



General Assembly

Amendment

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LCO No. 6394

SB0059006394SD0

Offered by:

SEN. FONFARA, 1st Dist.

REP. FONTANA, 87th Dist.

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To: Senate Bill No. 590

File No. 278

Cal. No. 186

"AN ACT CONCERNING RENEWABLE ENERGY."

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

3 "Section 1. Section 16a-40b of the 2008 supplement to the general
4 statutes is repealed and the following is substituted in lieu thereof
5 (*Effective from passage*):

6 (a) The commissioner, acting on behalf of the state, may, with
7 respect to loans for which funds have been authorized by the State
8 Bond Commission prior to July 1, 1992, in [his] the commissioner's
9 discretion make low-cost loans or deferred loans to residents of this
10 state for the purchase and installation in residential structures of
11 insulation, alternative energy devices, energy conservation materials
12 and replacement furnaces and boilers, approved in accordance with
13 regulations to be adopted by the Secretary of the Office of Policy and
14 Management. In the purchase and installation of insulation in new

15 residential structures, only that insulation which exceeds the
16 requirements of the State Building Code shall be eligible for such loans
17 or deferred loans. The commissioner may also make low-cost loans or
18 deferred loans to persons in the state residing in dwellings constructed
19 not later than December 31, 1979, and for which the primary source of
20 heating since such date has been electric resistance, for (1) the purchase
21 and installation of a high-efficiency secondary heating system using a
22 source of heat other than electric resistance, (2) the conversion of a
23 primary electric heating system to a high-efficiency system using a
24 source of heat other than electric resistance, or (3) the purchase and
25 installation of a high-efficiency combination heating and cooling
26 system. As used in this subsection, "high-efficiency" means having a
27 seasonal energy efficiency ratio of 11.0 or higher, or a heating season
28 performance factor of 7.2 or higher, as designated by the American
29 Refrigeration Institute in the Directory of Certified Unitary Air
30 Conditioners, Air Source Heat Pumps and Outdoor Unitary
31 Equipment, as from time to time amended, or an equivalent ratio for a
32 fossil fuel system.

33 (b) Any such loan or deferred loan shall be available only for a
34 residential structure containing not more than four dwelling units,
35 shall be not less than four hundred dollars and not more than twenty-
36 five thousand dollars per structure and, with respect to any application
37 received on or after November 29, 1979, shall be made only to an
38 applicant who submits evidence, satisfactory to the commissioner, that
39 the adjusted gross income of the household member or members who
40 contribute to the support of his household was not in excess of [one]
41 two hundred [fifty] per cent of the median area income by household
42 size. In the case of a deferred loan, the contract shall require that
43 payments on interest are due immediately but that payments on
44 principal may be made at a later time. Repayment of all loans made
45 under this subsection shall be subject to a rate of interest to be
46 determined in accordance with subsection (t) of section 3-20 and such
47 terms and conditions as the commissioner may establish. The State
48 Bond Commission shall establish a range of rates of interest payable on

49 all loans under this subsection and shall apply the range to applicants
50 in accordance with a formula which reflects their income. Such range
51 shall be not less than zero per cent for any applicant in the lowest
52 income class and not more than one per cent above the rate of interest
53 borne by the general obligation bonds of the state last issued prior to
54 the most recent date such range was established for any applicant for
55 whom the adjusted gross income of the household member or
56 members who contribute to the support of his household does not
57 exceed [one] two hundred [fifty] per cent of the median area income by
58 household size.

59 (c) The commissioner shall establish a program under which [he]
60 the commissioner shall make funds deposited in the Energy
61 Conservation Loan Fund available for low-cost loans or deferred loans
62 under [subsection] subsections (a) and (f) of this section for residential
63 structures containing more than four dwelling units, or for contracts
64 guaranteeing payment of loans or deferred loans provided by private
65 institutions for such structures for the purposes specified under
66 subsection (a) of this section. Any such loan or deferred loan shall be
67 an amount equaling not more than two thousand dollars multiplied by
68 the number of dwelling units in such structure, provided no such loan
69 or deferred loan shall exceed sixty thousand dollars. If the applicant
70 seeks a loan or deferred loan for a structure containing more than
71 thirty dwelling units, [he] such applicant shall include in [his] the
72 application a commitment to make comparable energy improvements
73 of benefit to all dwelling units in the structure in addition to the thirty
74 units which are eligible for the loan or deferred loan. Applications for
75 contracts of guarantee shall be limited to structures containing not
76 more than thirty dwelling units and the amount of the guarantee shall
77 be not more than three thousand dollars for each dwelling unit
78 benefiting from the loan or deferred loan. There shall not be an income
79 eligibility limitation for applicants for such loans, deferred loans or
80 guarantees, but the commissioner shall give preference to applications
81 for loans, deferred loans or guarantees for such structures which are
82 occupied by persons of low or moderate income. Repayment of such

83 loans or deferred loans shall be subject to such rates of interest, terms
84 and conditions as the commissioner shall establish. The state shall have
85 a lien on each property for which a loan, deferred loan or guarantee
86 has been made under this section to ensure compliance with such
87 terms and conditions.

88 (d) With respect to [such] any loans made under this section on or
89 after July 1, 1981, all repayments of principal shall be paid to the State
90 Treasurer for deposit in the Housing Repayment and Revolving Loan
91 Fund. The interest applicable to any such loans made shall be paid to
92 the State Treasurer for deposit in the General Fund. After the close of
93 each fiscal year, commencing with the close of the fiscal year ending
94 June 30, 1992, and prior to the date of the calculation required under
95 subsection [(f)] (g) of this section, the Commissioner of Economic and
96 Community Development shall cause any balance of loan repayments
97 under this section remaining in said fund to be transferred to the
98 Energy Conservation Loan Fund created pursuant to section 16a-40a,
99 as amended by this act.

100 (e) The commissioner shall adopt regulations in accordance with
101 chapter 54, with respect to any loan made pursuant to subsections (a)
102 to (c), inclusive, of this section, (1) concerning qualifications for such
103 loans or deferred loans, requirements and limitations as to adjustments
104 of terms and conditions of repayment and any additional requirements
105 deemed necessary to carry out the provisions of this section and to
106 assure that those tax-exempt bonds and notes used to fund such loans
107 or deferred loans qualify for exemption from federal income taxation,
108 (2) providing for the maximum feasible availability of such loans or
109 deferred loans for dwelling units owned or occupied by persons of low
110 and moderate income, (3) establishing procedures to inform such
111 persons of the availability of such loans or deferred loans and to
112 encourage and assist them to apply for such loans or deferred loans,
113 and (4) providing that (A) the interest payments received from the
114 recipients of loans or deferred loans made on and after July 1, 1982,
115 less the expenses incurred by the commissioner in the implementation
116 of the program of loans, deferred loans and loan guarantees under this

117 section, and (B) the payments received from electric and gas
118 companies under subsection [(f)] (g) of this section shall be applied to
119 reimburse the General Fund for interest on the outstanding bonds and
120 notes used to fund such loans or deferred loans made on or after July
121 1, 1982.

122 (f) (1) As used in this subsection, "energy-efficient improvements"
123 means measures expected to lower homeowner energy consumption
124 including high-efficiency furnaces and boilers. The commissioner shall,
125 in consultation with the Energy Conservation Management Board,
126 established pursuant to section 16-245m of the 2008 supplement to the
127 general statutes, establish a program under which it makes funds
128 available from the Energy Conservation Loan Fund to make low-
129 interest loans to residents of this state, regardless of household income,
130 for the purchase and installation in residential structures of energy-
131 efficient improvements. The commissioner shall make such loans from
132 funds allocated to the program.

133 (2) The commissioner may establish priorities for the low-interest
134 loans provided pursuant to subdivision (1) of this subsection,
135 including, but not limited to, types of improvements financed and the
136 ability of owners to repay such loans. The term of such loans shall be
137 up to ten years. Repayment of all loans made under this subsection
138 shall be subject to a rate of interest to be determined in accordance
139 with subsection (t) of section 3-20 and such terms and conditions as the
140 commissioner may establish. The State Bond Commission shall
141 establish a range of rates of interest payable on all loans under this
142 subsection and shall apply the range to applicants in accordance with a
143 formula which reflects their income.

144 [(f)] (g) Not later than August first, annually, the commissioner shall
145 calculate the difference between (1) the weighted average of the
146 percentage rates of interest payable on all subsidized loans made (A)
147 after July 1, 1982, from the Energy Conservation Loan Fund, (B) from
148 the Home Heating System Loan Fund established under section 16a-
149 40k, and (C) from the Housing Repayment and Revolving Loan Fund

150 pursuant to this section, and (2) the average of the percentage rates of
151 interest on any bonds and notes issued pursuant to section 3-20, which
152 have been dedicated to the energy conservation loan program and
153 used to fund such loans, and multiply such difference by the
154 outstanding amount of all such loans, or such lesser amount as may be
155 required under Section 103(c) of the Internal Revenue Code of 1986, or
156 any subsequent corresponding internal revenue code of the United
157 States, as from time to time amended. The product of such difference
158 and such applicable amount shall not exceed six per cent of the sum of
159 the outstanding principal amount at the end of each fiscal year of all
160 loans or deferred loans made (A) on or after July 1, 1982, from the
161 Energy Conservation Loan Fund, (B) from the Home Heating System
162 Loan Fund established under section 16a-40k, and (C) from the
163 Housing Repayment and Revolving Loan Fund pursuant to this
164 section, and the balance remaining in the Energy Conservation Loan
165 Fund and the balance of energy conservation loan repayments in the
166 Housing Repayment and Revolving Loan Fund. Not later than
167 September first, annually, the Department of Public Utility Control
168 shall allocate such product among each electric and gas company
169 having at least seventy-five thousand customers, in accordance with a
170 formula taking into account, without limitation, the average number of
171 residential customers of each company. Not later than October first,
172 annually, each such company shall pay its assessed amount to the
173 commissioner. The commissioner shall pay to the State Treasurer for
174 deposit in the General Fund all such payments from electric and gas
175 companies, and shall adopt procedures to assure that such payments
176 are not used for purposes other than those specifically provided in this
177 section. The department shall include each company's payment as an
178 operating expense of the company for the purposes of rate-making
179 under section 16-19.

180 Sec. 2. (NEW) (*Effective from passage*) The Commissioner of Economic
181 and Community Development shall, in consultation with the Energy
182 Conservation Management Board, established pursuant to section 16-
183 245m of the 2008 supplement to the general statutes, promote the

184 programs established pursuant to section 16a-40b of the 2008
185 supplement to the general statutes, as amended by this act. The
186 commissioner may use up to two per cent of the funds authorized to
187 the Energy Conservation Loan Fund established pursuant to section
188 16a-40a of the general statutes for the purpose of marketing the loan
189 programs pursuant to this section. Such marketing efforts may include,
190 but not be limited to, partnering with professional trade organizations
191 to educate said organizations' members about said loan programs.

192 Sec. 3. Subsection (e) of section 16-22l of the 2008 supplement to the
193 general statutes is repealed and the following is substituted in lieu
194 thereof (*Effective July 1, 2008*):

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

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

200 (B) One member representing dealers with retail oil heat sales of less
201 than fifteen million gallons in the state, appointed by the speaker of the
202 House of Representatives;

203 (C) One member representing the heating, ventilation and air-
204 conditioning trades licensed under chapter 393, appointed by the
205 majority leader of the Senate;

206 (D) One member representing wholesale heating distributors
207 operating within the state, appointed by the majority leader of the
208 House of Representatives;

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

211 (F) The chairperson of the Heating, Piping, Cooling and Sheet Metal
212 Work Board established under chapter 393;

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

216 (H) Six members of the public appointed by the Governor, of which
217 one shall be a representative of an environmental organization
218 knowledgeable in energy efficiency programs, one shall be a
219 representative of [in-state generators] an in-state biodiesel distributor,
220 one shall be a representative of a consumer advocacy organization, one
221 shall be a representative of the business community, one shall be a
222 representative of low-income ratepayers and one shall be a
223 representative of state residents, in general, and all of whom shall have
224 expertise in energy issues, and

225 (I) All appointed members of the board shall serve in accordance
226 with section 4-1a.

227 (2) The Fuel Oil Conservation Board shall be within the office of the
228 State Comptroller for administrative purposes only and shall establish
229 itself as a tax exempt organization in accordance with the provisions of
230 Section 501(c)(3) of the Internal Revenue Code of 1986, or any
231 subsequent corresponding internal revenue code of the United States,
232 as from time to time amended. Not later than July 1, 2008, and
233 biennially thereafter, a third party selected by the Attorney General
234 shall audit the activities of the board. The results of such audit shall be
235 submitted in a report to the joint standing committees of the General
236 Assembly having cognizance of matters relating to energy and the
237 environment, in accordance with the provisions of section 11-4a.

238 (3) The Fuel Oil Conservation Board shall establish a fuel oil
239 conservation account. The account shall be a separate, nonlapsing
240 accounting within the [General Fund] restricted grant fund and shall
241 be funded by annual revenue from the tax imposed by section 12-587
242 of the 2008 supplement to the general statutes on the sale of petroleum
243 products gross earnings that is in excess of said revenue collected
244 during fiscal 2006, provided the amount of such revenue that shall be

245 allocated to said account in the fiscal year commencing July 1, 2007,
 246 shall not exceed ten million dollars, and the amount of such revenue
 247 that shall be allocated to said account in fiscal years commencing on
 248 and after July 1, 2008, shall not exceed five million dollars. [Before the
 249 accounts for the General Fund have been closed for each fiscal year,
 250 said funds shall be deposited by the Comptroller into the fuel oil
 251 conservation account.] The Comptroller may deposit into the fuel oil
 252 conservation account up to two million five hundred thousand dollars
 253 upon the effective date of this section and any remaining balance for
 254 the fiscal year commencing July 1, 2007, shall be deposited as
 255 determined by the Comptroller upon the close of the fiscal year, but no
 256 later than October 1, 2008.

257 (4) The Fuel Oil Conservation Board shall authorize specific
 258 amounts from the fuel oil conservation account established pursuant to
 259 subdivision (3) of this subsection to the program administrator
 260 selected to implement an approved plan under this section. Such
 261 amounts shall be in the form of grants, which the board shall award
 262 twice a year. Any moneys left in the account at the end of each fiscal
 263 year shall be transferred outright to the General Fund."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16a-40b
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2008</i>	16-221(e)