



General Assembly

**Proposed Substitute
Bill No. 571**

February Session, 2008

LCO No. 3271

AN ACT CONCERNING ENERGY AUDITS.

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

1 Section 1. Section 16-245m of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2008*):

4 (a) (1) On and after January 1, 2000, the Department of Public Utility
5 Control shall assess or cause to be assessed a charge of three mills per
6 kilowatt hour of electricity sold to each end use customer of an electric
7 distribution company to be used to implement the program as
8 provided in this section for conservation and load management
9 programs but not for the amortization of costs incurred prior to July 1,
10 1997, for such conservation and load management programs.

11 (2) Notwithstanding the provisions of this section, receipts from
12 such charge shall be disbursed to the resources of the General Fund
13 during the period from July 1, 2003, to June 30, 2005, unless the

14 department shall, on or before October 30, 2003, issue a financing order
15 for each affected electric distribution company in accordance with
16 sections 16-245e to 16-245k, inclusive, of the 2008 supplement to the
17 general statutes to sustain funding of conservation and load
18 management programs by substituting an equivalent amount, as
19 determined by the department in such financing order, of proceeds of
20 rate reduction bonds for disbursement to the resources of the General
21 Fund during the period from July 1, 2003, to June 30, 2005. The
22 department may authorize in such financing order the issuance of rate
23 reduction bonds that substitute for disbursement to the General Fund
24 for receipts of both the charge under this subsection and under
25 subsection (b) of section 16-245n of the 2008 supplement to the general
26 statutes and also may, in its discretion, authorize the issuance of rate
27 reduction bonds under this subsection and subsection (b) of section 16-
28 245n of the 2008 supplement to the general statutes that relate to more
29 than one electric distribution company. The department shall, in such
30 financing order or other appropriate order, offset any increase in the
31 competitive transition assessment necessary to pay principal,
32 premium, if any, interest and expenses of the issuance of such rate
33 reduction bonds by making an equivalent reduction to the charge
34 imposed under this subsection, provided any failure to offset all or any
35 portion of such increase in the competitive transition assessment shall
36 not affect the need to implement the full amount of such increase as
37 required by this subsection and by sections 16-245e to 16-245k,
38 inclusive, of the 2008 supplement to the general statutes. Such
39 financing order shall also provide if the rate reduction bonds are not
40 issued, any unrecovered funds expended and committed by the
41 electric distribution companies for conservation and load management
42 programs, provided such expenditures were approved by the
43 department after August 20, 2003, and prior to the date of
44 determination that the rate reduction bonds cannot be issued, shall be
45 recovered by the companies from their respective competitive
46 transition assessment or systems benefits charge but such expenditures
47 shall not exceed four million dollars per month. All receipts from the
48 remaining charge imposed under this subsection, after reduction of

49 such charge to offset the increase in the competitive transition
50 assessment as provided in this subsection, shall be disbursed to the
51 Energy Conservation and Load Management Fund commencing as of
52 July 1, 2003. Any increase in the competitive transition assessment or
53 decrease in the conservation and load management component of an
54 electric distribution company's rates resulting from the issuance of or
55 obligations under rate reduction bonds shall be included as rate
56 adjustments on customer bills.

57 (b) The electric distribution company shall establish an Energy
58 Conservation and Load Management Fund which shall be held
59 separate and apart from all other funds or accounts. Receipts from the
60 charge imposed under subsection (a) of this section shall be deposited
61 into the fund. Any balance remaining in the fund at the end of any
62 fiscal year shall be carried forward in the fiscal year next succeeding.
63 Disbursements from the fund by electric distribution companies to
64 carry out the plan developed under subsection (d) of this section shall
65 be authorized by the Department of Public Utility Control upon its
66 approval of such plan.

67 (c) The Department of Public Utility Control shall appoint and
68 convene an Energy Conservation Management Board which shall
69 include representatives of: (1) An environmental group knowledgeable
70 in energy conservation program collaboratives; (2) the Office of
71 Consumer Counsel; (3) the Attorney General; (4) the Department of
72 Environmental Protection; (5) the electric distribution companies in
73 whose territories the activities take place for such programs; (6) a state-
74 wide manufacturing association; (7) a chamber of commerce; (8) a
75 state-wide business association; (9) a state-wide retail organization;
76 (10) a representative of a municipal electric energy cooperative created
77 pursuant to chapter 101a; (11) two representatives selected by the gas
78 companies in this state; and (12) residential customers. Such members
79 shall serve for a period of five years and may be reappointed.
80 Representatives of the gas companies shall not vote on matters
81 unrelated to gas conservation. Representatives of the electric

82 distribution companies and the municipal electric energy cooperative
83 shall not vote on matters unrelated to electricity conservation.

84 (d) (1) The Energy Conservation Management Board shall advise
85 and assist the electric distribution companies in the development and
86 implementation of a comprehensive plan, which plan shall be
87 approved by the Department of Public Utility Control, to implement
88 cost-effective energy conservation programs and market
89 transformation initiatives. Each program contained in the plan shall be
90 reviewed by the electric distribution company and either accepted or
91 rejected by the Energy Conservation Management Board prior to
92 submission to the department for approval. The Energy Conservation
93 Management Board shall, as part of its review, examine opportunities
94 to offer joint programs providing similar efficiency measures that save
95 more than one fuel resource or otherwise to coordinate programs
96 targeted at saving more than one fuel resource. Any costs for joint
97 programs shall be allocated equitably among the conservation
98 programs. The Energy Conservation Management Board shall give
99 preference to projects that maximize the reduction of federally
100 mandated congestion charges. The Department of Public Utility
101 Control shall, in an uncontested proceeding during which the
102 department may hold a public hearing, approve, modify or reject the
103 comprehensive plan prepared pursuant to this subsection.

104 (2) There shall be a joint committee of the Energy Conservation
105 Management Board and the Renewable Energy Investments Board.
106 The board and the advisory committee shall each appoint members to
107 such joint committee. The joint committee shall examine opportunities
108 to coordinate the programs and activities funded by the Renewable
109 Energy Investment Fund pursuant to section 16-245n of the 2008
110 supplement to the general statutes with the programs and activities
111 contained in the plan developed under this subsection to reduce the
112 long-term cost, environmental impacts and security risks of energy in
113 the state. Such joint committee shall hold its first meeting on or before
114 August 1, 2005.

115 (3) Programs included in the plan developed under subdivision (1)
116 of this subsection shall be screened through cost-effectiveness testing
117 which compares the value and payback period of program benefits to
118 program costs to ensure that programs are designed to obtain energy
119 savings and system benefits, including mitigation of federally
120 mandated congestion charges, whose value is greater than the costs of
121 the programs. Cost-effectiveness testing shall utilize available
122 information obtained from real-time monitoring systems to ensure
123 accurate validation and verification of energy use. Such testing shall
124 include an analysis of the effects of investments on increasing the
125 state's load factor. Program cost-effectiveness shall be reviewed
126 annually, or otherwise as is practicable. If a program is determined to
127 fail the cost-effectiveness test as part of the review process, it shall
128 either be modified to meet the test or shall be terminated. On or before
129 March 1, 2005, and on or before March first annually thereafter, the
130 board shall provide a report, in accordance with the provisions of
131 section 11-4a, to the joint standing committees of the General
132 Assembly having cognizance of matters relating to energy and the
133 environment (A) that documents expenditures and fund balances and
134 evaluates the cost-effectiveness of such programs conducted in the
135 preceding year, and (B) that documents the extent to and manner in
136 which the programs of such board collaborated and cooperated with
137 programs, established under section 7-233y, of municipal electric
138 energy cooperatives. To maximize the reduction of federally mandated
139 congestion charges, programs in the plan may allow for
140 disproportionate allocations between the amount of contributions to
141 the Energy Conservation and Load Management Funds by a certain
142 rate class and the programs that benefit such a rate class. Before
143 conducting such evaluation, the board shall consult with the
144 Renewable Energy Investments Board. The report shall include a
145 description of the activities undertaken during the reporting period
146 jointly or in collaboration with the Renewable Energy Investment
147 Fund established pursuant to subsection (c) of section 16-245n of the
148 2008 supplement to the general statutes.

149 (4) Programs included in the plan developed under subdivision (1)
150 of this subsection may include, but not be limited to: (A) Conservation
151 and load management programs, including programs that benefit low-
152 income individuals; (B) research, development and commercialization
153 of products or processes which are more energy-efficient than those
154 generally available; (C) development of markets for such products and
155 processes; (D) support for energy use assessment, real-time monitoring
156 systems, engineering studies and services related to new construction
157 or major building renovation; (E) the design, manufacture,
158 commercialization and purchase of energy-efficient appliances and
159 heating, air conditioning and lighting devices; (F) program planning
160 and evaluation; (G) indoor air quality programs relating to energy
161 conservation; (H) joint fuel conservation initiatives programs targeted
162 at reducing consumption of more than one fuel resource; (I) public
163 education regarding conservation; and (J) the demand-side technology
164 programs recommended by the procurement plan approved by the
165 Department of Public Utility Control pursuant to section 16a-3a of the
166 2008 supplement to the general statutes. Such support may be by direct
167 funding, manufacturers' rebates, sale price and loan subsidies, leases
168 and promotional and educational activities. The plan shall also provide
169 for expenditures by the Energy Conservation Management Board for
170 the retention of expert consultants and reasonable administrative costs
171 provided such consultants shall not be employed by, or have any
172 contractual relationship with, an electric distribution company. Such
173 costs shall not exceed five per cent of the total revenue collected from
174 the assessment.

175 (e) Notwithstanding the provisions of subsections (a) to (d),
176 inclusive, of this section, the Department of Public Utility Control shall
177 authorize the disbursement of a total of one million dollars in each
178 month, commencing with July, 2003, and ending with July, 2005, from
179 the Energy Conservation and Load Management Funds established
180 pursuant to said subsections. The amount disbursed from each Energy
181 Conservation and Load Management Fund shall be proportionately
182 based on the receipts received by each fund. Such disbursements shall

183 be deposited in the General Fund.

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

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

193 (h) (1) Beginning January 1, 2009, and annually thereafter, the
194 Energy Conservation Management Board, in consultation with the
195 Department of Public Utility Control, shall conduct an overview of
196 available tax and financial incentives available to individuals and
197 businesses for energy conservation, including grants and loan
198 programs, offered by the state and the federal government.

199 (2) The Energy Conservation Management Board shall compile such
200 findings and publish said findings in a document to be supplied to the
201 Real Estate Commission.

202 Sec. 2. Section 20-311b of the general statutes is repealed and the
203 following is substituted in lieu thereof (*Effective October 1, 2008*):

204 (a) Within thirty days after the appointment of the members of the
205 commission, the commission shall meet in the city of Hartford for the
206 purpose of organizing by selecting such officers other than a
207 chairperson as the commission may deem necessary and appropriate.
208 A majority of the members of the commission shall constitute a
209 quorum for the exercise of the powers or authority conferred upon it.

210 (b) (1) The commission shall authorize the Department of Consumer
211 Protection to issue licenses to real estate brokers and real estate
212 salespersons. The commission shall receive and approve applications

213 for real estate student intern programs pursuant to the provisions of
214 section 20-314c.

215 (2) The commission shall administer the provisions of this chapter
216 as to licensure and issuance, renewal, suspension or revocation of
217 licenses concerning the real estate business.

218 (c) The commission shall be provided with the necessary office
219 space in Hartford by the Commissioner of Public Works. The place of
220 business of the commission and all files, records and property of the
221 commission shall at all times be and remain at such office, except that
222 inactive files shall be stored at a location designated by the
223 commission.

224 (d) The commission shall hold meetings and hearings in Hartford,
225 in space provided by the Commissioner of Administrative Services, or
226 at such places outside of Hartford as shall be determined by the
227 chairman of the commission. The commission shall meet at least once
228 in each three-month period and may meet more often at the call of its
229 chairman. The chairman of the commission shall call a meeting of the
230 commission whenever requested to do so by a majority of the
231 members of the commission.

232 (e) The commission shall vote on all matters requiring a decision
233 and votes shall be recorded in the commission's minutes.

234 (f) The commission shall make available to all licensed real estate
235 brokers and real estate salespersons information provided to it
236 pursuant to section 16-245m of the 2008 supplement to the general
237 statutes, as amended by of this act.

238 Sec. 3. Subsection (d) of section 20-327b of the 2008 supplement to
239 the general statutes is repealed and the following is substituted in lieu
240 thereof (*Effective October 1, 2008*):

241 (d) (1) The Commissioner of Consumer Protection, shall, by
242 regulations adopted in accordance with the provisions of chapter 54,

243 prescribe the form of the written residential disclosure report required
244 by this section and sections 20-327c to 20-327e, inclusive. The
245 regulations shall provide that the form include information concerning
246 municipal assessments, including, but not limited to, sewer or water
247 charges applicable to the property. Such information shall include: (A)
248 Whether such assessment is in effect and the amount of the
249 assessment; (B) whether there is an assessment on the property that
250 has not been paid, and if so, the amount of the unpaid assessment; and
251 (C) to the extent of the seller's knowledge, whether there is reason to
252 believe that the municipality may impose an assessment in the future.

253 (2) Such form of the written residential disclosure report shall
254 contain the following:

255 (A) A certification by the seller in the following form:

256 "To the extent of the seller's knowledge as a property owner, the
257 seller acknowledges that the information contained above is true and
258 accurate for those areas of the property listed. In the event a real estate
259 broker or salesperson is utilized, the seller authorizes the brokers or
260 salespersons to provide the above information to prospective buyers,
261 selling agents or buyers' agents.

T1 (Date) (Seller)
T2 (Date) (Seller)"

262 (B) A certification by the buyer in the following form:

263 "The buyer is urged to carefully inspect the property and, if desired,
264 to have the property inspected by an expert. The buyer understands
265 that there are areas of the property for which the seller has no
266 knowledge and that this disclosure statement does not encompass
267 those areas. The buyer also acknowledges that the buyer has read and
268 received a signed copy of this statement from the seller or seller's
269 agent.

T3 (Date) (Seller)
T4 (Date) (Seller)"

270 (C) A statement concerning the responsibility of real estate brokers
271 in the following form:

272 "This report in no way relieves a real estate broker of the broker's
273 obligation under the provisions of section 20-328-5a of the Regulations
274 of Connecticut State Agencies to disclose any material facts. Failure to
275 do so could result in punitive action taken against the broker, such as
276 fines, suspension or revocation of license."

277 (D) A statement that any representations made by the seller on the
278 written residential disclosure report shall not constitute a warranty to
279 the buyer.

280 (E) A statement that the written residential disclosure report is not a
281 substitute for inspections, tests and other methods of determining the
282 physical condition of property.

283 (F) Information concerning environmental matters such as lead,
284 radon, subsurface sewage disposal, flood hazards and, if the residence
285 is or will be served by well water, as defined in section 21a-150, the
286 results of any water test performed for volatile organic compounds,
287 and results of an audit of the energy efficiency of the residence which
288 shall include recommendations for energy efficiency improvements
289 and potential effectiveness of said improvements and such other topics
290 as the Commissioner of Consumer Protection may determine would be
291 of interest to a buyer.

292 (G) A statement that information concerning the residence address
293 of a person convicted of a crime may be available from law
294 enforcement agencies or the Department of Public Safety and that the
295 Department of Public Safety maintains a site on the Internet listing
296 information about the residence address of persons required to register

297 under section 54-251 of the 2008 supplement to the general statutes, 54-
298 252 of the 2008 supplement to the general statutes, 54-253 of the 2008
299 supplement to the general statutes or 54-254 of the 2008 supplement to
300 the general statutes, who have so registered.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2008</i>	16-245m
Sec. 2	<i>October 1, 2008</i>	20-311b
Sec. 3	<i>October 1, 2008</i>	20-327b(d)