 2004, **[**(2)**]** (B) the
3426 construction or location of any fuel cell, unless the council finds a
3427 substantial adverse environmental effect, or of any customer-side
3428 distributed resources project or facility or grid-side distributed
3429 resources project or facility with a capacity of not more than sixty-five

3430 megawatts, as long as such project meets air and water quality
3431 standards of the Department of Environmental Protection, and [(3)] (C)
3432 the siting of temporary generation solicited by the Department of
3433 Public Utility Control pursuant to section 16-19ss, as amended by this
3434 act.

3435 Sec. 75. Subdivision (6) of subsection (a) of section 16-244e of the
3436 general statutes is repealed and the following is substituted in lieu
3437 thereof (*Effective July 1, 2007*):

3438 (6) Once unbundling is completed to the satisfaction of the
3439 department and consistent with the provisions of section 16-244, [(A)]
3440 any corporate affiliate or separate division that provides electric
3441 generation services as a result of unbundling pursuant to this
3442 subsection shall be considered a generation entity or affiliate of the
3443 electric company, and the division or corporate affiliate of the electric
3444 company that provides transmission and distribution services shall be
3445 considered an electric distribution company. [, and (B) an electric
3446 distribution company shall not own or operate generation assets,
3447 except as provided in this section and section 16-243m.]

3448 Sec. 76. Section 16-19ss of the general statutes is repealed and the
3449 following is substituted in lieu thereof (*Effective July 1, 2007*):

3450 (a) The Department of Public Utility Control may, from July 1, 2003,
3451 to January 1, 2008, inclusive, determine, by an affirmative vote of four
3452 commissioners of the Public Utilities Control Authority, that (1) safe,
3453 adequate and reasonably priced electricity is not available on the
3454 wholesale market; (2) additional temporary electric generation
3455 facilities will result in reductions in federally mandated congestion
3456 costs for which the ratepayers of the state are responsible; and (3) the
3457 prices and costs specified in subdivision (2) of this subsection will
3458 exceed the cost of investment in temporary electric generation
3459 facilities. Such determination shall be in writing and shall state the
3460 reasons supporting the determination.

3461 (b) Upon issuing a determination pursuant to subsection (a) of this

3462 section, the department shall hold a contested case proceeding, in
3463 accordance with the provisions of chapter 54, to develop a request for
3464 proposal to solicit the provision of such additional temporary electric
3465 generation facilities, containing such terms and conditions that will
3466 best serve the interests of the public. The request for proposal process
3467 shall be designed to ensure fairness and full participation by all
3468 qualified responders.

3469 (c) The department may negotiate for terms and conditions
3470 necessary to conclude a transaction with one or more entities
3471 responding to a request for proposal, after notice to all entities that
3472 responded. The department shall base its decision to conclude a
3473 transaction on the best interest of the public and ratepayers.

3474 **[**(d) Nothing in this section shall be construed to allow an electric
3475 distribution company to own, operate, lease or control any facility or
3476 asset that generates electricity, or retain any interest in such facility or
3477 asset as part of any transaction concluded pursuant to this section,
3478 except as provided in subsection (e) of section 16-244e and section 16-
3479 243m.**]**

3480 Sec. 77. Section 1 of public act 05-2 of the October 25 special session
3481 is repealed and the following is substituted in lieu thereof (*Effective July*
3482 *1, 2007*):

3483 Notwithstanding the provisions of sections 4-28b and 16a-41a of the
3484 general statutes, the Commissioner of Social Services shall **[**amend the
3485 adopted**]** <u>adopt a</u> low income home energy assistance program block
3486 grant allocation plan for the **[**purpose of modifying the 2005/2006**]**
3487 <u>2007/2008</u> Connecticut energy assistance program state plan in the
3488 following manner: (1) To increase the basic benefit provided to all
3489 eligible households, including eligible households whose heat is
3490 included in their rent, <u>over the benefit provided for the 2005/2006</u>
3491 <u>plan, prior to the amendment of said plan,</u> by two hundred dollars, (2)
3492 to fund<u>, for the fiscal year ending June 30, 2008,</u> the contingency
3493 heating assistance program under the Connecticut energy assistance

3494 program to provide a three hundred dollar basic benefit to eligible
3495 households, as defined in the Connecticut energy assistance program
3496 state plan, whose gross annual income is not more than sixty per cent
3497 of the median state income by household size, and an additional two
3498 hundred dollar crisis assistance benefit for such households who have
3499 exhausted their basic benefit and are unable to secure primary heat,
3500 causing a life threatening situation, (3) to increase the number of
3501 households weatherized pursuant to the Connecticut energy assistance
3502 program, and (4) to increase the number of households receiving home
3503 heating equipment tune-ups and home energy efficiency measures
3504 pursuant to the home energy assistance and reimbursements for tune-
3505 ups on heating equipment grant program as administered pursuant to
3506 subsection (c) of section 2 of **[**this act**]** public act 05-2 of the October 25
3507 special session, as amended by section 1 of public act 05-4 of the
3508 October 25 special session.

3509 Sec. 78. Section 16a-41a of the general statutes is repealed and the
3510 following is substituted in lieu thereof (*Effective July 1, 2007*):

3511 (a) The Commissioner of Social Services shall submit to the joint
3512 standing committees of the General Assembly having cognizance of
3513 energy planning and activities, appropriations, and human services the
3514 following on the implementation of the block grant program
3515 authorized under the Low-Income Home Energy Assistance Act of
3516 1981, as amended:

3517 (1) Not later than August first, annually, a Connecticut energy
3518 assistance program annual plan which establishes guidelines for the
3519 use of funds authorized under the Low-Income Home Energy
3520 Assistance Act of 1981, as amended, and includes the following:

3521 (A) Criteria for determining which households are to receive
3522 emergency and weatherization assistance;

3523 (B) A description of systems used to ensure referrals to other energy
3524 assistance programs and the taking of simultaneous applications, as
3525 required under section 16a-41;

3526 (C) A description of outreach efforts;

3527 (D) Estimates of the total number of households eligible for
3528 assistance under the program and the number of households in which
3529 one or more elderly or physically disabled individuals eligible for
3530 assistance reside; and

3531 (E) Design of a basic grant for eligible households that does not
3532 discriminate against such households based on the type of energy used
3533 for heating;

3534 (2) Not later than January thirtieth, annually, a report covering the
3535 preceding months of the program year, including:

3536 (A) In each community action agency geographic area and
3537 Department of Social Services region, the number of fuel assistance
3538 applications filed, approved and denied, the number of emergency
3539 assistance requests made, approved and denied and the number of
3540 households provided weatherization assistance;

3541 (B) In each such area and district, the total amount of fuel,
3542 emergency and weatherization assistance, itemized by such type of
3543 assistance, and total expenditures to date; and

3544 (C) For each state-wide office of each state agency administering the
3545 program, each community action agency and each Department of
3546 Social Services region, administrative expenses under the program, by
3547 line item, and an estimate of outreach expenditures; and

3548 (3) Not later than November first, annually, a report covering the
3549 preceding twelve calendar months, including:

3550 (A) In each community action agency geographic area and
3551 Department of Social Services region, (i) seasonal totals for the
3552 categories of data submitted under subdivision (1) of this subsection,
3553 (ii) the number of households receiving fuel assistance in which elderly
3554 or physically disabled individuals reside, and (iii) the average
3555 combined benefit level of fuel, emergency and renter assistance;

3556 (B) Types of weatherization assistance provided;

3557 (C) Percentage of weatherization assistance provided to tenants;

3558 (D) The number of homeowners and tenants whose heat or total
3559 energy costs are not included in their rent receiving fuel and
3560 emergency assistance under the program by benefit level;

3561 (E) The number of homeowners and tenants whose heat is included
3562 in their rent and who are receiving assistance, by benefit level; and

3563 (F) The number of households receiving assistance, by energy type
3564 and total expenditures for each energy type.

3565 (b) The Commissioner of Social Services shall implement a program
3566 to purchase **[**number two home heating oil at a reduced rate for low-
3567 income households participating in the Connecticut energy assistance
3568 program and the state-appropriated fuel assistance program. Each
3569 agency administering a fuel assistance program shall submit reports,
3570 as requested by the commissioner, concerning pricing information
3571 from vendors of number two home heating oil participating in the
3572 program. Such information shall include, but not be limited to, a
3573 vendor's regular retail price per gallon of number two home heating
3574 oil, the reduced price per gallon paid by the state for the heating oil,
3575 the number of gallons delivered to the state under the program and the
3576 total savings under the program due to the purchase of number two
3577 home heating oil at a reduced rate**]** deliverable fuel for low-income
3578 households participating in the Connecticut energy assistance program
3579 and the state-appropriated fuel assistance program. The commissioner
3580 shall ensure that all fuel assistance recipients are treated the same as
3581 any other similarly situated customer and that no fuel vendor
3582 discriminates against fuel assistance program recipients who are under
3583 the vendor's standard payment, delivery, service or other similar
3584 plans. The commissioner shall take advantage of programs offered by
3585 fuel vendors that reduce the cost of the fuel purchased, including, but
3586 not limited to, fixed price, capped price, prepurchase or summer-fill
3587 programs that reduce program cost and that make the maximum use

3588 of program revenues. The commissioner shall ensure that all agencies
3589 administering the fuel assistance program shall make payments to
3590 program fuel vendors in advance of the delivery of energy where
3591 vendor provided price-management strategies require payments in
3592 advance.

3593 (c) Each community action agency administering a fuel assistance
3594 program shall submit reports, as requested by the Commissioner of
3595 Social Services, concerning pricing information from vendors of
3596 deliverable fuel participating in the program. Such information shall
3597 include, but not be limited to, the state-wide or regional retail price per
3598 unit of deliverable fuel, the reduced price per unit paid by the state for
3599 the deliverable fuel in utilizing price management strategies offered by
3600 program vendors for all consumers, the number of units delivered to
3601 the state under the program and the total savings under the program
3602 due to the purchase of deliverable fuel utilizing price-management
3603 strategies offered by program vendors for all consumers.

3604 (d) Each community action agency administering a fuel assistance
3605 program shall begin accepting applications for the program not later
3606 than September first of each year.

3607 Sec. 79. Section 16-262c of the general statutes is repealed and the
3608 following is substituted in lieu thereof (*Effective October 1, 2007*):

3609 (a) Notwithstanding any other provision of the general statutes no
3610 electric, electric distribution, gas, telephone or water company, no
3611 electric supplier or certified telecommunications provider, and no
3612 municipal utility furnishing electric, gas, telephone or water service
3613 shall cause cessation of any such service by reason of delinquency in
3614 payment for such service (1) on any Friday, Saturday, Sunday, legal
3615 holiday or day before any legal holiday, provided such a company,
3616 electric supplier, certified telecommunications provider or municipal
3617 utility may cause cessation of such service to a nonresidential account
3618 on a Friday which is not a legal holiday or the day before a legal
3619 holiday when the business offices of the company, electric supplier,

3620 certified telecommunications provider or municipal utility are open to
3621 the public the succeeding Saturday, (2) at any time during which the
3622 business offices of said company, electric supplier, certified
3623 telecommunications provider or municipal utility are not open to the
3624 public, or (3) within one hour before the closing of the business offices
3625 of said company, electric supplier or municipal utility.

3626 (b) (1) From November first to **[**April fifteenth**]** May first, inclusive,
3627 no electric or electric distribution company, as defined in section 16-1,
3628 as amended by this act, no electric supplier and no municipal utility
3629 furnishing electricity shall terminate or refuse to reinstate residential
3630 electric service in hardship cases where the customer lacks the
3631 financial resources to pay his or her entire account. From November
3632 first to **[**April fifteenth**]** May first, inclusive, no gas company and no
3633 municipal utility furnishing gas shall terminate or refuse to reinstate
3634 residential gas service in hardship cases where the customer uses such
3635 gas for heat and lacks the financial resources to pay his or her entire
3636 account, except a gas company that, between **[**April sixteenth**]** May
3637 second and October thirty-first, terminated gas service to a residential
3638 customer who uses gas for heat and who, during the previous period
3639 of November first to **[**April fifteenth**]** May first, had gas service
3640 maintained because of hardship status, may refuse to reinstate the gas
3641 service from November first to **[**April fifteenth**]** May first, inclusive,
3642 only if the customer has failed to pay, since the preceding November
3643 first, the lesser of: (A) Twenty per cent of the outstanding principal
3644 balance owed the gas company as of the date of termination, (B) one
3645 hundred dollars, or (C) the minimum payments due under the
3646 customer's amortization agreement. Notwithstanding any other
3647 provision of the general statutes to the contrary, no electric, electric
3648 distribution or gas company, no electric supplier and no municipal
3649 utility furnishing electricity or gas shall terminate or refuse to reinstate
3650 residential electric or gas service where the customer lacks the financial
3651 resources to pay his or her entire account and for which customer or a
3652 member of the customer's household the termination or failure to
3653 reinstate such service would create a life-threatening situation.

3654 (2) During any period in which a residential customer is subject to
3655 termination, an electric, electric distribution or gas company, an
3656 electric supplier or a municipal utility furnishing electricity or gas shall
3657 provide such residential customer whose account is delinquent an
3658 opportunity to enter into a reasonable amortization agreement with
3659 such company, electric supplier or utility to pay such delinquent
3660 account and to avoid termination of service. Such amortization
3661 agreement shall allow such customer adequate opportunity to apply
3662 for and receive the benefits of any available energy assistance
3663 program. An amortization agreement shall be subject to amendment
3664 on customer request if there is a change in the customer's financial
3665 circumstances.

3666 (3) As used in this section, (A) "household income" means the
3667 combined income over a twelve-month period of the customer and all
3668 adults, except children of the customer, who are and have been
3669 members of the household for six months or more, and (B) "hardship
3670 case" includes, but is not limited to: (i) A customer receiving local, state
3671 or federal public assistance; (ii) a customer whose sole source of
3672 financial support is Social Security, Veterans' Administration or
3673 unemployment compensation benefits; (iii) a customer who is head of
3674 the household and is unemployed, and the household income is less
3675 than three hundred per cent of the poverty level determined by the
3676 federal government; (iv) a customer who is seriously ill or who has a
3677 household member who is seriously ill; (v) a customer whose income
3678 falls below one hundred twenty-five per cent of the poverty level
3679 determined by the federal government; and (vi) a customer whose
3680 circumstances threaten a deprivation of food and the necessities of life
3681 for himself or dependent children if payment of a delinquent bill is
3682 required.

3683 (4) In order for a residential customer of a gas or electric distribution
3684 company using gas or electricity for heat to be eligible to have any
3685 moneys due and owing deducted from the customer's delinquent
3686 account pursuant to this subdivision, the company furnishing gas or
3687 electricity shall require that the customer (A) apply and be eligible for

3688 benefits available under the Connecticut energy assistance program or
3689 state appropriated fuel assistance program; (B) authorize the company
3690 to send a copy of the customer's monthly bill directly to any energy
3691 assistance agency for payment; (C) enter into and comply with an
3692 amortization agreement, which agreement is consistent with decisions
3693 and policies of the Department of Public Utility Control. Such an
3694 amortization agreement shall reduce a customer's payment by the
3695 amount of the benefits reasonably anticipated from the Connecticut
3696 energy assistance program, state appropriated fuel assistance program
3697 or other energy assistance sources. Unless the customer requests
3698 otherwise, the company shall budget a customer's payments over a
3699 twelve-month period with an affordable increment to be applied to
3700 any arrearage, provided such payment plan will not result in loss of
3701 any energy assistance benefits to the customer. If a customer
3702 authorizes the company to send a copy of his monthly bill directly to
3703 any energy assistance agency for payment, the energy assistance
3704 agency shall make payments directly to the company. If, on April
3705 thirtieth, a customer has been in compliance with the requirements of
3706 subparagraphs (A) to (C), inclusive, of this subdivision, during the
3707 period starting on the preceding November first, or from such time as
3708 the customer's account becomes delinquent, the company shall deduct
3709 from such customer's delinquent account an additional amount equal
3710 to the amount of money paid by the customer between the preceding
3711 November first and April thirtieth and paid on behalf of the customer
3712 through the Connecticut energy assistance program and state
3713 appropriated fuel assistance program. Any customer in compliance
3714 with the requirements of subparagraphs (A) to (C), inclusive, of this
3715 subdivision, on April thirtieth who continues to comply with an
3716 amortization agreement through the succeeding October thirty-first,
3717 shall also have an amount equal to the amount paid pursuant to such
3718 agreement and any amount paid on behalf of such customer between
3719 May first and the succeeding October thirty-first deducted from the
3720 customer's delinquent account. In no event shall the deduction of any
3721 amounts pursuant to this subdivision result in a credit balance to the
3722 customer's account. No customer shall be denied the benefits of this

3723 subdivision due to an error by the company. The Department of Public
3724 Utility Control shall allow the amounts deducted from the customer's
3725 account pursuant to the implementation plan, described in subdivision
3726 (5) of this subsection, to be recovered by the company in its rates as an
3727 operating expense, pursuant to said implementation plan. If the
3728 customer fails to comply with the terms of the amortization agreement
3729 or any decision of the department rendered in lieu of such agreement
3730 and the requirements of subparagraphs (A) to (C), inclusive, of this
3731 subdivision, the company may terminate service to the customer,
3732 pursuant to all applicable regulations, provided such termination shall
3733 not occur between November first and April fifteenth.

3734 (5) Each gas and electric distribution company shall submit to the
3735 Department of Public Utility Control annually, on or before July first,
3736 an implementation plan which shall include information concerning
3737 amortization agreements, counseling, reinstatement of eligibility, rate
3738 impacts and any other information deemed relevant by the
3739 department. The Department of Public Utility Control may, in
3740 consultation with the Office of Policy and Management, approve or
3741 modify such plan within ninety days of receipt of the plan. If the
3742 department does not take any action on such plan within ninety days
3743 of its receipt, the plan shall automatically take effect at the end of the
3744 ninety-day period, provided the department may extend such period
3745 for an additional thirty days by notifying the company before the end
3746 of the ninety-day period. Any amount recovered by a company in its
3747 rates pursuant to this subsection shall not include any amount
3748 approved by the Department of Public Utility Control as an
3749 uncollectible expense. The department may deny all or part of the
3750 recovery required by this subsection if it determines that the company
3751 seeking recovery has been imprudent, inefficient or acting in violation
3752 of statutes or regulations regarding amortization agreements.

3753 (6) On or after January 1, 1993, the Department of Public Utility
3754 Control may require gas companies to expand the provisions of
3755 subdivisions (4) and (5) of this subsection to all hardship customers.
3756 Any such requirement shall not be effective until November 1, 1993.

3757 (7) (A) All electric, electric distribution and gas companies, electric
3758 suppliers and municipal utilities furnishing electricity or gas shall
3759 collaborate in developing, subject to approval by the Department of
3760 Public Utility Control, standard provisions for the notice of
3761 delinquency and impending termination under subsection (a) of
3762 section 16-262d. Each such company and utility shall place on the front
3763 of such notice a provision that the company, electric supplier or utility
3764 shall not effect termination of service to a residential dwelling for
3765 nonpayment of disputed bills during the pendency of any complaint.
3766 In addition, the notice shall state that the customer must pay current
3767 and undisputed bill amounts during the pendency of the complaint.
3768 (B) At the beginning of any discussion with a customer concerning a
3769 reasonable amortization agreement, any such company or utility shall
3770 inform the customer (i) of the availability of a process for resolving
3771 disputes over what constitutes a reasonable amortization agreement,
3772 (ii) that the company, electric supplier or utility will refer such a
3773 dispute to one of its review officers as the first step in attempting to
3774 resolve the dispute, and (iii) that the company, electric supplier or
3775 utility shall not effect termination of service to a residential dwelling
3776 for nonpayment of a delinquent account during the pendency of any
3777 complaint, investigation, hearing or appeal initiated by the customer,
3778 unless the customer fails to pay undisputed bills, or undisputed
3779 portions of bills, for service received during such period. (C) Each such
3780 company, electric supplier and utility shall inform and counsel all
3781 customers who are hardship cases as to the availability of all public
3782 and private energy conservation programs, including programs
3783 sponsored or subsidized by such companies and utilities, eligibility
3784 criteria, where to apply, and the circumstances under which such
3785 programs are available without cost.

3786 (8) The Department of Public Utility Control shall adopt regulations
3787 in accordance with chapter 54 to carry out the provisions of this
3788 subsection. Such regulations shall include, but not be limited to,
3789 criteria for determining hardship cases and for reasonable
3790 amortization agreements, including appeal of such agreements, for

3791 categories of customers. Such regulations may include the
3792 establishment of a reasonable rate of interest which a company may
3793 charge on the unpaid balance of a customer's delinquent bill and a
3794 description of the relationship and responsibilities of electric suppliers
3795 to customers.

3796 (c) Each electric, electric distribution and gas company, electric
3797 supplier and municipal utility shall, not later than December first,
3798 annually, submit a report to the department and the General Assembly
3799 indicating (1) the number of customers in each of the following
3800 categories and the total delinquent balances for such customers as of
3801 the preceding **[**April fifteenth**]** May first: (A) Customers who are
3802 hardship cases and (i) who made arrangements for reasonable
3803 amortization agreements, (ii) who did not make such arrangements,
3804 and (B) customers who are nonhardship cases and who made
3805 arrangements for reasonable amortization, (2) (A) the number of
3806 heating customers receiving energy assistance during the preceding
3807 heating season and the total amount of such assistance, and (B) the
3808 total balance of the accounts of such customers after all energy
3809 assistance is applied to the accounts, (3) the number of hardship cases
3810 reinstated between November first of the preceding year and **[**April
3811 fifteenth**]** May first of the same year, the number of hardship cases
3812 terminated between **[**April fifteenth**]** May first of the same year and
3813 November first and the number of hardship cases reinstated during
3814 each month from **[**April**]** May to November, inclusive, of the same
3815 year, (4) the number of reasonable amortization agreements executed
3816 and the number breached during the same year by (A) hardship cases,
3817 and (B) nonhardship cases, and (5) the number of accounts of (A)
3818 hardship cases, and (B) nonhardship cases for which part or all of the
3819 outstanding balance is written off as uncollectible during the
3820 preceding year and the total amount of such uncollectibles.

3821 (d) Nothing in this section shall (1) prohibit a public service
3822 company, electric supplier or municipal utility from terminating
3823 residential utility service upon request of the customer or in
3824 accordance with section 16-262d upon default by the customer on an

3825 amortization agreement or collecting delinquent accounts through
3826 legal processes, including the processes authorized by section 16-262f,
3827 or (2) relieve such company, electric supplier or municipal utility of its
3828 responsibilities set forth in sections 16-262d and 16-262e to occupants
3829 of residential dwellings or, with respect to a public service company or
3830 electric supplier, the responsibilities set forth in section 19a-109.

3831 (e) No provision of the Freedom of Information Act, as defined in
3832 section 1-200, shall be construed to require or permit a municipal
3833 utility furnishing electric, gas or water service, a municipality
3834 furnishing water or sewer service, a district established by special act
3835 or pursuant to chapter 105 and furnishing water or sewer service or a
3836 regional authority established by special act to furnish water or sewer
3837 service to disclose records under the Freedom of Information Act, as
3838 defined in section 1-200, which identify or could lead to identification
3839 of the utility usage or billing information of individual customers, to
3840 the extent such disclosure would constitute an invasion of privacy.

3841 (f) If an electric supplier suffers a loss of revenue by operation of
3842 this section, the supplier may make a claim for such revenue to the
3843 department. The electric distribution company shall reimburse the
3844 electric supplier for such losses found to be reasonable by the
3845 department at the lower of (1) the price of the contract between the
3846 supplier and the customer, or (2) the electric distribution company's
3847 price to customers for default service, as determined by the
3848 department. The electric distribution company may recover such
3849 reimbursement, along with transaction costs, through the systems
3850 benefits charge.

3851 Sec. 80. Section 12-412 of the general statutes is amended by adding
3852 subdivisions (117) and (118) as follows (*Effective July 1, 2007, and*
3853 *applicable to sales occurring on or after July 1, 2007*):

3854 (NEW) (117) Sales of solar energy electricity generating systems and
3855 passive or active solar water or space heating systems and geo-thermal
3856 resource systems, including equipment related to such systems, and

3857 sales of services relating to the installation of such systems.

3858 (NEW) (118) Sales of ice storage systems used for cooling, including
3859 equipment related to such systems, and sales of services relating to the
3860 installation of such systems by a utility ratepayer who is billed by such
3861 utility on a time-of-service metering basis.

3862 Sec. 81. Section 12-412k of the general statutes is repealed and the
3863 following is substituted in lieu thereof (*Effective June 1, 2007*):

3864 (a) For purposes of this section, "residential weatherization
3865 products" means programmable thermostats, window film, caulking,
3866 window and door weather strips, insulation, water heater blankets,
3867 water heaters, natural gas and propane furnaces and boilers that meet
3868 the federal Energy Star standard, windows and doors that meet the
3869 federal Energy Star standard, oil furnaces and boilers that are not less
3870 than **[**eighty-five**]** <u>eighty-four</u> per cent efficient and **[**ground-based**]**
3871 <u>ground-source</u> heat pumps that meet the minimum federal energy
3872 efficiency rating.

3873 (b) Notwithstanding the provisions of the general statutes, **[**from
3874 November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30,
3875 2007,**]** the provisions of this chapter shall not apply to sales of any
3876 residential weatherization products <u>or compact fluorescent light bulbs</u>.

3877 Sec. 82. (NEW) (*Effective from passage*) Notwithstanding the
3878 provisions of the general statutes, from the effective date of this section
3879 to June 30, 2008, inclusive, the provisions of chapter 219 of the general
3880 statutes shall not apply to sales of any household appliance that meets
3881 the federal Energy Star standard.

3882 Sec. 83. Section 16-245a of the general statutes is amended by adding
3883 subsection (g) as follows (*Effective from passage*):

3884 (NEW) (g) (1) Notwithstanding the provisions of this section and
3885 section 16-244c, as amended by this act, for periods beginning on and
3886 after January 1, 2008, each electric distribution company may procure

3887 renewable energy certificates from Class I or Class II renewable energy
3888 sources through long-term contracting mechanisms. The electric
3889 distribution companies may enter into long-term contracts for not
3890 more than fifteen years to procure such renewable energy certificates.
3891 For purposes of determining compliance with renewable portfolio
3892 standard requirements the generation associated with the renewable
3893 energy certificates purchased pursuant to this section shall be credited
3894 against the required amounts of output and standard service or
3895 supplier of last resort service, pursuant to subsection (a) of this section,
3896 for the periods which the output and services to which such renewable
3897 energy certificates apply is produced.

3898 (2) On or before July 1, 2007, the department shall initiate a
3899 contested case proceeding to examine the use of long-term contracts to
3900 procure Class I, Class II and Class III certificates. In such examination,
3901 the department shall determine (A) the impact of such contracts on
3902 price stability, fuel diversity and cost; (B) the method and timing of
3903 crediting of the procurement of renewable energy certificates against
3904 the renewable portfolio standard purchase obligations of electric
3905 suppliers and the electric distribution companies pursuant to
3906 subsection (a) of this section; (C) the terms and conditions, including
3907 reasonable performance assurance commitments, to be imposed on
3908 entities seeking to supply renewable energy certificates; (D) the level of
3909 one-time compensation, not to exceed one mill per kilowatt hour of
3910 output and services associated with the renewable energy certificates
3911 purchased pursuant to this subsection, which shall be payable to the
3912 electric distribution companies for administering the procurement
3913 provided for under this subsection and recovered as part of the
3914 generation services charge or through an appropriate nonbypassable
3915 rate component on customers' bills; (E) the manner in which costs for
3916 such program will be recovered from electric distribution company
3917 customers; and (F) any other issues the department deems appropriate.
3918 Revenues from such compensation shall not be included in calculating
3919 the electric distribution companies' earnings to determine if rates are
3920 just and reasonable, for earnings sharing mechanisms or for purposes

3921 of sections 16-19, 16-19a and 16-19e, as amended by this act.

3922 Sec. 84. Section 12-635 of the general statutes is repealed and the
3923 following is substituted in lieu thereof (*Effective July 1, 2007*):

3924 The Commissioner of Revenue Services shall grant a credit against
3925 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
3926 212 (1) in an amount not to exceed **[**sixty**]** one hundred per cent of the
3927 total cash amount invested during the taxable year by the business
3928 firm in programs operated or created pursuant to proposals approved
3929 pursuant to section 12-632 for energy conservation projects directed
3930 toward properties occupied by persons, at least seventy-five per cent
3931 of whom are at an income level not exceeding one hundred fifty per
3932 cent of the poverty level for the year next preceding the year during
3933 which such tax credit is to be granted; **[**, or**]** (2) in an amount equal to
3934 one hundred per cent of the total cash amount invested during the
3935 taxable year by the business firm in programs operated or created
3936 pursuant to proposals approved pursuant to section 12-632 for energy
3937 conservation projects at properties owned or occupied by charitable
3938 corporations, foundations, trusts or other entities as determined under
3939 regulations adopted pursuant to this chapter; or (3) in an amount not
3940 to exceed sixty per cent of the total cash amount invested during the
3941 taxable year by the business firm in employment and training
3942 programs directed at youths, at least seventy-five per cent of whom are
3943 at an income level not exceeding one hundred fifty per cent of the
3944 poverty level for the year next preceding the year during which such
3945 tax credit is to be granted; in employment and training programs
3946 directed at handicapped persons as determined under regulations
3947 adopted pursuant to this chapter; in employment and training
3948 programs for unemployed workers who are fifty years of age or older;
3949 in education and employment training programs for recipients in the
3950 temporary family assistance program; or in child care services. Any
3951 other program which serves persons at least seventy-five per cent of
3952 whom are at an income level not exceeding one hundred fifty per cent
3953 of the poverty level for the year next preceding the year during which
3954 such tax credit is to be granted and which meets the standards for

3955 eligibility under this chapter shall be eligible for tax credit under this
3956 section.

3957 Sec. 85. (NEW) (*Effective July 1, 2007*) (a) For the purposes described
3958 in subsection (b) of this section, the State Bond Commission shall have
3959 the power, from time to time, to authorize the issuance of bonds of the
3960 state in one or more series and in principal amounts not exceeding in
3961 the aggregate thirty million dollars.

3962 (b) The proceeds of the sale of said bonds, to the extent of the
3963 amount stated in subsection (a) of this section, shall be used by the
3964 Department of Public Works for the purpose of funding the net project
3965 costs, or the balance of any projects after applying any public or
3966 private financial incentives available, for any energy services project
3967 that results in increased efficiency measures in state buildings.

3968 (c) All provisions of section 3-20 of the general statutes, or the
3969 exercise of any right or power granted thereby, which are not
3970 inconsistent with the provisions of this section are hereby adopted and
3971 shall apply to all bonds authorized by the State Bond Commission
3972 pursuant to this section, and temporary notes in anticipation of the
3973 money to be derived from the sale of any such bonds so authorized
3974 may be issued in accordance with said section 3-20 and from time to
3975 time renewed. Such bonds shall mature at such time or times not
3976 exceeding twenty years from their respective dates as may be provided
3977 in or pursuant to the resolution or resolutions of the State Bond
3978 Commission authorizing such bonds. None of said bonds shall be
3979 authorized except upon a finding by the State Bond Commission that
3980 there has been filed with it a request for such authorization which is
3981 signed by or on behalf of the Secretary of the Office of Policy and
3982 Management and states such terms and conditions as said commission,
3983 in its discretion, may require. Said bonds issued pursuant to this
3984 section shall be general obligations of the state and the full faith and
3985 credit of the state of Connecticut are pledged for the payment of the
3986 principal of and interest on said bonds as the same become due, and
3987 accordingly and as part of the contract of the state with the holders of

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

3992 Sec. 86. Section 10a-180 of the general statutes is amended by adding
3993 subsection (w) as follows (*Effective October 1, 2007*):

3994 (NEW) (w) To make grants or provide other forms of financial
3995 assistance to any institution of higher education, to any health care
3996 institution, to any nursing home, to any child care or child
3997 development facility and to any qualified nonprofit organization in
3998 such amounts, for energy efficient construction or renovation projects
3999 or renewable energy construction or renovation projects subject to
4000 such eligibility and other requirements the board establishes pursuant
4001 to written procedures adopted by the board of directors pursuant to
4002 subsection (h) of section 10a-179.

4003 Sec. 87. Section 5 of public act 05-2 of the October 25 special session
4004 is repealed and the following is substituted in lieu thereof (*Effective*
4005 *from passage*):

4006 Notwithstanding the provisions of section 16a-40b of the general
4007 statutes, as amended by section 5 of public act 05-191, for the fiscal
4008 year ending June 30, **[**2006**]** 2008, the range of rates of interest payable
4009 on all loans pursuant to subsection (b) of said section 16a-40b for
4010 purchases set forth in subsection (a) of said section 16a-40b, except for
4011 goods or services relating to **[**aluminum or vinyl siding,**]** replacement
4012 central air conditioning, **[**replacement roofs,**]** heat pumps or solar
4013 systems and passive solar additions, shall be not less than zero per cent
4014 for any applicant in the lowest income class and not more than three
4015 per cent for any applicant for whom the adjusted gross income of the
4016 household member or members who contribute to the support of the
4017 household was at least one hundred fifteen per cent of the median area
4018 income by household size.

4019 Sec. 88. Section 16a-2 of the general statutes is repealed and the

4020 following is substituted in lieu thereof (*Effective from passage*):

4021 As used in this chapter and sections 16a-45a, 16a-46, 16a-46a and
4022 16a-46b:

4023 (a) "Office" means the Office of Policy and Management;

4024 (b) "Board" means the Connecticut Energy Advisory Board;

4025 (c) "Secretary" means the Secretary of the Office of Policy and
4026 Management;

4027 (d) "Energy" means work or heat that is, or may be, produced from
4028 any fuel or source whatsoever;

4029 (e) "Energy emergency" means a situation where the health, safety
4030 or welfare of the citizens of the state is threatened by an actual or
4031 impending acute shortage in usable energy resources;

4032 (f) "Energy resource" means natural gas, petroleum products, coal
4033 and coal products, wood fuels, geothermal sources, radioactive
4034 materials and any other resource yielding energy;

4035 (g) "Person" means any individual, firm, partnership, association,
4036 syndicate, company, trust, corporation, limited liability company,
4037 municipality, agency or political or administrative subdivision of the
4038 state, or other legal entity of any kind;

4039 (h) "Service area" means any geographic area serviced by the same
4040 energy-producing public service company, as defined in section 16-1,
4041 <u>as amended by this act</u>;

4042 (i) "Renewable resource" means solar, wind, water, wood or other
4043 biomass source of energy and geothermal energy;

4044 (j) "Energy-related products" means (1) energy systems and
4045 equipment that utilize renewable resources to provide space heating or
4046 cooling, water heating, electricity or other useful energy, (2) insulation
4047 materials, and (3) equipment designed to conserve energy or increase

4048 the efficiency of its use, including that used for residential, commercial,
4049 industrial and transportation purposes;

4050 (k) "Energy-related services" means (1) the design, construction,
4051 installation, inspection, maintenance, adjustment or repair of energy-
4052 related products, (2) inspection, adjustment, maintenance or repair of
4053 any conventional energy system, (3) the performance of energy audits
4054 or the provision of energy management consulting services, and (4)
4055 weatherization activities carried out under any federal, state or
4056 municipal program;

4057 (l) "Conventional energy system" means any system for supplying
4058 space heating or cooling, ventilation or domestic or commercial hot
4059 water which is not included in subdivision (1) of subsection (j) of this
4060 section; **[**and**]**

4061 (m) "Energy supply" means any energy resource capable of being
4062 used to perform useful work and any form of energy such as electricity
4063 produced or derived from energy resources which may be so used;
4064 and

4065 (n) "Energy facility" means a structure that generates, transmits or
4066 stores electricity, natural gas, refined petroleum products, renewable
4067 fuels, coal and coal products, wood fuels, geothermal sources,
4068 radioactive material and other resources yielding energy.

4069 Sec. 89. Section 16a-7b of the general statutes is repealed and the
4070 following is substituted in lieu thereof (*Effective from passage*):

4071 (a) Not later than December 1, 2004, the Connecticut Energy
4072 Advisory Board shall develop infrastructure criteria guidelines for the
4073 evaluation process under subsection (f) of section 16a-7c, which
4074 guidelines shall be consistent with state environmental policy, state
4075 economic development policy, the state's policy regarding the
4076 restructuring of the electric industry, as set forth in section 16-244, and
4077 the findings in the comprehensive energy plan prepared pursuant to
4078 section 16a-7a, and shall include, but not be limited to, the following:

4079 (1) Environmental preference standards; (2) efficiency standards,
4080 including, but not limited to, efficiency standards for transmission,
4081 generation and demand-side management; (3) generation preference
4082 standards; (4) electric capacity, use trends and forecasted resource
4083 needs; (5) natural gas capacity, use trends and forecasted resource
4084 needs; and (6) national and regional reliability criteria applicable to the
4085 regional bulk power grid, as determined in consultation with the
4086 regional independent system operator, as defined in section 16-1. In
4087 developing environmental preference standards, the board shall
4088 consider the recommendations and findings of the task force
4089 established pursuant to section 25-157a and Executive Order Number
4090 26 of Governor John G. Rowland.

4091 (b) No municipality other than a municipality operating a plant
4092 pursuant to chapter 101 or any special act and acting for purposes
4093 thereto may take an action to condemn, in whole or in part, or restrict
4094 the operation of any existing and currently operating energy facility, if
4095 such facility is first determined by the Department of Public Utility
4096 Control, following a contested case proceeding, held in accordance
4097 with the provisions of chapter 54, to comprise a critical, unique and
4098 unmovable component of the state's energy infrastructure, unless the
4099 municipality first receives written approval from the department, the
4100 Office of Policy and Management, the Connecticut Energy Advisory
4101 Board and the Connecticut Siting Council that such taking would not
4102 have a detrimental impact on the state's or region's ability to provide a
4103 particular energy resource to its citizens.

4104 Sec. 90. Section 29-256a of the general statutes is repealed and the
4105 following is substituted in lieu thereof (*Effective October 1, 2007*):

4106 (a) The State Building Inspector and the Codes and Standards
4107 Committee shall revise the State Building Code to require that
4108 buildings and building elements be designed to provide optimum cost-
4109 effective energy efficiency over the useful life of the building. Such
4110 revision shall **[**meet**]** exceed by not less than twenty per cent the
4111 American Society of Heating, Refrigerating and Air Conditioning

4112 Engineers Standard 90.1 for new construction.

4113 (b) Notwithstanding subsection (a) of this section, the State Building
4114 Inspector and the Codes and Standards Committee shall revise the
4115 State Building Code to require that any (1) building, except a
4116 residential building, constructed after January 1, 2009, that is projected
4117 to cost not less than five million dollars, and (2) renovation to any
4118 building, except a residential building, started after January 1, 2009,
4119 that is projected to cost not less than two million dollars shall be built
4120 or renovated using building construction standards consistent with or
4121 exceeding the silver building rating of the Leadership in Energy and
4122 Environmental Design's rating system for new commercial
4123 construction and major renovation projects, as established by the
4124 United States Green Building Council, or an equivalent standard,
4125 including, but not limited to, a two-globe rating in the Green Globes
4126 USA design program. The inspector and the committee shall provide
4127 for an exemption for any building if the Institute for Sustainable
4128 Energy finds, in a written analysis, that the cost of such compliance
4129 significantly outweighs the benefits.

4130 Sec. 91. Subsection (a) of section 16-245e of the general statutes is
4131 amended by adding subdivisions (14) to (18), inclusive, as follows
4132 (*Effective from passage*):

4133 (NEW) (14) "State rate reduction bonds" means the rate reduction
4134 bonds issued on June 23, 2004, by the state to sustain funding of
4135 conservation and load management and renewable energy investment
4136 programs by substituting for disbursements to the General Fund from
4137 the Energy Conservation and Load Management Fund, established by
4138 section 16-245m, and from the Renewable Energy Investment Fund,
4139 established by section 16-245n, as amended by this act. The state rate
4140 reduction bonds for the purposes of section 4-30a shall be deemed to
4141 be outstanding indebtedness of the state;

4142 (NEW) (15) "Operating expenses" in connection with the state rate
4143 reduction bonds, means (A) all expenses, costs and liabilities of the

4144 state or the trustee incurred in connection with the administration or
4145 payment of the state rate reduction bonds or in discharge of its
4146 obligations and duties under the state rate reduction bonds or bond
4147 documents, expenses and other costs and expenses arising in
4148 connection with the state rate reduction bonds or pursuant to the
4149 financing order providing for the issuance of such bonds including any
4150 arbitrage rebate and penalties payable under the code in connection
4151 with such bonds, and (B) all fees and expenses payable or disbursable
4152 to the servicers or others under the bond documents;

4153 (NEW) (16) "Bond documents" means, in connection with the state
4154 rate reduction bonds, the following documents: The servicing
4155 agreements, the tax compliance agreement and certificate, and the
4156 continuing disclosure agreement entered into in connection with the
4157 state rate reduction bonds and the indenture;

4158 (NEW) (17) "Indenture" means, in connection with the state rate
4159 reduction bonds, the RRB Indenture, dated as of June 23, 2004, by and
4160 between the state and the trustee, as amended from time to time; and

4161 (NEW) (18) "Trustee" means in connection with the state rate
4162 reduction bonds the trustee appointed under the indenture.

4163 Sec. 92. Section 16-245e of the general statutes is amended by adding
4164 subsection (l) as follows (*Effective from passage*):

4165 (NEW) (l) The sum of ninety-five million dollars is appropriated to
4166 the Treasurer, from the General Fund, for the fiscal year ending June
4167 30, 2007, for the purpose of (1) defeasing the state rate reduction bonds
4168 maturing after December 30, 2007, by irrevocably depositing with the
4169 bond trustee in trust such appropriation to be used for the scheduled
4170 payments of principal and interest on the said state rate reduction
4171 bonds and paying operating expenses, (2) if the Treasurer determines
4172 it to be in the state's best interest, purchasing state rate reduction
4173 bonds maturing after December 30, 2007, in the open market on such
4174 terms and conditions as the Treasurer determines to be in the best
4175 interest of the state for purposes of satisfying such bonds, or (3)

4176 defeasing or satisfying the state rate reduction bonds maturing after
4177 December 30, 2007, by a combination of the methods described in
4178 subdivisions (1) and (2) of this subsection. Such appropriation is for
4179 the purpose of paying debt service on bonds or other evidences of
4180 indebtedness and related costs and expenses provided for in the
4181 indenture. After the defeasance or satisfaction of all outstanding state
4182 rate reduction bonds, the trustee shall deliver to the Treasurer or apply
4183 in accordance with the instructions of the Treasurer all moneys held by
4184 it not necessary to defease or satisfy such bonds or allocated to pay
4185 operating expenses. Such funds shall be first applied to satisfy any
4186 unpaid operating expenses. After payment of the operating expenses,
4187 seventy-five per cent of any remaining amounts shall be paid to the
4188 Energy Conservation and Load Management Fund, established
4189 pursuant to section 16-245m, and twenty-five per cent of such
4190 remaining amount shall be paid to the Renewable Energy Investment
4191 Fund, established pursuant to section 16-245n, as amended by this act.
4192 The Treasurer and the finance authority have the authority to take any
4193 necessary and appropriate actions to implement the defeasance or
4194 satisfaction of the state rate reduction bonds and the payment of all
4195 operating expenses so that the amount of state rate reduction charges
4196 which before defeasance secured the state rate reduction bonds can be
4197 applied to the Energy Conservation and Load Management Fund and
4198 the Renewable Energy Investment Fund.

4199 Sec. 93. Subsection (b) of section 16a-40b of the general statutes, as
4200 amended by section 1 of public act 07-64, is repealed and the following
4201 is substituted in lieu thereof (*Effective from passage*):

4202 (b) **[**Except as provided under subsection (c) of this section, any**]**
4203 Any such loan or deferred loan shall be available only for a residential
4204 structure containing not more than four dwelling units, shall be not
4205 less than four hundred dollars and not more than **[**fifteen**]** twenty-five
4206 thousand dollars per structure and, with respect to any application
4207 received on or after November 29, 1979, shall be made only to an
4208 applicant who submits evidence, satisfactory to the commissioner, that
4209 the adjusted gross income of the household member or members who

4210 contribute to the support of his household was not in excess of one
4211 hundred fifty per cent of the median area income by household size. In
4212 the case of a deferred loan, the contract shall require that payments on
4213 interest are due immediately but that payments on principal may be
4214 made at a later time. Repayment of all loans made under this
4215 subsection shall be subject to a rate of interest to be determined in
4216 accordance with subsection (t) of section 3-20 and such terms and
4217 conditions as the commissioner may establish. The State Bond
4218 Commission shall establish a range of rates of interest payable on all
4219 loans under this subsection and shall apply the range to applicants in
4220 accordance with a formula which reflects their income. Such range
4221 shall be not less than zero per cent for any applicant in the lowest
4222 income class and not more than one per cent above the rate of interest
4223 borne by the general obligation bonds of the state last issued prior to
4224 the most recent date such range was established for any applicant for
4225 whom the adjusted gross income of the household member or
4226 members who contribute to the support of his household does not
4227 exceed one hundred fifty per cent of the median area income by
4228 household size.

4229 Sec. 94. (*Effective July 1, 2007*) (a) For the purposes described in
4230 subsection (b) of this section, the State Bond Commission shall have
4231 the power, from time to time, to authorize the issuance of bonds of the
4232 state in one or more series and in principal amounts not exceeding in
4233 the aggregate thirty million dollars.

4234 (b) The proceeds of the sale of said bonds, to the extent of the
4235 amount stated in subsection (a) of this section, shall be used by
4236 Connecticut Innovations, Incorporated, for the purpose of funding the
4237 net project costs, or the balance of any projects after applying any
4238 public or private financial incentives available, for any renewable
4239 energy or combined heat and power projects in state buildings. The
4240 funds shall be made available through the Renewable Energy
4241 Investment Fund, established pursuant to section 16-245n of the
4242 general statutes, as amended by this act. Eligible state buildings shall
4243 be Leadership in Energy and Environmental Design (LEED) certified

4244 or in the process of becoming LEED certified, or certified to meet or
4245 exceed a two-globe rating in the Green Globes USA Design Program.

4246 (c) All provisions of section 3-20 of the general statutes, or the
4247 exercise of any right or power granted thereby, which are not
4248 inconsistent with the provisions of this section are hereby adopted and
4249 shall apply to all bonds authorized by the State Bond Commission
4250 pursuant to this section, and temporary notes in anticipation of the
4251 money to be derived from the sale of any such bonds so authorized
4252 may be issued in accordance with said section 3-20 and from time to
4253 time renewed. Such bonds shall mature at such time or times not
4254 exceeding twenty years from their respective dates as may be provided
4255 in or pursuant to the resolution or resolutions of the State Bond
4256 Commission authorizing such bonds. None of said bonds shall be
4257 authorized except upon a finding by the State Bond Commission that
4258 there has been filed with it a request for such authorization which is
4259 signed by or on behalf of the Secretary of the Office of Policy and
4260 Management and states such terms and conditions as said commission,
4261 in its discretion, may require. Said bonds issued pursuant to this
4262 section shall be general obligations of the state and the full faith and
4263 credit of the state of Connecticut are pledged for the payment of the
4264 principal of and interest on said bonds as the same become due, and
4265 accordingly and as part of the contract of the state with the holders of
4266 said bonds, appropriation of all amounts necessary for punctual
4267 payment of such principal and interest is hereby made, and the State
4268 Treasurer shall pay such principal and interest as the same become
4269 due.

4270 Sec. 95. (*Effective from passage*) During the calendar year 2007,
4271 Operation Fuel, Incorporated, shall establish a one-time clean-slate
4272 program to target low-income persons with high utility bill arrearages.
4273 Said program shall constitute a one-time grant based on the recipient's
4274 income and arrearage amount. Grants shall only apply to arrearages
4275 no more than twenty-four months old and shall not exceed one
4276 thousand dollars. Said program shall also incorporate case
4277 management services, including, but not limited to, budget counseling

4278 and assistance with utility payment programs.

4279 Sec. 96. Section 16a-41h of the general statutes is repealed and the
4280 following is substituted in lieu thereof (*Effective from passage*):

4281 (a) (1) Each electric [and] distribution company, gas company [, as
4282 defined in section 16-1, having at least seventy-five thousand
4283 customers] and municipal utility furnishing electric or gas service,
4284 shall include in its monthly bills a request to each customer to add a
4285 [one-dollar] donation in an amount designated by the customer to the
4286 bill payment. Such company shall provide to all of its customers the
4287 opportunity to donate one dollar, two dollars, three dollars or another
4288 amount on each bill provided to a customer either through the mail or
4289 electronically. Such designation shall be made available and included
4290 where customers are either electronically billed or bill payment is
4291 handled electronically. The opportunity to donate one dollar, two
4292 dollars, three dollars or another amount shall be included on the bill in
4293 such a way that facilitates such donations.

4294 (2) Operation Fuel, Incorporated, a state-wide nonprofit
4295 organization designed to respond to people within the state who are in
4296 financial crisis and need emergency energy assistance, shall provide
4297 fundraising inserts and remittance envelopes to retail dealers of fuel oil
4298 that volunteer to include the inserts and envelopes in their customers'
4299 bills for one or more billing cycles each year. Such retail dealers of fuel
4300 oil shall inform Operation Fuel, Incorporated, as to the number of
4301 inserts and envelopes needed to conduct such a mailing.

4302 (3) Each electric, gas or fuel oil company shall transmit all such
4303 donations received each month, as well as their own contributions, if
4304 any, to Operation Fuel, [Inc., a state-wide nonprofit organization
4305 designed to respond to people within the state who are in financial
4306 crisis and need emergency energy assistance. Donations] Incorporated.
4307 Operation Fuel, Incorporated shall [be distributed] distribute
4308 donations to nonprofit social services agencies and private fuel banks
4309 in accordance with guidelines established by the board of directors of

4310 Operation Fuel, Inc., provided such funds shall be distributed on a
4311 priority basis to low-income elderly and working poor households
4312 which are not eligible for public assistance or state-administered
4313 general assistance but are faced with a financial crisis and are unable to
4314 make timely payments on [winter] fuel, electricity or gas bills. Such
4315 companies shall coordinate their promotions of this program, holding
4316 promotions during the same month and using similar formats.

4317 (b) If Operation Fuel, Inc. ceases to exist, such electric and gas
4318 companies shall jointly establish a nonprofit, tax-exempt corporation
4319 for the purpose of holding in trust and distributing such customer
4320 donations. The board of directors of such corporation shall consist of
4321 eleven members appointed as follows: Four by the companies, each of
4322 which shall appoint one member; one by the president pro tempore of
4323 the Senate; one by the minority leader of the Senate; one by the speaker
4324 of the House of Representatives; one by the minority leader of the
4325 House of Representatives; and three by the Governor. The board shall
4326 distribute such funds to nonprofit organizations and social service
4327 agencies which provide emergency energy or fuel assistance. The
4328 board shall target available funding on a priority basis to low-income
4329 elderly and working poor households which are not eligible for public
4330 assistance or state-administered general assistance but are faced with a
4331 financial crisis and are unable to make timely payments on [winter]
4332 fuel, electricity or gas bills.

4333 (c) Not later than the first of September annually, Operation Fuel,
4334 Inc. shall submit to the General Assembly a report on the
4335 implementation of this section. Such report shall include, (1) a
4336 summary of the effectiveness of the program, (2) the total amount of
4337 the donations received by electric and gas companies and transmitted
4338 to Operation Fuel, Inc. under subsection (b) of this section, and (3) an
4339 accounting of the distribution of such funds by Operation Fuel, Inc.
4340 indicating the organizations and agencies receiving funds, the amounts
4341 received and distributed by each such organization and agency and
4342 the number of households each assisted. On and after October 1, 1996,
4343 the report shall be submitted to the joint standing committee of the

4344 General Assembly having cognizance of matters relating to energy
4345 and, upon request, to any member of the General Assembly. A
4346 summary of the report shall be submitted to each member of the
4347 General Assembly if the summary is two pages or less and a
4348 notification of the report shall be submitted to each member if the
4349 summary is more than two pages. Submission shall be by mailing the
4350 report, summary or notification to the legislative address of each
4351 member of the committee or the General Assembly, as applicable.

4352 Sec. 97. Section 4a-67d of the general statutes is repealed and the
4353 following is substituted in lieu thereof (*Effective from passage*):

4354 (a) The fleet average for cars or light duty trucks purchased by the
4355 state shall: (1) On and after October 1, 2001, have a United States
4356 Environmental Protection Agency estimated highway gasoline mileage
4357 rating of at least thirty-five miles per gallon and on and after January 1,
4358 2003, have a United States Environmental Protection Agency estimated
4359 highway gasoline mileage rating of at least forty miles per gallon, (2)
4360 comply with the requirements set forth in 10 CFR 490 concerning the
4361 percentage of alternative-fueled vehicles required in the state motor
4362 vehicle fleet, and (3) obtain the best achievable mileage per pound of
4363 carbon dioxide emitted in its class. The alternative-fueled vehicles
4364 purchased by the state to comply with said requirements shall be
4365 capable of operating on natural gas or electricity or any other system
4366 acceptable to the United States Department of Energy that operates on
4367 fuel that is available in the state.

4368 (b) Notwithstanding any other provisions of this section, (1) on and
4369 after January 1, 2008, any car or light duty truck purchased by the state
4370 shall have an efficiency rating that is in the top third of all vehicles in
4371 such purchased vehicle's class and fifty per cent of such cars and light
4372 duty trucks shall be alternative fueled, hybrid electric or plug-in
4373 electric vehicles, and (2) on and after January 1, 2010, any car or light
4374 duty truck purchased by the state shall have an efficiency rating that is
4375 in the top third of all vehicles in such purchased vehicle's class and one
4376 hundred per cent of such cars and light duty trucks shall be alternative

4377 fueled, hybrid electric or plug-in electric vehicles.

4378 [(b)] (c) The provisions of [subsection (a)] subsections (a) and (b) of
4379 this section shall not apply to cars or light duty trucks purchased for
4380 law enforcement or other special use purposes as designated by the
4381 Department of Administrative Services.

4382 [(c)] (d) As used in this section, the terms "car" and "light duty
4383 truck" shall be as defined in the United States Department of Energy
4384 Publication DOE/CE -0019/8, or any successor publication.

4385 Sec. 98. (NEW) (*Effective from passage*) If any existing electric
4386 generation plant within the state is offered for sale, the Department of
4387 Public Utility Control shall authorize the electric distribution
4388 companies to purchase and operate such plants if the department,
4389 through a contested case proceeding, determines that such purchase
4390 and operation is in the public interest, provided any acquisition plan
4391 shall include provisions for payment of property taxes on the value of
4392 the purchased plant and provisions for employee protections
4393 consistent with subdivision (3) of subsection (b) of section 16-244f of
4394 the general statutes. An electric distribution company purchasing such
4395 generation plants shall be entitled to recover the costs of such purchase
4396 in an annual retail generation rate contested case consistent with the
4397 principles set forth in sections 16-19, 16-19b and 16-19e of the general
4398 statutes, as amended by this act, provided the return on equity
4399 associated with such purchase and operation shall be established in
4400 said contested case proceeding and updated at least once every four
4401 years. The department shall review and approve the cost recovery
4402 provisions in the proceeding to determine that such purchase and
4403 operation are in the public interest.

4404 Sec. 99. (*Effective from passage*) On or before July 1, 2007, the Energy
4405 Conservation Management Board, established pursuant to section 16-
4406 245m of the general statutes, shall contract with an independent, third
4407 party to conduct an assessment of Connecticut's conservation and
4408 energy efficiency potential, including conservation, demand response

4409 and load management. Such assessment shall be considered an update
4410 to a similar assessment conducted by a third party in 2004. Not later
4411 than February 1, 2008, the board shall present the results of such
4412 assessment and its recommendations for cost-effective methods or
4413 mechanisms to fund new or expanded energy efficiency initiatives to
4414 address the energy efficiency potential determined in the assessment
4415 to the joint standing committee of the General Assembly having
4416 cognizance of matters relating to energy.

4417 Sec. 100. (NEW) (*Effective July 1, 2007*) (a) The Energy Conservation
4418 Management Board, established pursuant to section 16-245m of the
4419 general statutes, shall establish a plan to (1) reach zero per cent load
4420 growth by the year 2010, (2) describe in detail any existing Connecticut
4421 higher educational energy efficiency resources, (3) quantify the
4422 strategic role that energy efficiency programs can play in facilitating a
4423 transition to a more efficient and competitive business climate, and (4)
4424 identify measures that can be employed and investments in research
4425 that can be made to position the state as a national leader in energy
4426 efficiency.

4427 (b) On or before January 1, 2008, and annually thereafter, the board
4428 shall report on the progress of achieving, meeting or exceeding the
4429 goals set forth in the plan established pursuant to subsection (a) of this
4430 section to the Connecticut Energy Advisory Board, established
4431 pursuant to section 16a-3 of the general statutes, for comparison with
4432 and possible inclusion in any plan for the procurement of energy
4433 resources submitted to the Connecticut Energy Advisory Board by the
4434 electric distribution companies.

4435 Sec. 101. (NEW) (*Effective October 1, 2007*) On or before January 1,
4436 2008, the Energy Conservation Management Board, established
4437 pursuant to section 16-245m of the general statutes, shall design a
4438 program to be implemented by the electric distribution companies to
4439 provide cost-effective loans or award cost-effective grants to electric
4440 customers billed on a time of use basis for the construction and
4441 installation of cost-efficient energy storage units. The board shall

4442 present its program design to the Department of Public Utility Control
4443 for approval. Funding for any loans or grants awarded pursuant to this
4444 section shall be provided from the state's conservation and load
4445 management funds.

4446 Sec. 102. Subsection (a) of section 16-243n of the general statutes is
4447 repealed and the following is substituted in lieu thereof (*Effective from*
4448 *passage*):

4449 (a) Not later than October 1, 2005, each electric distribution
4450 company, as defined in section 16-1, as amended by this act, shall
4451 submit an application to the Department of Public Utility Control to (1)
4452 on or before January 1, 2007, implement mandatory peak, shoulder
4453 and off-peak time of use rates for commercial or industrial customers,
4454 other than schools and municipal buildings, that have a maximum
4455 demand of not less than three hundred fifty kilowatts, and (2) on or
4456 before June 1, 2006, offer optional interruptible or load response rates
4457 for customers that have a maximum demand of not less than three
4458 hundred fifty kilowatts and offer optional seasonal and time of use
4459 rates for all customers. The application shall propose to establish time
4460 of use rates through a procurement plan, revenue neutral adjustments
4461 to delivery rates, or both. Each electric distribution company shall
4462 continue to provide rates that are not time-of-use based for all
4463 residential customers, including a separate residential electric heating
4464 service rate, and for all other municipal customers and educational
4465 facilities.

4466 Sec. 103. (NEW) (*Effective from passage*) The Department of Public
4467 Utility Control shall direct an electric distribution company to
4468 negotiate, in good faith, long-term contracts for the electric energy
4469 output of each of the generation projects selected and approved by the
4470 department to provide capacity pursuant to section 16-243m of the
4471 general statutes, provided the rates paid for such electric energy
4472 output when added to the payments made pursuant to such capacity
4473 contracts shall be the project's cost of service including a reasonable
4474 rate of return. The electric distribution company shall apply to the

4475 department for approval of any such energy output contract. No such
4476 contract shall be effective unless approved by the department. The
4477 department may approve only such contracts it finds would reduce
4478 and stabilize the cost of electricity to Connecticut ratepayers. Such
4479 contract may not exceed the term of the capacity contract for such
4480 generation project.

4481 Sec. 104. (NEW) (*Effective July 1, 2007*) (a) The Department of Public
4482 Utility Control shall, in coordination with the Energy Conservation
4483 Management Board, established pursuant to section 16-245m of the
4484 general statutes, establish a state-wide energy efficiency and outreach
4485 marketing campaign to target the following sectors: (1) Commercial,
4486 including small businesses, (2) industrial, (3) governmental, (4)
4487 institutional, including schools, hospitals and nonprofits, (5)
4488 agricultural, and (6) residential.

4489 (b) The goals of the campaign established pursuant to subsection (a)
4490 of this section shall include, but not be limited to, (1) educating
4491 residents on the benefits of energy efficiency, (2) motivating said
4492 residents to take action to achieve lasting energy savings, (3) educating
4493 and informing said residents about the real-time energy report
4494 program prepared pursuant to section 105 of this act and the real-time
4495 prepared pursuant to section 106 of this act, and (4) supporting the
4496 energy efficiency programs already in existence.

4497 (c) On or before October 1, 2007, the department shall develop a
4498 plan to meet the goals of said campaign pursuant to subsection (b) of
4499 this section and, on or before January 1, 2008, the department shall
4500 implement said plan. Said plan shall include a coordinated range of
4501 marketing activities and outreach strategies, including, but not limited
4502 to, television, radio and newspaper advertisements, printed
4503 educational materials, events, a comprehensive web site resource
4504 serving all sectors, a biweekly electronic newsletter, planning forums
4505 and meetings throughout the state, and partnerships with businesses,
4506 government entities and nonprofit organizations.

4507 (d) On or before February 1, 2008, and on or before January 1, 2009,
4508 the department shall report to the joint standing committee of the
4509 General Assembly having cognizance of matters relating to energy, in
4510 accordance with the provisions of section 11-4a of the general statutes.
4511 Said report shall describe the design of the program established
4512 pursuant to this section, including, but not limited to, an accounting of
4513 money spent and planned expenditures and a method of measuring
4514 program effectiveness.

4515 Sec. 105. (NEW) (*Effective from passage*) (a) As part of the energy
4516 efficiency and outreach marketing campaign established pursuant to
4517 section 104 of this act, the Department of Public Utility Control shall, in
4518 consultation with the Energy Conservation Management Board,
4519 established pursuant to section 16-245m of the general statutes,
4520 develop recommendations for the implementation of a real-time
4521 energy report program for use on television, radio, the Internet and
4522 other media. Said program shall include, but not be limited to, (1)
4523 making such reports available through various media sources
4524 throughout the summer months each year, (2) producing such reports
4525 in a consumer-friendly fashion, and (3) developing a plan to promote
4526 and inform the public regarding such reports. The department shall
4527 report such recommendations to the joint standing committee of the
4528 General Assembly having cognizance of matters relating to energy not
4529 later than February 1, 2008.

4530 (b) The department's recommendations developed pursuant to
4531 subsection (a) of this section shall include, but not be limited to, the
4532 proposed design of a real-time energy report that will (1) identify the
4533 state's current real-time energy demand, along with how the demand
4534 has changed over the course of the day, and in the case of television
4535 news broadcasts, the real-time change between the beginning and end
4536 of the broadcast; (2) emphasize the importance of reducing peak
4537 demand and provide estimates of the money leaving the state and
4538 country because of our dependence on fossil fuels; and (3) provide tips
4539 on conservation measures, promote community and business
4540 competition to reduce energy consumption and give visibility to

4541 communities and businesses that have implemented energy saving
4542 changes or that are using renewable resources.

4543 (c) The department shall get the information needed to develop the
4544 real-time energy reports established pursuant to subsection (b) of this
4545 section from the regional independent system operator.

4546 Sec. 106. (NEW) (*Effective from passage*) On or before October 1, 2007,
4547 the Department of Public Utility Control shall determine a procedure
4548 for electric distribution companies, municipal electric utilities and
4549 municipal electric energy cooperatives to notify retail customers of a
4550 capacity deficiency situation and the potential for said companies,
4551 municipal utilities or energy cooperatives to take emergency actions,
4552 which will encourage the customers to reduce electricity use
4553 voluntarily to help reduce the capacity deficiency. On or before
4554 February 1, 2008, each electric distribution company, municipal utility
4555 or municipal electric energy cooperative shall submit a proposed
4556 customer notification procedure to the department for the
4557 department's consideration. Each company's, utility's or cooperative's
4558 costs related to such procedure and notification shall be recoverable as
4559 federally mandated congestion charges.

4560 Sec. 107. (*Effective July 1, 2007*) (a) For the purposes described in
4561 subsection (b) of this section, the State Bond Commission shall have
4562 the power, from time to time, to authorize the issuance of bonds of the
4563 state in one or more series and in principal amounts not exceeding in
4564 the aggregate fifty million dollars.

4565 (b) The proceeds of the sale of said bonds, to the extent of the
4566 amount stated in subsection (a) of this section, shall be used by
4567 Connecticut Innovations, Incorporated, for the purpose of providing
4568 grants-in-aid pursuant to section 108 of this act.

4569 (c) All provisions of section 3-20 of the general statutes, or the
4570 exercise of any right or power granted thereby, which are not
4571 inconsistent with the provisions of this section are hereby adopted and
4572 shall apply to all bonds authorized by the State Bond Commission

4573 pursuant to this section, and temporary notes in anticipation of the
4574 money to be derived from the sale of any such bonds so authorized
4575 may be issued in accordance with said section 3-20 and from time to
4576 time renewed. Such bonds shall mature at such time or times not
4577 exceeding twenty years from their respective dates as may be provided
4578 in or pursuant to the resolution or resolutions of the State Bond
4579 Commission authorizing such bonds. None of said bonds shall be
4580 authorized except upon a finding by the State Bond Commission that
4581 there has been filed with it a request for such authorization which is
4582 signed by or on behalf of the Secretary of the Office of Policy and
4583 Management and states such terms and conditions as said commission,
4584 in its discretion, may require. Said bonds issued pursuant to this
4585 section shall be general obligations of the state and the full faith and
4586 credit of the state of Connecticut are pledged for the payment of the
4587 principal of and interest on said bonds as the same become due, and
4588 accordingly and as part of the contract of the state with the holders of
4589 said bonds, appropriation of all amounts necessary for punctual
4590 payment of such principal and interest is hereby made, and the State
4591 Treasurer shall pay such principal and interest as the same become
4592 due.

4593 Sec. 108. (NEW) (*Effective from passage*) (a) There is established an
4594 account to be known as the "municipal renewable energy and efficient
4595 energy generation grant account", which shall be a separate,
4596 nonlapsing account within the Renewable Energy Investment Fund,
4597 established pursuant to section 16-245n of the general statutes, as
4598 amended by this act. The account shall contain any moneys required or
4599 permitted by law to be deposited in the account and any funds
4600 received from any public or private contributions, gifts, grants,
4601 donations, bequests or devises to the fund. Connecticut Innovations,
4602 Incorporated, may make grants-in-aid from the fund in accordance
4603 with the provisions of subsection (b) of this section.

4604 (b) Connecticut Innovations, Incorporated, in consultation with the
4605 Department of Public Utility Control, the Department of Education
4606 and the Department of Emergency Management and Homeland

4607 Security, shall establish a municipal renewable energy and efficient
4608 energy generation grant program. Connecticut Innovations,
4609 Incorporated, shall make grants under said program to municipalities
4610 for the purchase of (1) renewable energy sources, including solar
4611 energy, geothermal energy and fuel cells or other energy-efficient
4612 hydrogen-fueled energy, or (2) energy-efficient generation sources,
4613 including units providing combined heat-and-power operations with
4614 greater than sixty-five per cent efficiency or such higher efficiency level
4615 as Connecticut Innovations, Incorporated, may prescribe, for
4616 municipal buildings. Connecticut Innovations, Incorporated, shall give
4617 priority to applications for grants for disaster relief centers and high
4618 schools. Each grant shall be in an amount that makes the cost of
4619 purchasing and operating the renewable energy or energy-efficient
4620 generation source competitive with the municipality's current
4621 electricity expenses.

4622 (c) On or before October 1, 2007, Connecticut Innovations,
4623 Incorporated, shall develop an application for grants-in-aid under this
4624 section for the purpose of purchasing and operating renewable energy
4625 or energy-efficient generation sources and may receive applications
4626 from municipalities for such grants-in-aid on and after said date.
4627 Applications shall include, but not be limited to, a complete
4628 description of the proposed renewable energy or energy-efficient
4629 generation source.

4630 (d) Commencing with the fiscal year ending June 30, 2008, and for
4631 each of the five consecutive fiscal years thereafter, until the fiscal year
4632 ending June 30, 2012, not less than ten million dollars shall be available
4633 from the municipal renewable energy and efficient energy grant
4634 account for grants-in-aid to municipalities for the purpose of
4635 purchasing and operating renewable energy or energy-efficient
4636 generation sources. Any balance of such amount not used for such
4637 grants-in-aid during a fiscal year shall be carried forward for the fiscal
4638 year next succeeding for such grants-in-aid.

4639 (e) On or before January 1, 2009, and annually thereafter, the

4640 Department of Public Utility Control shall report on the effectiveness
4641 of said program to the joint standing committee of the General
4642 Assembly having cognizance of matters relating to energy.

4643 Sec. 109. Section 16-244c of the general statutes is amended by
4644 adding subsections (k) and (l) as follows (*Effective January 1, 2008*):

4645 (NEW) (k) (1) As used in this section:

4646 (A) "Participating electric supplier" means an electric supplier that is
4647 licensed by the department to provide electric service, pursuant to this
4648 subsection, to residential or small commercial customers.

4649 (B) "Residential customer" means a customer who is eligible for
4650 standard service and who takes electric distribution-related service
4651 from an electric distribution company pursuant to a residential tariff.

4652 (C) "Small commercial customer" means a customer who is eligible
4653 for standard service and who takes electric distribution-related service
4654 from an electric distribution company pursuant to a small commercial
4655 tariff.

4656 (D) "Qualifying electric offer" means an offer to provide full
4657 requirements commodity electric service and all other generation
4658 related service to a residential or small commercial customer at a fixed
4659 price per kilowatt hour for a term of not less than one year.

4660 (2) Electric distribution companies shall indicate to customers
4661 initiating new service or reinitiating service following a change of
4662 residence or business location that they have a choice of suppliers to
4663 provide electric generation service. Electric distribution companies
4664 shall direct customers expressing an interest in choosing a
4665 participating electric supplier to the department's web site or toll-free
4666 telephone number, to a participating electric supplier's web site or toll-
4667 free telephone number, or to other publicly available information on
4668 participating electric suppliers. The department shall not require any
4669 additional efforts on behalf of participating electric suppliers by

4670 electric distribution companies.

4671 (3) Not later than August 1, 2007, the department shall establish
4672 terms and conditions under which a participating electric supplier can
4673 be included in the referral program described in subdivision (2) of this
4674 subsection.

4675 (NEW) (l) Each electric distribution company may offer to bill
4676 customers on behalf of participating electric suppliers and to pay such
4677 suppliers in a timely manner the amounts due such suppliers from
4678 customers for generation services, less a percentage of such amounts
4679 that reflects uncollectible bills and overdue payments. Each
4680 participating electric supplier shall reimburse the electric distribution
4681 companies for such program in full and in a timely manner under
4682 terms and conditions approved by the department.

4683 (2) Participating electric suppliers may, at their own expense,
4684 provide bill inserts advertising their services to provide electric
4685 generation service to residential and small commercial customers to be
4686 included by an electric distribution company in their customer's
4687 monthly utility bill. Said inserts shall specify the rates that will pertain
4688 to customers for the first year of service. Said rates shall reflect the
4689 actual cost to provide such services, including the actual generation
4690 rate and all additional charges and shall not contain any introductory
4691 discounted price for a fixed number of months. Said inserts shall also
4692 list a toll-free telephone number and web site for contacting the
4693 supplier.

4694 (3) Electric distribution companies shall indicate to customers
4695 initiating new service, that they have a choice of suppliers to provide
4696 electric generation service by directing such customers to the
4697 department's web site or to other publicly available information. The
4698 department shall not require any additional efforts on behalf of
4699 participating electric suppliers by electric distribution companies.

4700 (NEW) (l) Each electric distribution company may implement a
4701 purchase of receivables program for participating electric suppliers

4702 with full and timely cost recovery for the electric distribution company
4703 under terms and conditions approved by the department.

4704 Sec. 110. (NEW) (*Effective July 1, 2007*) The Commissioner of
4705 Environmental Protection shall adopt regulations in accordance with
4706 the provisions of chapter 54 of the general statutes to establish a carbon
4707 cap and trade program that will limit and then reduce the total carbon
4708 emissions released by electric generating units or other units located in
4709 Connecticut in accordance with the Regional Greenhouse Gas Initiative
4710 Memorandum of Understanding, as may be amended. The
4711 Department of Environmental Protection, in consultation with the
4712 Department of Public Utility Control, shall auction all emissions
4713 allowances and invest the proceeds for electric ratepayer benefit in
4714 cost-effective programs such as energy efficiency. A contractor or
4715 trustee shall auction allowances under the oversight of the Department
4716 of Environmental Protection, in consultation with the Department of
4717 Public Utility Control. The Department of Environmental Protection
4718 may make provision for the payment of reasonable Regional
4719 Greenhouse Gas Initiative administrative costs and fund assessment
4720 and planning of measures to reduce emissions and mitigate the
4721 impacts of climate change and may initiate rulemaking to allow for
4722 recovery of cost directly attributable to the auction of allowances
4723 before December 31, 2011, for power plants included in the Regional
4724 Greenhouse Gas Initiative Program that had long-term contracts for
4725 electric output in effect before December 20, 2005, from allowance
4726 proceeds not to exceed ten per cent of the total projected allowance
4727 value. (1) A de minimus portion of the allowances may be set aside to
4728 support the voluntary renewable energy provisions of the Regional
4729 Greenhouse Gas Initiative model rule. (2) Any allowances or allowance
4730 value allocated to the electric distribution companies on behalf of
4731 consumers or investments in increased efficiency shall be incorporated
4732 into the planning and procurement process in section 55 of this act.

4733 Sec. 111. (NEW) (*Effective July 1, 2007*) Competitive electric suppliers
4734 and aggregators may provide time-of-use pricing options to all
4735 customer classes. These pricing options may include, but not be

4736 limited to, hourly or real-time pricing options.

4737 Sec. 112. (NEW) (*Effective from passage*) (a) Notwithstanding any
4738 provisions of the general statutes, the Office of Policy and
4739 Management, in consultation with the Department of Public Works,
4740 shall develop a strategic plan to improve the management of energy
4741 use in state facilities. Such plan shall include, but not be limited to, a
4742 detailed description of the manner in which initiatives that make
4743 investments in energy efficiency, demand and load response,
4744 distributed generation, renewable energy and combined heat and
4745 power will be implemented.

4746 (b) On or before January 1, 2008, the Office of Policy and
4747 Management shall file such strategic plan with the joint standing
4748 committees of the General Assembly having cognizance of matters
4749 relating to appropriations and energy. Beginning on January 1, 2009,
4750 and every six months thereafter, the Office of Policy and Management
4751 shall file implementation status reports with said joint standing
4752 committees.

4753 (c) To carry out the purposes of this section, the Office of Policy and
4754 Management may perform all acts necessary for the negotiation,
4755 execution and administration of any contract that is reasonably
4756 incidental to and furthers the needs of the state and the purposes of
4757 this section. The Office of Policy and Management may also retain the
4758 services of a third party entity possessing the requisite managerial,
4759 technical and financial capacity, to perform some or all of the duties
4760 necessary to implement the provisions of said plan.

4761 (d) Any costs incurred by the state in complying with the provisions
4762 of this section shall be paid from annual state appropriations.

4763 Sec. 113. (NEW) (*Effective July 1, 2007*) Not later than September 1,
4764 2008, the Department of Public Utility Control shall initiate a contested
4765 case proceeding to review the performance of specific metering
4766 technology in a meter test or system test conducted by an electric
4767 distribution company within its service territory voluntarily or

4768 pursuant to the department's decision in docket number 05-10-03. The
4769 department shall analyze such performance for cost-effectiveness by
4770 rate class and account in such analysis for any stranded investment in
4771 existing metering technology and report its findings to the joint
4772 standing committee of the General Assembly having cognizance of
4773 matters relating to energy on or before January 1, 2009. For any rate
4774 class for which the department finds the installation of specific
4775 metering technology to be cost-effective and in the best interest of
4776 ratepayers of such class, it may direct the electric distribution company
4777 that is the subject of the department's docket 05-10-03 to install such
4778 metering technology throughout its service territory, provided in no
4779 case shall the department direct such company to complete such
4780 installation before December 31, 2011.

4781 Sec. 114. (*Effective from passage*) (a) The sum of two million five
4782 hundred thousand dollars is appropriated to the Office of Policy and
4783 Management, from the General Fund, for the fiscal year ending June
4784 30, 2007, for the purpose of implementing the clean-slate program
4785 pursuant to section 95 of this act.

4786 (b) The sum of one million seven hundred fifty thousand dollars is
4787 appropriated to the Office of Policy and Management, from the
4788 General Fund, for the fiscal year ending June 30, 2007, for the purpose
4789 of expanding Operation Fuel, Incorporated, pursuant to section 16a-
4790 41h of the general statutes, as amended by this act.

4791 (c) The sum of seven hundred fifty thousand dollars is appropriated
4792 to the Office of Policy and Management, from the General Fund, for
4793 the fiscal year ending June 30, 2007, for Operation Fuel, Incorporated's
4794 infrastructure, technology support and case management services
4795 pursuant to section 16a-41h of the general statutes, as amended by this
4796 act."

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2007*	New section

Sec. 2	*from passage*	PA 05-2 of the October 25 Sp. Sess., Sec. 6
Sec. 3	*from passage*	New section
Sec. 4	*October 1, 2007*	New section
Sec. 5	*from passage*	New section
Sec. 6	*from passage*	New section
Sec. 7	*October 1, 2007*	16-32g
Sec. 8	*October 1, 2007*	16-19e(a)
Sec. 9	*from passage*	New section
Sec. 10	*from passage*	New section
Sec. 11	*January 1, 2008*	16a-38k
Sec. 12	*October 1, 2007*	16-243m(i)
Sec. 13	*October 1, 2007*	16a-48
Sec. 14	*from passage*	New section
Sec. 15	*from passage*	16-245l(a)
Sec. 16	*July 1, 2007*	New section
Sec. 17	*from passage*	16-245n(c)
Sec. 18	*October 1, 2007*	4a-67c
Sec. 19	*from passage*	New section
Sec. 20	*July 1, 2007*	16-243r
Sec. 21	*January 1, 2008*	New section
Sec. 22	*January 1, 2008*	12-412(110)
Sec. 23	*from passage*	New section
Sec. 24	*from passage*	New section
Sec. 25	*from passage*	New section
Sec. 26	*from passage*	New section
Sec. 27	*from passage*	New section
Sec. 28	*from passage*	New section
Sec. 29	*from passage*	New section
Sec. 30	*from passage*	New section
Sec. 31	*from passage*	New section
Sec. 32	*from passage*	New section
Sec. 33	*from passage*	New section
Sec. 34	*from passage*	New section
Sec. 35	*from passage*	New section
Sec. 36	*from passage*	New section
Sec. 37	*from passage*	New section
Sec. 38	*from passage*	New section
Sec. 39	*October 1, 2007*	16-243a(b)
Sec. 40	*October 1, 2007*	16-243a

Sec. 41	*October 1, 2007*	16-245n(a)
Sec. 42	*October 1, 2007*	16-243h
Sec. 43	*October 1, 2007*	16-245a
Sec. 44	*July 1, 2007*	New section
Sec. 45	*from passage*	New section
Sec. 46	*October 1, 2007*	16-243q
Sec. 47	*from passage*	16-1(a)(44)
Sec. 48	*October 1, 2007*	22a-6(a)
Sec. 49	*October 1, 2007*	16-243i
Sec. 50	*October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007*	12-81(57)
Sec. 51	*October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007*	12-81(63)
Sec. 52	*from passage*	20-340
Sec. 53	*from passage*	16-244c
Sec. 54	*from passage*	New section
Sec. 55	*from passage*	New section
Sec. 56	*from passage*	New section
Sec. 57	*from passage*	16a-3
Sec. 58	*from passage*	New section
Sec. 59	*July 1, 2007*	New section
Sec. 60	*July 1, 2007*	New section
Sec. 61	*July 1, 2007*	16a-7c
Sec. 62	*July 1, 2007*	16a-7c(b)
Sec. 63	*July 1, 2007*	16-50l(a)(2)
Sec. 64	*from passage*	New section
Sec. 65	*July 1, 2007*	New section
Sec. 66	*from passage*	13a-126
Sec. 67	*July 1, 2007*	New section
Sec. 68	*October 1, 2007*	16-2(e)
Sec. 69	*July 1, 2007*	New section
Sec. 70	*from passage*	New section
Sec. 71	*October 1, 2007*	New section
Sec. 72	*July 1, 2007*	New section
Sec. 73	*July 1, 2007*	New section
Sec. 74	*October 1, 2007*	16-50k(a)
Sec. 75	*July 1, 2007*	16-244e(a)(6)

Sec. 76	*July 1, 2007*	16-19ss
Sec. 77	*July 1, 2007*	PA 05-2 of the October 25 Sp. Sess., Sec. 1
Sec. 78	*July 1, 2007*	16a-41a
Sec. 79	*October 1, 2007*	16-262c
Sec. 80	*July 1, 2007, and applicable to sales occurring on or after July 1, 2007*	12-412
Sec. 81	*June 1, 2007*	12-412k
Sec. 82	*from passage*	New section
Sec. 83	*from passage*	16-245a
Sec. 84	*July 1, 2007*	12-635
Sec. 85	*July 1, 2007*	New section
Sec. 86	*October 1, 2007*	10a-180
Sec. 87	*from passage*	PA 05-2 of the October 25 Sp. Sess., Sec. 5
Sec. 88	*from passage*	16a-2
Sec. 89	*from passage*	16a-7b
Sec. 90	*October 1, 2007*	29-256a
Sec. 91	*from passage*	16-245e(a)
Sec. 92	*from passage*	16-245e
Sec. 93	*from passage*	16a-40b(b)
Sec. 94	*July 1, 2007*	New section
Sec. 95	*from passage*	New section
Sec. 96	*from passage*	16a-41h
Sec. 97	*from passage*	4a-67d
Sec. 98	*from passage*	New section
Sec. 99	*from passage*	New section
Sec. 100	*July 1, 2007*	New section
Sec. 101	*October 1, 2007*	New section
Sec. 102	*from passage*	16-243n(a)
Sec. 103	*from passage*	New section
Sec. 104	*July 1, 2007*	New section
Sec. 105	*from passage*	New section
Sec. 106	*from passage*	New section
Sec. 107	*July 1, 2007*	New section
Sec. 108	*from passage*	New section
Sec. 109	*January 1, 2008*	16-244c
Sec. 110	*July 1, 2007*	New section
Sec. 111	*July 1, 2007*	New section

Sec. 112	*from passage*	New section
Sec. 113	*July 1, 2007*	New section
Sec. 114	*from passage*	New section