General Assembly **Amendment**

January Session, 2007 LCO No. **8476**

HB0620908476SD0

Offered by:

SEN. WILLIAMS, 29th Dist.
SEN. FONFARA, 1st Dist.
SEN. COLAPIETRO, 31st Dist.
SEN. COLEMAN, 2nd Dist.
SEN. CRISCO, 17th Dist.
SEN. DAILY, 33rd Dist.
SEN. DEFRONZO, 6th Dist.
SEN. DOYLE, 9th Dist.
SEN. DUFF, 25th Dist.
SEN. FINCH, 22nd Dist.
SEN. GAFFEY, 13th Dist.
SEN. GOMES, 23rd Dist.
SEN. HANDLEY, 4th Dist.
SEN. HARP, 10th Dist.
SEN. HARRIS, 5th Dist.
SEN. HARTLEY, 15th Dist.
SEN. LEBEAU, 3rd Dist.
SEN. LOONEY, 11th Dist.
SEN. MAYNARD, 18th Dist.
SEN. MCDONALD, 27th Dist.
SEN. MEYER, 12th Dist.
SEN. PRAGUE, 19th Dist.
SEN. SLOSSBERG, 14th Dist.
SEN. STILLMAN, 20th Dist.
SEN. HERLIHY, 8th Dist.
SEN. FREEDMAN, 26th Dist.
SEN. RORABACK, 30th Dist.

To: Subst. House Bill No. **6209** File No. 850 Cal. No. 614

(As Amended)

"AN ACT CONCERNING THE RENEWABLE ENERGY INVESTMENT FUND."

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

"Section 1. (NEW) (*Effective July 1, 2007*) (a) Between July 1, 2007,

and July 1, 2017, 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 furnaces or boilers that meet or exceed federal Energy Star standards and propane and oil furnaces and boilers that are not less than eighty-four per cent efficient. Such rebates shall not exceed five million dollars in aggregate per year. 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. Eligibility for said rebate program shall be determined as follows:

(1) (A) For the taxable year commencing on or after January 1, 2007, but prior to January 1, 2008, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-five thousand five hundred dollars, the amount of the rebate shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(B) For the taxable year commencing on or after January 1, 2008, but prior to January 1, 2009, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the rebate shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(C) For the taxable year commencing on or after January 1, 2009, but prior to January 1, 2010, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-eight thousand five hundred dollars, the amount of the rebate shall be reduced by ten per cent for each ten thousand dollars, or fraction

37 thereof, by which the taxpayer's Connecticut adjusted gross income
38 exceeds said amount.

39 (D) For the taxable year commencing on or after January 1, 2010, but
40 prior to January 1, 2011, in the case of any such taxpayer who files
41 under the federal income tax for such taxable year as an unmarried
42 individual whose Connecticut adjusted gross income exceeds sixty
43 thousand five hundred dollars, the amount of the rebate shall be
44 reduced by ten per cent for each ten thousand dollars, or fraction
45 thereof, by which the taxpayer's Connecticut adjusted gross income
46 exceeds said amount.

47 (E) For the taxable year commencing on or after January 1, 2011, but
48 prior to January 1, 2012, in the case of any such taxpayer who files
49 under the federal income tax for such taxable year as an unmarried
50 individual whose Connecticut adjusted gross income exceeds
51 sixty-two thousand five hundred dollars, the amount of the rebate
52 shall be reduced by ten per cent for each ten thousand dollars, or
53 fraction thereof, by which the taxpayer's Connecticut adjusted gross
54 income exceeds said amount.

55 (F) For the taxable year commencing on or after January 1, 2012, in
56 the case of any such taxpayer who files under the federal income tax
57 for such taxable year as an unmarried individual whose Connecticut
58 adjusted gross income exceeds sixty-four thousand five hundred
59 dollars, the amount of the rebate shall be reduced by ten per cent for
60 each ten thousand dollars, or fraction thereof, by which the taxpayer's
61 Connecticut adjusted gross income exceeds said amount.

62 (2) In the case of any such taxpayer who files under the federal
63 income tax for such taxable year as a married individual filing
64 separately whose Connecticut adjusted gross income exceeds fifty
65 thousand two hundred fifty dollars, the amount of the rebate shall be
66 reduced by ten per cent for each five thousand dollars, or fraction
67 thereof, by which the taxpayer's Connecticut adjusted gross income
68 exceeds said amount.

69 (3) In the case of a taxpayer who files under the federal income tax
70 for such taxable year as a head of household whose Connecticut
71 adjusted gross income exceeds seventy-eight thousand five hundred
72 dollars, the amount of the rebate shall be reduced by ten per cent for
73 each ten thousand dollars or fraction thereof, by which the taxpayer's
74 Connecticut adjusted gross income exceeds said amount.

75 (4) In the case of a taxpayer who files under federal income tax for
76 such taxable year as married individuals filing jointly whose
77 Connecticut adjusted gross income exceeds one hundred thousand five
78 hundred dollars, the amount of the rebate shall be reduced by ten per
79 cent for each ten thousand dollars, or fraction thereof, by which the
80 taxpayer's Connecticut adjusted gross income exceeds said amount.

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

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

89 The State Bond Commission shall have the power, from time to
90 time, to authorize the issuance of bonds of the state in one or more
91 series and in principal amounts not exceeding in the aggregate five
92 million dollars <u>per year</u>. The proceeds of the sale of said bonds shall be
93 deposited in the Energy Conservation Loan Fund established under
94 section 16a-40a of the general statutes for the purposes of making and
95 guaranteeing loans and deferred loans as provided in section 5 of **[**this
96 act**]** <u>public act 05-2 of the October 25 special session and section 1 of</u>
97 <u>this act</u>. All provisions of section 3-20 of the general statutes, or the
98 exercise of any right or power granted thereby which are not
99 inconsistent with the provisions of sections 16a-40 to 16a-40b,
100 inclusive, of the general statutes, as amended by section 5 of public act

101 05-191, and this section are hereby adopted and shall apply to all
102 bonds authorized by the State Bond Commission pursuant to said
103 sections 16a-40 to 16a-40b, inclusive, and this section, and temporary
104 notes in anticipation of the money to be derived from the sale of any
105 such bonds so authorized may be issued in accordance with said
106 section 3-20 and from time to time renewed. Such bonds shall mature
107 at such time or times not exceeding twenty years from their respective
108 dates as may be provided in or pursuant to the resolution or
109 resolutions of the State Bond Commission authorizing such bonds.
110 Said bonds issued pursuant to said sections 16a-40 to 16a-40b,
111 inclusive, and this section shall be general obligations of the state and
112 the full faith and credit of the state of Connecticut are pledged for the
113 payment of the principal of and interest on said bonds as the same
114 become due, and accordingly and as part of the contract of the state
115 with the holders of said bonds, appropriation of all amounts necessary
116 for punctual payment of such principal and interest is hereby made,
117 and the Treasurer shall pay such principal and interest as the same
118 become due.

119 Sec. 3. (*Effective from passage*) (a) On or before January 1, 2008, the
120 Energy Conservation Management Board, in consultation with the
121 electric distribution companies, shall develop and establish a program
122 to (1) provide rebates to residential customers of electric distribution
123 companies who replace an existing window air conditioning unit that
124 does not meet the federal Energy Star standard with a unit that does
125 meet said standard. Said program shall be in effect from January 1,
126 2008, to September 1, 2008. Such rebates shall be not less than twenty-
127 five dollars for an air conditioner with a retail price of one hundred
128 dollars to two hundred dollars; not less than fifty dollars for an air
129 conditioner with a retail price of more than two hundred dollars but
130 less than three hundred dollars; and not less than one hundred dollars
131 for an air conditioner with a retail price of more than three hundred
132 dollars, and (2) provide rebates of not less than five hundred dollars to
133 residential customers of electric distribution companies who replace an
134 existing central air conditioning unit that does not meet the federal

135 Energy Star standard with a unit that does meet said standard. The
136 board, in consultation with the Low-Income Energy Advisory Board,
137 established pursuant to section 16a-41b of the general statutes, shall
138 determine the parameters of the program with regard to residential
139 customers who live in apartments.

140 (b) The rebate program shall be funded by the Energy Conservation
141 and Load Management Funds established by the electric distribution
142 companies pursuant to section 16-245m of the general statutes, as
143 amended by this act.

144 (c) The Commissioner of Consumer Protection shall certify to
145 participate in the program established in subsection (a) of this section
146 only those retailers that will provide the rebate to only those customers
147 who present an air conditioning unit to a retailer for disposal upon or
148 before the purchase of an air conditioning unit that meets the federal
149 Energy Star standard. The commissioner may impose a fine of not
150 more than ten thousand dollars on any retailer providing the rebate
151 without removing or disposing of an air conditioning unit.

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

155 (e) On or before January 1, 2009, the Energy Conservation
156 Management Board shall report to the joint standing committee of the
157 General Assembly having cognizance of matters relating to energy the
158 results of the rebate program established in subsection (a) of this
159 section.

160 Sec. 4. (NEW) (*Effective from passage*) On and after January 1, 2008,
161 the Department of Public Utility Control shall order and direct that
162 any intermediate or base load electric generating unit owned by an
163 electric distribution company or covered by a bilateral contract with an
164 electric distribution company that is fueled by either oil or natural gas,
165 with a rating of not less than sixty-five megawatts, shall have the
166 actual ability to operate on demand for a forty-eight-hour period using

167 either oil or natural gas, provided the department may determine that
168 dual fuel capability is not required for a specific generating unit if
169 imposing such requirement is not in the best interest of Connecticut
170 consumers.

171 Sec. 5. (*Effective from passage*) Not later than July 1, 2007, the
172 Department of Public Utility Control shall initiate an uncontested
173 proceeding to analyze (1) the appropriate number of linemen that are
174 necessary for an electric distribution company to maintain, repair and
175 extend its electric distribution lines by region under normal
176 circumstances and under extraordinary circumstances, including, but
177 not limited to, storm conditions, (2) whether the consolidation or
178 centralization of line repair facilities and personnel results in longer
179 times to reach affected areas, (3) whether greater use of newer
180 technologies may reduce the incidence of power outages, and (4) the
181 most efficacious way to notify the public regarding an electric power
182 outage and the status of an electric distribution company's efforts to
183 restore electricity to a particular area of the state. Not later than
184 February 1, 2008, the department shall submit a report with the results
185 of such analysis to the joint standing committee of the General
186 Assembly having cognizance of matters relating to energy in
187 accordance with the provisions of section 11-4a of the general statutes.

188 Sec. 6. Section 16-32g of the general statutes is repealed and the
189 following is substituted in lieu thereof (*Effective October 1, 2007*):

190 Not later than January 1, **[**1988**]** <u>2008, and annually thereafter</u>, each
191 electric or electric distribution company shall submit to the
192 Department of Public Utility Control a plan for the maintenance of
193 poles, wires, conduits or other fixtures, along public highways or
194 streets for the transmission or distribution of electric current, owned,
195 operated, managed or controlled by such company, in such format as
196 the department shall prescribe. Such plan shall include a <u>summary of</u>
197 <u>appropriate staffing levels necessary for the maintenance of said</u>
198 <u>fixtures and a</u> program for the trimming of tree branches and limbs
199 located in close proximity to overhead electric wires where such

200 branches and limbs may cause damage to such electric wires. The
201 department shall review each plan and may issue such orders as may
202 be necessary to ensure compliance with this section. The department
203 may require each electric or electric distribution company to submit an
204 updated plan at such time and containing such information as the
205 department may prescribe. The department shall adopt regulations, in
206 accordance with the provisions of chapter 54, to carry out the
207 provisions of this section.

208 Sec. 7. Subsection (a) of section 16-19e of the general statutes is
209 repealed and the following is substituted in lieu thereof (*Effective*
210 *October 1, 2007*):

211 (a) In the exercise of its powers under the provisions of this title, the
212 Department of Public Utility Control shall examine and regulate the
213 transfer of existing assets and franchises, the expansion of the plant
214 and equipment of existing public service companies, the operations
215 and internal workings of public service companies and the
216 establishment of the level and structure of rates in accordance with the
217 following principles: (1) That there is a clear public need for the service
218 being proposed or provided; (2) that the public service company shall
219 be fully competent to provide efficient and adequate service to the
220 public in that such company is technically, financially and
221 managerially expert and efficient; (3) that the department and all
222 public service companies shall perform all of their respective public
223 responsibilities with economy, efficiency and care for **[**the**]** public
224 safety <u>and energy security</u>, and so as to promote economic
225 development within the state with consideration for energy and water
226 conservation, energy efficiency and the development and utilization of
227 renewable sources of energy and for the prudent management of the
228 natural environment; (4) that the level and structure of rates be
229 sufficient, but no more than sufficient, to allow public service
230 companies to cover their operating <u>costs including, but not limited to,</u>
231 <u>appropriate staffing levels,</u> and capital costs, to attract needed capital
232 and to maintain their financial integrity, and yet provide appropriate
233 protection to the relevant public interests, both existing and

234 foreseeable which shall include, but not be limited to, reasonable costs
235 of security of assets, facilities and equipment that are incurred solely
236 for the purpose of responding to security needs associated with the
237 terrorist attacks of September 11, 2001, and the continuing war on
238 terrorism; (5) that the level and structure of rates charged customers
239 shall reflect prudent and efficient management of the franchise
240 operation; and (6) that the rates, charges, conditions of service and
241 categories of service of the companies not discriminate against
242 customers which utilize renewable energy sources or cogeneration
243 technology to meet a portion of their energy requirements.

244 Sec. 8. (NEW) (*Effective from passage*) Not later than September 1,
245 2007, the Connecticut Siting Council, in consultation with the
246 Emergency Management and Homeland Security Coordinating
247 Council, established pursuant to section 28-1b of the general statutes,
248 and the Department of Public Utility Control shall initiate a contested
249 case proceeding, in accordance with the provisions of chapter 54 of the
250 general statutes, to investigate energy security with regard to the siting
251 of electric generating facilities and transmission facilities, including
252 consideration of planning, preparedness, response and recovery
253 capabilities. The Connecticut Siting Council may conduct such
254 proceedings in an executive session with sensitive information
255 submitted under a protective order.

256 Sec. 9. (*Effective from passage*) Not later than July 1, 2007, the
257 Department of Public Utility Control shall initiate an uncontested
258 proceeding, in consultation with the Connecticut Siting Council, to
259 assess ways in which the state can ensure and enhance the reliability of
260 electric generating facilities located in the state during periods of peak
261 electric demand. Said proceeding shall include, but not be limited to,
262 an examination of (1) the current compliance status of electric
263 generation facilities with existing on-site dual fuel storage and
264 operational requirements, (2) the existing inventory of fuel storage and
265 fuel delivery resources available to supply electric generating facilities
266 located in the state, (3) the amount of fuel delivery and storage
267 infrastructure that would be necessary to ensure the reliable operation

268 of in-state generating facilities during periods of peak electric demand,
269 (4) the value for and appropriate level of firm fuel delivery contracts,
270 and (5) the types of incentives that can be offered to electric and gas
271 market participants to enhance the reliability of electric service during
272 periods of peak electric demand. In conducting the proceeding, the
273 council and the department shall seek the input of interested persons
274 and entities, including, but not limited to, the Office of Consumer
275 Counsel, the Attorney General, the state's electric distribution and gas
276 companies, the state's electric generators, owners of natural gas
277 pipeline facilities located in the state, and the regional independent
278 system operator. Not later than February 1, 2008, the department shall
279 submit a report containing its findings and recommendations to the
280 joint standing committee of the General Assembly having cognizance
281 of matters relating to energy in accordance with the provisions of
282 section 11-4a of the general statutes.

283 Sec. 10. Section 16a-38k of the general statutes is repealed and the
284 following is substituted in lieu thereof (*Effective January 1, 2008*):

285 (a) Notwithstanding any provision of the general statutes, any (1)
286 new construction of a state facility **[**, except salt sheds, parking
287 garages, maintenance facilities or school construction,**]** that is projected
288 to cost five million dollars, or more, of which two million dollars or
289 more is state funding, and is approved and funded on or after January
290 1, **[**2007**]** 2008, (2) renovation of a state facility that is projected to cost
291 two million dollars or more, of which two million dollars or more is
292 state funding, approved and funded on or after January 1, 2008, (3)
293 new construction of a facility that is projected to cost five million
294 dollars, or more, of which two million dollars or more is state funding,
295 and is authorized by the General Assembly pursuant to chapter 173 on
296 or after January 1, 2009, and (4) renovation of a public school facility as
297 defined in subdivision (18) of section 10-282 that is projected to cost
298 two million dollars or more, of which two million dollars or more is
299 state funding, and is authorized by the General Assembly pursuant to
300 chapter 173 on or after January 1, 2009, shall comply with the
301 regulations adopted pursuant to subsection (b) of this section. The

302 Secretary of the Office of Policy and Management, in consultation with
303 the Commissioner of Public Works, [and the Institute for Sustainable
304 Energy,] shall exempt any facility from complying with said
305 regulations if [said secretary] the Institute for Sustainable Energy finds,
306 in a written analysis, that the cost of such compliance significantly
307 outweighs the benefits.

308 (b) Not later than January 1, 2007, the Secretary of the Office of
309 Policy and Management, in consultation with the Commissioner of
310 Public Works, the Commissioner of Environmental Protection and the
311 Commissioner of Public Safety, shall adopt regulations, in accordance
312 with the provisions of chapter 54, to adopt building construction
313 standards that are consistent with or exceed the silver building rating
314 of the Leadership in Energy and Environmental Design's rating system
315 for new commercial construction and major renovation projects, as
316 established by the United States Green Building Council, including
317 energy standards that exceed those set forth in the 2004 edition of the
318 American Society of Heating, Ventilating and Air Conditioning
319 Engineers (ASHRAE) Standard 90.1 by no less than twenty per cent, or
320 an equivalent standard, including, but not limited to, a two-globe
321 rating in the Green Globes USA design program, and thereafter update
322 such regulations as the secretary deems necessary.

323 Sec. 11. Section 10-285a of the general statutes is amended by adding
324 subsection (i) as follows (*Effective October 1, 2007*):

325 (NEW) (i) The percentage determined pursuant to this section for a
326 school building project grant for a school building project pursuant to
327 section 16a-38k, as amended by this act, shall be increased by two
328 percentage points, not to exceed one hundred. Prior to any grant being
329 awarded under this chapter for a project pursuant to section 16a-38k,
330 as amended by this act, the town or regional school district shall certify
331 to the Department of Education that the school project will meet the
332 standards established pursuant to said section 16a-38k.

333 Sec. 12. Section 16a-48 of the general statutes is repealed and the

334 following is substituted in lieu thereof (*Effective October 1, 2007*):

335 (a) As used in this section:

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

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

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

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

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

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

358 (7) "Secretary" means the Secretary of the Office of Policy and
359 Management;

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

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

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

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

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

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

388 (14) "Reach-in cabinet" means a refrigerator, freezer, or combination
389 thereof, with hinged or sliding doors or lids;

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

393 (16) "Commercial refrigerators and freezers" means reach-in
394 cabinets, pass-through cabinets, roll-in cabinets and roll-through
395 cabinets that have less than eighty-five feet of capacity, [. "Commercial
396 refrigerators and freezers" does not include walk-in models or
397 consumer products regulated under the federal National Appliance
398 Energy Conservation Act of 1987] which are designed for the
399 refrigerated or frozen storage of food and food products;

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

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

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

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

414 (21) "Commercial clothes washer" means a soft mount front-loading
415 or soft mount top-loading clothes washer that is designed for use in
416 (A) applications where the occupants of more than one household will
417 be using it, such as in multifamily housing common areas and coin
418 laundries; or (B) other commercial applications, if the clothes container
419 compartment is no greater than [3.5] three and one-half cubic feet for
420 horizontal-axis clothes washers [,] or no greater than [4.0] four cubic
421 feet for vertical-axis clothes washers;

422 (22) "Energy efficiency ratio" means a measure of the relative
423 efficiency of a heating or cooling appliance that is equal to the unit's

424 output in BTUs per hour divided by its consumption of energy,
425 measured in watts;

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

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

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

433 (26) "Residential furnace or boiler" means a product that utilizes
434 only single-phase electric current or single-phase electric current or DC
435 current in conjunction with natural gas, propane or home heating oil
436 and that (A) is designed to be the principal heating source for the
437 living space of a residence; (B) is not contained within the same cabinet
438 as a central air conditioner with a rated cooling capacity of not less
439 than sixty-five thousand BTUs per hour; (C) is an electric central
440 furnace, electric boiler, forced-air central furnace, gravity central
441 furnace or low pressure steam or hot water boiler; and (D) has a heat
442 input rate of less than three hundred thousand BTUs per hour for an
443 electric boiler and low pressure steam or hot water boiler and less than
444 two hundred twenty-five thousand BTUs per hour for a forced-air
445 central furnace, gravity central furnace and electric central furnace;

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

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

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

459 (30) "Metal halide lamp fixture" means a light fixture designed to be
460 operated with a metal halide lamp and a ballast for a metal halide
461 lamp;

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

466 (32) "Single voltage external AC to DC power supply" means a
467 device that (A) is designed to convert line voltage AC input into lower
468 voltage DC output; (B) is able to convert to only one DC output voltage
469 at a time; (C) is sold with, or intended to be used with, a separate end-
470 use product that constitutes the primary power load; (D) is contained
471 within a separate physical enclosure from the end-use product; (E) is
472 connected to the end-use product in a removable or hard-wired male
473 and female electrical connection, cable, cord or other wiring; (F) does
474 not have batteries or battery packs, including those that are removable
475 or that physically attach directly to the power supply unit; (G) does not
476 have a battery chemistry or type selector switch and indicator light or a
477 battery chemistry or type selector switch and a state of charge meter;
478 and (H) has a nameplate output power less than or equal to two
479 hundred fifty watts;

480 (33) "State regulated incandescent reflector lamp" means a lamp that
481 is not colored or designed for rough or vibration service applications,
482 has an inner reflective coating on the outer bulb to direct the light, has
483 an E26 medium screw base, a rated voltage or voltage range that lies at
484 least partially within one hundred fifteen to one hundred thirty volts,
485 and that falls into one of the following categories: (A) A bulged
486 reflector or elliptical reflector or a blown PAR bulb shape and that has

487 a diameter that equals or exceeds two and one-quarter inches, or (B) a
488 reflector, parabolic aluminized reflector, bulged reflector or similar
489 bulb shape and that has a diameter of two and one-quarter to two and
490 three-quarters inches. "State regulated incandescent reflector lamp"
491 does not include ER30, BR30, BR40 and ER40 lamps of not more than
492 fifty watts, BR30, BR40 and ER40 lamps of sixty-five watts and R20
493 lamps of not more than forty-five watts;

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

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

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

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

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

510 (39) "Walk-in refrigerator" means a space refrigerated to
511 temperatures at or above thirty-two degrees Fahrenheit that has a total
512 chilled storage area of less than three thousand square feet, can be
513 walked into and is designed for the refrigerated storage of food and
514 food products. "Walk-in refrigerator" does not include refrigerated
515 warehouses and products designed and marketed exclusively for
516 medical, scientific or research purposes;

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

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

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

544 (c) The provisions of this section do not apply to (1) new products
545 manufactured in the state and sold outside the state, (2) new products
546 manufactured outside the state and sold at wholesale inside the state
547 for final retail sale and installation outside the state, (3) products
548 installed in mobile manufactured homes at the time of construction, or
549 (4) products designed expressly for installation and use in recreational

550 vehicles.

551 (d) (1) [Not later than July 1, 2005, the department] The office, in
552 consultation with the [secretary] Department of Public Utility Control,
553 shall adopt regulations, in accordance with the provisions of chapter
554 54, to implement the provisions of this section and to establish
555 minimum energy efficiency standards for the types of new products
556 set forth in subsection (b) of this section. The regulations shall provide
557 for the following minimum energy efficiency standards:

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

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

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

568 (D) [large] Large packaged air-conditioning equipment having not
569 more than [760,000] seven hundred sixty thousand BTUs per hour of
570 capacity shall meet a minimum energy efficiency ratio of 10.0 for units
571 using both electric heat and air conditioning or units solely using
572 electric air conditioning, and 9.8 for units using both natural gas heat
573 and electric air conditioning;

574 (E) [large] Large packaged air-conditioning equipment having not
575 less than [761,000] seven hundred sixty-one thousand BTUs per hour
576 of capacity shall meet a minimum energy efficiency ratio of 9.7 for
577 units using both electric heat and air conditioning or units solely using
578 electric air conditioning, and 9.5 for units using both natural gas heat
579 and electric air conditioning;

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

583 (G) [torchiere] Torchiere lighting fixtures shall not consume more
584 than [190] one hundred ninety watts and shall not be capable of
585 operating with lamps that total more than [190] one hundred ninety
586 watts;

587 (H) [traffic] Traffic signal modules shall meet the product
588 specification of the "Energy Star Program Requirements for Traffic
589 Signals" developed by the United States Environmental Protection
590 Agency that took effect in February, 2001, except where the
591 department, in consultation with the Commissioner of Transportation,
592 determines that such specification would compromise safe signal
593 operation;

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

596 (J) On or after January 1, 2009, residential furnaces and boilers
597 purchased by the state shall meet or exceed the following annual fuel
598 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
599 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
600 cent annual fuel utilization efficiency, (iii) for gas and propane hot
601 water boilers, eighty-four per cent annual fuel utilization efficiency,
602 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
603 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
604 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
605 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
606 for furnaces with furnace air handlers, an electricity ratio of not more
607 than 2.0, except air handlers for oil furnaces with a capacity of less than
608 ninety-four thousand BTUs per hour shall have an electricity ratio of
609 2.3 or less;

610 (K) On or after January 1, 2010, metal halide lamp fixtures designed
611 to be operated with lamps rated greater than or equal to one hundred

612 fifty watts but less than or equal to five hundred watts shall not
613 contain a probe-start metal halide lamp ballast;

614 (L) Single-voltage external AC to DC power supplies manufactured
615 on or after January 1, 2008, shall meet the energy efficiency standards
616 of table U-1 of section 1605.3 of the January 2006 California Code of
617 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
618 Efficiency Regulations. This standard applies to single voltage AC to
619 DC power supplies that are sold individually and to those that are sold
620 as a component of or in conjunction with another product. This
621 standard shall not apply to single voltage external AC to DC power
622 supplies sold with products subject to certification by the United States
623 Food and Drug Administration. A single-voltage external AC to DC
624 power supply that is made available by a manufacturer directly to a
625 consumer or to a service or repair facility after and separate from the
626 original sale of the product requiring the power supply as a service
627 part or spare part shall not be required to meet the standards in said
628 table U-1 until five years after the effective dates indicated in the table;

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

634 (N) On or after January 1, 2009, bottle-type water dispensers,
635 commercial hot food holding cabinets, portable electric spas, walk-in
636 refrigerators and walk-in freezers shall meet the efficiency
637 requirements of section 1605.3 of the January 2006 California Code of
638 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
639 Efficiency Regulations. On or after January 1, 2010, residential pool
640 pumps shall meet said efficiency requirements;

641 (O) On or after January 1, 2009, pool heaters shall meet the
642 efficiency requirements of sections 1605.1 and 1605.3 of the January
643 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,

644 Article 4: Appliance Efficiency Regulations.

645 (2) Such efficiency standards, where in conflict with the State
646 Building Code, shall take precedence over the standards contained in
647 the Building Code. Not later than July 1, 2007, and biennially
648 thereafter, the [department] office, in consultation with the [secretary]
649 Department of Public Utility Control, shall review and increase the
650 level of such efficiency standards by adopting regulations in
651 accordance with the provisions of chapter 54 upon a determination
652 that increased efficiency standards would serve to promote energy
653 conservation in the state and would be cost-effective for consumers
654 who purchase and use such new products, provided no such increased
655 efficiency standards shall become effective within one year following
656 the adoption of any amended regulations providing for such increased
657 efficiency standards.

658 (3) The [department] office, in consultation with the [secretary]
659 Department of Public Utility Control, shall adopt regulations, in
660 accordance with the provisions of chapter 54, to designate additional
661 products to be subject to the provisions of this section and to establish
662 efficiency standards for such products upon a determination that such
663 efficiency standards (A) would serve to promote energy conservation
664 in the state, (B) would be cost-effective for consumers who purchase
665 and use such new products, and (C) that multiple products are
666 available which meet such standards, provided no such efficiency
667 standards shall become effective within one year following their
668 adoption pursuant to this subdivision.

669 (e) On or after July 1, 2006, except for commercial clothes washers,
670 for which the date shall be July 1, 2007, commercial refrigerators and
671 freezers, for which the date shall be July 1, 2008, and large packaged
672 air-conditioning equipment, for which the date shall be July 1, 2009, no
673 new product of a type set forth in subsection (b) of this section or
674 designated by the [department] office may be sold, offered for sale, or
675 installed in the state unless the energy efficiency of the new product
676 meets or exceeds the efficiency standards set forth in such regulations

677 adopted pursuant to subsection (d) of this section.

678 (f) The [department] office, in consultation with the [secretary]
679 Department of Public Utility Control, shall adopt procedures for
680 testing the energy efficiency of the new products set forth in subsection
681 (b) of this section or designated by the department if such procedures
682 are not provided for in the State Building Code. The [department]
683 office shall use United States Department of Energy approved test
684 methods, or in the absence of such test methods, other appropriate
685 nationally recognized test methods. The manufacturers of such
686 products shall cause samples of such products to be tested in
687 accordance with the test procedures adopted pursuant to this
688 subsection or those specified in the State Building Code.

689 (g) Manufacturers of new products set forth in subsection (b) of this
690 section or designated by the [department] office shall certify to the
691 secretary that such products are in compliance with the provisions of
692 this section, except that certification is not required for single voltage
693 external AC to DC power supplies and walk-in refrigerators and walk-
694 in freezers. All single voltage external AC to DC power supplies shall
695 be labeled as described in the January 2006 California Code of
696 Regulations, Title 20, Section 1607 (9). The [department] office, in
697 consultation with the [secretary] Department of Public Utility Control,
698 shall promulgate regulations governing the certification of such
699 products. The secretary shall publish an annual list of such products.

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

706 Sec. 13. Subsection (a) of section 16-245*l* of the general statutes is
707 repealed and the following is substituted in lieu thereof *(Effective from*
708 *passage*):

709 (a) The Department of Public Utility Control shall establish and each
710 electric distribution company shall collect a systems benefits charge to
711 be imposed against all end use customers of each electric distribution
712 company beginning January 1, 2000. The department shall hold a
713 hearing that shall be conducted as a contested case in accordance with
714 chapter 54 to establish the amount of the systems benefits charge. The
715 department may revise the systems benefits charge or any element of
716 said charge as the need arises. The systems benefits charge shall be
717 used to fund (1) the expenses of the public education outreach
718 program developed under subsections (a), (f) and (g) of section 16-
719 244d other than expenses for department staff, (2) the reasonable and
720 proper expenses of the education outreach consultant pursuant to
721 subsection (d) of section 16-244d, (3) the cost of hardship protection
722 measures under sections 16-262c and 16-262d and other hardship
723 protections, including, but not limited to, electric service bill payment
724 programs, funding and technical support for energy assistance, fuel
725 bank and weatherization programs and weatherization services, (4) the
726 payment program to offset tax losses described in section 12-94d, (5)
727 any sums paid to a resource recovery authority pursuant to subsection
728 (b) of section 16-243e, (6) low income conservation programs approved
729 by the Department of Public Utility Control, (7) displaced worker
730 protection costs, (8) unfunded storage and disposal costs for spent
731 nuclear fuel generated before January 1, 2000, approved by the
732 appropriate regulatory agencies, (9) postretirement safe shutdown and
733 site protection costs that are incurred in preparation for
734 decommissioning, (10) decommissioning fund contributions, (11) the
735 costs of temporary electric generation facilities incurred pursuant to
736 section 16-19ss, (12) operating expenses for the Connecticut Energy
737 Advisory Board, (13) costs associated with the Connecticut electric
738 efficiency partner program established pursuant to section 94 of this
739 act, (14) reinvestments and investments in energy efficiency programs
740 and technologies pursuant to section 101 of this act, costs associated
741 with the electricity conservation incentive program established
742 pursuant to section 119 of this act, and **[**(13)**]** (15) legal, appraisal and
743 purchase costs of a conservation or land use restriction and other

744 related costs as the department in its discretion deems appropriate,
745 incurred by a municipality on or before January 1, 2000, to ensure the
746 environmental, recreational and scenic preservation of any reservoir
747 located within this state created by a pump storage hydroelectric
748 generating facility. As used in this subsection, "displaced worker
749 protection costs" means the reasonable costs incurred, prior to January
750 1, 2008, (A) by an electric supplier, exempt wholesale generator,
751 electric company, an operator of a nuclear power generating facility in
752 this state or a generation entity or affiliate arising from the dislocation
753 of any employee other than an officer, provided such dislocation is a
754 result of (i) restructuring of the electric generation market and such
755 dislocation occurs on or after July 1, 1998, or (ii) the closing of a Title IV
756 source or an exempt wholesale generator, as defined in 15 USC 79z-5a,
757 on or after January 1, 2004, as a result of such source's failure to meet
758 requirements imposed as a result of sections 22a-197 and 22a-198 and
759 this section or those Regulations of Connecticut State Agencies
760 adopted by the Department of Environmental Protection, as amended
761 from time to time, in accordance with Executive Order Number 19,
762 issued on May 17, 2000, and provided further such costs result from
763 either the execution of agreements reached through collective
764 bargaining for union employees or from the company's or entity's or
765 affiliate's programs and policies for nonunion employees, and (B) by
766 an electric distribution company or an exempt wholesale generator
767 arising from the retraining of a former employee of an unaffiliated
768 exempt wholesale generator, which employee was involuntarily
769 dislocated on or after January 1, 2004, from such wholesale generator,
770 except for cause. "Displaced worker protection costs" includes costs
771 incurred or projected for severance, retraining, early retirement,
772 outplacement, coverage for surviving spouse insurance benefits and
773 related expenses. "Displaced worker protection costs" does not include
774 those costs included in determining a tax credit pursuant to section 12-
775 217bb.

776 Sec. 14. (NEW) (*Effective July 1, 2007*) (a) On or before October 1,
777 2007, the Energy Conservation Management Board, established

778 pursuant to section 16-245m of the general statutes, as amended by this
779 act, in consultation with the electric distribution and gas companies,
780 shall develop and estimate the cost of a comprehensive residential
781 conservation program, including, but not limited to, the following
782 features: (1) An audit identifying appropriate conservation measures
783 applicable to a utility customer's dwelling unit, whether owned or
784 rented by the customer, prioritizing measures for cost-effectiveness
785 and reductions in peak electricity demand; (2) a system that prioritizes
786 customers to be assisted at least in part by the customer's consent to
787 installation of those measures that are the most cost-effective and
788 reduce peak electricity demand; (3) a system of oversight that advises
789 and assists a customer in obtaining landlord authority where needed
790 for installation of cost-effective measures and assists a customer in
791 accessing incentives, other cost savings and financing for cost-effective
792 measures and identifying knowledgeable contractors for installation of
793 such measures and ensures successful installation of such measures;
794 and (4) provides financing for conservation measures on the utility bill,
795 to the extent such financing repayment does not exceed the expected
796 life of the measure, and the repayment amount plus the periodic
797 customer bill after installation of conservation measures does not
798 exceed the anticipated periodic bill for utility service without
799 installation of such conservation measures, and authorizes
800 disconnection for nonpayment by the customer of any financing
801 repayment amount and assignment of repayment obligations to
802 subsequent owners or tenants of the dwelling unit.

803 (b) On or before February 1, 2008, the Energy Conservation
804 Management Board shall provide a report to the joint standing
805 committees of the General Assembly having cognizance of matters
806 relating to energy and the environment regarding development and
807 the estimated cost of a comprehensive residential conservation
808 program as defined in subsection (a) of this section. Nothing herein
809 shall preclude development and implementation of conservation
810 programs with features described in subsection (a) of this section prior
811 to provision of said report, provided such programs have been

812 approved by the Department of Public Utility Control.

813 Sec. 15. Section 16-245n of the general statutes is repealed and the
814 following is substituted in lieu thereof (*Effective from passage*):

815 (a) For purposes of this section, "renewable energy" means solar
816 photovoltaic energy, solar thermal, geothermal energy, wind, ocean
817 thermal energy, wave or tidal energy, fuel cells, landfill gas,
818 hydropower that meets the low-impact standards of the Low-Impact
819 Hydropower Institute, hydrogen production and hydrogen conversion
820 technologies, low emission advanced biomass conversion technologies,
821 alternative fuels, used for electricity generation including ethanol,
822 biodiesel or other fuel produced in Connecticut and derived from
823 agricultural produce, food waste or waste vegetable oil, provided the
824 Commissioner of Environmental Protection determines that such fuels
825 provide net reductions in greenhouse gas emissions and fossil fuel
826 consumption, usable electricity from combined heat and power
827 systems with waste heat recovery systems, thermal storage systems
828 and other energy resources and emerging technologies which have
829 significant potential for commercialization and which do not involve
830 the combustion of coal, petroleum or petroleum products, municipal
831 solid waste or nuclear fission.

832 (b) On and after July 1, 2004, the Department of Public Utility
833 Control shall assess or cause to be assessed a charge of not less than
834 one mill per kilowatt hour charged to each end use customer of electric
835 services in this state which shall be deposited into the Renewable
836 Energy Investment Fund established under subsection (c) of this
837 section. Notwithstanding the provisions of this section, receipts from
838 such charges shall be disbursed to the resources of the General Fund
839 during the period from July 1, 2003, to June 30, 2005, unless the
840 department shall, on or before October 30, 2003, issue a financing order
841 for each affected distribution company in accordance with sections 16-
842 245e to 16-245k, inclusive, to sustain funding of renewable energy
843 investment programs by substituting an equivalent amount, as
844 determined by the department in such financing order, of proceeds of

845 rate reduction bonds for disbursement to the resources of the General
846 Fund during the period from July 1, 2003, to June 30, 2005. The
847 department may authorize in such financing order the issuance of rate
848 reduction bonds that substitute for disbursement to the General Fund
849 for receipts of both charges under this subsection and subsection (a) of
850 section 16-245m and also may in its discretion authorize the issuance of
851 rate reduction bonds under this subsection and subsection (a) of
852 section 16-245m that relate to more than one electric distribution
853 company. The department shall, in such financing order or other
854 appropriate order, offset any increase in the competitive transition
855 assessment necessary to pay principal, premium, if any, interest and
856 expenses of the issuance of such rate reduction bonds by making an
857 equivalent reduction to the charges imposed under this subsection,
858 provided any failure to offset all or any portion of such increase in the
859 competitive transition assessment shall not affect the need to
860 implement the full amount of such increase as required by this
861 subsection and sections 16-245e to 16-245k, inclusive. Such financing
862 order shall also provide if the rate reduction bonds are not issued, any
863 unrecovered funds expended and committed by the electric
864 distribution companies for renewable resource investment through
865 deposits into the Renewable Energy Investment Fund, provided such
866 expenditures were approved by the department following August 20,
867 2003, and prior to the date of determination that the rate reduction
868 bonds cannot be issued, shall be recovered by the companies from
869 their respective competitive transition assessment or systems benefits
870 charge except that such expenditures shall not exceed one million
871 dollars per month. All receipts from the remaining charges imposed
872 under this subsection, after reduction of such charges to offset the
873 increase in the competitive transition assessment as provided in this
874 subsection, shall be disbursed to the Renewable Energy Investment
875 Fund commencing as of July 1, 2003. Any increase in the competitive
876 transition assessment or decrease in the renewable energy investment
877 component of an electric distribution company's rates resulting from
878 the issuance of or obligations under rate reduction bonds shall be
879 included as rate adjustments on customer bills.

880 (c) There is hereby created a Renewable Energy Investment Fund
881 which shall be administered by Connecticut Innovations, Incorporated.
882 The fund may receive any amount required by law to be deposited
883 into the fund and may receive any federal funds as may become
884 available to the state for renewable energy investments. Connecticut
885 Innovations, Incorporated, may use any amount in said fund for
886 expenditures **[**which**]** that promote investment in renewable energy
887 sources in accordance with a comprehensive plan developed by it to
888 foster the growth, development and commercialization of renewable
889 energy sources, related enterprises and stimulate demand for
890 renewable energy and deployment of renewable energy sources
891 **[**which**]** that serve end use customers in this state and for the further
892 purpose of supporting operational demonstration projects for
893 advanced technologies that reduce energy use from traditional
894 sources. Such expenditures may include, but not be limited to, grants,
895 direct or equity investments, contracts or other actions which support
896 research, development, manufacture, commercialization, deployment
897 and installation of renewable energy technologies, and actions which
898 expand the expertise of individuals, businesses and lending
899 institutions with regard to renewable energy technologies.

900 (d) The chairperson of the board of directors of Connecticut
901 Innovations, Incorporated, shall convene a Renewable Energy
902 Investments Advisory Committee to assist Connecticut Innovations,
903 Incorporated, in matters related to the Renewable Energy Investment
904 Fund, including, but not limited to, development of a comprehensive
905 plan and expenditure of funds. The advisory committee shall, in such
906 plan, give preference to projects that maximize the reduction of
907 federally mandated congestion charges. **[**The plan shall be consistent
908 with the comprehensive energy plan approved by the Connecticut
909 Energy Advisory Board pursuant to section 16a-7a.**]** The advisory
910 committee shall include not more than twelve individuals with
911 knowledge and experience in matters related to the purpose and
912 activities of said fund. The advisory committee shall consist of the
913 following members: (1) One person with expertise regarding

914 renewable energy resources appointed by the speaker of the House of
915 Representatives; (2) one person representing a state or regional
916 organization primarily concerned with environmental protection
917 appointed by the president pro tempore of the Senate; (3) one person
918 with experience in business or commercial investments appointed by
919 the majority leader of the House of Representatives; (4) one person
920 representing a state or regional organization primarily concerned with
921 environmental protection appointed by the majority leader of the
922 Senate; (5) one person with experience in business or commercial
923 investments appointed by the minority leader of the House of
924 Representatives; (6) one person with experience in business or
925 commercial investments appointed by the minority leader of the
926 Senate; (7) two state officials with experience in matters relating to
927 energy policy and one person with expertise regarding renewable
928 energy resources appointed by the Governor; and (8) three persons
929 with experience in business or commercial investments appointed by
930 the board of directors of Connecticut Innovations, Incorporated. The
931 advisory committee shall issue annually a report to such chairperson
932 reviewing the activities of the fund in detail and shall provide a copy
933 of such report, in accordance with the provisions of section 11-4a, to
934 the joint standing committee of the General Assembly having
935 cognizance of matters relating to energy, the Department of Public
936 Utility Control and the Office of Consumer Counsel. The report shall
937 include a description of the programs and activities undertaken during
938 the reporting period jointly or in collaboration with the Energy
939 Conservation and Load Management Funds established pursuant to
940 section 16-245m, as amended by this act.

941 (e) There shall be a joint committee of the Energy Conservation
942 Management Board and the Renewable Energy Investments Advisory
943 Committee, as provided in subdivision (2) of subsection (d) of section
944 16-245m, as amended by this act.

945 (f) No later than December 31, 2006, and no later than December
946 thirty-first every five years thereafter, the advisory committee shall,
947 after consulting with the Energy Conservation Management Board,

948 conduct an evaluation of the performance of the programs and
949 activities of the fund and submit a report, in accordance with the
950 provisions of section 11-4a, of the evaluation to the joint standing
951 committee of the General Assembly having cognizance of matters
952 relating to energy.

953 Sec. 16. Section 4a-67c of the general statutes is repealed and the
954 following is substituted in lieu thereof (*Effective October 1, 2007*):

955 The Department of Administrative Services and each other
956 budgeted agency, as defined in section 4-69, exercising procurement
957 authority shall procure equipment and appliances for state use **[**which**]**
958 that meet or exceed the federal energy conservation standards set forth
959 in the Energy Policy and Conservation Act, 42 USC 6295, any federal
960 regulations adopted thereunder, **[**and**]** any applicable energy
961 performance standards established in accordance with subsection (j) of
962 section 16a-38 and meet or exceed the federal Energy Star standards.
963 Purchases of equipment and appliances for which energy performance
964 standards have been established pursuant to subsection (j) of section
965 16a-38 shall be (1) made from among those specific models of
966 equipment and appliances which meet such standards, and (2) based,
967 when possible, on competitive bids. Such bids shall be evaluated on
968 the basis of the life-cycle cost standards, if any, established pursuant to
969 subsection (b) of section 16a-38.

970 Sec. 17. (NEW) (*Effective from passage*) (a) On or before July 1, 2007,
971 the Department of Public Utility Control shall initiate a contested case
972 proceeding, in accordance with chapter 54 of the general statutes, to
973 determine a municipal electric utility's share of the one-time awards
974 made to customer-side distributed resources made pursuant to
975 subsection (a) of section 16-243i of the general statutes, as amended by
976 this act, in order for customers in its service area to qualify for such
977 awards. Said share shall reflect an equitable method of cost allocation
978 that reflects the benefits that accrue to electric distribution customers
979 as a result of such customer-side distributed resources.

980 (b) Notwithstanding subsection (a) of this section, on or before
981 January 1, 2010, municipal utilities located in southwest Connecticut
982 shall be eligible for awards of not less than two hundred dollars per
983 kilowatt of such resources.

984 (c) To qualify for awards pursuant to this section, any customer
985 shall submit an application, in a form prescribed by the Department of
986 Public Utility Control, to said department. The application shall
987 contain a certification by an independent licensed engineer that the
988 customer-side distributed resource is intended to operate for purposes
989 of reducing customer peak electric loads and that the project is
990 financially viable.

991 Sec. 18. Section 16-243r of the general statutes is repealed and the
992 following is substituted in lieu thereof (*Effective July 1, 2007*):

993 The provisions of sections 7-233y, 16-1, as amended by this act, 16-
994 19ss, as amended by this act, 16-32f, 16-50i, 16-50k, as amended by this
995 act, 16-50x, 16-243i to 16-243q, inclusive, as amended by this act, 16-
996 244c, as amended by this act, 16-244e, as amended by this act, 16-245d,
997 16-245m, as amended by this act, 16-245n, as amended by this act, 16-
998 245z and 16-262i and section 21 of public act 05-1 of the June special
999 session*, apply to new customer-side distributed resources and grid-
1000 side distributed resources developed in this state that add electric
1001 capacity on and after January 1, 2006, and shall also apply to customer-
1002 side distributed resources and grid-side distributed resources
1003 developed in this state before January 1, 2007, that (1) have undergone
1004 upgrades that increase the resource's thermal efficiency operating level
1005 by no fewer than ten percentage points or, for resources that have a
1006 thermal efficiency level of at least seventy per cent, have undergone
1007 upgrades that increase the resource's turbine heat rate by no fewer
1008 than five percentage points and increase the electrical output of the
1009 resource by no fewer than ten percentage points, (2) operate at a
1010 thermal efficiency level of at least fifty per cent, and (3) add electric
1011 capacity in this state on or after January 1, 2007, provided such
1012 measure is in accordance with the provisions of said sections 7-233y,

1013 16-1, 16-19ss, 16-32f, 16-50i, 16-50k, 16-50x, 16-243i to 16-243q,
1014 inclusive, 16-244c, 16-244e, 16-245d, 16-245m, 16-245n, 16-245z and 16-
1015 262i and section 21 of public act 05-1 of the June special session*. On
1016 or before January 1, 2009, the Department of Public Utility Control, in
1017 consultation with the Office of Consumer Counsel, shall report to the
1018 joint standing committee of the General Assembly having cognizance
1019 of matters relating to energy regarding the cost-effectiveness of
1020 programs pursuant to this section.

1021 Sec. 19. (NEW) (*Effective January 1, 2008*) Any municipality may, by
1022 vote of its legislative body or, in a municipality where the legislative
1023 body is a town meeting, by vote of the board of selectmen, provide a
1024 property tax exemption with respect to motor vehicles that are exempt
1025 from sales and use taxes under subdivision (110) or (115) of section 12-
1026 412 of the general statutes, as amended by this act.

1027 Sec. 20. Subdivision (110) of section 12-412 of the general statutes is
1028 repealed and the following is substituted in lieu thereof (*Effective*
1029 *January 1, 2008, and applicable to sales occurring on or after said date*):

1030 (110) On and after **[**July 1, 2000**]** January 1, 2008, and prior to July 1,
1031 **[**2002**]** 2010, the sale of any passenger car that has a United States
1032 Environmental Protection Agency estimated city or highway gasoline
1033 mileage rating of at least **[**fifty**]** forty miles per gallon.

1034 Sec. 21. (NEW) (*Effective from passage*) As used in this section and
1035 sections 22 to 36, inclusive, of this act:

1036 (1) "Energy improvement district distributed resources" means one
1037 or more of the following owned, leased, or financed by an Energy
1038 Improvement District Board: (A) Customer-side distributed resources,
1039 as defined in section 16-1 of the general statutes, as amended by this
1040 act; (B) grid-side distributed resources, as defined in said section 16-1;
1041 (C) combined heat and power systems, as defined in said section 16-1;
1042 and (D) Class III sources, as defined in said section 16-1; and

1043 (2) "Project" means the acquisition, purchase, construction,

1044 reconstruction, improvement or extension of one or more energy
1045 improvement district distributed resources.

1046 Sec. 22. (NEW) (*Effective from passage*) (a) Any municipality may, by
1047 vote of its legislative body, establish an energy improvement district
1048 within such municipality. The affairs of any such district shall be
1049 administered by an Energy Improvement District Board. The chief
1050 elected official of the municipality shall appoint the members of any
1051 such board, who shall serve for such term as the legislative body may
1052 prescribe and until their successors are appointed and have qualified.
1053 The chief elected official shall fill any vacancy for the unexpired
1054 portion of the term. The members of each such board shall serve
1055 without compensation, except for necessary expenses.

1056 (b) After a vote by a municipality to establish an energy
1057 improvement district, the chief elected official of the municipality shall
1058 notify by mail each property owner of record within said district of
1059 said action. An owner may record on the land records in the
1060 municipality its decision to participate in the energy improvement
1061 district pursuant to sections 21 to 36, inclusive, of this act. Any owner
1062 of record, including any new owner of record, may rescind said
1063 decision at any time.

1064 Sec. 23. (NEW) (*Effective from passage*) (a) An Energy Improvement
1065 District Board shall fund energy improvement district distributed
1066 resources in its district consistent with a comprehensive plan prepared
1067 for the district by said board for the development and financing of
1068 such resources, except on state or federally owned properties, with a
1069 view to increasing efficiency and reliability and the furtherance of
1070 commerce and industry in the energy improvement district, provided
1071 such district's plan shall be consistent with the state-wide procurement
1072 and deployment plan prepared and approved pursuant to section 54 of
1073 this act and the siting determinations of the Connecticut Siting
1074 Council. The board may lease or acquire office space and equip the
1075 same with suitable furniture and supplies for the performance of work
1076 of the board and may employ such personnel as may be necessary for

1077 such performance. The board also shall have power to:

1078 (1) Sue and be sued;

1079 (2) Have a seal and alter the same;

1080 (3) Confer with any body or official having to do with electric power
1081 distribution facilities within and without the district and hold public
1082 hearings as to such facilities;

1083 (4) Confer with electric distribution companies with reference to the
1084 development of electric distribution facilities in such district and the
1085 coordination of the same;

1086 (5) Determine the location, type, size and construction of energy
1087 improvement district distributed resources, subject to the approval of
1088 any department, commission or official of the United States, the state
1089 or the municipality where federal, state or municipal statute or
1090 regulation requires it;

1091 (6) Make surveys, maps and plans for, and estimates of the cost of,
1092 the development and operation of requisite energy improvement
1093 district distributed resources and for the coordination of such facilities
1094 with existing agencies, both public and private, with the view of
1095 increasing the efficiency of the electric distribution system in the
1096 district and in the furtherance of commerce and industry in the district;

1097 (7) Enter into contracts and leases, make loans and execute all
1098 instruments necessary to carry out their duties pursuant to this section,
1099 including the lending of proceeds of bonds to owners, lessees or
1100 occupants of facilities in the energy improvement district;

1101 (8) Fix fees, rates, rentals or other charges for the purpose of all
1102 energy improvement district distributed resources owned by the
1103 Energy Improvement District Board and collect such fees, rates, rentals
1104 and other charges for such facilities owned by the board, which fees,
1105 rates, rentals or other charges shall be sufficient to comply with all
1106 covenants and agreements with the holders of any bonds issued

1107 pursuant to section 22 of this act;

1108 (9) Operate and maintain all energy improvement district
1109 distributed resources owned or leased by the board and use the
1110 revenues from such resources for the corporate purposes of the board
1111 in accordance with any covenants or agreements contained in the
1112 proceedings authorizing the issuance of bonds pursuant to section 22
1113 of this act;

1114 (10) Accept gifts, grants, loans or contributions from the United
1115 States, the state or any agency or instrumentality of either, or a person
1116 or corporation, by conveyance, bequest or otherwise, and expend the
1117 proceeds for any purpose of the board and, as necessary, contract with
1118 the United States, the state or any agency or instrumentality of either
1119 to accept gifts, grants, loans or contributions on such terms and
1120 conditions as may be provided by the law authorizing the same;

1121 (11) Maintain staff to promote and develop the movement of
1122 commerce through the energy improvement district; and

1123 (12) Use the officers, employees, facilities and equipment of the
1124 municipality, with the consent of the municipality, and pay a proper
1125 portion of the compensation or cost.

1126 (b) Nothing in sections 21 to 36, inclusive, of this act shall be
1127 construed to authorize an Energy Improvement District to:

1128 (1) Be an electric distribution company, as defined in section 16-1 of
1129 the general statutes, as amended by this act, or provide electric
1130 distribution or electric transmission services, as defined in said section
1131 16-1, or own or operate assets to provide such services;

1132 (2) Be a municipal electric utility, as defined in section 7-233 of the
1133 general statutes, or provide the services of a municipal electric utility;

1134 (3) Sell electricity to persons or entities in its municipality outside of
1135 the Energy Improvement District;

1136 (4) Undertake any authority or jurisdiction granted by the general
1137 statutes to the Connecticut Siting Council, the Department of Public
1138 Utility Control, or any other state agency, or to undertake any actions
1139 under the jurisdiction of any federal agency; or

1140 (5) Acquire property by eminent domain.

1141 Sec. 24. (NEW) (*Effective from passage*) (a) An Energy Improvement
1142 District Board may, from time to time, issue bonds subject to the
1143 approval of the legislative body in the municipality in which the
1144 energy improvement district is located for the purpose of paying all or
1145 any part of the cost of acquiring, purchasing, constructing,
1146 reconstructing, improving or extending any energy improvement
1147 district distributed resources project and acquiring necessary land and
1148 equipment thereof or for any other authorized purpose of the board.
1149 The board may issue such types of bonds as it may determine,
1150 including, but not limited to, bonds payable as to principal and
1151 interest: (1) From its revenues generally; (2) exclusively from the
1152 income and revenues of a particular project; or (3) exclusively from the
1153 income and revenues of certain designated projects, whether or not
1154 they are financed in whole or in part from the proceeds of such bonds.
1155 Any such bonds may be additionally secured by a pledge of any grant
1156 or contribution from a participating municipality, the state or any
1157 political subdivision, agency or instrumentality thereof, any federal
1158 agency or any private corporation, copartnership, association or
1159 individual, or a pledge of any income or revenues of the board, or a
1160 mortgage on any project or other property of the board, provided such
1161 pledge shall not create any liability on the entity making such grant or
1162 contribution beyond the amount of such grant or contribution.
1163 Whenever and for so long as any board has issued and has
1164 outstanding bonds, the board shall fix, charge and collect rates, rents,
1165 fees and other charges in accordance with section 26 of this act. Neither
1166 the members of the board nor any person executing the bonds shall be
1167 liable personally on the bonds by reason of the issuance thereof. The
1168 bonds and other obligations shall so state on their face that they shall
1169 not be a debt of the state or any political subdivision thereof, except

1170 when the board or a participating municipality, in accordance with
1171 section 33 of this act, has guaranteed payment of principal and of
1172 interest on the same, and no person other than the board or such a
1173 public body shall be liable thereon, nor shall such bonds or obligations
1174 be payable out of any funds or properties other than those of the board
1175 or such a participating municipality. Such bonds shall not constitute an
1176 indebtedness within the meaning of any statutory limitation on the
1177 indebtedness of any participating municipality. Bonds of the board are
1178 declared to be issued for an essential public and governmental
1179 purpose. In anticipation of the sale of such revenue bonds, the board
1180 may issue negotiable bond anticipation notes and may renew the same
1181 from time to time. The maximum maturity of any such note, including
1182 renewals thereof, shall not exceed five years from the date of original
1183 issue. Such notes shall be paid from any revenues of the board
1184 available therefor and not otherwise pledged or from the proceeds of
1185 sale of the revenue bonds of the Energy Improvement District Board in
1186 anticipation of which they were issued. The board shall issue the notes
1187 in the same manner as the revenue bonds. Such notes and the
1188 resolution or resolutions authorizing the same may contain any
1189 provisions, conditions or limitations that a bond resolution of the
1190 board may contain.

1191 (b) An Energy Improvement District Board may issue bonds as
1192 serial bonds, as term bonds or as both. Bonds shall be authorized by
1193 resolution of the members of the authority and shall bear such date or
1194 dates, mature at such time or times, not exceeding twenty years from
1195 their respective dates, bear interest at such rate or rates, or have
1196 provisions for the manner of determining such rate or rates, payable at
1197 such time or times, be in such denominations, be in such form, either
1198 coupon or registered, carry such registration privileges, be executed in
1199 such manner, be payable in lawful money of the United States of
1200 America at such place or places, and be subject to such terms of
1201 redemption, as such resolution or resolutions may provide. The
1202 revenue bonds or notes may be sold at public or private sale for such
1203 price or prices as the Energy Improvement District Board shall

1204 determine. Pending preparation of the definitive bonds, the Energy
1205 Improvement District Board may issue interim receipts or certificates
1206 that shall be exchanged for such definitive bonds.

1207 (c) Any resolution or resolutions authorizing any revenue bonds or
1208 any issue of revenue bonds may contain provisions, which shall be
1209 part of the contract with the holders of the revenue bonds to be
1210 authorized, as to: (1) Pledging all or any part of the revenues of a
1211 project or any revenue-producing contract or contracts made by the
1212 Energy Improvement District Board with any individual, partnership,
1213 corporation or association or other body, public or private, to secure
1214 the payment of the revenue bonds or of any particular issue of revenue
1215 bonds, subject to such agreements with bondholders as may then exist;
1216 (2) the rentals, fees and other charges to be charged, the amounts to be
1217 raised in each year thereby and the use and disposition of the
1218 revenues; (3) the setting aside of reserves or sinking funds or other
1219 funds or accounts as the board may establish and the regulation and
1220 disposition thereof, including requirements that any such funds and
1221 accounts be held separate from or not be commingled with other funds
1222 of the board; (4) limitations on the right of the board or its agent to
1223 restrict and regulate the use of the project; (5) limitations on the
1224 purpose to which the proceeds of sale of any issue of revenue bonds
1225 then or thereafter to be issued may be applied and pledging such
1226 proceeds to secure the payment of the revenue bonds or any issue of
1227 the revenue bonds; (6) limitations on the issuance of additional bonds,
1228 the terms upon which additional bonds may be issued and secured
1229 and the refunding of outstanding bonds; (7) the procedure, if any, by
1230 which the terms of any contract with bondholders may be amended or
1231 abrogated, the amount of bonds the holders of which must consent
1232 thereto and the manner in which such consent may be given; (8)
1233 limitations on the amount of moneys derived from the project to be
1234 expended for operating, administrative or other expenses of the board;
1235 (9) defining the acts or omissions to act that shall constitute a default in
1236 the duties of the board to holders of its obligations and providing the
1237 rights and remedies of such holders in the event of a default; (10) the

1238 mortgaging of a project and the site thereof for the purpose of securing
1239 the bondholder; and (11) provisions for the execution of
1240 reimbursement agreements or similar agreements in connection with
1241 credit facilities, including, but not limited to, letters of credit or policies
1242 of bond insurance, remarketing agreements and agreements for the
1243 purpose of moderating interest rate fluctuations.

1244 (d) If any member whose signature or a facsimile of whose
1245 signature appears on any bonds or coupons ceases to be such member
1246 before delivery of such bonds, such signature or such facsimile shall
1247 nevertheless be valid and sufficient for all purposes as if he had
1248 remained in office until such delivery. Notwithstanding the provisions
1249 of sections 21 to 36, inclusive, of this act, or any recitals in any bonds
1250 issued pursuant to this section, all such bonds shall be deemed to be
1251 negotiable instruments under the provisions of the general statutes.

1252 (e) Unless otherwise provided by the ordinance creating the Energy
1253 Improvement District Board, the board may issue bonds pursuant to
1254 this section, without obtaining the consent of the state or of any
1255 political subdivision thereof and without any other proceedings or
1256 conditions specifically required by sections 21 to 36, inclusive, of this
1257 act.

1258 (f) An Energy Improvement District Board may, within available
1259 funds, purchase its bonds or notes. The Energy Improvement District
1260 Board may hold, pledge, cancel or resell such bonds, subject to and in
1261 accordance with agreements with bondholders.

1262 (g) An Energy Improvement District Board shall cause a copy of any
1263 bond resolutions adopted by it to be filed for public inspection in its
1264 office and in the office of the clerk of each participating municipality
1265 and may thereupon cause to be published at least once, in a newspaper
1266 published or circulating in each participating municipality, a notice
1267 stating the fact and date of such adoption and the places where such
1268 bond resolution has been so filed for public inspection and the date of
1269 the first publication of such notice and also stating that any action or

1270 proceeding of any kind or nature in any court questioning the validity
1271 or proper authorization of bonds provided for by the bond resolution,
1272 or the validity of any covenants, agreements or contracts provided for
1273 by the bond resolution, shall be commenced not later than twenty days
1274 after the first publication of such notice. If any such notice is published
1275 and if no action or proceeding questions the validity or proper
1276 authorization of bonds provided for by the bond resolution referred to
1277 in such notice or the validity of any covenants, agreements or contracts
1278 provided for by the bond resolution is commenced or instituted not
1279 later than twenty days after the first publication of said notice, then all
1280 residents and taxpayers and owners of property in each participating
1281 municipality and all other persons shall be forever barred and
1282 foreclosed from instituting or commencing any action or proceeding in
1283 any court or from pleading any defense to any action or proceeding
1284 questioning the validity or proper authorization of such bonds or the
1285 validity of such covenants, agreements or contracts, and said bonds,
1286 covenants, agreements and contracts shall be conclusively deemed to
1287 be valid and binding obligations in accordance with their terms and
1288 tenor.

1289 (h) Notwithstanding any provision of the general statutes, (1) the
1290 state shall not have any liability or responsibility with regard to any
1291 obligation issued by the board, and (2) no political subdivision of the
1292 state shall have any liability or responsibility with regard to any
1293 obligation issued by the board except as expressly provided by
1294 sections 21 to 36, inclusive, of this act.

1295 Sec. 25. (NEW) (*Effective from passage*) An Energy Improvement
1296 District Board may secure any bonds issued pursuant to section 22 of
1297 this act by a trust indenture by way of conveyance, deed of trust or
1298 mortgage of any project or any other property of the board, whether or
1299 not financed in whole or in part from the proceeds of such bonds, or by
1300 a trust agreement by and between the board and a corporate trustee,
1301 which may be any trust company or bank having the powers of a trust
1302 company within or without the state or by both such conveyance, deed
1303 of trust or mortgage and indenture or trust agreement. Such trust

1304 indenture or agreement may pledge or assign any or all fees, rents and
1305 other charges to be received or proceeds of any contract or contracts
1306 pledged, and may convey or mortgage any property of the board. Such
1307 trust indenture or agreement may contain such provisions for
1308 protecting and enforcing the right and remedies of the bondholders as
1309 may be reasonable and proper and not in violation of law, including
1310 provisions that have been specifically authorized to be included in any
1311 resolution or resolutions of the board authorizing the issue of bonds.
1312 Any bank or trust company incorporated under the laws of the state
1313 may act as depository of the proceeds of such bonds or of revenues or
1314 other moneys and may furnish such indemnifying bonds or pledge
1315 such securities as may be required by the board. Such trust indenture
1316 may set forth rights and remedies of the bondholders and of the
1317 trustee and may restrict the individual right of action by bondholders.
1318 In addition, such trust indenture or agreement may contain such other
1319 provisions as the board may deem reasonable and proper for the
1320 security of the bondholders. All expenses incurred in carrying out the
1321 provisions of such trust indenture or agreement may be treated as part
1322 of the cost of a project.

1323 Sec. 26. (NEW) (*Effective from passage*) (a) An Energy Improvement
1324 District Board may fix, revise, charge and collect rates, rents, fees and
1325 charges for the use of and for the services furnished or to be furnished
1326 by each project and to contract with any person, partnership,
1327 association or corporation, or other body, public or private, in respect
1328 thereof. Such rates, rents, fees and charges shall be fixed and adjusted
1329 in respect of the aggregate of rates, rents, fees and charges from such
1330 project so as to provide funds sufficient with other revenues, if any, to
1331 (1) pay the cost of maintaining, repairing and operating the project and
1332 each and every portion thereof, to the extent that the payment of such
1333 cost has not otherwise been adequately provided for, (2) pay the
1334 principal and interest of outstanding revenue bonds of the board
1335 issued in respect of such project as the same shall become due and
1336 payable, and (3) create and maintain reserves required or provided for
1337 in any resolution authorizing, or trust agreement securing, such

1338 revenue bonds of the board. Such rates, rents, fees and charges shall
1339 not be subject to supervision or regulation by any department,
1340 commission, board, body, bureau or agency of this state other than the
1341 board. A sufficient amount of the revenues derived in respect of a
1342 project, except such part of such revenues as may be necessary to pay
1343 the cost of maintenance, repair and operation and to provide reserves
1344 and for renewals, replacements, extensions, enlargements and
1345 improvements as may be provided for in the resolution authorizing
1346 the issuance of any revenue bonds of the board or in the trust
1347 agreement securing the same, shall be set aside at such regular
1348 intervals as may be provided in such resolution or trust agreement in a
1349 sinking or other similar fund which is hereby pledged to, and charged
1350 with, the payment of the principal of and the interest on such revenue
1351 bonds as the same shall become due, and the redemption price or the
1352 purchase price of bonds retired by call or purchase as therein
1353 provided. Such pledge shall be valid and binding from the time when
1354 the pledge is made; the rates, rents, fees and charges and other
1355 revenues or other moneys so pledged and thereafter received by the
1356 board shall immediately be subject to the lien of any such pledge,
1357 without any physical delivery thereof or further act, and the lien of any
1358 such pledge shall be valid and binding as against all parties having
1359 claims of any kind in tort, contract or otherwise against the board,
1360 irrespective of whether such parties have notice thereof. Neither the
1361 resolution nor any trust indenture or agreement by which a pledge is
1362 created need be filed or recorded except in the records of the board.
1363 The use and disposition of moneys to the credit of such sinking or
1364 other similar fund shall be subject to the provisions of the resolution
1365 authorizing the issuance of such bonds or of such trust agreement.
1366 Except as may otherwise be provided in such resolution or such trust
1367 indenture or agreement, such sinking or other similar fund shall be a
1368 fund for all revenue bonds issued to finance a project of such board
1369 without distinction or priority of one over another.

1370 (b) All moneys received by the board pursuant to sections 21 to 36,
1371 inclusive, of this act, whether as proceeds from the sale of bonds or as

1372 revenues, shall be deemed to be trust funds to be held and applied
1373 solely as provided pursuant to this section.

1374 Sec. 27. (NEW) (*Effective from passage*) Any holder of bonds, notes,
1375 certificates or other evidences of borrowing issued pursuant to section
1376 22 of this act or of any of the coupons appertaining thereto and the
1377 trustee under any trust indenture or agreement, except to the extent
1378 the right may be restricted by such trust indenture or agreement, may,
1379 either at law or in equity, by suit, action, injunction, mandamus or
1380 other proceedings, protect and enforce any and all rights under the
1381 provisions of the general statutes or granted by sections 21 to 36,
1382 inclusive, of this act, or under such trust indenture or agreement or the
1383 resolution authorizing the issuance of such bonds, notes or certificates,
1384 and may enforce and compel the performance of all duties required by
1385 said section or by such trust indenture or agreement or solution to be
1386 performed by the Energy Improvement District Board or by any officer
1387 or agent thereof, including the fixing, charging and collection of fees,
1388 rents and other charges.

1389 Sec. 28. (NEW) (*Effective from passage*) An Energy Improvement
1390 District Board, in the exercise of its powers granted pursuant to
1391 sections 21 to 36, inclusive, of this act, shall be for the benefit of the
1392 inhabitants of the state, for the increase of their commerce and for the
1393 promotion of their safety, health, welfare, convenience and prosperity,
1394 and as the operation and maintenance of any project which the board
1395 is authorized to undertake constitute the performance of an essential
1396 governmental function, no board shall be required to pay any taxes or
1397 assessments upon any project acquired and constructed by it under the
1398 provisions of said sections. The bonds, notes, certificates or other
1399 evidences of debt issued pursuant to section 22 of this act, their
1400 transfer and the income therefrom, including any profit made on the
1401 sale thereof, shall at all times be free and exempt from taxation by the
1402 state and by any political subdivision thereof.

1403 Sec. 29. (NEW) (*Effective from passage*) Bonds issued by an Energy
1404 Improvement District Board pursuant to section 22 of this act, shall be

1405 securities in which all public officers and public bodies of the state and
1406 its political subdivisions, all insurance companies, trust companies,
1407 banking associations, investment companies and executors,
1408 administrators, trustees and other fiduciaries may properly and legally
1409 invest funds, including capital in their control or belonging to them.
1410 Such bonds shall be securities that may properly and legally be
1411 deposited with and received by any state or municipal officer or any
1412 agency or political subdivision of the state for any purpose for which
1413 the deposit of bonds or obligations is now or may hereafter be
1414 authorized by law.

1415 Sec. 30. (NEW) (*Effective from passage*) A municipality may, by
1416 ordinance, and any other governmental unit may, without any
1417 referendum or public or competitive bidding, and any person may sell,
1418 lease, lend, grant or convey to an Energy Improvement District Board
1419 or permit a board to use, maintain or operate as part of any distributed
1420 resource facility any real or personal property that may be necessary or
1421 useful and convenient for the purposes of the board and accepted by
1422 the board. Any such sale, lease, loan, grant, conveyance or permit may
1423 be made or given with or without consideration and for a specified or
1424 an unlimited period and under any agreement and on any terms and
1425 conditions that may be approved by such municipality, governmental
1426 unit or person and that may be agreed to by the board in conformity
1427 with its contract with the holders of any bonds. Subject to any such
1428 contracts with the holders of bonds, the board may enter into and
1429 perform any and all agreements with respect to property so purchased,
1430 leased, borrowed, received or accepted by it, including agreements for
1431 the assumption of principal or interest or both of indebtedness of such
1432 municipality, governmental unit or person or of any mortgage or lien
1433 existing with respect to such property or for the operation and
1434 maintenance of such property as part of any energy improvement
1435 district distributed resources facility.

1436 Sec. 31. (NEW) (*Effective from passage*) A municipality, governmental
1437 unit or person may enter into and perform any lease or other
1438 agreement with any Energy Improvement District Board for the lease

1439 or other agreement with any municipality, governmental unit or
1440 person of all or any part of any energy improvement district
1441 distributed resource facility or facilities. Any such lease or other
1442 agreement may provide for the payment to the board by such
1443 municipality, governmental unit or person, annually or otherwise, of
1444 such sum or sums of money, computed at fixed amount or by any
1445 formula or in any other manner, as may be so fixed or computed. Any
1446 such lease or other agreement may be made and entered into for a
1447 term beginning currently or at some future or contingent date and
1448 with or without consideration and for a specified or unlimited time
1449 and on any terms and conditions which may be approved by such
1450 municipality, governmental unit or person and which may be agreed
1451 to by the board in conformity with its contract with the holders of any
1452 bonds, and shall be valid and binding on such municipality,
1453 governmental unit or person whether or not an appropriation is made
1454 thereby prior to authorization or execution of such lease or other
1455 agreement. Such municipality, governmental unit or person shall do
1456 all acts and things necessary, convenient or desirable to carry out and
1457 perform any such lease or other agreement entered into by it and to
1458 provide for the payment or discharge of any obligation thereunder in
1459 the same manner as other obligations of such municipality,
1460 governmental unit or person.

1461 Sec. 32. (NEW) (*Effective from passage*) For the purpose of aiding an
1462 Energy Improvement District Board, a municipality, by ordinance or
1463 by resolution of its legislative body, shall have power from time to
1464 time and for such period and upon such terms, with or without
1465 consideration, as may be provided by such resolution or ordinance and
1466 accepted by the board, (1) to appropriate moneys for the purposes of
1467 the board, and to loan or donate such money to the board in such
1468 installments and upon such terms as may be agreed upon with the
1469 board, (2) to covenant and agree with the board to pay to or on the
1470 order of the board annually or at shorter intervals as a subsidy for the
1471 promotion of its purposes not more than such sums of money as may
1472 be stated in such resolution or ordinance or computed in accordance

1473 therewith, (3) upon authorization by it in accordance with law of the
1474 performance of any act or thing which it is empowered by law to
1475 authorize and perform and after appropriation of the moneys, if any,
1476 necessary for such performance, to covenant and agree with the board
1477 to do and perform such act or thing and as to the time, manner and
1478 other details of its doing and performance, and (4) to appropriate
1479 money for all or any part of the cost of acquisition or construction of
1480 such facility, and, in accordance with the limitations and any
1481 exceptions thereto and in accordance with procedure prescribed by
1482 law, to incur indebtedness, borrow money and issue its negotiable
1483 bonds for the purpose of financing such distributed resource facility
1484 and appropriation, and to pay the proceeds of such bonds to the board.

1485 Sec. 33. (NEW) (*Effective from passage*) For the purpose of aiding an
1486 Energy Improvement District Board in the planning, undertaking,
1487 acquisition, construction or operation of any distributed resource
1488 facility, a participating municipality may, pursuant to resolution
1489 adopted by its legislative body in the manner provided for adoption of
1490 a resolution authorizing bonds of such municipality and with or
1491 without consideration and upon such terms and conditions as may be
1492 agreed to by and between the municipality and the board,
1493 unconditionally guarantee the punctual payment of the principal of
1494 and interest on any bonds of the board and pledge the full faith and
1495 credit of the municipality to the payment thereof. Any guarantee of
1496 bonds of the board made pursuant to this section shall be evidenced by
1497 endorsement thereof on such bonds, executed in the name of the
1498 municipality and on its behalf by such officer thereof as may be
1499 designated in the resolution authorizing such guaranty, and such
1500 municipality shall thereupon and thereafter be obligated to pay the
1501 principal of and interest on said bonds in the same manner and to the
1502 same extent as in the case of bonds issued by it. As part of the
1503 guarantee of the municipality for payment of principal and interest on
1504 the bonds, the municipality may pledge to and agree with the owners
1505 of bonds issued under this chapter and with those persons who may
1506 enter into contracts with the municipality or the board or any

1507 successor agency pursuant to the provisions of this chapter that it will
1508 not limit or alter the rights thereby vested in the bond owners, the
1509 board or any contracting party until such bonds, together with the
1510 interest thereon, are fully met and discharged and such contracts are
1511 fully performed on the part of the municipality or the board, provided
1512 nothing in this subsection shall preclude such limitation or alteration if
1513 and when adequate provisions shall be made by law for the protection
1514 of the owners of such bonds of the municipality or the board or those
1515 entering into such contracts with the municipality or the board. The
1516 board is authorized to include this pledge and undertaking for the
1517 municipality in such bonds or contracts. To the extent provided in
1518 such agreement or agreements, the obligations of the municipality
1519 thereunder shall be obligatory upon the municipality and the
1520 inhabitants and property thereof, and thereafter the municipality shall
1521 appropriate in each year during the term of such agreement, and there
1522 shall be available on or before the date when the same are payable, an
1523 amount of money that, together with other revenue available for such
1524 purpose, shall be sufficient to pay such principal and interest
1525 guaranteed by it and payable thereunder in that year, and there shall
1526 be included in the tax levy for each such year in an amount that,
1527 together with other revenues available for such purpose, shall be
1528 sufficient to meet such appropriation. Any such agreement shall be
1529 valid, binding and enforceable against the municipality if approved by
1530 action of the legislative body of such municipality. Any such guaranty
1531 of bonds of the board may be made, and any resolution authorizing
1532 such guaranty may be adopted, notwithstanding any statutory debt or
1533 other limitations, but the principal amount of bonds so guaranteed
1534 shall, after their issuance, be included in the gross debt of such
1535 municipality for the purpose of determining the indebtedness of such
1536 municipality under subsection (b) of section 7-374 of the general
1537 statutes. The principal amount of bonds so guaranteed and included in
1538 gross debt shall be deducted and is declared to be and to constitute a
1539 deduction from such gross debt under and for all the purposes of
1540 subsection (b) of said section 7-374, (1) from and after the time of
1541 issuance of said bonds until the end of the fiscal year beginning next

1542 after the completion of acquisition and construction of the distributed
1543 resource facility to be financed from the proceeds of such bonds, and
1544 (2) during any subsequent fiscal year if the revenues of the board in the
1545 preceding fiscal year are sufficient to pay its expenses of operation and
1546 maintenance in such year and all amounts payable in such year on
1547 account of the principal and interest on all such guaranteed bonds, all
1548 bonds of the municipality issued as provided in this section and all
1549 bonds of the Energy Improvement District Board issued under section
1550 22 of this act.

1551 Sec. 34. (NEW) (*Effective from passage*) Any Energy Improvement
1552 District Board may pledge or assign any lease or other agreement, and
1553 any instruments making or evidencing the same to secure its bonds
1554 and thereafter may not modify such leases, agreements or instruments
1555 except as provided by the terms of such lease, agreement or
1556 instrument.

1557 Sec. 35. (NEW) (*Effective from passage*) All property of an Energy
1558 Improvement District Board shall be exempt from levy and sale by
1559 virtue of an execution and no execution or other judicial process shall
1560 issue against the same nor shall any judgment against the board be a
1561 charge or lien upon its property, provided nothing in this section shall
1562 apply to or limit the rights of the holder of any bonds to pursue any
1563 remedy for the enforcement of any pledge or lien given by the board
1564 on its facility revenues or other moneys.

1565 Sec. 36. (NEW) (*Effective from passage*) An Energy Improvement
1566 District Board and the municipality in which any property of the board
1567 is located may enter into agreements with respect to the payment by
1568 the board to such municipality of annual sums of money in lieu of
1569 taxes on such property in such amount as may be agreed upon
1570 between the board and the municipality. The board may make, and the
1571 municipality may accept, such payments and apply them in the
1572 manner in which taxes may be applied in such municipality, provided
1573 no such annual payment with respect to any parcel of such property
1574 shall exceed the amount of taxes paid thereon for the taxable year

1575 immediately prior to the time of its acquisition by the board.

1576 Sec. 37. Subsection (b) of section 16-243a of the general statutes is
1577 repealed and the following is substituted in lieu thereof (*Effective*
1578 *October 1, 2007*):

1579 (b) Each electric public service company, municipal electric energy
1580 cooperative and municipal electric utility shall: (1) Purchase any
1581 electrical energy and capacity made available, directly by a private
1582 power producer or indirectly under subdivision (4) of this subsection;
1583 (2) sell backup electricity to any private power producer in its service
1584 territory; (3) make such interconnections <u>in accordance with the</u>
1585 <u>regulations adopted pursuant to subsection (h) of this section</u>
1586 necessary to accomplish such purchases and sales; (4) upon approval
1587 by the Department of Public Utility Control of an application filed by a
1588 willing private power producer, transmit energy or capacity from the
1589 private power producer to any other such company, cooperative or
1590 utility or to another facility operated by the private power producer;
1591 and (5) offer to operate in parallel with a private power producer. In
1592 making a decision on an application filed under subdivision (4) of this
1593 subsection, the department shall consider whether such transmission
1594 would (A) adversely impact the customers of the company,
1595 cooperative or utility which would transmit energy or capacity to the
1596 private power producer, (B) result in an uncompensated loss for, or
1597 unduly burden, such company, cooperative, utility or private power
1598 producer, (C) impair the reliability of service of such company,
1599 cooperative or utility<u>,</u> or (D) impair the ability of the company,
1600 cooperative or utility to provide adequate service to its customers. The
1601 department shall issue a decision on such an application not later than
1602 one hundred twenty days after the application is filed, provided, the
1603 department may, before the end of such period and upon notifying all
1604 parties and intervenors to the proceeding, extend the period by thirty
1605 days. If the department does not issue a decision within one hundred
1606 twenty days after receiving such an application, or within one hundred
1607 fifty days if the department extends the period in accordance with the
1608 provisions of this subsection, the application shall be deemed to have

1609 been approved. The requirements under subdivisions (3), (4) and (5) of
1610 this subsection shall be subject to reasonable standards for operating
1611 safety and reliability and the nondiscriminatory assessment of costs
1612 against private power producers, approved by the Department of
1613 Public Utility Control with respect to electric public service companies
1614 or determined by municipal electric energy cooperatives and
1615 municipal electric utilities.

1616 Sec. 38. Section 16-243a of the general statutes is amended by adding
1617 subsection (h) as follows (*Effective October 1, 2007*):

1618 (NEW) (h) Not later than January 1, 2008, the Department of Public
1619 Utility Control shall issue a final decision approving interconnection
1620 standards that meet or exceed national standards of interconnectivity.
1621 If the department does not issue a final decision by October 1, 2008,
1622 each electric distribution company, municipal electric energy
1623 cooperative and municipal electric utility shall meet the standards set
1624 forth in Title 4, Chapter 4, Subchapter 9, "Net Metering and
1625 Interconnection Standards for Class I Renewable Energy Systems" of
1626 the New Jersey Administrative Code.

1627 Sec. 39. Section 16-243h of the general statutes is repealed and the
1628 following is substituted in lieu thereof (*Effective October 1, 2007*):

1629 On and after January 1, 2000, each electric supplier or any electric
1630 distribution company providing standard offer, transitional standard
1631 offer, standard service or back-up electric generation service, pursuant
1632 to section 16-244c, <u>as amended by this act,</u> shall give a credit for any
1633 electricity generated by a **[**residential**]** customer from a Class I
1634 renewable energy source or a hydropower facility <u>that has a nameplate</u>
1635 <u>capacity rating of two megawatts or less</u>. The electric distribution
1636 company providing electric distribution services to such a customer
1637 shall make such interconnections necessary to accomplish such
1638 purpose. An electric distribution company, at the request of any
1639 residential customer served by such company and if necessary to
1640 implement the provisions of this section, shall provide for the

1641 installation of metering equipment that (1) measures electricity
1642 consumed by such customer from the facilities of the electric
1643 distribution company, (2) deducts from the measurement the amount
1644 of electricity produced by the customer and not consumed by the
1645 customer, and (3) registers, for each billing period, the net amount of
1646 electricity either (A) consumed and produced by the customer, or (B)
1647 the net amount of electricity produced by the customer. If, in a given
1648 monthly billing period, a customer-generator supplies more electricity
1649 to the electric distribution system than the electric distribution
1650 company or electric supplier delivers to the customer-generator, the
1651 electric distribution company or electric supplier shall credit the
1652 customer-generator for the excess by reducing the customer-
1653 generator's bill for the next monthly billing period to compensate for
1654 the excess electricity from the customer-generator in the previous
1655 billing period at a rate of one kilowatt-hour for one kilowatt-hour
1656 produced. The electric distribution company or electric supplier shall
1657 carry over the credits earned from monthly billing period to monthly
1658 billing period, and the credits shall accumulate until the end of the
1659 annualized period. At the end of each annualized period, the electric
1660 distribution company or electric supplier shall compensate the
1661 customer-generator for any excess kilowatt-hours generated, at the
1662 avoided cost of wholesale power. A **[**residential**]** customer who
1663 generates electricity from a generating unit with a name plate capacity
1664 of more than ten kilowatts of electricity pursuant to the provisions of
1665 this section shall be assessed for the competitive transition assessment,
1666 pursuant to section 16-245g and the systems benefits charge, pursuant
1667 to section 16-245*l*, as amended by this act, based on the amount of
1668 electricity consumed by the customer from the facilities of the electric
1669 distribution company without netting any electricity produced by the
1670 customer. For purposes of this section, "residential customer" means a
1671 customer of a single-family dwelling or multifamily dwelling
1672 consisting of two to four units.

1673 Sec. 40. Section 16-245a of the general statutes is repealed and the
1674 following is substituted in lieu thereof (*Effective October 1, 2007*):

1675 (a) [On and after January 1, 2006, an] An electric supplier and an
1676 electric distribution company providing standard service or supplier of
1677 last resort service, pursuant to section 16-244c, as amended by this act,
1678 shall demonstrate:

1679 (1) On and after January 1, 2006, that not less than two per cent of
1680 the total output or services of any such supplier or distribution
1681 company shall be generated from Class I renewable energy sources
1682 and an additional three per cent of the total output or services shall be
1683 from Class I or Class II renewable energy sources; [.]

1684 (2) On and after January 1, 2007, not less than three and one-half per
1685 cent of the total output or services of any such supplier or distribution
1686 company shall be generated from Class I renewable energy sources
1687 and an additional three per cent of the total output or services shall be
1688 from Class I or Class II renewable energy sources; [.]

1689 (3) On and after January 1, 2008, not less than five per cent of the
1690 total output or services of any such supplier or distribution company
1691 shall be generated from Class I renewable energy sources and an
1692 additional three per cent of the total output or services shall be from
1693 Class I or Class II renewable energy sources; [.]

1694 (4) On and after January 1, 2009, not less than six per cent of the
1695 total output or services of any such supplier or distribution company
1696 shall be generated from Class I renewable energy sources and an
1697 additional three per cent of the total output or services shall be from
1698 Class I or Class II renewable energy sources; [.]

1699 (5) On and after January 1, 2010, not less than seven per cent of the
1700 total output or services of any such supplier or distribution company
1701 shall be generated from Class I renewable energy sources and an
1702 additional three per cent of the total output or services shall be from
1703 Class I or Class II renewable energy sources;

1704 (6) On and after January 1, 2011, not less than eight per cent of the
1705 total output or services of any such supplier or distribution company

1706 shall be generated from Class I renewable energy sources and an
1707 additional three per cent of the total output or services shall be from
1708 Class I or Class II renewable energy sources;

1709 (7) On and after January 1, 2012, not less than nine per cent of the
1710 total output or services of any such supplier or distribution company
1711 shall be generated from Class I renewable energy sources and an
1712 additional three per cent of the total output or services shall be from
1713 Class I or Class II renewable energy sources;

1714 (8) On and after January 1, 2013, not less than ten per cent of the
1715 total output or services of any such supplier or distribution company
1716 shall be generated from Class I renewable energy sources and an
1717 additional three per cent of the total output or services shall be from
1718 Class I or Class II renewable energy sources;

1719 (9) On and after January 1, 2014, not less than eleven per cent of the
1720 total output or services of any such supplier or distribution company
1721 shall be generated from Class I renewable energy sources and an
1722 additional three per cent of the total output or services shall be from
1723 Class I or Class II renewable energy sources;

1724 (10) On and after January 1, 2015, not less than twelve and one-half
1725 per cent of the total output or services of any such supplier or
1726 distribution company shall be generated from Class I renewable
1727 energy sources and an additional three per cent of the total output or
1728 services shall be from Class I or Class II renewable energy sources;

1729 (11) On and after January 1, 2016, not less than fourteen per cent of
1730 the total output or services of any such supplier or distribution
1731 company shall be generated from Class I renewable energy sources
1732 and an additional three per cent of the total output or services shall be
1733 from Class I or Class II renewable energy sources;

1734 (12) On and after January 1, 2017, not less than fifteen and one-half
1735 per cent of the total output or services of any such supplier or
1736 distribution company shall be generated from Class I renewable

1737 energy sources and an additional three per cent of the total output or
1738 services shall be from Class I or Class II renewable energy sources;

1739 (13) On and after January 1, 2018, not less than seventeen per cent of
1740 the total output or services of any such supplier or distribution
1741 company shall be generated from Class I renewable energy sources
1742 and an additional three per cent of the total output or services shall be
1743 from Class I or Class II renewable energy sources;

1744 (14) On and after January 1, 2019, not less than nineteen and one-
1745 half per cent of the total output or services of any such supplier or
1746 distribution company shall be generated from Class I renewable
1747 energy sources and an additional three per cent of the total output or
1748 services shall be from Class I or Class II renewable energy sources;

1749 (15) On and after January 1, 2020, not less than twenty per cent of
1750 the total output or services of any such supplier or distribution
1751 company shall be generated from Class I renewable energy sources
1752 and an additional three per cent of the total output or services shall be
1753 from Class I or Class II renewable energy sources.

1754 (b) An electric supplier or electric distribution company may satisfy
1755 the requirements of this section (1) by purchasing certificates issued by
1756 the New England Power Pool Generation Information System,
1757 provided the certificates are for (A) energy produced by a generating
1758 unit using Class I or Class II renewable energy sources and the
1759 generating unit is located in the jurisdiction of the regional
1760 independent system operator, or (B) energy imported into the control
1761 area of the regional independent system operator pursuant to New
1762 England Power Pool Generation Information System Rule 2.7(c), as in
1763 effect on January 1, 2006; [or] (2) for those renewable energy
1764 certificates under contract to serve end-use customers in the state on or
1765 before October 1, 2006, by participating in a renewable energy trading
1766 program within said jurisdictions as approved by the Department of
1767 Public Utility Control; or (3) by purchasing eligible renewable
1768 electricity and associated attributes from residential customers who are

1769 net producers.

1770 (c) Any supplier who provides electric generation services solely
1771 from a Class II renewable energy source shall not be required to
1772 comply with the provisions of this section.

1773 (d) An electric supplier or an electric distribution company shall
1774 base its demonstration of generation sources, as required under
1775 subsection (a) of this section on historical data, which may consist of
1776 data filed with the regional independent system operator.

1777 (e) (1) A supplier or an electric distribution company may make up
1778 any deficiency within its renewable energy portfolio within the first
1779 three months of the succeeding calendar year or as otherwise provided
1780 by generation information system operating rules approved by New
1781 England Power Pool or its successor to meet the generation source
1782 requirements of subsection (a) of this section for the previous year.

1783 (2) No such supplier or electric distribution company shall receive
1784 credit for the current calendar year for generation from Class I or Class
1785 II renewable energy sources pursuant to this section where such
1786 supplier or distribution company receives credit for the preceding
1787 calendar year pursuant to subdivision (1) of this subsection.

1788 (f) The department shall adopt regulations, in accordance with the
1789 provisions of chapter 54, to implement the provisions of this section.

1790 Sec. 41. (NEW) (*Effective July 1, 2007*) (a) A municipal electric energy
1791 cooperative, created pursuant to chapter 101a of the general statutes,
1792 shall submit a comprehensive report on the activities of the municipal
1793 electric utilities with regard to promotion of renewable energy
1794 resources. Such report shall identify the standards and activities of
1795 municipal electric utilities in the promotion, encouragement and
1796 expansion of the deployment and use of renewable energy sources
1797 within the service areas of the municipal electric utilities for the prior
1798 calendar year. The cooperative shall submit the report to the
1799 Renewable Energy Investment Advisory Committee established

1800 pursuant to section 16-245n of the general statutes, as amended by this
1801 act, not later than ninety days after the end of each calendar year that
1802 describes the activities undertaken pursuant to this subsection during
1803 the previous calendar year for the promotion and development of
1804 renewable energy sources for all electric customer classes.

1805 (b) Such cooperative shall develop standards for the promotion of
1806 renewable resources that apply to each municipal electric utility. On or
1807 before January 1, 2008, and annually thereafter, such cooperative shall
1808 submit such standards to the Renewable Energy Investment Advisory
1809 Committee.

1810 Sec. 42. (NEW) (*Effective from passage*) (a) Notwithstanding the
1811 provisions of title 16 of the general statutes, a customer who
1812 implements energy conservation or customer-side distributed
1813 resources, as defined in section 16-1 of the general statutes, as
1814 amended by this act, on or after January 1, 2008, shall be eligible for
1815 Class III credits, pursuant to section 16-243q of the general statutes, as
1816 amended by this act. The Class III credit shall be not less than one cent
1817 per kilowatt hour. For nonresidential projects receiving conservation
1818 and load management funding, twenty-five per cent of the financial
1819 value derived from the credits earned pursuant to this section shall be
1820 directed to the customer who implements energy conservation or
1821 customer-side distribution resources pursuant to this section with the
1822 remainder of the financial value directed to the Conservation and Load
1823 Management Funds. For nonresidential projects not receiving
1824 conservation and load management funding submitted on or after
1825 March 9, 2007, seventy-five per cent of the financial value derived from
1826 the credits earned pursuant to this section shall be directed to the
1827 customer who implements energy conservation or customer-side
1828 distribution resources pursuant to this section with the remainder of
1829 the financial value directed to the Conservation and Load
1830 Management Funds. Not later than July 1, 2007, the Department of
1831 Public Utility Control shall initiate a contested case proceeding in
1832 accordance with the provisions of chapter 54 of the general statutes, to
1833 implement the provisions of this section.

1834 (b) In order to be eligible for ongoing Class III credits, the customer
1835 shall file an application that contains information necessary for the
1836 department to determine that the resource qualifies for Class III status.
1837 Such application shall (1) certify that installation and metering
1838 requirements have been met where appropriate, (2) provide a detailed
1839 energy savings or energy output calculation for such time period as
1840 specified by the department, and (3) include any other information
1841 that the department deems appropriate.

1842 (c) For conservation and load management projects that serve
1843 residential customers, seventy-five per cent of the financial value
1844 derived from the credits shall be directed to the Conservation and
1845 Load Management Funds.

1846 Sec. 43. Section 16-243q of the general statutes is repealed and the
1847 following is substituted in lieu thereof (*Effective October 1, 2007*):

1848 (a) On and after January 1, 2007, each electric distribution company
1849 providing standard service pursuant to section 16-244c, as amended by
1850 this act, and each electric supplier as defined in section 16-1, as
1851 amended by this act, shall demonstrate to the satisfaction of the
1852 Department of Public Utility Control that not less than one per cent of
1853 the total output of such supplier or such standard service of an electric
1854 distribution company shall be obtained from Class III **[**resources**]**
1855 sources. On and after January 1, 2008, not less than two per cent of the
1856 total output of any such supplier or such standard service of an electric
1857 distribution company shall, on demonstration satisfactory to the
1858 Department of Public Utility Control, be obtained from Class III
1859 **[**resources**]** sources. On or after January 1, 2009, not less than three per
1860 cent of the total output of any such supplier or such standard service of
1861 an electric distribution company shall, on demonstration satisfactory to
1862 the Department of Public Utility Control, be obtained from Class III
1863 **[**resources**]** sources. On and after January 1, 2010, not less than four per
1864 cent of the total output of any such supplier or such standard service of
1865 an electric distribution company shall, on demonstration satisfactory to
1866 the Department of Public Utility Control, be obtained from Class III

1867 [resources] sources. Electric power obtained from customer-side
1868 distributed resources that does not meet air and water quality
1869 standards of the Department of Environmental Protection is not
1870 eligible for purposes of meeting the percentage standards in this
1871 section.

1872 (b) Except as provided in subsection (d) of this section, the
1873 Department of Public Utility Control shall assess each electric supplier
1874 and each electric distribution company that fails to meet the
1875 percentage standards of subsection (a) of this section a charge of up to
1876 five and five-tenths cents for each kilowatt hour of electricity that such
1877 supplier or company is deficient in meeting such percentage
1878 standards. Seventy-five per cent of such assessed charges shall be
1879 deposited in the Energy Conservation and Load Management Fund
1880 established in section 16-245m, as amended by this act, and twenty-
1881 five per cent shall be deposited in the Renewable Energy Investment
1882 Fund established in section 16-245n, as amended by this act, except
1883 that such seventy-five per cent of assessed charges with respect to an
1884 electric supplier shall be divided among the Energy Conservation and
1885 Load Management Funds of electric distribution companies in
1886 proportion to the amount of electricity such electric supplier provides
1887 to end use customers in the state using the facilities of each electric
1888 distribution company.

1889 (c) An electric supplier or electric distribution company may satisfy
1890 the requirements of this section by participating in a conservation and
1891 distributed resources trading program approved by the Department of
1892 Public Utility Control. Credits created by conservation and customer-
1893 side distributed resources shall be allocated to the person that
1894 conserved the electricity or installed the project for customer-side
1895 distributed resources to which the credit is attributable and to the
1896 Energy Conservation and Load Management Fund. Such credits shall
1897 be made in the following manner: A minimum of twenty-five per cent
1898 of the credits shall be allocated to the person that conserved the
1899 electricity or installed the project for customer-side distributed
1900 resources to which the energy credit is attributable and the remainder

1901 of the credits shall be allocated to the Energy Conservation and Load
1902 Management Fund, based on a schedule created by the department no
1903 later than January 1, 2007, and reviewed annually thereafter. The
1904 department may, in a proceeding and for good cause shown, allocate a
1905 larger proportion of such credits to the person who conserved the
1906 electricity or installed the customer-side distributed resources. The
1907 department shall consider the proportion of investment made by a
1908 ratepayer through various ratepayer-funded incentive programs and
1909 the resulting reduction in federally mandated congestion charges. The
1910 portion allocated to the Energy Conservation and Load Management
1911 Fund shall be used for measures that respond to energy demand and
1912 for peak reduction programs.

1913 (d) An electric distribution company providing standard service
1914 may contract with its wholesale suppliers to comply with the
1915 conservation and customer-side distributed resources standards set
1916 forth in subsection (a) of this section. The Department of Public Utility
1917 Control shall annually conduct a contested case, in accordance with the
1918 provisions of chapter 54, to determine whether the electric distribution
1919 company's wholesale suppliers met the conservation and distributed
1920 resources standards during the preceding year. Any such contract shall
1921 include a provision that requires such supplier to pay the electric
1922 distribution company in an amount of up to five and one-half cents per
1923 kilowatt hour if the wholesale supplier fails to comply with the
1924 conservation and distributed resources standards during the subject
1925 annual period. The electric distribution company shall immediately
1926 transfer seventy-five per cent of any payment received from the
1927 wholesale supplier for the failure to meet the conservation and
1928 distributed resources standards to the Energy Conservation and Load
1929 Management Fund and twenty-five per cent to the Renewable Energy
1930 Investment Fund. Any payment made pursuant to this section shall
1931 not be considered revenue or income to the electric distribution
1932 company.

1933 (e) The Department of Public Utility Control shall conduct a
1934 contested proceeding to develop the administrative processes and

1935 program specifications that are necessary to implement a Class III
1936 sources conservation and distributed resources trading program. The
1937 proceeding shall include, but not be limited to, an examination of
1938 issues such as (1) the manner in which qualifying activities are
1939 certified, tracked and reported, (2) the manner in which Class III
1940 certificates are created, accounted for and transferred, [(3) the
1941 feasibility and benefits of expanding eligible Class III resources to
1942 include those resulting from electricity savings made by residential
1943 customers, (4)] (3) verification of the accuracy of conservation and
1944 customer-side distributed resources credits, [(5)] (4) verification of the
1945 fact that resources or credits used to satisfy the requirement of this
1946 section have not been used to satisfy any other portfolio or similar
1947 requirement, [(6)] (5) the manner in which credits created by
1948 conservation and customer-side distributed resources may best be
1949 allocated to maximize the impact of the trading program, and [(7)] (6)
1950 setting such alternative payment amounts at a level that encourages
1951 development of conservation and customer-side distributed resources.
1952 The department may retain the services of a third party entity with
1953 expertise in the development of energy efficiency trading or
1954 verification programs to assist in the development and operation of the
1955 program. The department shall issue a decision no later than February
1956 1, [2006] 2008.

1957 Sec. 44. Subdivision (44) of subsection (a) of section 16-1 of the
1958 general statutes is repealed and the following is substituted in lieu
1959 thereof (*Effective from passage*):

1960 (44) "Class III [renewable energy] source" means the electricity
1961 output from combined heat and power systems with an operating
1962 efficiency level of no less than fifty per cent that are part of customer-
1963 side distributed resources developed at commercial and industrial
1964 facilities in this state on or after January 1, 2006, a waste heat recovery
1965 system installed on or after April 1, 2007, that produces electrical or
1966 thermal energy by capturing preexisting waste heat or pressure from
1967 industrial or commercial processes, or the electricity savings created
1968 [at commercial and industrial facilities] in this state from conservation

1969 and load management programs begun on or after January 1, 2006.

1970 Sec. 45. Subsection (a) of section 22a-6 of the general statutes is
1971 repealed and the following is substituted in lieu thereof (*Effective*
1972 *October 1, 2007*):

1973 (a) The commissioner may: (1) Adopt, amend or repeal, in
1974 accordance with the provisions of chapter 54, such environmental
1975 standards, criteria and regulations, and such procedural regulations as
1976 are necessary and proper to carry out his functions, powers and duties;
1977 (2) enter into contracts with any person, firm, corporation or
1978 association to do all things necessary or convenient to carry out the
1979 functions, powers and duties of the department; (3) initiate and receive
1980 complaints as to any actual or suspected violation of any statute,
1981 regulation, permit or order administered, adopted or issued by him.
1982 The commissioner shall have the power to hold hearings, administer
1983 oaths, take testimony and subpoena witnesses and evidence, enter
1984 orders and institute legal proceedings including, but not limited to,
1985 suits for injunctions, for the enforcement of any statute, regulation,
1986 order or permit administered, adopted or issued by him; (4) in
1987 accordance with regulations adopted by him, require, issue, renew,
1988 revoke, modify or deny permits, under such conditions as he may
1989 prescribe, governing all sources of pollution in Connecticut within his
1990 jurisdiction; (5) in accordance with constitutional limitations, enter at
1991 all reasonable times, without liability, upon any public or private
1992 property, except a private residence, for the purpose of inspection and
1993 investigation to ascertain possible violations of any statute, regulation,
1994 order or permit administered, adopted or issued by him and the
1995 owner, managing agent or occupant of any such property shall permit
1996 such entry, and no action for trespass shall lie against the
1997 commissioner for such entry, or he may apply to any court having
1998 criminal jurisdiction for a warrant to inspect such premises to
1999 determine compliance with any statute, regulation, order or permit
2000 administered, adopted or enforced by him, provided any information
2001 relating to secret processes or methods of manufacture or production
2002 ascertained by the commissioner during, or as a result of, any

2003 inspection, investigation, hearing or otherwise shall be kept
2004 confidential and shall not be disclosed except that, notwithstanding the
2005 provisions of subdivision (5) of subsection (b) of section 1-210, such
2006 information may be disclosed by the commissioner to the United States
2007 Environmental Protection Agency pursuant to the federal Freedom of
2008 Information Act of 1976, (5 USC 552) and regulations adopted
2009 thereunder or, if such information is submitted after June 4, 1986, to
2010 any person pursuant to the federal Clean Water Act (33 USC 1251 et
2011 seq.); (6) undertake any studies, inquiries, surveys or analyses he may
2012 deem relevant, through the personnel of the department or in
2013 cooperation with any public or private agency, to accomplish the
2014 functions, powers and duties of the commissioner; (7) require the
2015 posting of sufficient performance bond or other security to assure
2016 compliance with any permit or order; (8) provide by notice printed on
2017 any form that any false statement made thereon or pursuant thereto is
2018 punishable as a criminal offense under section 53a-157b; (9) construct
2019 or repair or contract for the construction or repair of any dam or flood
2020 and erosion control system under his control and management, make
2021 or contract for the making of any alteration, repair or addition to any
2022 other real asset under his control and management, including rented
2023 or leased premises, involving an expenditure of five hundred thousand
2024 dollars or less, and, with prior approval of the Commissioner of Public
2025 Works, make or contract for the making of any alteration, repair or
2026 addition to such other real asset under his control and management
2027 involving an expenditure of more than five hundred thousand dollars
2028 but not more than one million dollars; (10) <u>in consultation with</u>
2029 <u>affected town and watershed organizations, enter into a lease</u>
2030 <u>agreement with a private entity owning a facility to allow the private</u>
2031 <u>entity to generate hydroelectricity provided the project meets the</u>
2032 <u>certification standards of the Low Impact Hydropower Institute; (11)</u>
2033 by regulations adopted in accordance with the provisions of chapter
2034 54, require the payment of a fee sufficient to cover the reasonable cost
2035 of the search, duplication and review of records requested under the
2036 Freedom of Information Act, as defined in section 1-200, and the
2037 reasonable cost of reviewing and acting upon an application for and

2038 monitoring compliance with the terms and conditions of any state or
2039 federal permit, license, registration, order, certificate or approval
2040 required pursuant to subsection (i) of section 22a-39, subsections (c)
2041 and (d) of section 22a-96, subsections (h), (i) and (k) of section 22a-424,
2042 and sections 22a-6d, 22a-32, 22a-134a, 22a-134e, 22a-135, 22a-148, 22a-
2043 150, 22a-174, 22a-208, 22a-208a, 22a-209, 22a-342, 22a-345, 22a-354i, 22a-
2044 361, 22a-363c, 22a-368, 22a-372, 22a-379, 22a-403, 22a-409, 22a-416, 22a-
2045 428 to 22a-432, inclusive, 22a-449 and 22a-454 to 22a-454c, inclusive,
2046 and Section 401 of the federal Clean Water Act, (33 USC 1341). Such
2047 costs may include, but are not limited to the costs of (A) public notice,
2048 (B) reviews, inspections and testing incidental to the issuance of and
2049 monitoring of compliance with such permits, licenses, orders,
2050 certificates and approvals, and (C) surveying and staking boundary
2051 lines. The applicant shall pay the fee established in accordance with the
2052 provisions of this section prior to the final decision of the
2053 commissioner on the application. The commissioner may postpone
2054 review of an application until receipt of the payment. Payment of a fee
2055 for monitoring compliance with the terms or conditions of a permit
2056 shall be at such time as the commissioner deems necessary and is
2057 required for an approval to remain valid; and **[**(11)**]** (12) by regulations
2058 adopted in accordance with the provisions of chapter 54, require the
2059 payment of a fee sufficient to cover the reasonable cost of responding
2060 to requests for information concerning the status of real estate with
2061 regard to compliance with environmental statutes, regulations, permits
2062 or orders. Such fee shall be paid by the person requesting such
2063 information at the time of the request. Funds not exceeding two
2064 hundred thousand dollars received by the commissioner pursuant to
2065 subsection (g) of section 22a-174, during the fiscal year ending June 30,
2066 1985, shall be deposited in the General Fund and credited to the
2067 appropriations of the Department of Environmental Protection in
2068 accordance with the provisions of section 4-86, and such funds shall
2069 not lapse until June 30, 1986. In any action brought against any
2070 employee of the department acting within his scope of delegated
2071 authority in performing any of the above-listed duties, the employee
2072 shall be represented by the Attorney General.

2073 Sec. 46. Subdivision (57) of section 12-81 of the general statutes is
2074 repealed and the following is substituted in lieu thereof (*Effective*
2075 *October 1, 2007, and applicable to assessment years commencing on or after*
2076 *October 1, 2007*):

2077 (57) (a) **[**Subject to authorization of the exemption by ordinance in
2078 any municipality, any**]** Any Class I renewable energy source, as
2079 defined in section 16-1, as amended by this act, or any hydropower
2080 facility described in subdivision (27) of **[**said**]** section 16-1, installed for
2081 the generation of electricity for private residential use, provided such
2082 installation occurs on or after October 1, **[**1977**]** 2007, and further
2083 provided such installation is for a single family dwelling or
2084 multifamily dwelling consisting of two to four units, or any passive or
2085 active solar water or space heating system or geothermal energy
2086 resource;

2087 (b) Any person claiming the exemption provided in this subdivision
2088 for any assessment year shall, on or before the first day of November
2089 in such assessment year, file with the assessor or board of assessors in
2090 the town in which such hydropower facility, Class I renewable energy
2091 source, or passive or active solar water or space heating system or
2092 geothermal energy resource is located, written application claiming
2093 such exemption. Failure to file such application in the manner and
2094 form as provided by such assessor or board within the time limit
2095 prescribed shall constitute a waiver of the right to such exemption for
2096 such assessment year. Such application shall not be required for any
2097 assessment year following that for which the initial application is filed,
2098 provided if such hydropower facility, Class I renewable energy source,
2099 or passive or active solar water or space heating system or geothermal
2100 energy resource is altered in a manner which would require a building
2101 permit, such alteration shall be deemed a waiver of the right to such
2102 exemption until a new application, applicable with respect to such
2103 altered source, is filed and the right to such exemption is established as
2104 required initially.

2105 Sec. 47. Subdivision (63) of section 12-81 of the general statutes is

2106 repealed and the following is substituted in lieu thereof (*Effective*
2107 *October 1, 2007, and applicable to assessment years commencing on or after*
2108 *October 1, 2007*):

2109 (63) (a) Subject to authorization of the exemption by ordinance in
2110 any municipality and to the provisions of subparagraph (b) of this
2111 subdivision, **[**any solar energy electricity generating system which is
2112 not eligible for exemption under subdivision (57) of this section,**]** any
2113 cogeneration system **[**, or both,**]** installed on or after July 1, **[**1981, and
2114 before October 1, 2006**]** 2007. The ordinance shall establish the number
2115 of years that a system will be exempt from taxation, except that it may
2116 not provide for an exemption beyond the first fifteen assessment years
2117 following the installation of a system. The ordinance shall prohibit the
2118 exemption from applying to additions to resources recovery facilities
2119 operating on October 1, 1994, or to resources recovery facilities
2120 constructed on and after that date and may prohibit the exemption
2121 from applying to property acquired by eminent domain for the
2122 purpose of qualifying for the exemption;

2123 (b) As used in this subdivision, **[**(A) "solar energy electricity
2124 generating system" means equipment which is designed, operated and
2125 installed as a system which utilizes solar energy as the energy source
2126 for at least seventy-five per cent of the electricity produced by the
2127 system and meets the standards established by regulation, in
2128 accordance with the provisions of chapter 54, by the Secretary of the
2129 Office of Policy and Management, and (B)**]** "cogeneration system"
2130 means equipment which is designed, operated and installed as a
2131 system which produces, in the same process, electricity and exhaust
2132 steam, waste steam, heat or other resultant thermal energy which is
2133 used for space or water heating or cooling, industrial, commercial,
2134 manufacturing or other useful purposes and which meets standards
2135 established by regulation, in accordance with the provisions of chapter
2136 54, by the Secretary of the Office of Policy and Management;

2137 (c) Any municipality which adopts an ordinance authorizing an
2138 exemption provided by this subdivision may enter into a written

2139 agreement with an applicant for the exemption, which may require the
2140 applicant to make payments to the municipality in lieu of taxes. The
2141 agreement may vary the amount of the payments in lieu of taxes in
2142 each assessment year of the agreement, provided the payment in any
2143 assessment year is not greater than the taxes which would otherwise
2144 be due in the absence of the exemption. Any agreement negotiated
2145 under this subdivision shall be submitted to the legislative body of the
2146 municipality for its approval or rejection;

2147 (d) Any person claiming the exemption provided in this subdivision
2148 for any assessment year and whose application has been approved in
2149 accordance with subparagraph (c) of this subdivision shall, on or
2150 before the first day of November in such assessment year, file with the
2151 assessor or board of assessors in the town in which the system is
2152 located written application claiming the exemption. Failure to file the
2153 application in the manner and form as provided by such assessor or
2154 board within the time limit prescribed shall constitute a waiver of the
2155 right to the exemption for such assessment year. Such application shall
2156 not be required for any assessment year following that for which the
2157 initial application is filed, provided if such **[**solar energy electricity
2158 generating system or**]** cogeneration system is altered in a manner
2159 which would require a building permit, such alteration shall be
2160 deemed a waiver of the right to such exemption until a new
2161 application, applicable with respect to such altered system, is filed and
2162 the right to such exemption is established as required initially.

2163 Sec. 48. Section 20-340 of the general statutes is repealed and the
2164 following is substituted in lieu thereof (*Effective from passage*):

2165 The provisions of this chapter shall not apply to: (1) Persons
2166 employed by any federal, state or municipal agency; (2) employees of
2167 any public service company regulated by the Department of Public
2168 Utility Control or of any corporate affiliate of any such company when
2169 the work performed by such affiliate is on behalf of a public service
2170 company, but in either case only if the work performed is in
2171 connection with the rendition of public utility service, including the

2172 installation or maintenance of wire for community antenna television
2173 service, or is in connection with the installation or maintenance of wire
2174 or telephone sets for single-line telephone service located inside the
2175 premises of a consumer; (3) employees of any municipal corporation
2176 specially chartered by this state; (4) employees of any contractor while
2177 such contractor is performing electrical-line or emergency work for
2178 any public service company; (5) persons engaged in the installation,
2179 maintenance, repair and service of electrical or other appliances of a
2180 size customarily used for domestic use where such installation
2181 commences at an outlet receptacle or connection previously installed
2182 by persons licensed to do the same and maintenance, repair and
2183 service is confined to the appliance itself and its internal operation; (6)
2184 employees of industrial firms whose main duties concern the
2185 maintenance of the electrical work, plumbing and piping work, solar
2186 thermal work, heating, piping, cooling work, sheet metal work,
2187 elevator installation, repair and maintenance work, automotive glass
2188 work or flat glass work of such firm on its own premises or on
2189 premises leased by it for its own use; (7) employees of industrial firms
2190 when such employees' main duties concern the fabrication of glass
2191 products or electrical, plumbing and piping, fire protection sprinkler
2192 systems, solar, heating, piping, cooling, chemical piping, sheet metal or
2193 elevator installation, repair and maintenance equipment used in the
2194 production of goods sold by industrial firms, except for products,
2195 electrical, plumbing and piping systems and repair and maintenance
2196 equipment used directly in the production of a product for human
2197 consumption; (8) persons performing work necessary to the
2198 manufacture or repair of any apparatus, appliances, fixtures,
2199 equipment or devices produced by it for sale or lease; (9) employees of
2200 stage and theatrical companies performing the operation, installation
2201 and maintenance of electrical equipment if such installation
2202 commences at an outlet receptacle or connection previously installed
2203 by persons licensed to make such installation; (10) employees of
2204 carnivals, circuses or similar transient amusement shows who install
2205 electrical work, provided such installation shall be subject to the
2206 approval of the State Fire Marshal prior to use as otherwise provided

2207 by law and shall comply with applicable municipal ordinances and
2208 regulations; (11) persons engaged in the installation, maintenance,
2209 repair and service of glass or electrical, plumbing, fire protection
2210 sprinkler systems, solar, heating, piping, cooling and sheet metal
2211 equipment in and about single-family residences owned and occupied
2212 or to be occupied by such persons; provided any such installation,
2213 maintenance and repair shall be subject to inspection and approval by
2214 the building official of the municipality in which such residence is
2215 located and shall conform to the requirements of the State Building
2216 Code; (12) persons who install, maintain or repair glass in a motor
2217 vehicle owned or leased by such persons; (13) persons or entities
2218 holding themselves out to be retail sellers of glass products, but not
2219 such persons or entities that also engage in automotive glass work or
2220 flat glass work; (14) persons who install preglazed or preassembled
2221 windows or doors in residential or commercial buildings; (15) persons
2222 registered under chapter 400 who install safety-backed mirror
2223 products or repair or replace flat glass in sizes not greater than thirty
2224 square feet in residential buildings; **[**and**]** (16) sheet metal work
2225 performed in residential buildings consisting of six units or less by
2226 new home construction contractors registered pursuant to chapter
2227 399a, by home improvement contractors registered pursuant to chapter
2228 400 or by persons licensed pursuant to this chapter, when such work is
2229 limited to exhaust systems installed for hoods and fans in kitchens and
2230 baths, clothes dryer exhaust systems, radon vent systems, fireplaces,
2231 fireplace flues, masonry chimneys or prefabricated metal chimneys
2232 rated by the Underwriter's Laboratory or installation of stand-alone
2233 appliances including wood, pellet or other stand-alone stoves that are
2234 installed in residential buildings by such contractors or persons; and
2235 (17) employees of or any contractor employed by and under the
2236 direction of a properly licensed solar contractor, performing work
2237 limited to the hoisting, placement and anchoring of solar collectors,
2238 photovoltaic panels, towers or turbines.

2239 Sec. 49. Subsection (e) of section 16-244c of the general statutes is
2240 repealed and the following is substituted in lieu thereof (*Effective July*

2241 *1, 2007*):

2242 (e) (1) On and after January 1, 2007, an electric distribution company
2243 shall serve customers that are not eligible to receive standard service
2244 pursuant to subsection (c) of this section as the supplier of last resort.
2245 This subsection shall not apply to customers purchasing power under
2246 contracts entered into pursuant to section 16-19hh. **[**Any customer
2247 previously receiving electric generation services from an electric
2248 supplier shall not be eligible to receive supplier of last resort service
2249 pursuant to this subsection unless such customer agrees to receive
2250 supplier of last resort service for a period of not less than one year.**]**

2251 (2) An electric distribution company shall procure electricity <u>at least</u>
2252 <u>every calendar quarter</u> to provide electric generation services to
2253 customers pursuant to this subsection. The Department of Public
2254 Utility Control shall determine a price for such customers that reflects
2255 the full cost of providing the electricity on a monthly basis. Each
2256 electric distribution company shall recover the actual net costs of
2257 procuring and providing electric generation services pursuant to this
2258 subsection, provided such company mitigates the costs it incurs for the
2259 procurement of electric generation services for customers that are no
2260 longer receiving service pursuant to this subsection.

2261 Sec. 50. (NEW) (*Effective January 1, 2008*) On or before February 1,
2262 2008, any person may, and an electric distribution company shall,
2263 submit a plan to build peaking generation, or the electric distribution
2264 companies may submit a joint ownership plan to build peaking
2265 generation, to be heard in a contested case proceeding before the
2266 Department of Public Utility Control. An electric distribution
2267 company's plan shall include its full projected costs and shall
2268 demonstrate to the department that it is not supported in any form of
2269 cross subsidization by affiliated entities. Any plan approved by the
2270 department shall (1) include a requirement that the owner of the
2271 peaking generation is compensated at cost of service plus reasonable
2272 rate of return as determined by the department, and (2) require that
2273 such peaking generation facility is operated at such times and such

2274 capacity so as to reduce overall electricity rates for consumers. The
2275 department may retain a consultant to help determine if projected
2276 costs included in the plan are good faith preliminary estimates and
2277 may require modification of the plan as necessary to protect the best
2278 interests of ratepayers. Not later than one hundred twenty days after
2279 the plan is submitted, the department shall approve the plan unless it
2280 demonstrates in detail, pursuant to section 16-19e of the general
2281 statutes, that such plan is not in the best interests of ratepayers. The
2282 department shall request that any person submitting a plan to submit
2283 further information it deems to be in the public interest that the
2284 department shall use in evaluating the proposal. Such person shall
2285 only recover the just and reasonable costs of construction of the facility
2286 and, in an annual retail generation rate contested case, shall be entitled
2287 to recover its prudently incurred costs of such project, including, but
2288 not limited to, capital costs, operation and maintenance expenses,
2289 depreciation, fuel costs, taxes and other governmental charges and a
2290 reasonable rate of return on equity. The department shall review such
2291 recovery of costs consistent with the principles set forth in sections 16-
2292 19, 16-19b and 16-19e of the general statutes, as amended by this act,
2293 provided the return on equity associated with such project shall be
2294 established in the initial annual contested case proceeding under this
2295 subsection and updated at least once every four years. A person
2296 operating a peaking generation unit pursuant to this section shall bid
2297 the unit into all regional independent system operator markets,
2298 including the energy market, capacity market or forward reserve
2299 market, using cost-of-service principles and pursuant to guidelines
2300 established by the department each year in the annual retail generation
2301 rate case pursuant to this section.

2302 Sec. 51. (NEW) (*Effective from passage*) (a) The electric distribution
2303 companies, in consultation with the Connecticut Energy Advisory
2304 Board, established pursuant to section 16a-3 of the general statutes, as
2305 amended by this act, shall review the state's energy and capacity
2306 resource assessment and develop a comprehensive plan for the
2307 procurement of energy resources, including, but not limited to,

2308 conventional and renewable generating facilities, energy efficiency,
2309 load management, demand response, combined heat and power
2310 facilities, distributed generation and other emerging energy
2311 technologies to meet the projected requirements of their customers in a
2312 manner that minimizes the cost of such resources to customers over
2313 time and maximizes consumer benefits consistent with the state's
2314 environmental goals and standards.

2315 (b) On or before January 1, 2008, and annually thereafter, the
2316 companies shall submit to the Connecticut Energy Advisory Board an
2317 assessment of (1) the energy and capacity requirements of customers
2318 for the next three, five and ten years, (2) the manner of how best to
2319 eliminate growth in electric demand, (3) how best to level electric
2320 demand in the state by reducing peak demand and shifting demand to
2321 off-peak periods, (4) the impact of current and projected
2322 environmental standards, including, but not limited to, those related to
2323 greenhouse gas emissions and the federal Clean Air Act goals and how
2324 different resources could help achieve those standards and goals, (5)
2325 energy security and economic risks associated with potential energy
2326 resources, and (6) the estimated lifetime cost and availability of
2327 potential energy resources.

2328 (c) Resource needs shall first be met through all available energy
2329 efficiency and demand reduction resources that are cost-effective,
2330 reliable and feasible. The projected customer cost impact of any
2331 demand-side resources considered pursuant to this subsection shall be
2332 reviewed on an equitable bases with nondemand-side resources. The
2333 procurement plan shall specify (1) the total amount of energy and
2334 capacity resources needed to meet the requirements of all customers,
2335 (2) the extent to which demand-side measures, including efficiency,
2336 conservation, demand response and load management can cost-
2337 effectively meet these needs, (3) needs for generating capacity and
2338 transmission and distribution improvements, (4) how the development
2339 of such resources will reduce and stabilize the costs of electricity to
2340 consumers, and (5) the manner in which each of the proposed
2341 resources should be procured, including the optimal contract periods

2342 for various resources.

2343 (d) The procurement plan shall consider: (1) Approaches to
2344 maximizing the impact of demand-side measures; (2) the extent to
2345 which generation needs can be met by renewable and combined heat
2346 and power facilities; (3) the optimization of the use of generation sites
2347 and generation portfolio existing within the state; (4) fuel types,
2348 diversity, availability, firmness of supply and security and
2349 environmental impacts thereof, including impacts on meeting the
2350 state's greenhouse gas emission goals; (5) reliability, peak load and
2351 energy forecasts, system contingencies and existing resource
2352 availabilities; (6) import limitations and the appropriate reliance on
2353 such imports; and (7) the impact of the procurement plan on the costs
2354 of electric customers.

2355 (e) The board, in consultation with the regional independent system
2356 operator, shall review and approve or review, modify and approve the
2357 proposed procurement plan as submitted not later than one hundred
2358 twenty days after receipt. For calendar years 2009 and thereafter, the
2359 board shall conduct such review not later than sixty days after receipt.
2360 For the purpose of reviewing the plan, the Commissioners of
2361 Transportation and Agriculture and the chairperson of the Public
2362 Utilities Control Authority, or their respective designees, shall not
2363 participate as members of the board. The electric distribution
2364 companies shall provide any additional information requested by the
2365 board that is relevant to the consideration of the procurement plan. In
2366 the course of conducting such review, the board shall conduct a public
2367 hearing, may retain the services of a third-party entity with experience
2368 in the area of energy procurement and may consult with the regional
2369 independent system operator. The board shall submit the reviewed
2370 procurement plan, together with a statement of any unresolved issues,
2371 to the Department of Public Utility Control. The department shall
2372 consider the procurement plan in an uncontested proceeding and shall
2373 conduct a hearing and provide an opportunity for interested parties to
2374 submit comments regarding the procurement plan. Not later than one
2375 hundred twenty days after submission of the procurement plan, the

2376 department shall approve, or modify and approve, the procurement
2377 plan. For calendar years 2009 and thereafter, the department shall
2378 approve, or modify and approve, said procurement plan not later than
2379 sixty days after submission.

2380 (f) On or before September 30, 2009, and every two years thereafter,
2381 the Department of Public Utility Control shall report to the joint
2382 standing committees of the General Assembly having cognizance of
2383 matters relating to energy and the environment regarding goals
2384 established and progress toward implementation of the procurement
2385 plan established pursuant to this section, as well as any
2386 recommendations for the process.

2387 (g) All electric distribution companies' costs associated with the
2388 development of the resource assessment and the development of the
2389 procurement plan shall be recoverable through the systems benefits
2390 charge.

2391 Sec. 52. (NEW) (*Effective from passage*) (a) The Department of Public
2392 Utility Control shall oversee the implementation of the procurement
2393 plan approved by the Department of Public Utility Control pursuant to
2394 section 51 of this act. The electric distribution companies shall
2395 implement the demand-side measures, including, but not limited to,
2396 energy efficiency, load management, demand response, combined heat
2397 and power facilities, distributed generation and other emerging energy
2398 technologies, specified in said procurement plan through the
2399 comprehensive conservation and load management plan prepared
2400 pursuant to section 16-245m of the general statutes, as amended by this
2401 act for review by the Energy Conservation Management Board. The
2402 electric distribution companies shall submit proposals to appropriate
2403 regulatory agencies to address transmission and distribution upgrades
2404 as specified in said procurement plan.

2405 (b) If the procurement plan specifies the construction of a generating
2406 facility, the department shall develop and issue a request for
2407 proposals, shall publish such request for proposals in one or more

2408 newspapers or periodicals, as selected by the department, and shall
2409 post such request for proposals on its web site. Pursuant to a
2410 nondisclosure agreement, the department shall make available to the
2411 Office of Consumer Counsel and the Attorney General all confidential
2412 bid information it receives pursuant to this subsection, provided the
2413 bids and any analysis of such bids shall not be subject to disclosure
2414 under the Freedom of Information Act. Three months after the
2415 department issues a final decision, it shall make available all financial
2416 bid information, provided such information regarding the bidders not
2417 selected be presented in a manner that conceals the identities of such
2418 bidders.

2419 (1) On and after July 1, 2008, an electric distribution company may
2420 submit proposals in response to a request for proposals on the same
2421 basis as other respondents to the solicitation. A proposal submitted by
2422 an electric distribution company shall include its full projected costs
2423 such that any project costs recovered from or defrayed by ratepayers
2424 are included in the projected costs. An electric distribution company
2425 submitting any such bid shall demonstrate to the satisfaction of the
2426 department that its bid is not supported in any form of cross
2427 subsidization by affiliated entities. If the department approves such
2428 electric distribution company's proposal, the costs and revenues of
2429 such proposal shall not be included in calculating such company's
2430 earning for purposes of, or in determining whether its rates are just
2431 and reasonable under, sections 16-19, 16-19a and 16-19e of the general
2432 statutes. An electric distribution company shall not recover more than
2433 the full costs identified in any approved proposal. Affiliates of the
2434 electric distribution company may submit proposals pursuant to
2435 section 16-244h of the general statutes, regulations adopted pursuant
2436 to section 16-244h of the general statutes and other requirements the
2437 department may impose.

2438 (2) If the department selects a nonelectric distribution company
2439 proposal, an electric distribution company shall, within thirty days of
2440 the selection of a proposal by the department, negotiate in good faith
2441 the final terms of a contract with a generating facility and shall apply

2442 to the department for approval of such contract. Upon department
2443 approval, the electric distribution company shall enter into such
2444 contract.

2445 (3) The department shall determine the appropriate manner of cost
2446 recovery for proposals selected pursuant to this section.

2447 (4) The department may retain the services of a third-party entity
2448 with expertise in the area of energy procurement to oversee the
2449 development of the request for proposals and to assist the department
2450 in its approval of proposals pursuant to this section. The reasonable
2451 and proper expenses for retaining such third-party entity shall be
2452 recoverable through the generation services charge.

2453 (c) The electric distribution companies shall issue requests for
2454 proposals to acquire any other resource needs not identified in
2455 subsections (a) or (b) of this section but specified in the procurement
2456 plan approved by the Department of Public Utility Control pursuant to
2457 section 51 of this act. Such requests for proposals shall be subject to
2458 approval by the department.

2459 Sec. 53. Section 16a-3 of the general statutes is repealed and the
2460 following is substituted in lieu thereof (*Effective from passage*):

2461 (a) There is established a Connecticut Energy Advisory Board
2462 consisting of **[**nine**]** fifteen members, including the Commissioner of
2463 Environmental Protection, the chairperson of the Public Utilities
2464 Control Authority, the Commissioner of Transportation, the Consumer
2465 Counsel, the Commissioner of Agriculture, and the Secretary of the
2466 Office of Policy and Management, or their respective designees. The
2467 Governor shall appoint **[**one member, the**]** a representative of an
2468 environmental organization knowledgeable in energy efficiency
2469 programs, a representative of a consumer advocacy organization and a
2470 representative of a state-wide business association. The president pro
2471 tempore of the Senate shall appoint **[**one member, and the**]** a
2472 representative of a chamber of commerce, a representative of a state-
2473 wide manufacturing association and a member of the public

2474 considered to be an expert in electricity, generation, procurement or
2475 conservation programs. The speaker of the House of Representatives
2476 shall appoint [one member, all of whom] a representative of low-
2477 income ratepayers, a representative of state residents, in general, with
2478 expertise in energy issues and a member of the public considered to be
2479 an expert in electricity, generation, procurement or conservation
2480 programs. All appointed members shall serve in accordance with
2481 section 4-1a. No appointee may be employed by, or a consultant of, a
2482 public service company, as defined in section 16-1, as amended by this
2483 act, or an electric supplier, as defined in section 16-1, as amended by
2484 this act, or an affiliate or subsidiary of such company or supplier.

2485 (b) The board shall [, (1) prepare an annual report pursuant to
2486 section 16a-7a; (2)] (1) represent the state in regional energy system
2487 planning processes conducted by the regional independent system
2488 operator, as defined in section 16-1, as amended by this act; [(3)] (2)
2489 encourage representatives from the municipalities that are affected by
2490 a proposed project of regional significance to participate in regional
2491 energy system planning processes conducted by the regional
2492 independent system operator; [(4) issue a request-for-proposal in
2493 accordance with subsections (b) and (c) of section 16a-7c; (5) evaluate
2494 the proposals received pursuant to the request-for-proposal in
2495 accordance with subsection (f) of section 16a-7c; (6)] (3) participate in a
2496 forecast proceeding conducted pursuant to subsection (a) of section 16-
2497 50r; [and (7)] (4) participate in a life-cycle proceeding conducted
2498 pursuant to subsection (b) of section 16-50r; and (5) review the
2499 procurement plan submitted by the electric distribution companies
2500 pursuant to section 51 of this act.

2501 (c) The board shall elect a chairman and a vice-chairman from
2502 among its members and shall adopt such rules of procedure as are
2503 necessary to carry out its functions.

2504 (d) The board shall convene its first meeting not later than
2505 September 1, 2003. A quorum of the board shall consist of two-thirds
2506 of the members currently serving on the board.

2507 (e) The board shall employ such staff as is required for the proper
2508 discharge of its duties. The board may also retain any third-party
2509 consultants it deems necessary to accomplish the goals set forth in
2510 subsection (b) of this section. The board shall annually submit to the
2511 Department of Public Utility Control a proposal regarding the level of
2512 funding required for the discharge of its duties, which proposal shall
2513 be approved by the department either as submitted or as modified by
2514 the department.

2515 (f) The Connecticut Energy Advisory Board shall be within the
2516 Office of Policy and Management for administrative purposes only.

2517 Sec. 54. Section 16a-7c of the general statutes is repealed and the
2518 following is substituted in lieu thereof (*Effective July 1, 2007*):

2519 (a) Not later than fifteen days after receiving information pursuant
2520 to subsection (e) of section 16-50*l*, the Connecticut Energy Advisory
2521 Board shall publish such information in one or more newspapers or
2522 periodicals, as selected by the board.

2523 (b) On or after December 1, 2004, not later than fifteen days after the
2524 filing of an application pursuant to subdivision (1) of subsection (a) of
2525 section 16-50i, except for an application for a facility described in
2526 subdivision (5) or (6) of subsection (a) of section 16-50i, the Connecticut
2527 Energy Advisory Board shall issue a request-for-proposal to seek
2528 alternative solutions to the need that will be addressed by the
2529 proposed facility in such application. Such request-for-proposal shall,
2530 where relevant, solicit proposals that include distributed generation or
2531 energy efficiency measures. The board shall publish such request-for-
2532 proposal in one or more newspapers or periodicals, as selected by the
2533 board. Any facility generating not more than five megawatts and any
2534 electric transmission line, electric generation facility or electric
2535 substation otherwise constituting a facility as described in subsection
2536 (a) of section 16-50i that, as part of the proceeding conducted pursuant
2537 to section 8 of this act and in accordance with this subsection, shall be
2538 determined by the Connecticut Siting Council and the Department of

2539 Public Utility Control to be required for the reliability of electric
2540 supply to critical national defense and homeland security
2541 infrastructure shall be exempt from the request for proposal process
2542 described in this subsection and exempt from the municipal
2543 participation fee requirements of subdivision (1) of subsection (a) of
2544 section 16-50*l*, as amended by this act. Such determination shall be
2545 made on or before December 31, 2007. Notwithstanding the provisions
2546 of this subsection, the board, by a vote of two-thirds of the members
2547 present and voting, may determine that a request for proposal is
2548 unnecessary for a specific application because the process is not likely
2549 to result in a reasonable alternative to the proposed facility. On or
2550 before December 1, 2007, after seeking public comment, the board shall
2551 approve additional criteria for considering whether a request for
2552 proposal process should not be required for a specific application. Any
2553 determination that a request-for-proposal is not required shall include
2554 the board's reasons for such determination.

2555 (c) The board may issue a request-for-proposal for solutions to a
2556 need for new energy resources, new energy transmission facilities in
2557 the state, and new energy conservation initiatives in the state identified
2558 **[**in the annual comprehensive energy report prepared under section
2559 16a-7a or identified**]** in regional energy system planning processes
2560 conducted by the regional independent system operator, as defined in
2561 section 16-1, as amended by this act. Such request-for-proposal shall,
2562 where relevant, solicit proposals that include distributed generation or
2563 energy efficiency measures. The board shall publish such request-for-
2564 proposal in one or more newspapers or periodicals, as selected by the
2565 board.

2566 (d) Not later than sixty days after the first date of publication of a
2567 request-for-proposal, a person or any legal entity may submit a
2568 proposal by filing with the board information as such person or entity
2569 may consider relevant to such proposal. The board may request
2570 further information from the person or entity that it deems necessary
2571 to evaluate the proposal pursuant to subsection (f) of this section.

2572 (e) Upon the submission of a proposal pursuant to a request-for-
2573 proposal, the person or entity submitting the proposal shall consult
2574 with the municipality in which the facility may be located and with
2575 any other municipality that would be required to be served with a
2576 copy of an application for such proposal under subdivision (1) of
2577 subsection (b) of section 16-50*l* concerning the proposed and
2578 alternative sites of the facility. Such consultation with the municipality
2579 shall include, but not be limited to, good faith efforts to meet with the
2580 chief elected official of the municipality. At the time of the
2581 consultation, the person or entity submitting the proposal shall
2582 provide the chief elected official with any technical reports concerning
2583 the public need, the site selection process and the environmental
2584 effects of the proposed facility. The municipality may conduct public
2585 hearings and meetings as it deems necessary for it to advise the person
2586 or entity submitting the proposal of its recommendations concerning
2587 the proposed facility. Within sixty days of the initial consultation, the
2588 municipality shall issue its recommendations to the person or entity
2589 submitting the proposal. If a person or entity chooses to file an
2590 application pursuant to subdivision (3) of subsection (a) of section 16-
2591 50*l*, then such person or entity shall provide to the Connecticut Siting
2592 Council a summary of the consultations with the municipality,
2593 including all recommendations issued by the municipality. A person
2594 or entity that has complied with this subsection shall be exempt from
2595 the provisions of subsection (e) of section 16-50*l*.

2596 (f) Not later than forty-five days after the deadline for submissions
2597 in response to a request-for-proposal, the board shall issue a report
2598 that evaluates each proposal received, including any proposal
2599 contained in an application to the council that initiated a request-for-
2600 proposal, based on the materials received pursuant to subsection (d) of
2601 this section, or information contained in the application, as required by
2602 section 16-50*l*, for conformance with the infrastructure criteria
2603 guidelines created pursuant to section 6a-7b. The board shall forward
2604 the results of such evaluation process to the Connecticut Siting
2605 Council.

2606 (g) When evaluating submissions pursuant to subsection (f) of this
2607 section for a facility described in subdivision (3) of subsection (a) of
2608 section 16-50i that are in excess of sixty-five megawatts, the board shall
2609 perform a net energy analysis for each proposal. Such analysis shall
2610 include calculations of all embodied energy requirements used in the
2611 materials for initial construction of the facility over its projected useful
2612 lifetime. The analysis shall be expressed in a dimensionless unit as an
2613 energy profit ratio of energy generated by the facility to the calculated
2614 net energy expended in plant construction, maintenance and total fuel
2615 cycle energy requirements over the projected useful lifetime of the
2616 facility. The boundary for both the net energy calculations of the fuel
2617 cycle and materials for the facility construction and maintenance shall
2618 both be at the point of primary material extraction and include the
2619 energy consumed through the entire supply chain to final, but not be
2620 limited to, such subsequent steps as transportation, refinement and
2621 energy for delivery to the end consumer. The results of said net energy
2622 analysis shall be included in the results forwarded to the Connecticut
2623 Siting Council pursuant to subsection (f) of this section. For purposes
2624 of this subsection, "facility net energy" means the heat energy
2625 delivered by the facility contained in a fuel minus the life cycle energy
2626 used to produce the facility. "Fuel net energy" means the heat energy
2627 contained in a fuel minus the energy used to extract the fuel from the
2628 environment, refine it to a socially useful state and deliver it to
2629 consumers, and "embodied energy" means the total energy used to
2630 build and maintain a process, expressed in calorie equivalents of one
2631 type of energy.

2632 Sec. 55. Subdivision (2) of subsection (a) of section 16-50*l* of the
2633 general statutes is repealed and the following is substituted in lieu
2634 thereof (*Effective July 1, 2007*):

2635 (2) On or after December 1, 2004, the filing of an application
2636 pursuant to subdivision (1) of this subsection shall initiate the request-
2637 for-proposal process, except for an application for a facility described
2638 in subdivision (4), (5) or (6) of subsection (a) of section 16-50i and
2639 except for a facility exempt from such requirement pursuant to

2640 subsection (b) of section 16a-7c, as amended by this act.

2641 Sec. 56. Section 13a-126 of the general statutes is repealed and the
2642 following is substituted in lieu thereof (*Effective from passage*):

2643 As used in this section, "public service facility" includes all
2644 privately, publicly or cooperatively owned lines, facilities and systems
2645 for producing, transmitting or distributing communications, cable
2646 television, power, electricity, light, heat, gas, oil, crude products,
2647 water, steam, waste, storm water not connected with highway
2648 drainage and any other similar commodities, including fire and police
2649 signal systems and street lighting systems which directly or indirectly
2650 serve the public. Whenever the commissioner determines that any
2651 public service facility located within, on, along, over or under any land
2652 comprising the right-of-way of a state highway or any other public
2653 highway when necessitated by the construction or reconstruction of a
2654 state highway shall be readjusted or relocated in or removed from such
2655 right-of-way, the commissioner shall issue an appropriate order to the
2656 company, corporation or municipality owning or operating such
2657 facility, and such company, corporation or municipality shall readjust,
2658 relocate or remove the same promptly in accordance with such order;
2659 provided an equitable share of the cost of such readjustment,
2660 relocation or removal, including the cost of installing and constructing
2661 a facility of equal capacity in a new location, shall be borne by the
2662 state, except that the state shall not bear any share of the cost of a
2663 project of an electric distribution company, as defined in section 16-1,
2664 as amended by this act, to readjust, relocate or remove any facility, as
2665 defined in subsection (a) of section 16-50i, used for transmitting
2666 electricity or as an electric transmission trunkline. The Department of
2667 Transportation shall evaluate the total costs of such a project, including
2668 department costs for construction or reconstruction and electric
2669 distribution company costs for readjusting, relocating or removing
2670 such facility, so as to minimize the overall costs incurred by the state
2671 and the electric distribution company. The electric distribution
2672 company may provide the department with proposed alternatives to
2673 the relocation, readjustment or removal proposed by the department

2674 and shall be responsible for any changes to project costs attributable to
2675 adoption of the company's proposed alternative designs for such
2676 project, including changes to the area of the relocation, readjustment or
2677 removal and any incremental costs incurred by the department to
2678 evaluate such alternatives. If such electric distribution company and
2679 the department cannot agree on a plan for such project, the
2680 Commissioner of Transportation and the chairperson of the
2681 Department of Public Utility Control shall, on request of the company,
2682 jointly determine the alternative for the project. Such equitable share,
2683 in the case of or in connection with the construction or reconstruction
2684 of any limited access highway, shall be the entire cost, less the
2685 deductions provided in this section, and, in the case of or in connection
2686 with the construction or reconstruction of any other state highway,
2687 shall be such portion or all of the entire cost, less the deductions
2688 provided in this section, as may be fair and just under all the
2689 circumstances, but shall not be less than fifty per cent of such cost after
2690 the deductions provided in this section. In establishing the equitable
2691 share of the cost to be borne by the state, there shall be deducted from
2692 the cost of the readjusted, relocated or removed facilities a sum based
2693 on a consideration of the value of materials salvaged from existing
2694 installations, the cost of the original installation, the life expectancy of
2695 the original facility and the unexpired term of such life use. When any
2696 facility is removed from the right-of-way of a public highway to a
2697 private right-of-way, the state shall not pay for such private right-of-
2698 way, provided, when a municipally-owned facility is thus removed
2699 from a municipally-owned highway, the state shall pay for the private
2700 right-of-way needed by the municipality for such relocation. If the
2701 commissioner and the company, corporation or municipality owning
2702 or operating such facility cannot agree upon the share of the cost to be
2703 borne by the state, either may apply to the superior court for the
2704 judicial district within which such highway is situated, or, if said court
2705 is not in session, to any judge thereof, for a determination of the cost to
2706 be borne by the state, and said court or such judge, after causing notice
2707 of the pendency of such application to be given to the other party, shall
2708 appoint a state referee to make such determination. Such referee,

2709 having given at least ten days' notice to the parties interested of the
2710 time and place of the hearing, shall hear both parties, shall view such
2711 highway, shall take such testimony as such referee deems material and
2712 shall thereupon determine the amount of the cost to be borne by the
2713 state and immediately report to the court. If the report is accepted by
2714 the court, such determination shall, subject to right of appeal as in civil
2715 actions, be conclusive upon both parties.

2716 Sec. 57. Subsection (e) of section 16-2 of the general statutes is
2717 repealed and the following is substituted in lieu thereof (*Effective*
2718 *October 1, 2007*):

2719 (e) To insure the highest standard of public utility regulation, on
2720 and after **[**July 1, 1997, at least three of the commissioners**]** October 1,
2721 2007, any newly appointed commissioner of the authority shall have
2722 education or training and three or more years of experience in one or
2723 more of the following fields: Economics, engineering, law, accounting,
2724 finance, utility regulation, public or government administration,
2725 consumer advocacy, business management, and environmental
2726 management. On and after July 1, 1997, at least three of these fields
2727 shall be represented on the authority by individual commissioners at
2728 all times. Any time a commissioner is newly appointed, at least one of
2729 the commissioners shall have experience in utility customer advocacy.

2730 Sec. 58. (*Effective July 1, 2007*) Not later than January 1, 2008, the
2731 Connecticut Energy Advisory Board shall conduct a study to develop
2732 recommendations on how to (1) coordinate and integrate the state's
2733 energy entities; (2) achieve the goals of (A) the Regional Greenhouse
2734 Gas Initiative, and (B) the state, with regard to the reduction of
2735 emissions of greenhouse gas, as provided by section 22a-200a of the
2736 general statutes; and (3) promote indigenous alternative fuel resources.
2737 The board shall submit a report containing its recommendations,
2738 including recommendations for legislation, to the joint standing
2739 committee of the General Assembly having cognizance of matters
2740 relating to energy and technology not later than January 1, 2009.

2741 Sec. 59. (*Effective from passage*) (a) Not later than July 1, 2007, the
2742 Connecticut Energy Advisory Board shall conduct a study on the
2743 efficacy, innovativeness and customer focus on electric conservation
2744 programs. The board shall hold a public hearing on such matters. In
2745 the study, the board shall investigate the options of (1) selecting a
2746 state-wide provider of conservation programs through a competitive
2747 process, which shall be open to electric distribution companies, the
2748 Connecticut Municipal Electrical Energy Cooperative and other
2749 entities; (2) retaining the current delivery system for conservation
2750 programs; and (3) having a nonprofit organization provide the
2751 conservation programs.

2752 (b) The board shall submit a report containing its findings to the
2753 joint standing committee of the General Assembly having cognizance
2754 of matters relating to energy and technology not later than February 1,
2755 2008.

2756 Sec. 60. (*Effective October 1, 2007*) Not later than January 1, 2009, the
2757 Department of Public Utility Control shall initiate an uncontested
2758 proceeding to examine (1) the efficacy and rate impact of last resort
2759 service provided pursuant to subsection (e) of section 16-244c of the
2760 general statutes, as amended by this act, including, but not limited to,
2761 the service's effect on the ability of this service to meet the needs of
2762 commercial and industrial customers and the development of a
2763 competitive electric supply marketplace with competitive suppliers
2764 and products, and (2) the efficacy and rate impact of standard service
2765 pursuant to subsection (c) of section 16-244c of the general statutes, as
2766 amended by this act, including, but not limited to, the service's success
2767 in meeting performance with respect to the standards set forth in
2768 section 16-244c of the general statutes, as amended by this act.

2769 Sec. 61. (NEW) (*Effective July 1, 2007*) (a) On or before September 1,
2770 2007, the Department of Education, in consultation with the
2771 Department of Public Utility Control, the state's electric distribution
2772 companies and interested manufacturers of compact fluorescent light
2773 bulbs, shall (1) establish a week-long promotional event, to be known

2774 as "See the Light Week", in late September or early October each year,
2775 that will promote renewable energy and energy conservation, (2)
2776 encourage and solicit school districts, individual schools and other
2777 educational institutions under the jurisdiction of the Department of
2778 Education to participate in a state-wide compact fluorescent light bulbs
2779 fundraiser established pursuant to subsection (b) of this section, and
2780 (3) provide outreach, guidance and training to districts, parent and
2781 teacher organizations and schools concerning the value of renewable
2782 energy.

2783 (b) (1) The Department of Education and the Energy Conservation
2784 Management Board, established pursuant to section 16-245m of the
2785 general statutes, as amended by this act, shall develop and implement
2786 a state-wide fundraiser for all public schools, in which students would
2787 sell compact fluorescent light bulbs. The participating schools would
2788 retain a portion of each sale.

2789 (2) The Department of Education shall establish a sales target for the
2790 state-wide fundraiser developed pursuant to subdivision (1) of this
2791 subsection.

2792 Sec. 62. Subsection (a) of section 16-50k of the general statutes is
2793 repealed and the following is substituted in lieu thereof (*Effective*
2794 *October 1, 2007*):

2795 (a) Except as provided in subsection (b) of section 16-50z, no person
2796 shall exercise any right of eminent domain in contemplation of,
2797 commence the preparation of the site for, **[**or**]** commence the
2798 construction or supplying of a facility, or commence any modification
2799 of a facility, that may, as determined by the council, have a substantial
2800 adverse environmental effect in the state without having first obtained
2801 a certificate of environmental compatibility and public need,
2802 hereinafter referred to as a "certificate", issued with respect to such
2803 facility or modification by the council. **[**, except**]** Certificates shall not
2804 be required for (1) fuel cells built within the state with a generating
2805 capacity of two hundred fifty kilowatts or less, or (2) fuel cells built out

2806 of state with a generating capacity of ten kilowatts or less. [which shall
2807 not require such certificate.] Any facility with respect to which a
2808 certificate is required shall thereafter be built, maintained and operated
2809 in conformity with such certificate and any terms, limitations or
2810 conditions contained therein. Notwithstanding the provisions of this
2811 chapter or title 16a, the council shall, in the exercise of its jurisdiction
2812 over the siting of generating facilities, approve by declaratory ruling
2813 [(1)] (A) the construction of a facility solely for the purpose of
2814 generating electricity, other than an electric generating facility that
2815 uses nuclear materials or coal as fuel, at a site where an electric
2816 generating facility operated prior to July 1, 2004, [(2)] (B) the
2817 construction or location of any fuel cell, unless the council finds a
2818 substantial adverse environmental effect, or of any customer-side
2819 distributed resources project or facility or grid-side distributed
2820 resources project or facility with a capacity of not more than sixty-five
2821 megawatts, as long as such project meets air and water quality
2822 standards of the Department of Environmental Protection, and [(3)] (C)
2823 the siting of temporary generation solicited by the Department of
2824 Public Utility Control pursuant to section 16-19ss, as amended by this
2825 act.

2826 Sec. 63. Subdivision (6) of subsection (a) of section 16-244e of the
2827 general statutes is repealed and the following is substituted in lieu
2828 thereof (*Effective July 1, 2007*):

2829 (6) Once unbundling is completed to the satisfaction of the
2830 department and consistent with the provisions of section 16-244, (A)
2831 any corporate affiliate or separate division that provides electric
2832 generation services as a result of unbundling pursuant to this
2833 subsection shall be considered a generation entity or affiliate of the
2834 electric company, and the division or corporate affiliate of the electric
2835 company that provides transmission and distribution services shall be
2836 considered an electric distribution company, and (B) an electric
2837 distribution company shall not own or operate generation assets,
2838 except as provided in this section, [and] section 16-243m, as amended
2839 by this act, and sections 50, 52, 83 and 117 of this act.

2840 Sec. 64. Subsection (d) of section 16-19ss of the general statutes is
2841 repealed and the following is substituted in lieu thereof (*Effective July*
2842 *1, 2007*):

2843 (d) Nothing in this section shall be construed to allow an electric
2844 distribution company to own, operate, lease or control any facility or
2845 asset that generates electricity, or retain any interest in such facility or
2846 asset as part of any transaction concluded pursuant to this section,
2847 except as provided in subsection (e) of section 16-244e **[**and**]** section 16-
2848 243m, as amended by this act, and sections 50, 52, 83 and 117 of this
2849 act.

2850 Sec. 65. Section 1 of public act 05-2 of the October 25 special session
2851 is repealed and the following is substituted in lieu thereof (*Effective July*
2852 *1, 2007*):

2853 Notwithstanding the provisions of sections 4-28b and 16a-41a of the
2854 general statutes, the Commissioner of Social Services shall **[**amend the
2855 adopted**]** adopt a low income home energy assistance program block
2856 grant allocation plan for the **[**purpose of modifying the 2005/2006**]**
2857 2007/2008 Connecticut energy assistance program state plan in the
2858 following manner: (1) To increase the basic benefit provided to all
2859 eligible households, including eligible households whose heat is
2860 included in their rent, over the benefit provided for the 2005/2006
2861 plan, prior to the amendment of said plan, by two hundred dollars, (2)
2862 to fund, for the fiscal year ending June 30, 2008, the contingency
2863 heating assistance program under the Connecticut energy assistance
2864 program to provide a three hundred dollar basic benefit to eligible
2865 households, as defined in the Connecticut energy assistance program
2866 state plan, whose gross annual income is not more than sixty per cent
2867 of the median state income by household size, and an additional two
2868 hundred dollar crisis assistance benefit for such households who have
2869 exhausted their basic benefit and are unable to secure primary heat,
2870 causing a life threatening situation, (3) to increase the number of
2871 households weatherized pursuant to the Connecticut energy assistance
2872 program, and (4) to increase the number of households receiving home

2873 heating equipment tune-ups and home energy efficiency measures
2874 pursuant to the home energy assistance and reimbursements for tune-
2875 ups on heating equipment grant program as administered pursuant to
2876 subsection (c) of section 2 of **[**this act**]** public act 05-2 of the October 25
2877 special session, as amended by section 1 of public act 05-4 of the
2878 October 25 special session.

2879 Sec. 66. Section 16a-41a of the general statutes is repealed and the
2880 following is substituted in lieu thereof (*Effective July 1, 2007*):

2881 (a) The Commissioner of Social Services shall submit to the joint
2882 standing committees of the General Assembly having cognizance of
2883 energy planning and activities, appropriations, and human services the
2884 following on the implementation of the block grant program
2885 authorized under the Low-Income Home Energy Assistance Act of
2886 1981, as amended:

2887 (1) Not later than August first, annually, a Connecticut energy
2888 assistance program annual plan which establishes guidelines for the
2889 use of funds authorized under the Low-Income Home Energy
2890 Assistance Act of 1981, as amended, and includes the following:

2891 (A) Criteria for determining which households are to receive
2892 emergency and weatherization assistance;

2893 (B) A description of systems used to ensure referrals to other energy
2894 assistance programs and the taking of simultaneous applications, as
2895 required under section 16a-41;

2896 (C) A description of outreach efforts;

2897 (D) Estimates of the total number of households eligible for
2898 assistance under the program and the number of households in which
2899 one or more elderly or physically disabled individuals eligible for
2900 assistance reside; and

2901 (E) Design of a basic grant for eligible households that does not
2902 discriminate against such households based on the type of energy used

2903 for heating;

2904 (2) Not later than January thirtieth, annually, a report covering the
2905 preceding months of the program year, including:

2906 (A) In each community action agency geographic area and
2907 Department of Social Services region, the number of fuel assistance
2908 applications filed, approved and denied, the number of emergency
2909 assistance requests made, approved and denied and the number of
2910 households provided weatherization assistance;

2911 (B) In each such area and district, the total amount of fuel,
2912 emergency and weatherization assistance, itemized by such type of
2913 assistance, and total expenditures to date; and

2914 (C) For each state-wide office of each state agency administering the
2915 program, each community action agency and each Department of
2916 Social Services region, administrative expenses under the program, by
2917 line item, and an estimate of outreach expenditures; and

2918 (3) Not later than November first, annually, a report covering the
2919 preceding twelve calendar months, including:

2920 (A) In each community action agency geographic area and
2921 Department of Social Services region, (i) seasonal totals for the
2922 categories of data submitted under subdivision (1) of this subsection,
2923 (ii) the number of households receiving fuel assistance in which elderly
2924 or physically disabled individuals reside, and (iii) the average
2925 combined benefit level of fuel, emergency and renter assistance;

2926 (B) Types of weatherization assistance provided;

2927 (C) Percentage of weatherization assistance provided to tenants;

2928 (D) The number of homeowners and tenants whose heat or total
2929 energy costs are not included in their rent receiving fuel and
2930 emergency assistance under the program by benefit level;

2931 (E) The number of homeowners and tenants whose heat is included
2932 in their rent and who are receiving assistance, by benefit level; and

2933 (F) The number of households receiving assistance, by energy type
2934 and total expenditures for each energy type.

2935 (b) The Commissioner of Social Services shall implement a program
2936 to purchase **[**number two home heating oil at a reduced rate for low-
2937 income households participating in the Connecticut energy assistance
2938 program and the state-appropriated fuel assistance program. Each
2939 agency administering a fuel assistance program shall submit reports,
2940 as requested by the commissioner, concerning pricing information
2941 from vendors of number two home heating oil participating in the
2942 program. Such information shall include, but not be limited to, a
2943 vendor's regular retail price per gallon of number two home heating
2944 oil, the reduced price per gallon paid by the state for the heating oil,
2945 the number of gallons delivered to the state under the program and the
2946 total savings under the program due to the purchase of number two
2947 home heating oil at a reduced rate**]** deliverable fuel for low-income
2948 households participating in the Connecticut energy assistance program
2949 and the state-appropriated fuel assistance program. The commissioner
2950 shall ensure that all fuel assistance recipients are treated the same as
2951 any other similarly situated customer and that no fuel vendor
2952 discriminates against fuel assistance program recipients who are under
2953 the vendor's standard payment, delivery, service or other similar
2954 plans. The commissioner shall take advantage of programs offered by
2955 fuel vendors that reduce the cost of the fuel purchased, including, but
2956 not limited to, fixed price, capped price, prepurchase or summer-fill
2957 programs that reduce program cost and that make the maximum use
2958 of program revenues. The commissioner shall ensure that all agencies
2959 administering the fuel assistance program shall make payments to
2960 program fuel vendors in advance of the delivery of energy where
2961 vendor provided price-management strategies require payments in
2962 advance.

2963 (c) Each community action agency administering a fuel assistance

2964 program shall submit reports, as requested by the Commissioner of
2965 Social Services, concerning pricing information from vendors of
2966 deliverable fuel participating in the program. Such information shall
2967 include, but not be limited to, the state-wide or regional retail price per
2968 unit of deliverable fuel, the reduced price per unit paid by the state for
2969 the deliverable fuel in utilizing price management strategies offered by
2970 program vendors for all consumers, the number of units delivered to
2971 the state under the program and the total savings under the program
2972 due to the purchase of deliverable fuel utilizing price-management
2973 strategies offered by program vendors for all consumers.

2974 (d) Each community action agency administering a fuel assistance
2975 program shall begin accepting applications for the program not later
2976 than September first of each year.

2977 Sec. 67. Section 16-262c of the general statutes is repealed and the
2978 following is substituted in lieu thereof (*Effective October 1, 2007*):

2979 (a) Notwithstanding any other provision of the general statutes no
2980 electric, electric distribution, gas, telephone or water company, no
2981 electric supplier or certified telecommunications provider, and no
2982 municipal utility furnishing electric, gas, telephone or water service
2983 shall cause cessation of any such service by reason of delinquency in
2984 payment for such service (1) on any Friday, Saturday, Sunday, legal
2985 holiday or day before any legal holiday, provided such a company,
2986 electric supplier, certified telecommunications provider or municipal
2987 utility may cause cessation of such service to a nonresidential account
2988 on a Friday which is not a legal holiday or the day before a legal
2989 holiday when the business offices of the company, electric supplier,
2990 certified telecommunications provider or municipal utility are open to
2991 the public the succeeding Saturday, (2) at any time during which the
2992 business offices of said company, electric supplier, certified
2993 telecommunications provider or municipal utility are not open to the
2994 public, or (3) within one hour before the closing of the business offices
2995 of said company, electric supplier or municipal utility.

2996 (b) (1) From November first to [April fifteenth] May first, inclusive,
2997 no electric or electric distribution company, as defined in section 16-1,
2998 as amended by this act, no electric supplier and no municipal utility
2999 furnishing electricity shall terminate or refuse to reinstate residential
3000 electric service in hardship cases where the customer lacks the
3001 financial resources to pay his or her entire account. From November
3002 first to [April fifteenth] May first, inclusive, no gas company and no
3003 municipal utility furnishing gas shall terminate or refuse to reinstate
3004 residential gas service in hardship cases where the customer uses such
3005 gas for heat and lacks the financial resources to pay his or her entire
3006 account, except a gas company that, between [April sixteenth] May
3007 second and October thirty-first, terminated gas service to a residential
3008 customer who uses gas for heat and who, during the previous period
3009 of November first to [April fifteenth] May first, had gas service
3010 maintained because of hardship status, may refuse to reinstate the gas
3011 service from November first to [April fifteenth] May first, inclusive,
3012 only if the customer has failed to pay, since the preceding November
3013 first, the lesser of: (A) Twenty per cent of the outstanding principal
3014 balance owed the gas company as of the date of termination, (B) one
3015 hundred dollars, or (C) the minimum payments due under the
3016 customer's amortization agreement. Notwithstanding any other
3017 provision of the general statutes to the contrary, no electric, electric
3018 distribution or gas company, no electric supplier and no municipal
3019 utility furnishing electricity or gas shall terminate or refuse to reinstate
3020 residential electric or gas service where the customer lacks the financial
3021 resources to pay his or her entire account and for which customer or a
3022 member of the customer's household the termination or failure to
3023 reinstate such service would create a life-threatening situation.

3024 (2) During any period in which a residential customer is subject to
3025 termination, an electric, electric distribution or gas company, an
3026 electric supplier or a municipal utility furnishing electricity or gas shall
3027 provide such residential customer whose account is delinquent an
3028 opportunity to enter into a reasonable amortization agreement with
3029 such company, electric supplier or utility to pay such delinquent

3030 account and to avoid termination of service. Such amortization
3031 agreement shall allow such customer adequate opportunity to apply
3032 for and receive the benefits of any available energy assistance
3033 program. An amortization agreement shall be subject to amendment
3034 on customer request if there is a change in the customer's financial
3035 circumstances.

3036 (3) As used in this section, (A) "household income" means the
3037 combined income over a twelve-month period of the customer and all
3038 adults, except children of the customer, who are and have been
3039 members of the household for six months or more, and (B) "hardship
3040 case" includes, but is not limited to: (i) A customer receiving local, state
3041 or federal public assistance; (ii) a customer whose sole source of
3042 financial support is Social Security, Veterans' Administration or
3043 unemployment compensation benefits; (iii) a customer who is head of
3044 the household and is unemployed, and the household income is less
3045 than three hundred per cent of the poverty level determined by the
3046 federal government; (iv) a customer who is seriously ill or who has a
3047 household member who is seriously ill; (v) a customer whose income
3048 falls below one hundred twenty-five per cent of the poverty level
3049 determined by the federal government; and (vi) a customer whose
3050 circumstances threaten a deprivation of food and the necessities of life
3051 for himself or dependent children if payment of a delinquent bill is
3052 required.

3053 (4) In order for a residential customer of a gas or electric distribution
3054 company using gas or electricity for heat to be eligible to have any
3055 moneys due and owing deducted from the customer's delinquent
3056 account pursuant to this subdivision, the company furnishing gas or
3057 electricity shall require that the customer (A) apply and be eligible for
3058 benefits available under the Connecticut energy assistance program or
3059 state appropriated fuel assistance program; (B) authorize the company
3060 to send a copy of the customer's monthly bill directly to any energy
3061 assistance agency for payment; (C) enter into and comply with an
3062 amortization agreement, which agreement is consistent with decisions
3063 and policies of the Department of Public Utility Control. Such an

3064 amortization agreement shall reduce a customer's payment by the
3065 amount of the benefits reasonably anticipated from the Connecticut
3066 energy assistance program, state appropriated fuel assistance program
3067 or other energy assistance sources. Unless the customer requests
3068 otherwise, the company shall budget a customer's payments over a
3069 twelve-month period with an affordable increment to be applied to
3070 any arrearage, provided such payment plan will not result in loss of
3071 any energy assistance benefits to the customer. If a customer
3072 authorizes the company to send a copy of his monthly bill directly to
3073 any energy assistance agency for payment, the energy assistance
3074 agency shall make payments directly to the company. If, on April
3075 thirtieth, a customer has been in compliance with the requirements of
3076 subparagraphs (A) to (C), inclusive, of this subdivision, during the
3077 period starting on the preceding November first, or from such time as
3078 the customer's account becomes delinquent, the company shall deduct
3079 from such customer's delinquent account an additional amount equal
3080 to the amount of money paid by the customer between the preceding
3081 November first and April thirtieth and paid on behalf of the customer
3082 through the Connecticut energy assistance program and state
3083 appropriated fuel assistance program. Any customer in compliance
3084 with the requirements of subparagraphs (A) to (C), inclusive, of this
3085 subdivision, on April thirtieth who continues to comply with an
3086 amortization agreement through the succeeding October thirty-first,
3087 shall also have an amount equal to the amount paid pursuant to such
3088 agreement and any amount paid on behalf of such customer between
3089 May first and the succeeding October thirty-first deducted from the
3090 customer's delinquent account. In no event shall the deduction of any
3091 amounts pursuant to this subdivision result in a credit balance to the
3092 customer's account. No customer shall be denied the benefits of this
3093 subdivision due to an error by the company. The Department of Public
3094 Utility Control shall allow the amounts deducted from the customer's
3095 account pursuant to the implementation plan, described in subdivision
3096 (5) of this subsection, to be recovered by the company in its rates as an
3097 operating expense, pursuant to said implementation plan. If the
3098 customer fails to comply with the terms of the amortization agreement

3099 or any decision of the department rendered in lieu of such agreement
3100 and the requirements of subparagraphs (A) to (C), inclusive, of this
3101 subdivision, the company may terminate service to the customer,
3102 pursuant to all applicable regulations, provided such termination shall
3103 not occur between November first and **[**April fifteenth**]** May first.

3104 (5) Each gas and electric distribution company shall submit to the
3105 Department of Public Utility Control annually, on or before July first,
3106 an implementation plan which shall include information concerning
3107 amortization agreements, counseling, reinstatement of eligibility, rate
3108 impacts and any other information deemed relevant by the
3109 department. The Department of Public Utility Control may, in
3110 consultation with the Office of Policy and Management, approve or
3111 modify such plan within ninety days of receipt of the plan. If the
3112 department does not take any action on such plan within ninety days
3113 of its receipt, the plan shall automatically take effect at the end of the
3114 ninety-day period, provided the department may extend such period
3115 for an additional thirty days by notifying the company before the end
3116 of the ninety-day period. Any amount recovered by a company in its
3117 rates pursuant to this subsection shall not include any amount
3118 approved by the Department of Public Utility Control as an
3119 uncollectible expense. The department may deny all or part of the
3120 recovery required by this subsection if it determines that the company
3121 seeking recovery has been imprudent, inefficient or acting in violation
3122 of statutes or regulations regarding amortization agreements.

3123 (6) On or after January 1, 1993, the Department of Public Utility
3124 Control may require gas companies to expand the provisions of
3125 subdivisions (4) and (5) of this subsection to all hardship customers.
3126 Any such requirement shall not be effective until November 1, 1993.

3127 (7) (A) All electric, electric distribution and gas companies, electric
3128 suppliers and municipal utilities furnishing electricity or gas shall
3129 collaborate in developing, subject to approval by the Department of
3130 Public Utility Control, standard provisions for the notice of
3131 delinquency and impending termination under subsection (a) of

3132 section 16-262d. Each such company and utility shall place on the front
3133 of such notice a provision that the company, electric supplier or utility
3134 shall not effect termination of service to a residential dwelling for
3135 nonpayment of disputed bills during the pendency of any complaint.
3136 In addition, the notice shall state that the customer must pay current
3137 and undisputed bill amounts during the pendency of the complaint.
3138 (B) At the beginning of any discussion with a customer concerning a
3139 reasonable amortization agreement, any such company or utility shall
3140 inform the customer (i) of the availability of a process for resolving
3141 disputes over what constitutes a reasonable amortization agreement,
3142 (ii) that the company, electric supplier or utility will refer such a
3143 dispute to one of its review officers as the first step in attempting to
3144 resolve the dispute, and (iii) that the company, electric supplier or
3145 utility shall not effect termination of service to a residential dwelling
3146 for nonpayment of a delinquent account during the pendency of any
3147 complaint, investigation, hearing or appeal initiated by the customer,
3148 unless the customer fails to pay undisputed bills, or undisputed
3149 portions of bills, for service received during such period. (C) Each such
3150 company, electric supplier and utility shall inform and counsel all
3151 customers who are hardship cases as to the availability of all public
3152 and private energy conservation programs, including programs
3153 sponsored or subsidized by such companies and utilities, eligibility
3154 criteria, where to apply, and the circumstances under which such
3155 programs are available without cost.

3156 (8) The Department of Public Utility Control shall adopt regulations
3157 in accordance with chapter 54 to carry out the provisions of this
3158 subsection. Such regulations shall include, but not be limited to,
3159 criteria for determining hardship cases and for reasonable
3160 amortization agreements, including appeal of such agreements, for
3161 categories of customers. Such regulations may include the
3162 establishment of a reasonable rate of interest which a company may
3163 charge on the unpaid balance of a customer's delinquent bill and a
3164 description of the relationship and responsibilities of electric suppliers
3165 to customers.

3166 (c) Each electric, electric distribution and gas company, electric
3167 supplier and municipal utility shall, not later than December first,
3168 annually, submit a report to the department and the General Assembly
3169 indicating (1) the number of customers in each of the following
3170 categories and the total delinquent balances for such customers as of
3171 the preceding **[**April fifteenth**]** May first: (A) Customers who are
3172 hardship cases and (i) who made arrangements for reasonable
3173 amortization agreements, (ii) who did not make such arrangements,
3174 and (B) customers who are nonhardship cases and who made
3175 arrangements for reasonable amortization, (2) (A) the number of
3176 heating customers receiving energy assistance during the preceding
3177 heating season and the total amount of such assistance, and (B) the
3178 total balance of the accounts of such customers after all energy
3179 assistance is applied to the accounts, (3) the number of hardship cases
3180 reinstated between November first of the preceding year and **[**April
3181 fifteenth**]** May first of the same year, the number of hardship cases
3182 terminated between **[**April fifteenth**]** May first of the same year and
3183 November first and the number of hardship cases reinstated during
3184 each month from **[**April**]** May to November, inclusive, of the same
3185 year, (4) the number of reasonable amortization agreements executed
3186 and the number breached during the same year by (A) hardship cases,
3187 and (B) nonhardship cases, and (5) the number of accounts of (A)
3188 hardship cases, and (B) nonhardship cases for which part or all of the
3189 outstanding balance is written off as uncollectible during the
3190 preceding year and the total amount of such uncollectibles.

3191 (d) Nothing in this section shall (1) prohibit a public service
3192 company, electric supplier or municipal utility from terminating
3193 residential utility service upon request of the customer or in
3194 accordance with section 16-262d upon default by the customer on an
3195 amortization agreement or collecting delinquent accounts through
3196 legal processes, including the processes authorized by section 16-262f,
3197 or (2) relieve such company, electric supplier or municipal utility of its
3198 responsibilities set forth in sections 16-262d and 16-262e to occupants
3199 of residential dwellings or, with respect to a public service company or

3200 electric supplier, the responsibilities set forth in section 19a-109.

3201 (e) No provision of the Freedom of Information Act, as defined in
3202 section 1-200, shall be construed to require or permit a municipal
3203 utility furnishing electric, gas or water service, a municipality
3204 furnishing water or sewer service, a district established by special act
3205 or pursuant to chapter 105 and furnishing water or sewer service or a
3206 regional authority established by special act to furnish water or sewer
3207 service to disclose records under the Freedom of Information Act, as
3208 defined in section 1-200, which identify or could lead to identification
3209 of the utility usage or billing information of individual customers, to
3210 the extent such disclosure would constitute an invasion of privacy.

3211 (f) If an electric supplier suffers a loss of revenue by operation of
3212 this section, the supplier may make a claim for such revenue to the
3213 department. The electric distribution company shall reimburse the
3214 electric supplier for such losses found to be reasonable by the
3215 department at the lower of (1) the price of the contract between the
3216 supplier and the customer, or (2) the electric distribution company's
3217 price to customers for default service, as determined by the
3218 department. The electric distribution company may recover such
3219 reimbursement, along with transaction costs, through the systems
3220 benefits charge.

3221 Sec. 68. Section 12-412 of the general statutes is amended by adding
3222 subdivisions (117) and (118) as follows (*Effective July 1, 2007, and*
3223 *applicable to sales occurring on or after July 1, 2007*):

3224 (NEW) (117) Sales and use of solar energy electricity generating
3225 systems and passive or active solar water or space heating systems and
3226 geothermal resource systems, including equipment related to such
3227 systems, and sales of services relating to the installation of such
3228 systems.

3229 (NEW) (118) Sales and use of ice storage systems used for cooling,
3230 including equipment related to such systems, and sales of services
3231 relating to the installation of such systems by a utility ratepayer who is

3232 billed by such utility on a time-of-service metering basis.

3233 Sec. 69. Section 12-412k of the general statutes is repealed and the
3234 following is substituted in lieu thereof (*Effective June 1, 2007*):

3235 (a) For purposes of this section, "residential weatherization
3236 products" means programmable thermostats, window film, caulking,
3237 window and door weather strips, insulation, water heater blankets,
3238 water heaters, natural gas and propane furnaces and boilers that meet
3239 the federal Energy Star standard, windows and doors that meet the
3240 federal Energy Star standard, oil furnaces and boilers that are not less
3241 than **[**eighty-five**]** eighty-four per cent efficient and **[**ground-based**]**
3242 ground-source heat pumps that meet the minimum federal energy
3243 efficiency rating.

3244 (b) Notwithstanding the provisions of the general statutes, **[**from
3245 November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30,
3246 2007,**]** the provisions of this chapter shall not apply to sales of any
3247 residential weatherization products or compact fluorescent light bulbs.

3248 Sec. 70. (NEW) (*Effective from passage*) Notwithstanding the
3249 provisions of the general statutes, from the effective date of this section
3250 to June 30, 2008, the provisions of chapter 219 of the general statutes
3251 shall not apply to sales of any household appliance that meets the
3252 federal Energy Star standard.

3253 Sec. 71. Section 16-245a of the general statutes is amended by adding
3254 subsection (g) as follows (*Effective from passage*):

3255 (NEW) (g) (1) Notwithstanding the provisions of this section and
3256 section 16-244c, as amended by this act, for periods beginning on and
3257 after January 1, 2008, each electric distribution company may procure
3258 renewable energy certificates from Class I, Class II and Class III
3259 renewable energy sources through long-term contracting mechanisms.
3260 The electric distribution companies may enter into long-term contracts
3261 for not more than fifteen years to procure such renewable energy
3262 certificates. The electric distribution companies shall use any

3263 renewable energy certificates obtained pursuant to this section to meet
3264 their standard service and supplier of last resort renewable portfolio
3265 standard requirements.

3266 (2) On or before July 1, 2007, the department shall initiate a
3267 contested case proceeding to examine whether long-term contracts
3268 should be used to procure Class I, Class II and Class III certificates. In
3269 such examination, the department shall determine (A) the impact of
3270 such contracts on price stability, fuel diversity and cost; (B) the method
3271 and timing of crediting of the procurement of renewable energy
3272 certificates against the renewable portfolio standard purchase
3273 obligations of electric suppliers and the electric distribution companies
3274 pursuant to subsection (a) of this section; (C) the terms and conditions,
3275 including reasonable performance assurance commitments, that may
3276 be imposed on entities seeking to supply renewable energy certificates;
3277 (D) the level of one-time compensation, not to exceed one mill per
3278 kilowatt hour of output and services associated with the renewable
3279 energy certificates purchased pursuant to this subsection, which may
3280 be payable to the electric distribution companies for administering the
3281 procurement provided for under this subsection and recovered as part
3282 of the generation services charge or through an appropriate
3283 nonbypassable rate component on customers' bills; (E) the manner in
3284 which costs for such program may be recovered from electric
3285 distribution company customers; and (F) any other issues the
3286 department deems appropriate. Revenues from such compensation
3287 shall not be included in calculating the electric distribution companies'
3288 earnings to determine if rates are just and reasonable, for earnings
3289 sharing mechanisms or for purposes of sections 16-19, 16-19a and 16-
3290 19e, as amended by this act.

3291 Sec. 72. Section 12-635 of the general statutes is repealed and the
3292 following is substituted in lieu thereof (*Effective July 1, 2007*):

3293 The Commissioner of Revenue Services shall grant a credit against
3294 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
3295 212 (1) in an amount not to exceed **[**sixty**]** one hundred per cent of the

3296 total cash amount invested during the taxable year by the business
3297 firm in programs operated or created pursuant to proposals approved
3298 pursuant to section 12-632 for energy conservation projects directed
3299 toward properties occupied by persons, at least seventy-five per cent
3300 of whom are at an income level not exceeding one hundred fifty per
3301 cent of the poverty level for the year next preceding the year during
3302 which such tax credit is to be granted; **[**, or**]** (2) in an amount equal to
3303 one hundred per cent of the total cash amount invested during the
3304 taxable year by the business firm in programs operated or created
3305 pursuant to proposals approved pursuant to section 12-632 for energy
3306 conservation projects at properties owned or occupied by charitable
3307 corporations, foundations, trusts or other entities as determined under
3308 regulations adopted pursuant to this chapter; or (3) in an amount not
3309 to exceed sixty per cent of the total cash amount invested during the
3310 taxable year by the business firm in employment and training
3311 programs directed at youths, at least seventy-five per cent of whom are
3312 at an income level not exceeding one hundred fifty per cent of the
3313 poverty level for the year next preceding the year during which such
3314 tax credit is to be granted; in employment and training programs
3315 directed at handicapped persons as determined under regulations
3316 adopted pursuant to this chapter; in employment and training
3317 programs for unemployed workers who are fifty years of age or older;
3318 in education and employment training programs for recipients in the
3319 temporary family assistance program; or in child care services. Any
3320 other program which serves persons at least seventy-five per cent of
3321 whom are at an income level not exceeding one hundred fifty per cent
3322 of the poverty level for the year next preceding the year during which
3323 such tax credit is to be granted and which meets the standards for
3324 eligibility under this chapter shall be eligible for tax credit under this
3325 section.

3326 Sec. 73. (NEW) (*Effective July 1, 2007*) (a) For the purposes described
3327 in subsection (b) of this section, the State Bond Commission shall have
3328 the power, from time to time, to authorize the issuance of bonds of the
3329 state in one or more series and in principal amounts not exceeding in

3330 the aggregate thirty million dollars.

3331 (b) The proceeds of the sale of said bonds, to the extent of the
3332 amount stated in subsection (a) of this section, shall be used by the
3333 Department of Public Works for the purpose of funding the net project
3334 costs, or the balance of any projects after applying any public or
3335 private financial incentives available, for any energy services project
3336 that results in increased efficiency measures in state buildings
3337 pursuant to section 101 of this act.

3338 (c) All provisions of section 3-20 of the general statutes, or the
3339 exercise of any right or power granted thereby, which are not
3340 inconsistent with the provisions of this section are hereby adopted and
3341 shall apply to all bonds authorized by the State Bond Commission
3342 pursuant to this section, and temporary notes in anticipation of the
3343 money to be derived from the sale of any such bonds so authorized
3344 may be issued in accordance with said section 3-20 and from time to
3345 time renewed. Such bonds shall mature at such time or times not
3346 exceeding twenty years from their respective dates as may be provided
3347 in or pursuant to the resolution or resolutions of the State Bond
3348 Commission authorizing such bonds. None of said bonds shall be
3349 authorized except upon a finding by the State Bond Commission that
3350 there has been filed with it a request for such authorization which is
3351 signed by or on behalf of the Secretary of the Office of Policy and
3352 Management and states such terms and conditions as said commission,
3353 in its discretion, may require. Said bonds issued pursuant to this
3354 section shall be general obligations of the state and the full faith and
3355 credit of the state of Connecticut are pledged for the payment of the
3356 principal of and interest on said bonds as the same become due, and
3357 accordingly and as part of the contract of the state with the holders of
3358 said bonds, appropriation of all amounts necessary for punctual
3359 payment of such principal and interest is hereby made, and the State
3360 Treasurer shall pay such principal and interest as the same become
3361 due.

3362 Sec. 74. Section 10a-180 of the general statutes is amended by adding

3363 subsection (w) as follows (*Effective October 1, 2007*):

3364 (NEW) (w) To make grants or provide other forms of financial
3365 assistance to any institution of higher education, to any health care
3366 institution, to any nursing home, to any child care or child
3367 development facility and to any qualified nonprofit organization in
3368 such amounts, for energy efficient construction or renovation projects
3369 or renewable energy construction or renovation projects subject to
3370 such eligibility and other requirements the board of directors
3371 establishes pursuant to written procedures adopted by the board
3372 pursuant to subsection (h) of section 10a-179.

3373 Sec. 75. Section 5 of public act 05-2 of the October 25 special session
3374 is repealed and the following is substituted in lieu thereof (*Effective*
3375 *from passage*):

3376 Notwithstanding the provisions of section 16a-40b of the general
3377 statutes, as amended by section 5 of public act 05-191, for the fiscal
3378 year ending June 30, **[**2006**]** 2008, the range of rates of interest payable
3379 on all loans pursuant to subsection (b) of said section 16a-40b for
3380 purchases set forth in subsection (a) of said section 16a-40b, except for
3381 goods or services relating to **[**aluminum or vinyl siding,**]** replacement
3382 central air conditioning, **[**replacement roofs,**]** heat pumps or solar
3383 systems and passive solar additions, shall be not less than zero per cent
3384 for any applicant in the lowest income class and not more than three
3385 per cent for any applicant for whom the adjusted gross income of the
3386 household member or members who contribute to the support of the
3387 household was at least one hundred fifteen per cent of the median area
3388 income by household size.

3389 Sec. 76. Section 16a-2 of the general statutes is repealed and the
3390 following is substituted in lieu thereof (*Effective from passage*):

3391 As used in this chapter and sections 16a-45a, 16a-46, 16a-46a and
3392 16a-46b:

3393 (a) "Office" means the Office of Policy and Management;

3394 (b) "Board" means the Connecticut Energy Advisory Board;

3395 (c) "Secretary" means the Secretary of the Office of Policy and
3396 Management;

3397 (d) "Energy" means work or heat that is, or may be, produced from
3398 any fuel or source whatsoever;

3399 (e) "Energy emergency" means a situation where the health, safety
3400 or welfare of the citizens of the state is threatened by an actual or
3401 impending acute shortage in usable energy resources;

3402 (f) "Energy resource" means natural gas, petroleum products, coal
3403 and coal products, wood fuels, geothermal sources, radioactive
3404 materials and any other resource yielding energy;

3405 (g) "Person" means any individual, firm, partnership, association,
3406 syndicate, company, trust, corporation, limited liability company,
3407 municipality, agency or political or administrative subdivision of the
3408 state, or other legal entity of any kind;

3409 (h) "Service area" means any geographic area serviced by the same
3410 energy-producing public service company, as defined in section 16-1,
3411 as amended by this act;

3412 (i) "Renewable resource" means solar, wind, water, wood or other
3413 biomass source of energy and geothermal energy;

3414 (j) "Energy-related products" means (1) energy systems and
3415 equipment that utilize renewable resources to provide space heating or
3416 cooling, water heating, electricity or other useful energy, (2) insulation
3417 materials, and (3) equipment designed to conserve energy or increase
3418 the efficiency of its use, including that used for residential, commercial,
3419 industrial and transportation purposes;

3420 (k) "Energy-related services" means (1) the design, construction,
3421 installation, inspection, maintenance, adjustment or repair of energy-
3422 related products, (2) inspection, adjustment, maintenance or repair of

3423 any conventional energy system, (3) the performance of energy audits
3424 or the provision of energy management consulting services, and (4)
3425 weatherization activities carried out under any federal, state or
3426 municipal program;

3427 (l) "Conventional energy system" means any system for supplying
3428 space heating or cooling, ventilation or domestic or commercial hot
3429 water which is not included in subdivision (1) of subsection (j) of this
3430 section; **[**and**]**

3431 (m) "Energy supply" means any energy resource capable of being
3432 used to perform useful work and any form of energy such as electricity
3433 produced or derived from energy resources which may be so used;
3434 and

3435 (n) "Energy facility" means a structure that generates, transmits or
3436 stores electricity, natural gas, refined petroleum products, renewable
3437 fuels, coal and coal products, wood fuels, geothermal sources,
3438 radioactive material and other resources yielding energy.

3439 Sec. 77. Section 16a-7b of the general statutes is repealed and the
3440 following is substituted in lieu thereof (*Effective from passage*):

3441 (a) Not later than December 1, 2004, the Connecticut Energy
3442 Advisory Board shall develop infrastructure criteria guidelines for the
3443 evaluation process under subsection (f) of section 16a-7c, which
3444 guidelines shall be consistent with state environmental policy, state
3445 economic development policy, the state's policy regarding the
3446 restructuring of the electric industry, as set forth in section 16-244, and
3447 the findings in the comprehensive energy plan prepared pursuant to
3448 section 16a-7a, and shall include, but not be limited to, the following:
3449 (1) Environmental preference standards; (2) efficiency standards,
3450 including, but not limited to, efficiency standards for transmission,
3451 generation and demand-side management; (3) generation preference
3452 standards; (4) electric capacity, use trends and forecasted resource
3453 needs; (5) natural gas capacity, use trends and forecasted resource
3454 needs; and (6) national and regional reliability criteria applicable to the

3455 regional bulk power grid, as determined in consultation with the
3456 regional independent system operator, as defined in section 16-1, as
3457 amended by this act. In developing environmental preference
3458 standards, the board shall consider the recommendations and findings
3459 of the task force established pursuant to section 25-157a and Executive
3460 Order Number 26 of Governor John G. Rowland.

3461 (b) No municipality other than a municipality operating a plant
3462 pursuant to chapter 101 or any special act and acting for purposes
3463 thereto may take an action to condemn, in whole or in part, or restrict
3464 the operation of any existing and currently operating energy facility, if
3465 such facility is first determined by the Department of Public Utility
3466 Control, following a contested case proceeding, held in accordance
3467 with the provisions of chapter 54, to comprise a critical, unique and
3468 unmovable component of the state's energy infrastructure, unless the
3469 municipality first receives written approval from the department, the
3470 Office of Policy and Management, the Connecticut Energy Advisory
3471 Board and the Connecticut Siting Council that such taking would not
3472 have a detrimental impact on the state's or region's ability to provide a
3473 particular energy resource to its citizens.

3474 Sec. 78. Section 29-256a of the general statutes is repealed and the
3475 following is substituted in lieu thereof (*Effective October 1, 2007*):

3476 **[**The**]** (a) On and after January 1, 2008, the State Building Inspector
3477 and the Codes and Standards Committee shall revise the State
3478 Building Code to require that buildings and building elements,
3479 including residential, be designed to provide optimum cost-effective
3480 energy efficiency over the useful life of the building. Such revision
3481 shall meet the American Society of Heating, Refrigerating and Air
3482 Conditioning Engineers Standard 90.1 for new construction.

3483 (b) Notwithstanding subsection (a) of this section, the State Building
3484 Inspector and the Codes and Standards Committee shall revise the
3485 State Building Code to require that any (1) building, except a
3486 residential building with no more than four units, constructed after

3487 January 1, 2009, that is projected to cost not less than five million
3488 dollars, and (2) renovation to any building, except a residential
3489 building with no more than four units, started after January 1, 2010,
3490 that is projected to cost not less than two million dollars shall be built
3491 or renovated using building construction standards consistent with or
3492 exceeding the silver building rating of the Leadership in Energy and
3493 Environmental Design's rating system for new commercial
3494 construction and major renovation projects, as established by the
3495 United States Green Building Council, or an equivalent standard,
3496 including, but not limited to, a two-globe rating in the Green Globes
3497 USA design program. The inspector and the committee shall provide
3498 for an exemption for any building if the Institute for Sustainable
3499 Energy finds, in a written analysis, that the cost of such compliance
3500 significantly outweighs the benefits.

3501 Sec. 79. Subsection (a) of section 16-245e of the general statutes is
3502 amended by adding subdivisions (14) to (18), inclusive, as follows
3503 (*Effective from passage*):

3504 (NEW) (14) "State rate reduction bonds" means the rate reduction
3505 bonds issued on June 23, 2004, by the state to sustain funding of
3506 conservation and load management and renewable energy investment
3507 programs by substituting for disbursements to the General Fund from
3508 the Energy Conservation and Load Management Fund, established by
3509 section 16-245m, as amended by this act, and from the Renewable
3510 Energy Investment Fund, established by section 16-245n, as amended
3511 by this act. The state rate reduction bonds for the purposes of section 4-
3512 30a shall be deemed to be outstanding indebtedness of the state;

3513 (NEW) (15) "Operating expenses" in connection with the state rate
3514 reduction bonds, means (A) all expenses, costs and liabilities of the
3515 state or the trustee incurred in connection with the administration or
3516 payment of the state rate reduction bonds or in discharge of its
3517 obligations and duties under the state rate reduction bonds or bond
3518 documents, expenses and other costs and expenses arising in
3519 connection with the state rate reduction bonds or pursuant to the

3520 financing order providing for the issuance of such bonds including any
3521 arbitrage rebate and penalties payable under the code in connection
3522 with such bonds, and (B) all fees and expenses payable or disbursable
3523 to the servicers or others under the bond documents;

3524 (NEW) (16) "Bond documents" means, in connection with the state
3525 rate reduction bonds, the following documents: The servicing
3526 agreements, the tax compliance agreement and certificate, and the
3527 continuing disclosure agreement entered into in connection with the
3528 state rate reduction bonds and the indenture;

3529 (NEW) (17) "Indenture" means, in connection with the state rate
3530 reduction bonds, the RRB Indenture, dated as of June 23, 2004, by and
3531 between the state and the trustee, as amended from time to time; and

3532 (NEW) (18) "Trustee" means in connection with the state rate
3533 reduction bonds the trustee appointed under the indenture.

3534 Sec. 80. Subsection (b) of section 16a-40b of the general statutes, as
3535 amended by section 1 of public act 07-64, is repealed and the following
3536 is substituted in lieu thereof (*Effective from passage*):

3537 (b) **[**Except as provided under subsection (c) of this section, any**]**
3538 Any such loan or deferred loan shall be available only for a residential
3539 structure containing not more than four dwelling units, shall be not
3540 less than four hundred dollars and not more than **[**fifteen**]** twenty-five
3541 thousand dollars per structure and, with respect to any application
3542 received on or after November 29, 1979, shall be made only to an
3543 applicant who submits evidence, satisfactory to the commissioner, that
3544 the adjusted gross income of the household member or members who
3545 contribute to the support of his household was not in excess of one
3546 hundred fifty per cent of the median area income by household size. In
3547 the case of a deferred loan, the contract shall require that payments on
3548 interest are due immediately but that payments on principal may be
3549 made at a later time. Repayment of all loans made under this
3550 subsection shall be subject to a rate of interest to be determined in
3551 accordance with subsection (t) of section 3-20 and such terms and

3552 conditions as the commissioner may establish. The State Bond
3553 Commission shall establish a range of rates of interest payable on all
3554 loans under this subsection and shall apply the range to applicants in
3555 accordance with a formula which reflects their income. Such range
3556 shall be not less than zero per cent for any applicant in the lowest
3557 income class and not more than one per cent above the rate of interest
3558 borne by the general obligation bonds of the state last issued prior to
3559 the most recent date such range was established for any applicant for
3560 whom the adjusted gross income of the household member or
3561 members who contribute to the support of his household does not
3562 exceed one hundred fifty per cent of the median area income by
3563 household size.

3564 Sec. 81. (*Effective from passage*) During the calendar year 2007,
3565 Operation Fuel, Incorporated, shall establish a one-time clean-slate
3566 program to target low-income persons with high utility bill arrearages.
3567 Said program shall constitute a one-time grant based on the recipient's
3568 income and arrearage amount. Grants shall only apply to arrearages
3569 no more than twenty-four months old and shall not exceed one
3570 thousand dollars. Said program shall also incorporate case
3571 management services, including, but not limited to, budget counseling
3572 and assistance with utility payment programs.

3573 Sec. 82. Subsection (a) of section 16a-41h of the general statutes is
3574 repealed and the following is substituted in lieu thereof (*Effective from*
3575 *passage*):

3576 (a) (1) Each electric **[**and**]** distribution company, gas company **[**, as
3577 defined in section 16-1, having at least seventy-five thousand
3578 customers**]** and municipal utility furnishing electric or gas service,
3579 shall include in its monthly bills a request to each customer to add a
3580 **[**one-dollar**]** donation in an amount designated by the customer to the
3581 bill payment. Such company shall provide to all of its customers the
3582 opportunity to donate one dollar, two dollars, three dollars or another
3583 amount on each bill provided to a customer either through the mail or
3584 electronically. Such designation shall be made available and included

3585 where customers are either electronically billed or bill payment is
3586 handled electronically. The opportunity to donate one dollar, two
3587 dollars, three dollars or another amount shall be included on the bill in
3588 such a way that facilitates such donations.

3589 (2) Operation Fuel, Incorporated, shall provide fundraising inserts
3590 and remittance envelopes to retail dealers of fuel oil that volunteer to
3591 include the inserts and envelopes in their customers' bills for one or
3592 more billing cycles each year. Such retail dealers of fuel oil shall inform
3593 Operation Fuel, Incorporated, as to the number of inserts and
3594 envelopes needed to conduct such a mailing.

3595 (3) Each electric, gas or fuel oil company shall transmit all such
3596 donations received each month, as well as their own contributions, if
3597 any, to Operation Fuel, [Inc.] Incorporated, a state-wide nonprofit
3598 organization designed to respond to people within the state who are in
3599 financial crisis and need emergency energy assistance. [Donations]
3600 Operation Fuel, Incorporated shall [be distributed] distribute
3601 donations to nonprofit social services agencies and private fuel banks
3602 in accordance with guidelines established by the board of directors of
3603 Operation Fuel, [Inc.] Incorporated, provided such funds shall be
3604 distributed on a priority basis to low-income elderly and working poor
3605 households [which] that are not eligible for public assistance or state-
3606 administered general assistance but are faced with a financial crisis
3607 and are unable to make timely payments on winter fuel, electricity or
3608 gas bills. Such companies shall coordinate their promotions of this
3609 program, holding promotions during the same month and using
3610 similar formats.

3611 Sec. 83. (NEW) (*Effective from passage*) If any existing electric
3612 generation plant within the state is offered for sale, the Department of
3613 Public Utility Control shall authorize the electric distribution
3614 companies to purchase and operate such plants if the department,
3615 through a contested case proceeding, determines that such purchase
3616 and operation is in the public interest, provided any acquisition plan
3617 shall include provisions for payment of property taxes on the value of

3618 the purchased plant and provisions for employee protections
3619 consistent with subdivision (3) of subsection (b) of section 16-244f of
3620 the general statutes. An electric distribution company purchasing such
3621 generation plants shall be entitled to recover the costs of such purchase
3622 in an annual retail generation rate contested case consistent with the
3623 principles set forth in sections 16-19, 16-19b and 16-19e of the general
3624 statutes, as amended by this act, provided the return on equity
3625 associated with such purchase and operation shall be established in
3626 said contested case proceeding and updated at least once every four
3627 years. The department shall review and approve the cost recovery
3628 provisions in the proceeding to determine that such purchase and
3629 operation are in the public interest.

3630 Sec. 84. (*Effective from passage*) On or before July 1, 2007, the Energy
3631 Conservation Management Board, established pursuant to section 16-
3632 245m of the general statutes, shall contract with an independent, third
3633 party to conduct an assessment of Connecticut's conservation and
3634 energy efficiency potential, including conservation, demand response
3635 and load management. Such assessment shall be considered an update
3636 to a similar assessment conducted by a third party in 2004. Not later
3637 than February 1, 2008, the board shall present the results of such
3638 assessment and its recommendations for cost-effective methods or
3639 mechanisms to fund new or expanded energy efficiency initiatives to
3640 address the energy efficiency potential determined in the assessment
3641 to the joint standing committee of the General Assembly having
3642 cognizance of matters relating to energy.

3643 Sec. 85. Section 16-243n of the general statutes is repealed and the
3644 following is substituted in lieu thereof (*Effective from passage*):

3645 (a) Not later than October 1, 2005, each electric distribution
3646 company, as defined in section 16-1, <u>as amended by this act,</u> shall
3647 submit an application to the Department of Public Utility Control to (1)
3648 on or before January 1, 2007, implement <u>time-of-use rates for</u>
3649 <u>customers that have a maximum demand of not less than three</u>
3650 <u>hundred fifty kilowatts that may include, but not be limited to,</u>

3651 mandatory peak, shoulder and off-peak time of use rates, [for
3652 customers that have a maximum demand of not less than three
3653 hundred fifty kilowatts,] and (2) on or before June 1, 2006, offer
3654 optional interruptible or load response rates for customers that have a
3655 maximum demand of not less than three hundred fifty kilowatts and
3656 offer optional seasonal and time of use rates for all customers. The
3657 application shall propose to establish time of use rates through a
3658 procurement plan, revenue neutral adjustments to delivery rates, or
3659 both.

3660 (b) From March 1, 2006, until December 31, 2006, each electric
3661 distribution company shall issue comparative analyses to customers
3662 that have a maximum demand of not less than three hundred fifty
3663 kilowatts that would demonstrate, at current levels of consumption,
3664 the effects of the mandatory time of use rates as specified in
3665 subdivision (l) of subsection (a) of this section to be effective beginning
3666 January 1, 2007.

3667 (c) Not later than November 1, 2005, each electric distribution
3668 company shall submit an application to the Department of Public
3669 Utility Control to implement mandatory seasonal rates for all
3670 customers beginning April 1, 2007.

3671 (d) From April 1, 2006, until March 31, 2007, each electric
3672 distribution company shall issue comparative analyses to all customers
3673 that demonstrate, at current levels of consumption, the effects of the
3674 mandatory seasonal rates that will be effective beginning April 1, 2007.

3675 (e) The department shall hold a hearing that shall be conducted as a
3676 contested case, in accordance with the provisions of chapter 54, to
3677 approve, reject or modify applications submitted pursuant to
3678 subsection (a) or (c) of this section. No application for time of use rates
3679 shall be approved unless (1) such rates reasonably reflect the cost of
3680 service during [peak, shoulder, seasonal and off-peak] their respective
3681 time-of-use periods, and (2) the costs associated with implementation,
3682 the impact on customers and benefits to the utility system justify

3683 implementation of such rates, and (3) such rates alter patterns of
3684 customer consumption of electricity without undue adverse effect on
3685 the customer.

3686 (f) Each electric distribution company shall assist customers to help
3687 manage loads and reduce peak consumption through the
3688 comprehensive plan developed pursuant to section 16-245m, as
3689 amended by this act.

3690 (g) The department shall conduct a contested case, in accordance
3691 with chapter 54, to determine the standards under which, and process
3692 by which, a customer, having a maximum demand of three hundred
3693 fifty kilowatts or more, may obtain an exemption, until July 1, 2010,
3694 from mandatory time of use rates as specified in subdivision (1) of
3695 subsection (a) of this section. The department shall issue a decision in
3696 the contested case no later than January 1, 2006.

3697 Sec. 86. (NEW) (*Effective from passage*) The Department of Public
3698 Utility Control shall direct an electric distribution company to
3699 negotiate, in good faith, long-term contracts for the electric energy
3700 output of each of the generation projects selected and approved by the
3701 department to provide capacity pursuant to section 16-243m of the
3702 general statutes, provided the rates paid for such electric energy
3703 output when added to the payments made pursuant to such capacity
3704 contracts shall be the project's cost of service plus a reasonable rate of
3705 return. The electric distribution company shall apply to the
3706 department for approval of any such energy output contract. No such
3707 contract shall be effective unless approved by the department. The
3708 department may approve only such contracts it finds would reduce
3709 and stabilize the cost of electricity to Connecticut ratepayers. Such
3710 contract may not exceed the term of the capacity contract for such
3711 generation project.

3712 Sec. 87. (NEW) (*Effective July 1, 2007*) (a) The Department of Public
3713 Utility Control shall, in coordination with the Energy Conservation
3714 Management Board, established pursuant to section 16-245m of the

3715 general statutes, as amended by this act, establish a state-wide energy
3716 efficiency and outreach marketing campaign that shall provide
3717 targeted information for each of the following sectors: (1) Commercial,
3718 including small businesses, (2) industrial, (3) governmental, (4)
3719 institutional, including schools, hospitals and nonprofits, (5)
3720 agricultural, and (6) residential.

3721 (b) The goals of the campaign established pursuant to subsection (a)
3722 of this section shall include, but not be limited to, educating electric
3723 consumers regarding (1) the benefits of pursuing strategies that
3724 increase energy efficiency, including information on the Connecticut
3725 electric efficiency partner program established pursuant to section 1 of
3726 this act and combined heat and power technologies, (2) the real-time
3727 energy reports prepared pursuant to section 100 of this act and the
3728 real-time energy alert system prepared pursuant to section 61 of this
3729 act, and (3) the option of choosing participating electric suppliers, as
3730 defined in subsection (k) of section 16-244c of the general statutes, as
3731 amended by this act.

3732 (c) On or before December 1, 2007, the department shall develop
3733 and approve a plan that meets the goals of said campaign pursuant to
3734 subsection (b) of this section. Said plan shall include a coordinated
3735 range of marketing activities and outreach strategies, including, but
3736 not limited to, inserts in customers' utility bills; television, radio and
3737 newspaper advertisements; printed educational materials; events; a
3738 comprehensive web site resource serving all sectors; an electronic
3739 newsletter; planning forums and meetings throughout the state; and
3740 partnerships with businesses, government entities and nonprofit
3741 organizations. Said utility bill inserts shall include, but not be limited
3742 to, information that can assist consumers in evaluating options
3743 regarding energy efficiency. Said web site shall be maintained and
3744 updated regularly and shall include, but not be limited to, current rate
3745 and contact information for participating electric suppliers. Such
3746 current rate information shall be on said web site with date and time of
3747 update displayed prominently. The department shall begin the
3748 implementation of said plan on or before March 1, 2008.

3749 (d) The department may retain the services of third-party entities to
3750 assist in the development and implementation of the state-wide energy
3751 efficiency and marketing campaign established pursuant to this
3752 section.

3753 Sec. 88. (NEW) (*Effective July 1, 2007*) (a) As part of the energy
3754 efficiency and outreach marketing campaign established pursuant to
3755 section 87 of this act, on or before April 1, 2008, the Department of
3756 Public Utility Control shall, in consultation with the Energy
3757 Conservation Management Board, established pursuant to section 16-
3758 245m of the general statutes, as amended by this act, develop a real-
3759 time energy report for daily use by television and other media. The
3760 report shall (1) identify the state's current real-time energy demand,
3761 along with how the demand has changed over the course of the day,
3762 and in the case of television news broadcasts, the real-time changes in
3763 energy demand; (2) emphasize the importance of reducing peak
3764 demand and provide estimates of the economic benefits that can be
3765 derived by reducing electricity use; (3) provide tips on energy
3766 efficiency measures; (4) promote community and business competition
3767 to reduce energy consumption; and (5) give visibility to communities
3768 and businesses that have implemented energy saving changes or that
3769 have installed and are operating renewable energy resources.

3770 (b) The department may obtain the information needed to develop
3771 the real-time energy reports established pursuant to subsection (a) of
3772 this section from the regional independent system operator and the
3773 state's electric distribution companies.

3774 Sec. 89. (NEW) (*Effective from passage*) On or before October 1, 2007,
3775 each electric distribution company, municipal utility or municipal
3776 electric energy cooperative shall submit a proposed customer
3777 notification procedure to notify retail customers of a capacity
3778 deficiency situation and the potential for said companies, municipal
3779 utilities or energy cooperatives to take emergency actions, which will
3780 encourage the customers to reduce electricity use voluntarily to help
3781 reduce the capacity deficiency to the Department of Public Utility

3782 Control for the department's consideration. Each company's, utility's
3783 or cooperative's costs related to such procedure and notification shall
3784 be recoverable as federally mandated congestion charges.

3785 Sec. 90. (*Effective July 1, 2007*) (a) For the purposes described in
3786 subsection (b) of this section, the State Bond Commission shall have
3787 the power, from time to time, to authorize the issuance of bonds of the
3788 state in one or more series and in principal amounts not exceeding in
3789 the aggregate fifty million dollars.

3790 (b) The proceeds of the sale of said bonds, to the extent of the
3791 amount stated in subsection (a) of this section, shall be used by
3792 Connecticut Innovations, Incorporated, for the purpose of providing
3793 grants-in-aid pursuant to section 91 of this act.

3794 (c) All provisions of section 3-20 of the general statutes, or the
3795 exercise of any right or power granted thereby, which are not
3796 inconsistent with the provisions of this section are hereby adopted and
3797 shall apply to all bonds authorized by the State Bond Commission
3798 pursuant to this section, and temporary notes in anticipation of the
3799 money to be derived from the sale of any such bonds so authorized
3800 may be issued in accordance with said section 3-20 and from time to
3801 time renewed. Such bonds shall mature at such time or times not
3802 exceeding twenty years from their respective dates as may be provided
3803 in or pursuant to the resolution or resolutions of the State Bond
3804 Commission authorizing such bonds. None of said bonds shall be
3805 authorized except upon a finding by the State Bond Commission that
3806 there has been filed with it a request for such authorization which is
3807 signed by or on behalf of the Secretary of the Office of Policy and
3808 Management and states such terms and conditions as said commission,
3809 in its discretion, may require. Said bonds issued pursuant to this
3810 section shall be general obligations of the state and the full faith and
3811 credit of the state of Connecticut are pledged for the payment of the
3812 principal of and interest on said bonds as the same become due, and
3813 accordingly and as part of the contract of the state with the holders of
3814 said bonds, appropriation of all amounts necessary for punctual

3815 payment of such principal and interest is hereby made, and the State
3816 Treasurer shall pay such principal and interest as the same become
3817 due.

3818 Sec. 91. (NEW) (*Effective from passage*) (a) There is established an
3819 account to be known as the "municipal renewable energy and efficient
3820 energy grant account", which shall be a separate, nonlapsing account
3821 within the Renewable Energy Investment Fund, established pursuant
3822 to section 16-245n of the general statutes, as amended by this act. The
3823 account shall contain any moneys required or permitted by law to be
3824 deposited in the account and any funds received from any public or
3825 private contributions, gifts, grants, donations, bequests or devises to
3826 the fund. Connecticut Innovations, Incorporated, may make grants-in-
3827 aid from the fund in accordance with the provisions of subsection (b)
3828 of this section.

3829 (b) Connecticut Innovations, Incorporated, in consultation with the
3830 Department of Public Utility Control, the Department of Education
3831 and the Department of Emergency Management and Homeland
3832 Security, shall establish a municipal renewable energy and efficient
3833 energy generation grant program. Connecticut Innovations,
3834 Incorporated, shall make grants under said program to municipalities
3835 for the purchase of (1) renewable energy sources, including solar
3836 energy, geothermal energy and fuel cells or other energy-efficient
3837 hydrogen-fueled energy, or (2) energy-efficient generation sources,
3838 including units providing combined heat-and-power operations with
3839 greater than sixty-five per cent efficiency or such higher efficiency level
3840 as Connecticut Innovations, Incorporated, may prescribe, for
3841 municipal buildings. Connecticut Innovations, Incorporated, shall give
3842 priority to applications for grants for disaster relief centers and high
3843 schools. Each grant shall be in an amount that makes the cost of
3844 purchasing and operating the renewable energy or energy-efficient
3845 generation source competitive with the municipality's current
3846 electricity expenses.

3847 (c) On or before October 1, 2007, Connecticut Innovations,

3848 Incorporated, shall develop an application for grants-in-aid under this
3849 section for the purpose of purchasing and operating renewable energy
3850 or energy-efficient generation sources and may receive applications
3851 from municipalities for such grants-in-aid on and after said date.
3852 Applications shall include, but not be limited to, a complete
3853 description of the proposed renewable energy or energy-efficient
3854 generation source.

3855 (d) Commencing with the fiscal year ending June 30, 2008, and for
3856 each of the five consecutive fiscal years thereafter, until the fiscal year
3857 ending June 30, 2012, not less than ten million dollars shall be available
3858 from the municipal renewable energy and efficient energy generation
3859 grant account for grants-in-aid to municipalities for the purpose of
3860 purchasing and operating renewable energy or energy-efficient
3861 generation sources. Any balance of such amount not used for such
3862 grants-in-aid during a fiscal year shall be carried forward for the fiscal
3863 year next succeeding for such grants-in-aid.

3864 (e) On or before January 1, 2009, and annually thereafter,
3865 Connecticut Innovations, Incorporated, shall report on the
3866 effectiveness of said program to the joint standing committee of the
3867 General Assembly having cognizance of matters relating to energy.

3868 Sec. 92. Section 16-244c of the general statutes is amended by adding
3869 subsections (k) to (m), inclusive, as follows (*Effective July 1, 2007*):

3870 (NEW) (k) (1) As used in this section:

3871 (A) "Participating electric supplier" means an electric supplier that is
3872 licensed by the department to provide electric service, pursuant to this
3873 subsection, to residential or small commercial customers.

3874 (B) "Residential customer" means a customer who is eligible for
3875 standard service and who takes electric distribution-related service
3876 from an electric distribution company pursuant to a residential tariff.

3877 (C) "Small commercial customer" means a customer who is eligible

3878 for standard service and who takes electric distribution-related service
3879 from an electric distribution company pursuant to a small commercial
3880 tariff.

3881 (D) "Qualifying electric offer" means an offer to provide full
3882 requirements commodity electric service and all other generation
3883 related service to a residential or small commercial customer at a fixed
3884 price per kilowatt hour for a term of no less than one year.

3885 (2) In the manner determined by the department, residential or
3886 small commercial service customers (A) initiating new utility service,
3887 (B) reinitiating service following a change of residence or business
3888 location, (C) making an inquiry regarding their utility rates, or (D)
3889 seeking information regarding energy efficiency shall be offered the
3890 option to learn about their ability to enroll with a participating electric
3891 supplier. Customers expressing an interest to learn about their electric
3892 supply options shall be informed of the qualifying electric offers then
3893 available from participating electric suppliers. The electric distribution
3894 companies shall describe then available qualifying electric offers
3895 through a method reviewed and approved by the department. The
3896 information conveyed to customers expressing an interest to learn
3897 about their electric supply options shall include, at a minimum, the
3898 price and term of the available electric supply option. Customers
3899 expressing an interest in a particular qualifying electric offer shall be
3900 immediately transferred to a call center operated by that participating
3901 electric supplier.

3902 (3) Not later than September 1, 2007, the department shall establish
3903 terms and conditions under which a participating electric supplier can
3904 be included in the referral program described in subdivision (2) of this
3905 subsection. Such terms shall include, but not be limited to, requiring
3906 participating electrical suppliers to offer time-of-use and real-time use
3907 rates to residential customers.

3908 (4) Each calendar quarter, participating electric suppliers shall be
3909 allowed to list qualifying offers to provide electric generation service

3910 to residential and small commercial customers with each customer's
3911 utility bill. The department shall determine the manner such
3912 information is presented in customers' utility bills.

3913 (5) Any customer that receives electric generation service from a
3914 participating electric supplier may return to standard service or may
3915 choose another participating electric supplier at any time, including
3916 during the qualifying electric offer, without the imposition of any
3917 additional charges. Any customer that is receiving electric generation
3918 service from an electric distribution company pursuant to standard
3919 service can switch to another participating electric supplier at any time
3920 without the imposition of additional charges.

3921 (NEW) (l) Each electric distribution company shall offer to bill
3922 customers on behalf of participating electric suppliers and to pay such
3923 suppliers in a timely manner the amounts due such suppliers from
3924 customers for generation services, less a percentage of such amounts
3925 that reflects uncollectible bills and overdue payments as approved by
3926 the Department of Public Utility Control.

3927 (NEW) (m) On or before July 1, 2007, the Department of Public
3928 Utility Control shall initiate a proceeding to examine whether electric
3929 supplier bills rendered pursuant to section 16-245d and any
3930 regulations adopted thereunder sufficiently enable customers to
3931 compare pricing policies and charges among electric suppliers.

3932 Sec. 93. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of
3933 Environmental Protection shall adopt regulations, in accordance with
3934 chapter 54 of the general statutes, to implement the Regional
3935 Greenhouse Gas Initiative.

3936 (b) The Department of Environmental Protection, in consultation
3937 with the Department of Public Utility Control, shall auction all
3938 emissions allowances and invest the proceeds on behalf of electric
3939 ratepayers in energy conservation, load management, Class I
3940 renewable energy programs and combined heat and power. In making
3941 such investments, the Commissioner of Environmental Protection shall

3942 consider strategies that maximize cost effective reductions in
3943 greenhouse gas emission. Allowances shall be auctioned under the
3944 oversight of the Department of Public Utility Control and the
3945 Department of Environmental Protection by a contractor or trustee on
3946 behalf of the electric ratepayers.

3947 (c) The regulations adopted pursuant to subsection (a) of this section
3948 may include provisions to cover the reasonable administrative costs
3949 associated with the implementation of the Regional Greenhouse Gas
3950 Initiative in Connecticut and to fund assessment and planning of
3951 measures to reduce emissions and mitigate the impacts of climate
3952 change. Such costs shall not exceed seven and one-half per cent of the
3953 total projected allowance value. Such regulations may also set aside a
3954 portion of the allowances to support the voluntary renewable energy
3955 provisions of the Regional Greenhouse Gas Initiative model rule.

3956 (d) Any allowances or allowance value allocated to the energy
3957 conservation load management program on behalf of electric
3958 ratepayers shall be incorporated into the planning and procurement
3959 process in sections 51 and 52 of this act.

3960 Sec. 94. (NEW) (*Effective from passage*) (a) For purposes of this
3961 section: (1) "Connecticut electric efficiency partner program" means the
3962 coordinated effort among the Department of Public Utility Control,
3963 persons and entities providing enhanced demand-side management
3964 technologies, and electric consumers to conserve electricity and reduce
3965 demand in Connecticut through the purchase and deployment of
3966 energy efficient technologies; (2) "enhanced demand-side management
3967 technologies" means demand-side management solutions, customer-
3968 side emergency dispatchable generation resources, customer-side
3969 renewable energy generation, load shifting technologies and
3970 conservation and load management technologies that reduce electric
3971 distribution company customers' electric demand, and high efficiency
3972 natural gas and oil boilers and furnaces; and (3) "Connecticut electric
3973 efficiency partner" means an electric distribution company customer
3974 who acquires an enhanced demand-side management technology or a

3975 person, other than an electric distribution company, that provides
3976 enhanced demand-side management technologies to electric
3977 distribution company customers.

3978 (b) The Energy Conservation Management Board, in consultation
3979 with the Renewable Energy Investments Advisory Committee, shall
3980 evaluate and approve enhanced demand-side management
3981 technologies that can be deployed by Connecticut electric efficiency
3982 partners to reduce electric distribution company customers' electric
3983 demand. Such evaluation shall include an examination of the potential
3984 to reduce customers' demand, federally mandated congestion charges
3985 and other electric costs. On or before October 15, 2007, the Energy
3986 Conservation Management Board shall file such evaluation with the
3987 Department of Public Utility Control for the department to review and
3988 approve or to review, modify and approve on or before October 15,
3989 2007.

3990 (c) Not later than October 15, 2007, the Energy Conservation
3991 Management Board shall file with the department, for the department
3992 to review and approve or to review, modify and approve, an analysis
3993 of the state's electric demand, peak electric demand and growth
3994 forecasts for electric demand and peak electric demand. Such analysis
3995 shall identify the principal drivers of electric demand and peak electric
3996 demand, associated electric charges tied to electric demand and peak
3997 electric demand growth, including, but not limited to, federally
3998 mandated congestion charges and other electric costs, and any other
3999 information the department deems appropriate. The analysis shall
4000 include, but not be limited to, an evaluation of the costs and benefits of
4001 the enhanced demand-side management technologies approved
4002 pursuant to subsection (b) of this section and establishing suggested
4003 funding levels for said individual technologies.

4004 (d) Commencing April 1, 2008, any person may apply to the
4005 department for certification and funding as a Connecticut electric
4006 efficiency partner. Such application shall include the technologies that
4007 the applicant shall purchase or provide and that have been approved

4008 pursuant to subsection (b) of this section. In evaluating the application,
4009 the department shall (1) consider the applicant's potential to reduce
4010 customers' electric demand, including peak electric demand, and
4011 associated electric charges tied to electric demand and peak electric
4012 demand growth, (2) determine the portion of the total cost of each
4013 project that shall be paid for by the customer participating in this
4014 program and the portion of the total cost of each project that shall be
4015 paid for by all electric ratepayers and collected pursuant to subsection
4016 (h) of this section. In making such determination, the department shall
4017 ensure that all ratepayer investments maintain a minimum two-to-one
4018 payback ratio, and (3) specify that participating Connecticut electric
4019 efficiency partners shall maintain the technology for a period sufficient
4020 to achieve such investment payback ratio. The annual ratepayer
4021 contribution for projects approved pursuant to this section shall not
4022 exceed ninety million dollars. Not less than seventy-five per cent of
4023 such annual ratepayer investment shall be used for the technologies
4024 themselves. No person shall receive electric ratepayer funding without
4025 receiving a certificate of public convenience and necessity as a
4026 Connecticut electric efficiency partner by the department. The
4027 department may grant an applicant a certificate of public convenience
4028 if it possesses and demonstrates adequate financial resources,
4029 managerial ability and technical competency. The department may
4030 conduct additional requests for proposals from time to time as it
4031 deems appropriate. The department shall specify the manner in which
4032 a Connecticut electric efficiency partner shall address measures of
4033 effectiveness and shall include performance milestones.

4034 (e) Beginning February 1, 2010, a certified Connecticut electric
4035 efficiency partner may only receive funding if selected in a request for
4036 proposal developed, issued and evaluated by the department. In
4037 evaluating a proposal, the department shall take into consideration the
4038 potential to reduce customers' electric demand including peak electric
4039 demand, and associated electric charges tied to electric demand and
4040 peak electric demand growth, including, but not limited to, federally
4041 mandated congestion charges and other electric costs, and shall utilize

4042 a cost benefit test established pursuant to subsection (c) of this section
4043 to rank responses for selection. The department shall determine the
4044 portion of the total cost of each project that shall be paid by the
4045 customer participating in this program and the portion of the total cost
4046 of each project that shall be paid by all electric ratepayers and collected
4047 pursuant to the provisions of this subsection. In making such
4048 determination, the department shall (1) ensure that all ratepayer
4049 investments maintain a minimum two-to-one payback ratio, and (2)
4050 specify that participating Connecticut electric efficiency partners shall
4051 maintain the technology for a period sufficient to achieve such
4052 investment payback ratio. The annual ratepayer contribution shall not
4053 exceed ninety million dollars. Not less than seventy-five per cent of
4054 such annual ratepayer investment shall be used for the technologies
4055 themselves. The department may conduct additional requests for
4056 proposals from time to time as it deems appropriate. The department
4057 shall specify the manner in which a Connecticut electric efficiency
4058 partner shall address measures of effectiveness and shall include
4059 performance milestones.

4060 (f) The department may retain the services of a third party entity
4061 with expertise in areas such as demand-side management solutions,
4062 customer-side renewable energy generation, customer-side distributed
4063 generation resources, customer-side emergency dispatchable
4064 generation resources, load shifting technologies and conservation and
4065 load management investments to assist in the development and
4066 operation of the Connecticut electric efficiency partner program. The
4067 costs for obtaining third party services pursuant to this subsection
4068 shall be recoverable through the systems benefits charge.

4069 (g) The department shall develop a long-term low-interest loan
4070 program to assist certified Connecticut electric efficiency partners in
4071 financing the customer portion of the capital costs of approved
4072 enhanced demand-side management technologies. The department
4073 may establish such financing mechanism by the use of one or more of
4074 the following strategies: (1) Modifying the existing long-term
4075 customer-side distributed generation financing mechanism established

4076 pursuant to section 16-243j of the general statutes, (2) negotiating and
4077 entering into an agreement with the Connecticut Development
4078 Authority to establish a credit facility or to utilize grants, loans or loan
4079 guarantees for the purposes of this section upon such terms and
4080 conditions as the authority may prescribe including provisions
4081 regarding the rights and remedies available to the authority in case of
4082 default, or (3) selecting by competitive bid one or more entities that can
4083 provide such long-term financing.

4084 (h) The department shall provide for the payment of electric
4085 ratepayers' portion of the costs of deploying enhanced demand-side
4086 management technologies by implementing a contractual financing
4087 agreement with the Connecticut Development Authority or a private
4088 financing entity selected through an appropriate open competitive
4089 selection process. Any electric ratepayer costs resulting from such
4090 financing agreement shall be recovered from all electric ratepayers
4091 through the systems benefits charge.

4092 (i) On or before February 15, 2009, and annually thereafter, the
4093 department shall report to the joint standing committee of the General
4094 Assembly having cognizance of matters relating to energy regarding
4095 the effectiveness of the Connecticut electric efficiency partner program
4096 established pursuant to this section. Said report shall include, but not
4097 be limited to, an accounting of all benefits and costs to ratepayers, a
4098 description of the approved technologies, the payback ratio of all
4099 investments, the number of programs deployed and a list of proposed
4100 projects compared to approved projects and reasons for not being
4101 approved.

4102 Sec. 95. Section 7-374 of the general statutes is repealed and the
4103 following is substituted in lieu thereof (*Effective July 1, 2007*):

4104 (a) As used in this section, "town" includes each town, consolidated
4105 town and city and consolidated town and borough; "municipality"
4106 excludes each town and includes each other independent and
4107 dependent political and territorial division and subdivision.

4108 (b) No town and no municipality coterminous with or within such
4109 town shall incur any indebtedness in any of the following classes
4110 through the issuance of bonds which will cause the aggregate
4111 indebtedness, in that class, of such town and of all municipalities
4112 coterminous with and within such town, jointly, to exceed the multiple
4113 stated below for each class times the aggregate annual receipts of such
4114 town and of all municipalities coterminous with and within such town,
4115 jointly, from taxation for the most recent fiscal year next preceding the
4116 date of issue: (1) All debt other than debt for urban renewal projects,
4117 water pollution control projects, school building projects, as defined in
4118 section 10-289, and the funding of an unfunded past benefit obligation,
4119 as defined in section 7-374c, two and one-quarter; (2) debt for urban
4120 renewal projects, three and one-quarter; (3) debt for water pollution
4121 control projects, three and three-quarters; (4) debt for school building
4122 projects, as defined in section 10-289, four and one-half; (5) debt for the
4123 funding of an unfunded past benefit obligation, as defined in section 7-
4124 374c, three; and (6) total debt including subdivisions (1), (2), (3), (4) and
4125 (5) of this subsection, seven. In the computation of annual receipts
4126 from taxation, there shall be included as such receipts interest,
4127 penalties, late payment of taxes and payments made by the state to
4128 such town and to municipalities coterminous with and within such
4129 town under section 12-129d and section 7-528. In computing such
4130 aggregate indebtedness, there shall be excluded each bond, note and
4131 other evidence of indebtedness (i) issued in anticipation of taxes; (ii)
4132 issued for the supply of water, for the supply of gas, for the supply of
4133 electricity, <u>for electric demand response, for conservation and load</u>
4134 <u>management, for distributed generation, for renewable energy</u>
4135 <u>projects,</u> for the construction of subways for cables, wires and pipes,
4136 for the construction of underground conduits for cables, wires and
4137 pipes, for the construction and operation of a municipal community
4138 antenna television system and for two or more of such purposes; (iii)
4139 issued in anticipation of the receipt of proceeds from assessments
4140 which have been levied upon property benefited by any public
4141 improvement; (iv) issued in anticipation of the receipt of proceeds
4142 from any state or federal grant for which the town or municipality has

4143 received a written commitment or for which an allocation has been
4144 approved by the State Bond Commission or from a contract with the
4145 state, a state agency or another municipality providing for the
4146 reimbursement of capital costs but only to the extent such
4147 indebtedness can be paid from such proceeds; (v) issued for water
4148 pollution control projects in order to meet the requirements of an
4149 abatement order of the Commissioner of Environmental Protection,
4150 provided the municipality files a certificate signed by its chief fiscal
4151 officer with the commissioner demonstrating to the satisfaction of the
4152 commissioner that the municipality has a plan for levying a system of
4153 charges, assessments or other revenues which are sufficient, together
4154 with other available funds of the municipality, to repay such
4155 obligations as the same become due and payable; and (vi) upon
4156 placement in escrow of the proceeds of refunding bonds, notes or other
4157 obligations or other funds of the municipality in an amount sufficient,
4158 together with such investment earnings thereon as are to be retained in
4159 said escrow, to provide for the payment when due of the principal of
4160 and interest on such bond, note or other evidence of indebtedness.
4161 "Urban renewal project", as used in this section, shall include any
4162 project authorized under title 8, the bonds for which are not otherwise,
4163 by general statute or special act, excluded from the computation of
4164 aggregate indebtedness or borrowing capacity. In the case of a town
4165 that is a member of a regional school district, a portion of the aggregate
4166 indebtedness of such regional school district shall be included in the
4167 aggregate indebtedness of such town for school building projects for
4168 the purposes of this section. Such portion shall be determined by
4169 applying to the indebtedness of the district, other than indebtedness
4170 issued in anticipation of the receipt by the district of payments by its
4171 member towns or the state for the operations of such district's schools
4172 and of proceeds from any state or federal grant for which the district
4173 has received a written commitment or for which an allocation has been
4174 approved by the State Bond Commission or from a contract with the
4175 state, a state agency or another municipality providing for the
4176 reimbursement of capital costs but only to the extent such
4177 indebtedness can be paid from such proceeds, such member town's

4178 percentage share of the net expenses of such district for the most recent
4179 fiscal year next preceding the date of issue payable by such town as
4180 determined in accordance with subsection (b) of section 10-51.

4181 Sec. 96. Subsection (a) of section 16-41 of the general statutes is
4182 repealed and the following is substituted in lieu thereof (*Effective July*
4183 *1, 2007*):

4184 (a) Each (1) public service company and its officers, agents and
4185 employees, (2) electric supplier or person providing electric generation
4186 services without a license in violation of section 16-245, and its officers,
4187 agents and employees, (3) certified telecommunications provider or
4188 person providing telecommunications services without authorization
4189 pursuant to sections 16-247f to 16-247h, inclusive, and its officers,
4190 agents and employees, (4) person, public agency or public utility, as
4191 such terms are defined in section 16-345, subject to the requirements of
4192 chapter 293, (5) person subject to the registration requirements under
4193 section 16-258a, (6) cellular mobile telephone carrier, as described in
4194 section 16-250b, **[**and**]** (7) Connecticut electric efficiency partner, as
4195 defined in section 94 of this act, and (8) company, as defined in section
4196 16-49, shall obey, observe and comply with all applicable provisions of
4197 this title and each applicable order made or applicable regulations
4198 adopted by the Department of Public Utility Control by virtue of this
4199 title as long as the same remains in force. Any such company, electric
4200 supplier, certified telecommunications provider, cellular mobile
4201 telephone carrier, Connecticut electric efficiency partner, person, any
4202 officer, agent or employee thereof, public agency or public utility
4203 which the department finds has failed to obey or comply with any
4204 such provision of this title, order or regulation shall be fined by order
4205 of the department in accordance with the penalty prescribed for the
4206 violated provision of this title or, if no penalty is prescribed, not more
4207 than ten thousand dollars for each offense, except that the penalty shall
4208 be a fine of not more than forty thousand dollars for failure to comply
4209 with an order of the department made in accordance with the
4210 provisions of section 16-19 or 16-247k or within thirty days of such
4211 order or within any specific time period for compliance specified in

4212 such order. Each distinct violation of any such provision of this title,
4213 order or regulation shall be a separate offense and, in case of a
4214 continued violation, each day thereof shall be deemed a separate
4215 offense. Each such penalty and any interest charged pursuant to
4216 subsection (g) or (h) of section 16-49 shall be excluded from operating
4217 expenses for purposes of rate-making.

4218 Sec. 97. (NEW) (*Effective from passage*) The Energy Conservation
4219 Management Board, established pursuant to section 16-245m of the
4220 general statutes, as amended by this act, shall investigate and develop
4221 a comprehensive plan, to be known as the Connecticut energy
4222 excellence plan, which shall include, but not be limited to: (1)
4223 Describing in detail any existing Connecticut higher educational
4224 energy efficiency resources, (2) quantifying the strategic role that
4225 energy efficiency programs can play in facilitating a transition to a
4226 more efficient and competitive business climate, (3) identifying
4227 measures that can be employed and investments in research that can
4228 be made to position the state as a national leader in energy efficiency,
4229 and (4) detailing the manner in which energy efficiency efforts can be
4230 expanded to reduce the state's peak electric demand by not less than
4231 ten per cent by 2010. The Energy Conservation Management Board
4232 shall submit such report to the joint standing committee of the General
4233 Assembly having cognizance of matters relating to energy on or before
4234 February 1, 2008.

4235 Sec. 98. (NEW) (*Effective from passage*) (a) On or before July 1, 2007,
4236 each electric distribution company shall submit a plan to the
4237 Department of Public Utility Control to deploy an advanced metering
4238 system. In lieu of submitting a plan pursuant to this section, an electric
4239 distribution company may seek a determination by the department
4240 that such company's existing metering system meets the requirements
4241 of this section. Such metering systems shall support net metering and
4242 be capable of tracking hourly consumption to support proactive
4243 customer pricing signals through innovative rate design, such as
4244 time-of-day or real-time pricing of electric service for all customer
4245 classes.

4246 (b) Each plan to implement an advanced metering system
4247 developed pursuant to subsection (a) of this section shall outline an
4248 implementation schedule whereby meters and any network necessary
4249 to support such meters are fully deployed on or before December 31,
4250 2010, with at least sixty per cent of such meters and network being
4251 deployed on or before December 31, 2009, provided the department
4252 may accelerate the deployment schedule if it determines such
4253 acceleration would be in the best interest of ratepayers. As the electric
4254 distribution companies deploy their respective networks, any
4255 customer in an area with an operating network may obtain a meter on
4256 demand. The department shall issue a final decision approving an
4257 advanced metering system plan on or before January 1, 2008. Such
4258 decision shall include an analysis of the cost-effectiveness of such
4259 deployment schedule.

4260 (c) The cost of the advanced metering system, including, but not
4261 limited to, the meters, the network to support the meters, software and
4262 vendor costs to obtain the required information from the metering
4263 system and administrative, installation, operation maintenance costs,
4264 shall be borne by the electric distribution company and shall be
4265 recoverable in rates. Any unrecovered cost of the current metering
4266 system shall continue to be reflected in rates.

4267 (d) Not later than six months after the effective date of this section,
4268 electric distribution companies, competitive electric suppliers and
4269 aggregators shall offer time-of-use pricing options to all customer
4270 classes. These pricing options shall include, but not be limited to,
4271 hourly and real-time pricing options.

4272 Sec. 99. (*Effective from passage*) On or before July 1, 2007, each electric
4273 distribution company shall submit a proposal to the department to
4274 implement voluntary critical peak pricing or real-time pricing tariffs
4275 for all customer classes. The department shall approve a voluntary
4276 critical peak pricing or real-time pricing tariff for each customer class
4277 to become effective on or before January 1, 2008.

4278 Sec. 100. (NEW) (*Effective July 1, 2007*) As part of the energy
4279 efficiency and outreach marketing campaign established pursuant to
4280 section 87 of this act, on or before April 1, 2008, the Department of
4281 Public Utility Control shall, in consultation with the Energy
4282 Conservation Management Board, established pursuant to section 16-
4283 245m of the general statutes, as amended by this act, develop a real-
4284 time energy electronic mail and cellular phone alert system to notify
4285 the public of the need to reduce energy consumption during peak
4286 power periods.

4287 Sec. 101. (NEW) (*Effective from passage*) (a) Notwithstanding any
4288 provisions of the general statutes, the Office of Policy and
4289 Management, in consultation with the Department of Public Works,
4290 shall develop a strategic plan to improve the management of energy
4291 use in state facilities. Such plan shall include, but not be limited to: (1)
4292 A detailed description of the manner in which initiatives that make
4293 investments in energy efficiency, demand and load response,
4294 distributed generation, renewable energy and combined heat and
4295 power will be implemented; (2) options for having state agencies and
4296 institutions pursue competitive electric supply options through an
4297 integrated energy purchasing program; and (3) an outline of potential
4298 near-term budgetary savings targets that can be achieved through the
4299 implementation of said plan.

4300 (b) On or before September 1, 2007, and annually thereafter, the
4301 Office of Policy and Management shall file such strategic plan with the
4302 Connecticut Energy Advisory Board. On or before January 1, 2008, and
4303 annually thereafter, the board shall approve or modify and approve
4304 said plan. On or before March 15, 2008, and annually thereafter, the
4305 board shall measure the success of the implementation of said plan
4306 and determine any actual financial benefits that have been derived by
4307 the overall electric system, including, but not limited to, state facilities.
4308 Any savings shall be allocated as follows: (1) Seventy-five per cent
4309 shall be retained by electric ratepayers, and (2) twenty-five per cent
4310 shall be divided equally between (A) reinvestment into energy
4311 efficiency programs in state buildings, and (B) investment into energy

4312 efficiency programs and technologies on behalf of participants of
4313 energy assistance programs administered by the Department of Social
4314 Services. Any reinvestments or investments made in programs
4315 pursuant to this section shall be paid through the systems benefits
4316 charge.

4317 (c) To carry out the purposes of this section, the Office of Policy and
4318 Management may perform all acts necessary for the negotiation,
4319 execution and administration of any contract that is reasonably
4320 incidental to and furthers the needs of the state and the purposes of
4321 this section. The Office of Policy and Management may also retain the
4322 services of a third party entity possessing the requisite managerial,
4323 technical and financial capacity, to perform some or all of the duties
4324 necessary to implement the provisions of said plan.

4325 (d) Any costs incurred by the state in complying with the provisions
4326 of this section shall be paid from annual state appropriations.

4327 Sec. 102. (NEW) (*Effective from passage*) (a) Not later than sixty days
4328 after the effective date of this section, the Commissioner of
4329 Environmental Protection shall issue notice of intent to issue a general
4330 permit regarding the construction and operation of new or existing
4331 emergency engines and distributed generation resources that (1)
4332 generate no more than two megawatts of electricity; and (2) are
4333 approved by the Department of Public Utility Control to participate in
4334 the markets administered by the regional independent system operator
4335 in accordance with subsection (b) of section 103 of this act. Before
4336 issuing such permit, the sources to be covered by such permit shall
4337 provide the Commissioner of Environmental Protection with any
4338 information said commissioner deems necessary for the issuance of
4339 such permit. Any such general permit shall be issued in accordance
4340 with the provisions of subsection (k) of section 22a-174 of the general
4341 statutes and the general permit, and any authorization to operate
4342 under such permit, shall expire on the later of December 31, 2010, or
4343 ninety days after the energizing of the Middletown-Norwalk 345 kv
4344 transmission line approved by the Connecticut Siting Council.

4345 Notwithstanding this section, the Commissioner of Environmental
4346 Protection may, in consultation with the chairperson of the Public
4347 Utilities Control Authority, renew such general permit in accordance
4348 with the provisions of subsection (k) of section 22a-174 of the general
4349 statutes provided the Commissioner of Environmental Protection
4350 determines that renewal of such general permit is consistent with the
4351 requirements of subsection (b) of this section. The provisions of the
4352 general permit shall include, but not be limited to: Minimum setback
4353 provisions, limitations on hours of operation, requirements for air
4354 pollution controls certified to achieve a minimum reduction in
4355 emissions of nitrogen oxides of ninety per cent, directionally correct
4356 offsets at a ratio to be determined by the Commissioner of
4357 Environmental Protection, required control equipment, requirements
4358 for monitoring, reporting and recordkeeping, and any other
4359 requirement that said commissioner deems necessary. The provisions
4360 of this section are in addition to any other authority provided by law
4361 to said commissioner.

4362 (b) When issuing or renewing the general permit pursuant to this
4363 section, the Commissioner of Environmental Protection shall, in
4364 consultation with the chairperson of the Public Utilities Control
4365 Authority, consider energy generation that will maximize the savings
4366 to the state's electric ratepayers and benefit the state's economy as a
4367 whole, but shall ensure that any emission increases resulting from the
4368 operation of sources covered by the general permit are offset by
4369 emission decreases from sources in Connecticut consistent with
4370 Connecticut's air quality attainment planning needs and requirements.
4371 The sources of decreases in emissions may include, but not be limited
4372 to, electric generation sources and demand response.

4373 (c) On or before February 1, 2008, the Department of Environmental
4374 Protection, in consultation with the Department of Public Utility
4375 Control, shall report to the joint standing committees of the General
4376 Assembly having cognizance of matters relating to energy and the
4377 environment regarding the economic and environmental benefits of
4378 the general permit issued pursuant to this section and the actions and

4379 measures taken pursuant to section 103 of this act.

4380 Sec. 103. (NEW) (*Effective from passage*) (a) Pursuant to section 102 of
4381 this act, the Department of Public Utility Control shall implement a
4382 pilot program that will (1) allow the electric generation resources to
4383 run more often on an economic and reliability dispatch basis, (2)
4384 identify strategies that couple multiple energy conservation and load
4385 shifting technologies into an aggregate resource plan that results in
4386 aggregate reductions in environmental emissions, and (3)
4387 simultaneously maintain the appropriate levels of generating capacity
4388 and reserve resources necessary to comply with established electric
4389 system reliability standards. Said pilot program shall be limited to
4390 resources that can be available to operate on or before December 1,
4391 2007. The Department of Public Utility Control shall determine (A) a
4392 minimum ratio by which the benefits derived from the implementation
4393 of each application exceed the costs of its implementation, and (B) the
4394 maximum level of aggregate investments that will be cost-effective.

4395 (b) Any person owning or controlling emergency generation
4396 resources may apply to the Department of Public Utility Control for
4397 approval of a proposal to install equipment on emergency generation
4398 resources pursuant to section 102 of this act and the objectives of the
4399 pilot program as provided in this section. The department shall accept
4400 and act upon applications in the order in which they are received.

4401 (c) The Department of Public Utility Control shall approve only
4402 those applications that meet or exceed the provisions of section 102 of
4403 this act and the pilot program established pursuant to this section,
4404 provided the department shall not approve applications that will (1)
4405 exceed the level of aggregate cost-effective investment pursuant to the
4406 provisions of subsection (a) of this section, or (2) exceed the funding
4407 provided pursuant to the provisions of subsection (e) of this section.

4408 (d) The Department of Public Utility Control shall establish a
4409 financing mechanism to help persons applying under the provisions of
4410 subsection (b) of this section to defray the costs of installation of the

4411 equipment required pursuant to the provisions of section 102 of this
4412 act. Any such financing mechanism shall include such terms and
4413 conditions that the department determines to be reasonable and
4414 necessary to protect the public interest. Such mechanisms may include,
4415 but shall not be limited to, collateral requirements and assignment of
4416 payments made under any program administered by the regional
4417 independent system operator for emergency generation resources that
4418 qualify for such payments as the result of the equipment installed
4419 pursuant to an application made and approved under the provisions
4420 of this section.

4421 (e) The Department of Public Utility Control shall defray the costs of
4422 implementing this section from the revenues derived from charges for
4423 federally mandated congestion charges, provided the total costs shall
4424 not exceed the sum of ten million dollars in the aggregate. The
4425 department may retain such consultants as it deems necessary or
4426 convenient for the purposes of implementing the provisions of this
4427 section.

4428 Sec. 104. (NEW) (*Effective from passage*) The Department of Public
4429 Utility Control, in consultation with the electric distribution
4430 companies, shall conduct a proceeding to examine the feasibility and
4431 potential risks and benefits associated with pursuing different
4432 standard service procurement options. Said proceeding shall include,
4433 but not be limited to, an examination of selecting a standard service
4434 portfolio manager, which may include the electric distribution
4435 companies; procuring individual electric supply components directly
4436 from a wholesale electricity supplier or an electric generating facility;
4437 and procuring physical and financial hedges to manage prices,
4438 including, but not limited to, tolling arrangements and financial
4439 transmission rights. The department shall report any findings and
4440 recommendations to the joint standing committee of the General
4441 Assembly having cognizance of matters relating to energy on or before
4442 February 1, 2008.

4443 Sec. 105. Subsection (d) of section 16-245m of the general statutes is

4444 repealed and the following is substituted in lieu thereof (*Effective July*
4445 *1, 2007)*:

4446 (d) (1) The Energy Conservation Management Board shall advise
4447 and assist the electric distribution companies in the development and
4448 implementation of a comprehensive plan, which plan shall be
4449 approved by the Department of Public Utility Control, to implement
4450 cost-effective energy conservation programs and market
4451 transformation initiatives. **[**The plan shall be consistent with the
4452 comprehensive energy plan approved by the Connecticut Energy
4453 Advisory Board pursuant to section 16a-7a at the time of submission to
4454 the department.**]** Each program contained in the plan shall be
4455 reviewed by the electric distribution company and either accepted or
4456 rejected by the Energy Conservation Management Board prior to
4457 submission to the department for approval. The Energy Conservation
4458 Management Board shall, as part of its review, examine opportunities
4459 to offer joint programs providing similar efficiency measures that save
4460 more than one fuel resource or otherwise to coordinate programs
4461 targeted at saving more than one fuel resource. Any costs for joint
4462 programs shall be allocated equitably among the conservation
4463 programs. The Energy Conservation Management Board shall give
4464 preference to projects that maximize the reduction of federally
4465 mandated congestion charges.

4466 (2) There shall be a joint committee of the Energy Conservation
4467 Management Board and the Renewable Energy Investments Advisory
4468 Committee. The board and the advisory committee shall each appoint
4469 members to such joint committee. The joint committee shall examine
4470 opportunities to coordinate the programs and activities funded by the
4471 Renewable Energy Investment Fund pursuant to section 16-245n<u>, as</u>
4472 <u>amended by this act,</u> with the programs and activities contained in the
4473 plan developed under this subsection to reduce the long-term cost,
4474 environmental impacts and security risks of energy in the state. Such
4475 joint committee shall hold its first meeting on or before August 1, 2005.

4476 (3) Programs included in the plan developed under subdivision (1)

4477 of [subsection (d) of this section] this subsection shall be screened
4478 through cost-effectiveness testing which compares the value and
4479 payback period of program benefits to program costs to ensure that
4480 programs are designed to obtain energy savings and system benefits,
4481 including mitigation of federally mandated congestion charges, whose
4482 value is greater than the costs of the programs. Cost-effectiveness
4483 testing shall utilize available information obtained from real-time
4484 monitoring systems to ensure accurate validation and verification of
4485 energy use. Such testing shall include an analysis of the effects of
4486 investments on increasing the state's load factor. Program cost-
4487 effectiveness shall be reviewed annually, or otherwise as is practicable.
4488 If a program is determined to fail the cost-effectiveness test as part of
4489 the review process, it shall either be modified to meet the test or shall
4490 be terminated. On or before March 1, 2005, and on or before March
4491 first annually thereafter, the board shall provide a report, in
4492 accordance with the provisions of section 11-4a, to the joint standing
4493 committees of the General Assembly having cognizance of matters
4494 relating to energy and the environment (A) that documents
4495 expenditures and fund balances and evaluates the cost-effectiveness of
4496 such programs conducted in the preceding year, and (B) that
4497 documents the extent to and manner in which the programs of such
4498 board collaborated and cooperated with programs, established under
4499 section 7-233y, of municipal electric energy cooperatives. To maximize
4500 the reduction of federally mandated congestion charges, programs in
4501 the plan may allow for disproportionate allocations between the
4502 amount of contributions to the Energy Conservation and Load
4503 Management Funds by a certain rate class and the programs that
4504 benefit such a rate class. Before conducting such evaluation, the board
4505 shall consult with the Renewable Energy Investments Advisory
4506 Committee. The report shall include a description of the activities
4507 undertaken during the reporting period jointly or in collaboration with
4508 the Renewable Energy Investment Fund established pursuant to
4509 subsection (c) of section 16-245n, as amended by this act.

4510 (4) Programs included in the plan developed under subdivision (1)

4511 of subsection (d) of this section may include, but not be limited to: (A)
4512 Conservation and load management programs, including programs
4513 that benefit low-income individuals; (B) research, development and
4514 commercialization of products or processes which are more energy-
4515 efficient than those generally available; (C) development of markets for
4516 such products and processes; (D) support for energy use assessment,
4517 real-time monitoring systems, engineering studies and services related
4518 to new construction or major building renovation; (E) the design,
4519 manufacture, commercialization and purchase of energy-efficient
4520 appliances and heating, air conditioning and lighting devices; (F)
4521 program planning and evaluation; (G) indoor air quality programs
4522 relating to energy conservation; (H) joint fuel conservation initiatives
4523 programs targeted at reducing consumption of more than one fuel
4524 resource; **[**and**]** (I) public education regarding conservation; and (J) the
4525 demand-side technology programs recommended by the procurement
4526 plan approved by the Department of Public Utility Control pursuant to
4527 section 51 of this act. Such support may be by direct funding,
4528 manufacturers' rebates, sale price and loan subsidies, leases and
4529 promotional and educational activities. The plan shall also provide for
4530 expenditures by the Energy Conservation Management Board for the
4531 retention of expert consultants and reasonable administrative costs
4532 provided such consultants shall not be employed by, or have any
4533 contractual relationship with, an electric distribution company. Such
4534 costs shall not exceed five per cent of the total revenue collected from
4535 the assessment.

4536 Sec. 106. (NEW) (*Effective from passage*) The Department of Public
4537 Utility Control shall study the feasibility of developing a financial
4538 incentive program to encourage the state's electric distribution
4539 companies to stabilize or to reduce the state's peak electric demand. To
4540 implement this program, the department shall use past peak electric
4541 demand data to establish a target or baseline system demand for each
4542 electric distribution company. The program shall offer an incentive to
4543 each electric distribution company that stabilizes system demand by
4544 ensuring that demand does not exceed the department's

4545 predetermined range of demand growth. The program shall also offer
4546 a bonus incentive for each electric distribution company if system peak
4547 system demand is reduced by ensuring that there is a reduction to
4548 system peak demand that is greater than the department's
4549 predetermined range of peak demand growth. In developing this
4550 program, the department shall measure demands and establish an
4551 annual incentive payment structure for each electric distribution
4552 company. The department shall report on the feasibility of said
4553 program to the joint standing committee of the General Assembly
4554 having cognizance of matters relating to energy on or before February
4555 1, 2008.

4556 Sec. 107. (NEW) (*Effective from passage*) In any rate case initiated on
4557 and after the effective date of this section, the Department of Public
4558 Utility Control shall order the state's gas and electric distribution
4559 companies to decouple distribution revenues from the volume of
4560 natural gas or electricity sales through any of the following strategies,
4561 singly or in combination: (1) A mechanism that adjusts actual
4562 distribution revenues to allowed distribution revenues, (2) rate design
4563 changes that increase the amount of revenue recovered through fixed
4564 distribution charges, or (3) a sales adjustment clause, rate design
4565 changes that increase the amount of revenue recovered through fixed
4566 distribution charges, or both. In making its determination on this
4567 matter, the department shall consider the impact of decoupling on the
4568 gas or electric distribution company's return on equity and make
4569 necessary adjustments thereto.

4570 Sec. 108. (NEW) (*Effective July 1, 2007*) (a) On and after October 1,
4571 2007, the Department of Public Utility Control shall, in consultation
4572 with the Renewable Energy Investments Advisory Board and the
4573 Office of Policy and Management, establish a grant program for clean
4574 and distributive generation, generated from a Class I renewable energy
4575 source, projects for businesses and state buildings.

4576 (b) The Department of Public Utility Control shall award grants as
4577 follows: (1) Not more than twenty-five million dollars shall be

4578 awarded to fuel cell projects, and (2) not more than twenty-five million
4579 dollars shall be awarded for all other clean and distributive generation
4580 projects.

4581 Sec. 109. (*Effective July 1, 2007*) (a) For the purposes described in
4582 subsection (b) of this section, the State Bond Commission shall have
4583 the power, from time to time, to authorize the issuance of bonds of the
4584 state in one or more series and in principal amounts not exceeding in
4585 the aggregate fifty million dollars.

4586 (b) The proceeds of the sale of said bonds, to the extent of the
4587 amount stated in subsection (a) of this section, shall be used by the
4588 Department of Public Utility Control for the purpose of the grant
4589 program established in section 108 of this act.

4590 (c) All provisions of section 3-20 of the general statutes, or the
4591 exercise of any right or power granted thereby, which are not
4592 inconsistent with the provisions of this section are hereby adopted and
4593 shall apply to all bonds authorized by the State Bond Commission
4594 pursuant to this section, and temporary notes in anticipation of the
4595 money to be derived from the sale of any such bonds so authorized
4596 may be issued in accordance with said section 3-20 and from time to
4597 time renewed. Such bonds shall mature at such time or times not
4598 exceeding twenty years from their respective dates as may be provided
4599 in or pursuant to the resolution or resolutions of the State Bond
4600 Commission authorizing such bonds. None of said bonds shall be
4601 authorized except upon a finding by the State Bond Commission that
4602 there has been filed with it a request for such authorization which is
4603 signed by or on behalf of the Secretary of the Office of Policy and
4604 Management and states such terms and conditions as said commission,
4605 in its discretion, may require. Said bonds issued pursuant to this
4606 section shall be general obligations of the state and the full faith and
4607 credit of the state of Connecticut are pledged for the payment of the
4608 principal of and interest on said bonds as the same become due, and
4609 accordingly and as part of the contract of the state with the holders of
4610 said bonds, appropriation of all amounts necessary for punctual

4611 payment of such principal and interest is hereby made, and the State
4612 Treasurer shall pay such principal and interest as the same become
4613 due.

4614 Sec. 110. Section 16a-7b of the general statutes is repealed and the
4615 following is substituted in lieu thereof (*Effective July 1, 2007*):

4616 Not later than December 1, 2004, the Connecticut Energy Advisory
4617 Board shall develop infrastructure criteria guidelines for the evaluation
4618 process under subsection (f) of section 16a-7c, which guidelines shall
4619 be consistent with state environmental policy, state economic
4620 development policy, and the state's policy regarding the restructuring
4621 of the electric industry, as set forth in section 16-244, **[**and the findings
4622 in the comprehensive energy plan prepared pursuant to section 16a-
4623 7a,**]** and shall include, but not be limited to, the following: (1)
4624 Environmental preference standards; (2) efficiency standards,
4625 including, but not limited to, efficiency standards for transmission,
4626 generation and demand-side management; (3) generation preference
4627 standards; (4) electric capacity, use trends and forecasted resource
4628 needs; (5) natural gas capacity, use trends and forecasted resource
4629 needs; and (6) national and regional reliability criteria applicable to the
4630 regional bulk power grid, as determined in consultation with the
4631 regional independent system operator, as defined in section 16-1, as
4632 amended by this act. In developing environmental preference
4633 standards, the board shall consider the recommendations and findings
4634 of the task force established pursuant to section 25-157a and Executive
4635 Order Number 26 of Governor John G. Rowland.

4636 Sec. 111. (NEW) (*Effective July 1, 2007*) (a) There is established an
4637 account to be known as the "state-wide energy efficiency and outreach
4638 account", which shall be a separate, nonlapsing account of the General
4639 Fund. The account shall contain any moneys required by law to be
4640 deposited in the account. Any balance remaining in said account at the
4641 end of any fiscal year shall be carried forward in said account for the
4642 fiscal year next succeeding.

4643 (b) The moneys in said account shall be expended by the
4644 Department of Public Utility Control for the purpose of carrying out
4645 the requirements of sections 61, 87, 88 and 100, inclusive, of this act.

4646 Sec. 112. Subsection (e) of section 25-204 of the general statutes is
4647 repealed and the following is substituted in lieu thereof (*Effective July*
4648 *1, 2007*):

4649 (e) After adoption pursuant to subsection (d) of this section of an
4650 inventory, statement of objectives and map, the river committee shall
4651 prepare a report on all federal, state and municipal laws, plans,
4652 programs and proposed activities which may affect the river corridor
4653 defined in such map. Such laws shall include regulations adopted
4654 pursuant to chapter 440 and zoning, subdivision and site plan
4655 regulations adopted pursuant to section 8-3. Such plans shall include
4656 plans of conservation and development adopted pursuant to section 8-
4657 23, the state plan for conservation and development, water utility
4658 supply plans adopted pursuant to section 25-32d, coordinated water
4659 system plans adopted pursuant to section 25-33h, **[**the comprehensive
4660 energy plan adopted pursuant to section 16a-7a,**]** municipal open
4661 space plans, the commissioner's fish and wildlife plans, the master
4662 transportation plan adopted pursuant to section 13b-15, plans
4663 prepared by regional planning agencies pursuant to section 8-31a, and
4664 publicly-owned wastewater treatment facility plans. State and regional
4665 agencies shall, within available resources, assist the river committee in
4666 identifying such laws, plans, programs and proposed activities. The
4667 report to be prepared pursuant to this section shall identify any
4668 conflicts between such federal, state, regional and municipal laws,
4669 plans, programs and proposed activities and the river committee's
4670 objectives for river corridor protection and preservation as reflected in
4671 the statement of objectives. If conflicts are identified, the river
4672 committee shall notify the applicable state, regional or municipal
4673 agencies and such agencies shall, within available resources, attempt
4674 with the river commission to resolve such conflicts.

4675 Sec. 113. Subdivision (4) of section 25-231 of the general statutes is

4676 repealed and the following is substituted in lieu thereof (*Effective July*
4677 *1, 2007*):

4678 (4) "Major state plan" means any of the following: The master
4679 transportation plan adopted pursuant to section 13b-15, the plan for
4680 development of outdoor recreation adopted pursuant to section 22a-21,
4681 the solid waste management plan adopted pursuant to section 22a-211,
4682 the state-wide plan for the management of water resources adopted
4683 pursuant to section 22a-352, the state-wide environmental plan
4684 adopted pursuant to section 22a-8, the historic preservation plan
4685 adopted under the National Historic Preservation Act, 16 USC 470 et
4686 seq., the state-wide facility and capital plan adopted pursuant to
4687 section 4b-23, the long-range state housing plan adopted pursuant to
4688 section 8-37t, **[**the comprehensive energy plan adopted pursuant to
4689 section 16a-7a,**]** the water quality management plan adopted under the
4690 federal Clean Water Act, 33 USC 1251 et seq., any plans for managing
4691 forest resources adopted pursuant to section 23-20 and the Connecticut
4692 River Atlantic Salmon Compact adopted pursuant to section 26-302.

4693 Sec. 114. Subsection (e) of section 25-234 of the general statutes is
4694 repealed and the following is substituted in lieu thereof (*Effective July*
4695 *1, 2007*):

4696 (e) After adoption of an inventory, statement of objectives and map,
4697 pursuant to subsection (d) of this section, the river commission shall
4698 prepare a report on all federal, state, regional and municipal laws,
4699 plans, programs and proposed activities which may affect the river
4700 corridor defined in such map. Such federal, state, regional and
4701 municipal laws shall include regulations adopted pursuant to chapter
4702 440, and zoning, subdivision and site plan regulations adopted
4703 pursuant to section 8-3. Such federal, state, regional and municipal
4704 plans shall include plans of development adopted pursuant to section
4705 8-23, the state plan for conservation and development, water utility
4706 supply plans submitted pursuant to section 25-32d, coordinated water
4707 system plans submitted pursuant to section 25-33h, **[**the
4708 comprehensive energy plan adopted pursuant to section 16a-7a,**]** the

4709 master transportation plan adopted pursuant to section 13b-15, plans
4710 prepared by regional planning organizations pursuant to section 8-31a
4711 and plans of publicly-owned wastewater treatment facilities whose
4712 discharges may affect the subject river corridor. State and regional
4713 agencies shall, within available resources, assist the river commission
4714 in identifying such laws, plans, programs and proposed activities. The
4715 report to be prepared pursuant to this section shall identify any
4716 conflicts between such federal, state, regional and municipal laws,
4717 plans, programs and proposed activities and the river commission's
4718 objectives for river corridor management as reflected in the statement
4719 of objectives. If conflicts are identified, the river commission shall
4720 notify the applicable state, regional or municipal agencies and such
4721 agencies shall, within available resources and in consultation with the
4722 river commission, attempt to resolve such conflicts.

4723 Sec. 115. Section 16-32f of the general statutes is repealed and the
4724 following is substituted in lieu thereof (*Effective July 1, 2007*):

4725 (a) On or before October first of each even-numbered year, a gas
4726 company, as defined in section 16-1, <u>as amended by this act,</u> shall
4727 furnish a report to the Department of Public Utility Control containing
4728 a five-year forecast of loads and resources. The report shall describe
4729 the facilities and supply sources that, in the judgment of such gas
4730 company, will be required to meet gas demands during the forecast
4731 period. The report shall be made available to the public and shall be
4732 furnished to the chief executive officer of each municipality in the
4733 service area of such gas company, the regional planning agency which
4734 encompasses each such municipality, the Attorney General, the
4735 president pro tempore of the Senate, the speaker of the House of
4736 Representatives, the joint standing committee of the General Assembly
4737 having cognizance of matters relating to public utilities, any other
4738 member of the General Assembly making a request to the department
4739 for the report and such other state and municipal entities as the
4740 department may designate by regulation. The report shall include: (1)
4741 A tabulation of estimated peak loads and resources for each year; (2)
4742 data on gas use and peak loads for the five preceding calendar years;

4743 (3) a list of present and projected gas supply sources; (4) specific
4744 measures to control load growth and promote conservation; and (5)
4745 such other information as the department may require by regulation. A
4746 full description of the methodology used to arrive at the forecast of
4747 loads and resources shall also be furnished to the department. The
4748 department shall hold a public hearing on such reports upon the
4749 request of any person. On or before August first of each odd-
4750 numbered year, the department may request a gas company to furnish
4751 to the department an updated report. A gas company shall furnish any
4752 such updated report not later than sixty days following the request of
4753 the department.

4754 (b) Not later than October 1, 2005, and annually thereafter, a gas
4755 company, as defined in section 16-1, as amended by this act, shall
4756 submit to the Department of Public Utility Control a gas conservation
4757 plan, in accordance with the provisions of this section, to implement
4758 cost-effective energy conservation programs and market
4759 transformation initiatives. All supply and conservation and load
4760 management options shall be evaluated and selected within an
4761 integrated supply and demand planning framework. Such plan shall
4762 be funded during each state fiscal year by the revenue from the tax
4763 imposed by section 12-264 on the gross receipts of sales of all public
4764 services companies that is in excess of the revenue estimate for said tax
4765 that is approved by the General Assembly in the appropriations act for
4766 such fiscal year, provided the amount of such excess revenue that shall
4767 be allocated to fund such plan in any state fiscal year shall not exceed
4768 ten million dollars. Such excess revenue shall be deposited in an
4769 account held by the Energy Conservation Management Board,
4770 established pursuant to section 16-245m, as amended by this act.
4771 Services provided under the plan shall be available to all gas company
4772 customers. Each gas company shall apply to the Energy Conservation
4773 Management Board for reimbursement for expenditures pursuant to
4774 the plan. The department shall, in an uncontested proceeding during
4775 which the department may hold a public hearing, approve, modify or
4776 reject the plan.

4777 (c) (1) The Energy Conservation Management Board **[**, established
4778 pursuant to section 16-245m,**]** shall advise and assist each such gas
4779 company in the development and implementation of the plan
4780 submitted under subsection (b) of this section. Each program
4781 contained in the plan shall be reviewed by each such gas company and
4782 shall be either accepted, modified or rejected by the Energy
4783 Conservation Management Board before submission of the plan to the
4784 department for approval. The Energy Conservation Management
4785 Board shall, as part of its review, examine opportunities to offer joint
4786 programs providing similar efficiency measures that save more than
4787 one fuel resource or to otherwise coordinate programs targeted at
4788 saving more than one fuel resource. Any costs for joint programs shall
4789 be allocated equitably among the conservation programs.

4790 (2) Programs included in the plan shall be screened through cost-
4791 effectiveness testing that compares the value and payback period of
4792 program benefits to program costs to ensure that the programs are
4793 designed to obtain gas savings whose value is greater than the costs of
4794 the program. Program cost-effectiveness shall be reviewed annually by
4795 the department, or otherwise as is practicable. If the department
4796 determines that a program fails the cost-effectiveness test as part of the
4797 review process, the program shall either be modified to meet the test
4798 or be terminated. On or before January 1, 2007, and annually
4799 thereafter, the board shall provide a report, in accordance with the
4800 provisions of section 11-4a, to the joint standing committees of the
4801 General Assembly having cognizance of matters relating to energy and
4802 the environment, that documents expenditures and funding for such
4803 programs and evaluates the cost-effectiveness of such programs
4804 conducted in the preceding year, including any increased cost-
4805 effectiveness owing to offering programs that save more than one fuel
4806 resource.

4807 (3) Programs included in the plan may include, but are not limited
4808 to: (A) Conservation and load management programs, including
4809 programs that benefit low-income individuals; (B) research,
4810 development and commercialization of products or processes that are

4811 more energy-efficient than those generally available; (C) development
4812 of markets for such products and processes; (D) support for energy use
4813 assessment, engineering studies and services related to new
4814 construction or major building renovations; (E) the design,
4815 manufacture, commercialization and purchase of energy-efficient
4816 appliances, air conditioning and heating devices; (F) program planning
4817 and evaluation; (G) joint fuel conservation initiatives and programs
4818 targeted at saving more than one fuel resource; and (H) public
4819 education regarding conservation. Such support may be by direct
4820 funding, manufacturers' rebates, sale price and loan subsidies, leases
4821 and promotional and educational activities. The plan shall also provide
4822 for expenditures by the Energy Conservation Management Board for
4823 the retention of expert consultants and reasonable administrative costs,
4824 provided such consultants shall not be employed by, or have any
4825 contractual relationship with, a gas company. Such costs shall not
4826 exceed five per cent of the total cost of the plan.

4827 **[**(d) Nothing in this section shall be construed to require the
4828 Department of Public Utility Control to establish a conservation charge
4829 to support the programs in this section.**]**

4830 Sec. 116. (NEW) (*Effective July 1, 2007*) (a) For purposes of this
4831 section, "fuel oil" means the product designated by the American
4832 Society for Testing and Materials as "Specifications for Heating Oil
4833 D396-69", commonly known as number 2 heating oil, and grade
4834 number 4, grade number 5 and grade number 6 fuel oil, provided such
4835 heating and fuel oil are used for purposes other than the generation of
4836 power to propel motor vehicles or for the generation of electricity.

4837 (b) On or before November 1, 2007, the Fuel Oil Conservation Board
4838 shall, after issuing a request for proposals, select an entity qualified to
4839 administer and implement conservation and energy efficiency
4840 programs for fuel oil customers, as described in this section, to act as
4841 the program administrator for such programs and shall enter into a
4842 contract not to exceed three years in duration for such purpose. At the
4843 expiration of the contract, the board may renew the contract if it finds

4844 that the administrator's performance has been satisfactory, or the
4845 board may issue a new request for proposals.

4846 (c) On or before March 1, 2008, the program administrator shall
4847 submit to the Energy Conservation Management Board a fuel oil
4848 conservation plan in accordance with the provisions of this section for
4849 the balance of 2008. On or before October 1, 2008, and annually
4850 thereafter, the program administrator shall submit to the Fuel Oil
4851 Conservation Board and the Energy Conservation Management Board
4852 a fuel oil conservation plan for the next calendar year in accordance
4853 with the provisions of this section. The board shall hold a public
4854 hearing on each such plan.

4855 (d) (1) The Fuel Oil Conservation Board shall advise and assist the
4856 program administrator in the development and implementation of a
4857 comprehensive plan, which shall be approved by the board, that
4858 implements cost-effective fuel oil energy conservation programs and
4859 market transformation initiatives for residential, commercial and
4860 industrial fuel oil customers. The board shall, as part of its review,
4861 examine opportunities to offer joint programs providing similar
4862 efficiency measures that save more than one fuel resource or to
4863 otherwise coordinate programs targeted at saving more than one fuel
4864 resource.

4865 (2) Program cost-effectiveness shall be reviewed annually by the
4866 Fuel Oil Conservation Board, or otherwise as practicable. Programs
4867 included in the plan shall be evaluated as to cost-effectiveness by
4868 comparing the value and payback period of the program benefits to
4869 the program costs to ensure that the programs are designed to obtain
4870 fuel oil savings, the value of which are greater than the costs of the
4871 program. If the board determines that a program fails such cost-
4872 effectiveness test, the board shall modify the program to meet the test
4873 or terminate the program. On or before January 1, 2009, and annually
4874 thereafter, the Fuel Oil Conservation Board shall provide a report to
4875 the joint standing committees of the General Assembly having
4876 cognizance of matters relating to energy and the environment, in

4877 accordance with the provisions of section 11-4a of the general statutes,
4878 that documents expenditures and fund balances and evaluates the
4879 cost-effectiveness of such programs conducted in the preceding year,
4880 including any increased cost-effectiveness due to offering programs
4881 that save more than one fuel resource.

4882 (3) Programs included in the plan may include, but not be limited
4883 to: (A) Conservation programs, including programs that benefit low-
4884 income persons; (B) research, development and commercialization of
4885 products or processes that are more energy-efficient than those
4886 generally available; (C) development of markets for such products and
4887 processes; (D) support for energy use assessment, engineering studies
4888 and services related to new construction or major building
4889 renovations; (E) the design, manufacture, commercialization and
4890 purchase of energy-efficient appliances and heating devices; (F)
4891 program planning and evaluation; (G) joint fuel conservation
4892 initiatives and programs targeted at saving more than one fuel
4893 resource; and (H) public education regarding conservation. Such
4894 support may be by direct funding, manufacturers' rebates, sale price
4895 and loan subsidies, leases and promotional and educational activities.
4896 The plan shall also provide for expenditures by the Fuel Oil
4897 Conservation Board for the retention of expert consultants and
4898 reasonable administrative costs, provided such consultants shall not be
4899 employed by, or have any contractual relationship with, a fuel oil
4900 company or the program administrator. Such costs shall not exceed
4901 five per cent of the total cost of the plan.

4902 (e) (1) There is established a Fuel Oil Conservation Board consisting
4903 of thirteen members, including:

4904 (A) One member representing dealers with retail oil heat sales in
4905 excess of fifteen million gallons in the state, appointed by the president
4906 pro tempore of the Senate;

4907 (B) One member representing dealers with retail oil heat sales of less
4908 than fifteen million gallons in the state, appointed by the speaker of the

4909 House of Representatives;

4910 (C) One member representing the heating, ventilation and air-
4911 conditioning trades licensed under chapter 393 of the general statutes,
4912 appointed by the majority leader of the Senate;

4913 (D) One member representing wholesale heating distributors
4914 operating within the state, appointed by the majority leader of the
4915 House of Representatives;

4916 (E) One member representing a state-wide environmental advocacy
4917 group, appointed by the minority leader of the Senate;

4918 (F) The chairperson of the Heating, Piping, Cooling and Sheet Metal
4919 Work Board established under chapter 393 of the general statutes;

4920 (G) One member from a state-wide retail oil dealer trade
4921 association, appointed by the minority leader of the House of
4922 Representatives;

4923 (H) Six members of the public appointed by the Governor, of which
4924 one shall be a representative of an environmental organization
4925 knowledgeable in energy efficiency programs, one shall be a
4926 representative of in-state generators, one shall be a representative of a
4927 consumer advocacy organization, one shall be a representative of the
4928 business community, one shall be a representative of low-income
4929 ratepayers and one shall be a representative of state residents, in
4930 general, and all of whom shall have expertise in energy issues, and

4931 (I) All appointed members of the board shall serve in accordance
4932 with section 4-1a of the general statutes.

4933 (2) The Fuel Oil Conservation Board shall establish itself as a tax
4934 exempt organization in accordance with the provisions of Section
4935 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent
4936 corresponding internal revenue code of the United States, as from time
4937 to time amended. Not later than July 1, 2008, and biennially thereafter,
4938 a third party selected by the Attorney General shall audit the activities

4939 of the board. The results of such audit shall be submitted in a report to
4940 the joint standing committees of the General Assembly having
4941 cognizance of matters relating to energy and the environment, in
4942 accordance with the provisions of section 11-4a of the general statutes.

4943 (3) The Fuel Oil Conservation Board shall establish a fuel oil
4944 conservation account. The account shall be a separate, nonlapsing
4945 accounting within the General Fund and shall be funded by annual
4946 revenue from the tax imposed by section 12-587 of the general statutes
4947 on the sale of petroleum products gross earnings that is in excess of
4948 said revenue collected during 2006, provided the amount of such
4949 revenue that shall be allocated to said account in any year shall not
4950 exceed ten million dollars. Said funds shall be deposited into the fuel
4951 oil conservation account.

4952 (4) The Fuel Oil Conservation Board shall authorize specific
4953 amounts from the fuel oil conservation account established pursuant to
4954 subdivision (3) of this subsection to the program administrator
4955 selected to implement an approved plan under this section. Such
4956 amounts shall be in the form of grants, which the board shall award
4957 twice a year. Any moneys left in the account at the end of each fiscal
4958 year shall be transferred outright to the General Fund.

4959 Sec. 117. (*Effective July 1, 2007*) (a) On and after July 1, 2009, if the
4960 Department of Public Utility Control does not receive and approve
4961 proposals pursuant to the requests for proposals processes, pursuant
4962 to section 52 of this act, sufficient to reach the goal set by the plan
4963 approved pursuant to section 51 of this act, the department may order
4964 an electric distribution company to submit for the department's review
4965 in a contested case proceeding, in accordance with chapter 54 of the
4966 general statutes, a proposal to build and operate an electric generation
4967 facility in the state. An electric distribution company shall be eligible to
4968 recover its prudently incurred costs consistent with the principles set
4969 forth in section 16-19e of the general statutes, as amended by this act,
4970 for any generation project approved pursuant to this section.

4971 (b) On or before January 1, 2008, the department shall initiate a
4972 contested case proceeding to determine the costs and benefits of the
4973 state serving as the builder of last resort for the shortfall of megawatts
4974 from said request for proposal process.

4975 Sec. 118. (NEW) (*Effective October 1, 2007*) An electric supplier or an
4976 electric distribution company shall waive a demand charge for an
4977 operator of a fuel cell during (1) a loss of power due to problems at any
4978 distribution resource, or (2) a scheduled or unscheduled shutdown of
4979 the fuel cell if said shutdown occurs during off-peak hours. The charge
4980 waived shall not exceed the amount resulting from the problem or
4981 shutdown.

4982 Sec. 119. (*Effective from passage*) (a) For the calendar year 2007, each
4983 electric distribution company shall offer an electricity conservation
4984 incentive program to its customers. Said program shall compare
4985 electricity usage during the period beginning on June 1, 2007, and
4986 ending on August 31, 2007, and during the same period in 2006 and
4987 give customers a conservation incentive.

4988 (b) Electric distribution companies shall issue credits to customers
4989 on the electricity bill that is presented on or after November 1, 2007,
4990 and shall calculate said credits as follows: (1) Any customer who uses
4991 at least ten per cent less electricity during the 2007 period shall earn a
4992 credit equal to ten per cent of the billed generation charges for usage
4993 from June 1, 2007, to August 31, 2007, inclusive; (2) any customer who
4994 uses at least fifteen per cent less electricity during the 2007 period shall
4995 earn a credit equal to fifteen per cent of the billed generation charges
4996 for usage from June 1, 2007, to August 31, 2007, inclusive; and (3) any
4997 customer who uses at least twenty per cent less electricity during the
4998 2007 period shall earn a credit equal to twenty per cent of the billed
4999 generation charges for usage from June 1, 2007, to August 31, 2007,
5000 inclusive. The calculation of reduction in electric energy usage shall be
5001 made pursuant to this section and the Department of Public Utility
5002 Control's decision in the proceeding required by subsection (c) of this
5003 section. Customers who have overdue balances with the electric

5004 distribution companies shall have any credits earned applied to such
5005 overdue balances.

5006 (c) Within fifteen days of the effective date of this section, each
5007 electric distribution company shall file with the Department of Public
5008 Utility Control an outline of the program established in subsection (a)
5009 of this section. Said outline shall include, but not be limited to, how the
5010 company plans to implement said program and the projected costs of
5011 said program. Using the submitted outlines, the department shall
5012 conduct an uncontested proceeding to design the parameters of the
5013 program established in subsection (a) of this section and to consider
5014 and implement reasonable means of marketing and promoting the
5015 program. The department shall include, but not be limited to, the
5016 following parameters necessary to encourage conservation, discourage
5017 inaccuracy in measurement and assure that credits are only provided
5018 to customers who have changed their usage by taking conservation
5019 and load management actions: (1) The comparison of energy usage
5020 shall be based on weather-normalized usage in 2007 compared to the
5021 comparable period in 2006 for that particular address; (2) the program
5022 shall not be available to customers without usage in comparable
5023 months of 2006; and (3) for customers who participate in other demand
5024 response programs, including, but not limited to, those sponsored by
5025 the regional independent system operator, benefits from the program
5026 established in subsection (a) of this section shall be pro-rated against
5027 any benefits from any other programs.

5028 (d) All costs incurred by an electric distribution company in
5029 connection with the program established in subsection (a) of this
5030 section, including incentive credits on customers' bills, shall be
5031 recoverable through the systems benefits charge.

5032 (e) On or before February 1, 2008, the department shall report to the
5033 joint standing committee of the General Assembly having cognizance
5034 of matters relating to energy regarding the success of, and any
5035 recommendations for improvement of, the incentive program
5036 established pursuant to subsection (a) of this section.

5037 Sec. 120. Subsection (c) of section 16-245n of the general statutes is
5038 repealed and the following is substituted in lieu thereof (*Effective from*
5039 *passage*):

5040 (c) There is hereby created a Renewable Energy Investment Fund
5041 which shall be administered by Connecticut Innovations, Incorporated.
5042 The fund may receive any amount required by law to be deposited
5043 into the fund and may receive any federal funds as may become
5044 available to the state for renewable energy investments. Connecticut
5045 Innovations, Incorporated, may use any amount in said fund for
5046 expenditures **[**which**]** that promote investment in renewable energy
5047 sources in accordance with a comprehensive plan developed by it to
5048 foster the growth, development and commercialization of renewable
5049 energy sources, related enterprises and stimulate demand for
5050 renewable energy and deployment of renewable energy sources
5051 **[**which**]** that serve end use customers in this state and for the further
5052 purpose of supporting operational demonstration projects for
5053 advanced technologies that reduce energy utilization from traditional
5054 sources. Such expenditures may include, but not be limited to, grants,
5055 direct or equity investments, contracts or other actions which support
5056 research, development, manufacture, commercialization, deployment
5057 and installation of renewable energy technologies, and actions which
5058 expand the expertise of individuals, businesses and lending
5059 institutions with regard to renewable energy technologies.

5060 Sec. 121. (*Effective July 1, 2007*) (a) For the purposes described in
5061 subsection (b) of this section, the State Bond Commission shall have
5062 the power, from time to time, to authorize the issuance of bonds of the
5063 state in one or more series and in principal amounts not exceeding in
5064 the aggregate thirty million dollars.

5065 (b) The proceeds of the sale of said bonds, to the extent of the
5066 amount stated in subsection (a) of this section, shall be used by
5067 Connecticut Innovations, Incorporated, for the purpose of funding the
5068 net project costs, or the balance of any projects after applying any
5069 public or private financial incentives available, for any renewable

5070 energy or combined heat and power projects in state buildings. The
5071 funds shall be made available through the Renewable Energy
5072 Investment Fund, established pursuant to section 16-245n of the
5073 general statutes, as amended by this act. Eligible state buildings shall
5074 be Leadership in Energy and Environmental Design (LEED) certified
5075 or in the process of becoming LEED certified.

5076 (c) All provisions of section 3-20 of the general statutes, or the
5077 exercise of any right or power granted thereby, which are not
5078 inconsistent with the provisions of this section are hereby adopted and
5079 shall apply to all bonds authorized by the State Bond Commission
5080 pursuant to this section, and temporary notes in anticipation of the
5081 money to be derived from the sale of any such bonds so authorized
5082 may be issued in accordance with said section 3-20 and from time to
5083 time renewed. Such bonds shall mature at such time or times not
5084 exceeding twenty years from their respective dates as may be provided
5085 in or pursuant to the resolution or resolutions of the State Bond
5086 Commission authorizing such bonds. None of said bonds shall be
5087 authorized except upon a finding by the State Bond Commission that
5088 there has been filed with it a request for such authorization which is
5089 signed by or on behalf of the Secretary of the Office of Policy and
5090 Management and states such terms and conditions as said commission,
5091 in its discretion, may require. Said bonds issued pursuant to this
5092 section shall be general obligations of the state and the full faith and
5093 credit of the state of Connecticut are pledged for the payment of the
5094 principal of and interest on said bonds as the same become due, and
5095 accordingly and as part of the contract of the state with the holders of
5096 said bonds, appropriation of all amounts necessary for punctual
5097 payment of such principal and interest is hereby made, and the State
5098 Treasurer shall pay such principal and interest as the same become
5099 due.

5100 Sec. 122. Section 4a-67d of the general statutes is repealed and the
5101 following is substituted in lieu thereof (*Effective from passage*):

5102 (a) The fleet average for cars or light duty trucks purchased by the

5103 state shall: (1) On and after October 1, 2001, have a United States
5104 Environmental Protection Agency estimated highway gasoline mileage
5105 rating of at least thirty-five miles per gallon and on and after January 1,
5106 2003, have a United States Environmental Protection Agency estimated
5107 highway gasoline mileage rating of at least forty miles per gallon, (2)
5108 comply with the requirements set forth in 10 CFR 490 concerning the
5109 percentage of alternative-fueled vehicles required in the state motor
5110 vehicle fleet, and (3) obtain the best achievable mileage per pound of
5111 carbon dioxide emitted in its class. The alternative-fueled vehicles
5112 purchased by the state to comply with said requirements shall be
5113 capable of operating on natural gas or electricity or any other system
5114 acceptable to the United States Department of Energy that operates on
5115 fuel that is available in the state.

5116 (b) Notwithstanding any other provisions of this section, (1) on and
5117 after January 1, 2008, any car or light duty truck purchased by the state
5118 shall have an efficiency rating that is in the top third of all vehicles in
5119 such purchased vehicle's class and fifty per cent of such cars and light
5120 duty trucks shall be an alternative fueled, hybrid electric or plug-in
5121 electric vehicle, and (2) on and after January 1, 2010, any car or light
5122 duty truck purchased by the state shall have an efficiency rating that is
5123 in the top third of all vehicles in such purchased vehicle's class and one
5124 hundred per cent of such cars and light duty trucks shall be alternative
5125 fueled, hybrid electric or plug-in electric vehicles.

5126 **[**(b)**]** (c) The provisions of **[**subsection (a)**]** subsections (a) and (b) of
5127 this section shall not apply to cars or light duty trucks purchased for
5128 law enforcement or other special use purposes as designated by the
5129 Department of Administrative Services.

5130 **[**(c)**]** (d) As used in this section, the terms "car" and "light duty
5131 truck" shall be as defined in the United States Department of Energy
5132 Publication DOE/CE -0019/8, or any successor publication.

5133 Sec. 123. (NEW) (*Effective July 1, 2007*) Any electric distribution
5134 company that has a tariff for residential electric space heating

5135 customers shall maintain such tariff for a period of not less than five
5136 years after the effective date of this section. Such tariff shall be
5137 available for requests for electric service at a service location that was
5138 previously assigned to said tariff. Such tariff shall be available only to
5139 residential electric customers who use electric energy as the primary
5140 space heating source and who enter into an agreement with the electric
5141 distribution company for a period of not less than twelve months.

5142 Sec. 124. Subdivision (2) of subsection (j) of section 16-244c of the
5143 general statutes is repealed and the following is substituted in lieu
5144 thereof (*Effective from passage*):

5145 (2) Notwithstanding the provisions of subsection (d) of this section
5146 regarding an alternative transitional standard offer option or an
5147 alternative standard service option, an electric distribution company
5148 providing transitional standard offer service, standard service,
5149 supplier of last resort service or back-up electric generation service in
5150 accordance with this section shall, not later than July 1, 2008, file with
5151 the Department of Public Utility Control for its approval one or more
5152 long-term power purchase contracts from Class I renewable energy
5153 source projects that receive funding from the Renewable Energy
5154 Investment Fund and that are not less than one megawatt in size, at a
5155 price that is either, at the determination of the project owner, (A) not
5156 more than the total of the comparable wholesale market price for
5157 generation plus five and one-half cents per kilowatt hour, or (B) fifty
5158 per cent of the wholesale market electricity cost at the point at which
5159 transmission lines intersect with each other or interface with the
5160 distribution system, plus the project cost of fuel indexed to natural gas
5161 futures contracts on the New York Mercantile Exchange at the natural
5162 gas pipeline interchange located in Vermillion Parish, Louisiana that
5163 serves as the delivery point for such futures contracts, plus the fuel
5164 delivery charge for transporting fuel to the project, plus five and one-
5165 half cents per kilowatt hour. In its approval of such contracts, the
5166 department shall give preference to purchase contracts from those
5167 projects that would provide a financial benefit to ratepayers or would
5168 enhance the reliability of the electric transmission system of the state.

5169 Such projects shall be located in this state. The owner of a fuel cell
5170 project principally manufactured in this state shall be allocated all
5171 available air emissions credits and tax credits attributable to the project
5172 and no less than fifty per cent of the energy credits in the Class I
5173 renewable energy credits program established in section 16-245a
5174 attributable to the project. [Such] On and after October 1, 2007, and
5175 until September 30, 2008, such contracts shall be comprised of not less
5176 than a total, apportioned among each electric distribution company, of
5177 one hundred twenty-five megawatts; and on and after October 1, 2008,
5178 such contracts shall be comprised of not less than a total, apportioned
5179 among each electrical distribution company, of one hundred fifty
5180 megawatts. The cost of such contracts and the administrative costs for
5181 the procurement of such contracts directly incurred shall be eligible for
5182 inclusion in the adjustment to the transitional standard offer as
5183 provided in this section and any subsequent rates for standard service,
5184 provided such contracts are for a period of time sufficient to provide
5185 financing for such projects, but not less than ten years, and are for
5186 projects which began operation on or after July 1, 2003. Except as
5187 provided in this subdivision, the amount from Class I renewable
5188 energy sources contracted under such contracts shall be applied to
5189 reduce the applicable Class I renewable energy source portfolio
5190 standards. For purposes of this subdivision, the department's
5191 determination of the comparable wholesale market price for
5192 generation shall be based upon a reasonable estimate. On or before
5193 September 1, 2007, the department, in consultation with the Office of
5194 Consumer Counsel and the Renewable Energy Investments Advisory
5195 Council, shall study the operation of such renewable energy contracts
5196 and report its findings and recommendations to the joint standing
5197 committee of the General Assembly having cognizance of matters
5198 relating to energy.

5199 Sec. 125. Section 16-245e of the general statutes is amended by
5200 adding subsection (l) as follows (*Effective from passage*):

5201 (NEW) (l) The sum of ninety-five million dollars is appropriated to
5202 the Treasurer, from the General Fund, for the fiscal year ending June

5203 30, 2007, for the purpose of (1) defeasing the state rate reduction bonds
5204 maturing after December 30, 2007, by irrevocably depositing with the
5205 bond trustee in trust such appropriation to be used for the scheduled
5206 payments of principal and interest on the said state rate reduction
5207 bonds and paying operating expenses, (2) if the Treasurer determines
5208 it to be in the state's best interest, purchasing state rate reduction
5209 bonds maturing after December 30, 2007, in the open market on such
5210 terms and conditions as the Treasurer determines to be in the best
5211 interest of the state for purposes of satisfying such bonds, or (3)
5212 defeasing or satisfying the state rate reduction bonds maturing after
5213 December 30, 2007, by a combination of the methods described in
5214 subdivisions (1) and (2) of this subsection. Such appropriation is for
5215 the purpose of paying debt service on bonds or other evidences of
5216 indebtedness and related costs and expenses provided for in the
5217 indenture. After the defeasance or satisfaction of all outstanding state
5218 rate reduction bonds, the trustee shall deliver to the Treasurer or apply
5219 in accordance with the instructions of the Treasurer all moneys held by
5220 it not necessary to defease or satisfy such bonds or allocated to pay
5221 operating expenses. Such funds shall be first applied to satisfy any
5222 unpaid operating expenses. After payment of the operating expenses,
5223 seventy-five per cent of any remaining amounts shall be paid to the
5224 Energy Conservation and Load Management Fund, established
5225 pursuant to section 16-245m, as amended by this act, and twenty-five
5226 per cent of such remaining amount shall be paid to the Renewable
5227 Energy Investment Fund, established pursuant to section 16-245n, as
5228 amended by this act. The Treasurer and the finance authority have the
5229 authority to take any necessary and appropriate actions to implement
5230 the defeasance or satisfaction of the state rate reduction bonds and the
5231 payment of all operating expenses so that the amount of state rate
5232 reduction charges which before defeasance secured the state rate
5233 reduction bonds can be applied to the Energy Conservation and Load
5234 Management Fund and the Renewable Energy Investment Fund.

5235 Sec. 126. (*Effective July 1, 2007)* The sum of five million dollars is
5236 appropriated to the Department of Public Utility Control, from the

5237 General Fund, for the fiscal year ending June 30, 2008, for deposit into
5238 the state-wide energy efficiency and outreach account established
5239 pursuant to section 44 of this act.

5240 Sec. 127. (*Effective from passage*) (a) The sum of two million five
5241 hundred thousand dollars is appropriated to the Office of Policy and
5242 Management, from the General Fund, for the fiscal year ending June
5243 30, 2007, for the purpose of implementing the clean-slate program
5244 pursuant to section 81 of this act.

5245 (b) The sum of one million seven hundred fifty thousand dollars is
5246 appropriated to the Office of Policy and Management, from the
5247 General Fund, for the fiscal year ending June 30, 2007, for the purpose
5248 of expanding Operation Fuel, Incorporated, pursuant to section 16a-
5249 41h of the general statutes, as amended by this act.

5250 (c) The sum of seven hundred fifty thousand dollars is appropriated
5251 to the Office of Policy and Management, from the General Fund, for
5252 the fiscal year ending June 30, 2007, for Operation Fuel, Incorporated's
5253 infrastructure, technology support and case management services
5254 pursuant to section 16a-41h of the general statutes, as amended by this
5255 act.

5256 Sec. 128. Section 16a-7a of the general statutes is repealed. (*Effective*
5257 *July 1, 2007*)"

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	*from passage*	New section
Sec. 5	*from passage*	New section
Sec. 6	*October 1, 2007*	16-32g
Sec. 7	*October 1, 2007*	16-19e(a)
Sec. 8	*from passage*	New section

Sec. 9	*from passage*	New section
Sec. 10	*January 1, 2008*	16a-38k
Sec. 11	*October 1, 2007*	10-285a
Sec. 12	*October 1, 2007*	16a-48
Sec. 13	*from passage*	16-245l(a)
Sec. 14	*July 1, 2007*	New section
Sec. 15	*from passage*	16-245n
Sec. 16	*October 1, 2007*	4a-67c
Sec. 17	*from passage*	New section
Sec. 18	*July 1, 2007*	16-243r
Sec. 19	*January 1, 2008*	New section
Sec. 20	*January 1, 2008, and applicable to sales occurring on or after said date*	12-412(110)
Sec. 21	*from passage*	New section
Sec. 22	*from passage*	New section
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	*October 1, 2007*	16-243a(b)
Sec. 38	*October 1, 2007*	16-243a
Sec. 39	*October 1, 2007*	16-243h
Sec. 40	*October 1, 2007*	16-245a
Sec. 41	*July 1, 2007*	New section
Sec. 42	*from passage*	New section
Sec. 43	*October 1, 2007*	16-243q
Sec. 44	*from passage*	16-1(a)(44)
Sec. 45	*October 1, 2007*	22a-6(a)

Sec. 46	*October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007*	12-81(57)
Sec. 47	*October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007*	12-81(63)
Sec. 48	*from passage*	20-340
Sec. 49	*July 1, 2007*	16-244c(e)
Sec. 50	*January 1, 2008*	New section
Sec. 51	*from passage*	New section
Sec. 52	*from passage*	New section
Sec. 53	*from passage*	16a-3
Sec. 54	*July 1, 2007*	16a-7c
Sec. 55	*July 1, 2007*	16-50l(a)(2)
Sec. 56	*from passage*	13a-126
Sec. 57	*October 1, 2007*	16-2(e)
Sec. 58	*July 1, 2007*	New section
Sec. 59	*from passage*	New section
Sec. 60	*October 1, 2007*	New section
Sec. 61	*July 1, 2007*	New section
Sec. 62	*October 1, 2007*	16-50k(a)
Sec. 63	*July 1, 2007*	16-244e(a)(6)
Sec. 64	*July 1, 2007*	16-19ss(d)
Sec. 65	*July 1, 2007*	PA 05-2 of the October 25 Sp. Sess., Sec. 1
Sec. 66	*July 1, 2007*	16a-41a
Sec. 67	*October 1, 2007*	16-262c
Sec. 68	*July 1, 2007, and applicable to sales occurring on or after July 1, 2007*	12-412
Sec. 69	*June 1, 2007*	12-412k
Sec. 70	*from passage*	New section
Sec. 71	*from passage*	16-245a
Sec. 72	*July 1, 2007*	12-635
Sec. 73	*July 1, 2007*	New section
Sec. 74	*October 1, 2007*	10a-180
Sec. 75	*from passage*	PA 05-2 of the October 25 Sp. Sess., Sec. 5

Sec. 76	*from passage*	16a-2
Sec. 77	*from passage*	16a-7b
Sec. 78	*October 1, 2007*	29-256a
Sec. 79	*from passage*	16-245e(a)
Sec. 80	*from passage*	16a-40b(b)
Sec. 81	*from passage*	New section
Sec. 82	*from passage*	16a-41h(a)
Sec. 83	*from passage*	New section
Sec. 84	*from passage*	New section
Sec. 85	*from passage*	16-243n
Sec. 86	*from passage*	New section
Sec. 87	*July 1, 2007*	New section
Sec. 88	*July 1, 2007*	New section
Sec. 89	*from passage*	New section
Sec. 90	*July 1, 2007*	New section
Sec. 91	*from passage*	New section
Sec. 92	*July 1, 2007*	16-244c
Sec. 93	*July 1, 2007*	New section
Sec. 94	*from passage*	New section
Sec. 95	*July 1, 2007*	7-374
Sec. 96	*July 1, 2007*	16-41(a)
Sec. 97	*from passage*	New section
Sec. 98	*from passage*	New section
Sec. 99	*from passage*	New section
Sec. 100	*July 1, 2007*	New section
Sec. 101	*from passage*	New section
Sec. 102	*from passage*	New section
Sec. 103	*from passage*	New section
Sec. 104	*from passage*	New section
Sec. 105	*July 1, 2007*	16-245m(d)
Sec. 106	*from passage*	New section
Sec. 107	*from passage*	New section
Sec. 108	*July 1, 2007*	New section
Sec. 109	*July 1, 2007*	New section
Sec. 110	*July 1, 2007*	16a-7b
Sec. 111	*July 1, 2007*	New section
Sec. 112	*July 1, 2007*	25-204(e)
Sec. 113	*July 1, 2007*	25-231(4)
Sec. 114	*July 1, 2007*	25-234(e)
Sec. 115	*July 1, 2007*	16-32f

Sec. 116	*July 1, 2007*	New section
Sec. 117	*July 1, 2007*	New section
Sec. 118	*October 1, 2007*	New section
Sec. 119	*from passage*	New section
Sec. 120	*from passage*	16-245n(c)
Sec. 121	*July 1, 2007*	New section
Sec. 122	*from passage*	4a-67d
Sec. 123	*July 1, 2007*	New section
Sec. 124	*from passage*	16-244c(j)(2)
Sec. 125	*from passage*	16-245e
Sec. 126	*July 1, 2007*	New section
Sec. 127	*from passage*	New section
Sec. 128	*July 1, 2007*	Repealer section