



Senate

General Assembly

File No. 215

February Session, 2008

Senate Bill No. 389

Senate, March 27, 2008

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE CONNECTICUT CLEAN ENERGY FUND.

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

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2 statutes is repealed and the following is substituted in lieu thereof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

4 (a) For purposes of this section, (1) "renewable energy" means solar
5 photovoltaic energy, solar thermal, geothermal energy, wind, ocean
6 thermal energy, wave or tidal energy, fuel cells, landfill gas,
7 hydropower that meets the low-impact standards of the Low-Impact
8 Hydropower Institute, hydrogen production and hydrogen conversion
9 technologies, low emission advanced biomass conversion technologies,
10 alternative fuels, used for electricity generation including ethanol,
11 biodiesel or other fuel produced in Connecticut and derived from
12 agricultural produce, food waste or waste vegetable oil, provided the
13 Commissioner of Environmental Protection determines that such fuels
14 provide net reductions in greenhouse gas emissions and fossil fuel
15 consumption, usable electricity from combined heat and power

16 systems with waste heat recovery systems, thermal storage systems
17 and other energy resources and emerging technologies which have
18 significant potential for commercialization and which do not involve
19 the combustion of coal, petroleum or petroleum products, municipal
20 solid waste or nuclear fission, and (2) "carbon footprint" means the
21 amount of greenhouse gases produced, measured in units of carbon
22 dioxide, by human activities.

23 (b) On and after July 1, 2004, the Department of Public Utility
24 Control shall assess or cause to be assessed a charge of not less than
25 one mill per kilowatt hour charged to each end use customer of electric
26 services in this state which shall be deposited into the Renewable
27 Energy Investment Fund established under subsection (c) of this
28 section. Notwithstanding the provisions of this section, receipts from
29 such charges shall be disbursed to the resources of the General Fund
30 during the period from July 1, 2003, to June 30, 2005, unless the
31 department shall, on or before October 30, 2003, issue a financing order
32 for each affected distribution company in accordance with sections 16-
33 245e to 16-245k, inclusive, of the 2008 supplement to the general
34 statutes to sustain funding of renewable energy investment programs
35 by substituting an equivalent amount, as determined by the
36 department in such financing order, of proceeds of rate reduction
37 bonds for disbursement to the resources of the General Fund during
38 the period from July 1, 2003, to June 30, 2005. The department may
39 authorize in such financing order the issuance of rate reduction bonds
40 that substitute for disbursement to the General Fund for receipts of
41 both charges under this subsection and subsection (a) of section 16-
42 245m of the 2008 supplement to the general statutes and also may in its
43 discretion authorize the issuance of rate reduction bonds under this
44 subsection and subsection (a) of section 16-245m of the 2008
45 supplement to the general statutes that relate to more than one electric
46 distribution company. The department shall, in such financing order or
47 other appropriate order, offset any increase in the competitive
48 transition assessment necessary to pay principal, premium, if any,
49 interest and expenses of the issuance of such rate reduction bonds by
50 making an equivalent reduction to the charges imposed under this

51 subsection, provided any failure to offset all or any portion of such
52 increase in the competitive transition assessment shall not affect the
53 need to implement the full amount of such increase as required by this
54 subsection and sections 16-245e to 16-245k, inclusive, of the 2008
55 supplement to the general statutes. Such financing order shall also
56 provide if the rate reduction bonds are not issued, any unrecovered
57 funds expended and committed by the electric distribution companies
58 for renewable resource investment through deposits into the
59 Renewable Energy Investment Fund, provided such expenditures
60 were approved by the department following August 20, 2003, and
61 prior to the date of determination that the rate reduction bonds cannot
62 be issued, shall be recovered by the companies from their respective
63 competitive transition assessment or systems benefits charge except
64 that such expenditures shall not exceed one million dollars per month.
65 All receipts from the remaining charges imposed under this
66 subsection, after reduction of such charges to offset the increase in the
67 competitive transition assessment as provided in this subsection, shall
68 be disbursed to the Renewable Energy Investment Fund commencing
69 as of July 1, 2003. Any increase in the competitive transition
70 assessment or decrease in the renewable energy investment
71 component of an electric distribution company's rates resulting from
72 the issuance of or obligations under rate reduction bonds shall be
73 included as rate adjustments on customer bills.

74 (c) There is hereby created a Renewable Energy Investment Fund
75 which shall be within Connecticut Innovations, Incorporated for
76 administrative purposes only. The fund may receive any amount
77 required by law to be deposited into the fund and may receive any
78 federal funds as may become available to the state for renewable
79 energy investments. Upon authorization of the Renewable Energy
80 Investments Board established pursuant to subsection (d) of this
81 section, Connecticut Innovations, Incorporated, may use any amount
82 in said fund for expenditures that promote investment in renewable
83 energy sources in accordance with a comprehensive plan developed by
84 it to foster the growth, development and commercialization of
85 renewable energy sources, related enterprises and stimulate demand

86 for renewable energy and deployment of renewable energy sources
87 that serve end use customers in this state and for the further purpose
88 of supporting operational demonstration projects for advanced
89 technologies that reduce energy use from traditional sources. Such
90 expenditures may include, but not be limited to, reimbursement for
91 services provided by the administrator of the fund including a
92 management fee, disbursements from the fund to develop and carry
93 out the plan developed pursuant to subsection (d) of this section,
94 grants, direct or equity investments, contracts or other actions which
95 support research, development, manufacture, commercialization,
96 deployment and installation of renewable energy technologies, and
97 actions which expand the expertise of individuals, businesses and
98 lending institutions with regard to renewable energy technologies.

99 (d) There is hereby created a Renewable Energy Investments Board
100 to act on matters related to the Renewable Energy Investment Fund,
101 including, but not limited to, development of a comprehensive plan
102 and expenditure of funds. The Renewable Energy Investments Board
103 shall, in such plan, give preference to projects that maximize the
104 reduction of federally mandated congestion charges and that have a
105 societal benefit, including, but not limited to, a lessened carbon
106 footprint, reduction of air, noise or water pollution, job creation or
107 increased tax base. The Renewable Energy Investments Board shall
108 make a draft of the comprehensive plan available for public comment
109 for not less than thirty days. The board shall conduct three public
110 hearings in three different regions of the state on the draft
111 comprehensive plan and shall include a summarization of all public
112 comments received at said public hearings in the final comprehensive
113 plan approved by the board. The board shall provide a copy of the
114 comprehensive plan, in accordance with the provisions of section 11-
115 4a, to the joint standing committees of the General Assembly having
116 cognizance of matters relating to energy and commerce. The
117 Department of Public Utility Control shall, in an uncontested
118 proceeding, during which the department may hold a public hearing,
119 approve, modify or reject the comprehensive plan prepared pursuant
120 to this subsection.

121 (e) The Renewable Energy Investments Board shall include not
122 more than fifteen individuals with knowledge and experience in
123 matters related to the purpose and activities of the Renewable Energy
124 Investment Fund. The board shall consist of the following members:
125 (1) One person with expertise regarding renewable energy resources
126 appointed by the speaker of the House of Representatives; (2) one
127 person representing a state or regional organization primarily
128 concerned with environmental protection appointed by the president
129 pro tempore of the Senate; (3) one person with experience in business
130 or commercial investments appointed by the majority leader of the
131 House of Representatives; (4) one person representing a state or
132 regional organization primarily concerned with environmental
133 protection appointed by the majority leader of the Senate; (5) one
134 person with experience in business or commercial investments
135 appointed by the minority leader of the House of Representatives; (6)
136 the Commissioner of Emergency Management and Homeland Security
137 or the commissioner's designee; (7) one person with expertise
138 regarding renewable energy resources appointed by the Governor; (8)
139 two persons with experience in business or commercial investments
140 appointed by the board of directors of Connecticut Innovations,
141 Incorporated; (9) a representative of a state-wide business association,
142 manufacturing association or chamber of commerce appointed by the
143 minority leader of the Senate; (10) the Consumer Counsel; (11) the
144 Secretary of the Office of Policy and Management or the secretary's
145 designee; (12) the Commissioner of Environmental Protection or the
146 commissioner's designee; (13) a representative of organized labor
147 appointed by the Governor; and (14) a representative of residential
148 customers or low-income customers appointed by Governor. On a
149 biennial basis, the board shall elect a chairperson and vice-chairperson
150 from among its members and shall adopt such bylaws and procedures
151 it deems necessary to carry out its functions. The board may establish
152 committees and subcommittees as necessary to conduct its business.

153 (f) The board shall issue annually a report to the Department of
154 Public Utility Control reviewing the activities of the Renewable Energy
155 Investment Fund in detail and shall provide a copy of such report, in

156 accordance with the provisions of section 11-4a, to the joint standing
 157 committees of the General Assembly having cognizance of matters
 158 relating to energy and commerce and the Office of Consumer Counsel.
 159 The report shall include a description of the programs and activities
 160 undertaken during the reporting period jointly or in collaboration with
 161 the Energy Conservation and Load Management Funds established
 162 pursuant to section 16-245m of the 2008 supplement to the general
 163 statutes.

164 (g) There shall be a joint committee of the Energy Conservation
 165 Management Board and the Renewable Energy Investments Board, as
 166 provided in subdivision (2) of subsection (d) of section 16-245m of the
 167 2008 supplement to the general statutes.

168 (h) No later than December 31, 2006, and no later than December
 169 thirty-first every five years thereafter, the board shall, after consulting
 170 with the Energy Conservation Management Board, conduct an
 171 evaluation of the performance of the programs and activities of the
 172 fund and submit a report, in accordance with the provisions of section
 173 11-4a, of the evaluation to the joint standing committees of the General
 174 Assembly having cognizance of matters relating to energy and
 175 commerce.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-245n

CE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill requires the Renewable Energy Investments Board to give preference to projects that have a societal benefit, which includes a lessened carbon footprint, reduction of air, noise, or water pollution, job creation, or an increased tax base. There is no fiscal impact to the state.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 389*****AN ACT CONCERNING THE CONNECTICUT CLEAN ENERGY FUND.*****SUMMARY:**

This bill requires the Renewable Energy Investments Board, in developing its comprehensive plan for the Renewable Energy Investment Fund, to give preference to projects that have a societal benefit, which includes a lessened carbon footprint; reduction of air, noise, or water pollution; job creation; or an increased tax base. The law already requires the board to give preference to projects that maximize the reduction of federally mandated congestion charges.

The bill defines “carbon footprint” as the amount of greenhouse gases produced by human activities, measured in units of carbon dioxide.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 21 Nay 0 (03/11/2008)