



General Assembly

February Session, 2008

**Raised Bill No. 571**

LCO No. 2664

\*02664\_\_\_\_\_ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

**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2 statutes is repealed and the following is substituted in lieu thereof  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 cooperation with the  
195 Department of Public Utility Control, shall appoint members to a  
196 committee to conduct an overview of available tax and financial  
197 incentives available to individuals and businesses for energy  
198 conservation, including grants and loan programs, offered by the state  
199 and the federal government.

200 (2) The committee shall compile such findings and publish said  
201 findings in a document to be supplied to the 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.

262

.... (Date)	.... (Seller)
.... (Date)	.... (Seller)"

263

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

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

272

.... (Date)

.... (Seller)

.... (Date)

.... (Seller)"

273

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

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

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

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

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

296 (G) A statement that information concerning the residence address  
297 of a person convicted of a crime may be available from law  
298 enforcement agencies or the Department of Public Safety and that the  
299 Department of Public Safety maintains a site on the Internet listing

300 information about the residence address of persons required to register  
301 under section 54-251 of the 2008 supplement to the general statutes, 54-  
302 252 of the 2008 supplement to the general statutes, 54-253 of the 2008  
303 supplement to the general statutes or 54-254 of the 2008 supplement to  
304 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)

**Statement of Purpose:**

To reduce global warming by establishing programs to notify real estate purchasers of energy inefficiencies and financial incentives for correcting energy inefficiencies.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*