



House of Representatives

General Assembly

File No. 517

January Session, 2009

Substitute House Bill No. 6603

House of Representatives, April 6, 2009

The Committee on Energy and Technology reported through REP. NARDELLO of the 89th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE CLASS III RENEWABLE PORTFOLIO STANDARD.

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

1 Section 1. Section 16-243t of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) Notwithstanding the provisions of this title, a customer who
4 implements energy conservation or customer-side distributed
5 resources, as defined in section 16-1, on or after January 1, 2008, shall
6 be eligible for Class III credits, pursuant to section 16-243q. The Class
7 III credit shall be not less than one cent per kilowatt hour. For
8 nonresidential projects receiving conservation and load management
9 funding, twenty-five per cent of the financial value derived from the
10 credits earned pursuant to this section shall be directed to the
11 customer who implements energy conservation or customer-side
12 distribution resources pursuant to this section with the remainder of
13 the financial value directed to the Conservation and Load

14 Management Funds. For nonresidential projects not receiving
15 conservation and load management funding submitted on or after
16 March 9, 2007, seventy-five per cent of the financial value derived from
17 the credits earned pursuant to this section shall be directed to the
18 customer who implements energy conservation or customer-side
19 distribution resources pursuant to this section with the remainder of
20 the financial value directed to the Conservation and Load
21 Management Funds. Not later than July 1, 2007, the Department of
22 Public Utility Control shall initiate a contested case proceeding in
23 accordance with the provisions of chapter 54, to implement the
24 provisions of this section.

25 (b) In order to be eligible for ongoing Class III credits, the customer
26 shall file an application that contains information necessary for the
27 department to determine that the resource qualifies for Class III status.
28 Such application shall (1) certify that installation and metering
29 requirements have been met where appropriate, (2) provide a detailed
30 energy savings or energy output calculation for such time period as
31 specified by the department, and (3) include any other information
32 that the department deems appropriate.

33 (c) For conservation and load management projects that serve
34 residential customers and receive conservation and load management
35 funding, seventy-five per cent of the financial value derived from the
36 credits shall be directed to the Conservation and Load Management
37 Funds. For conservation and load management projects that serve
38 residential customers but receive no conservation and load
39 management funding, one hundred per cent of the financial value
40 derived from the credits shall be directed to the residential customer
41 who implemented the conservation and load management measures or
42 such residential customer's designated market-based provider
43 pursuant to subsections (a) and (b) of this section. The financial value
44 derived from the credits earned by residential customers may be
45 aggregated by market-based providers pursuant to this subsection and
46 subsections (a) and (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-243t

Statement of Legislative Commissioners:

In subsection (c), in the first sentence "and receive conservation and load management funding" was added for clarity and accuracy.

ET *Joint Favorable Subst.-LCO*

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 House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Impact
Energy Conservation and Load Management Fund/Energy Efficiency Fund	Revenue Impact

Municipal Impact: None

Explanation

This bill narrows which residential conservation and load management projects can qualify for credits that go to the electric companies' conservation and load management funds. This could result in a potential decrease to the Energy Conservation and Load Management Fund.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 6603*****AN ACT CONCERNING THE CLASS III RENEWABLE PORTFOLIO STANDARD.*****SUMMARY:**

By law, electric companies and competitive electric suppliers must satisfy part of their requirements by obtaining Class III resources, which include savings from conservation and load management programs. (Load management involves shifting electricity demand to off-peak periods.) The owners of these resources receive credits, which are valued at no less than one cent per kilowatt-hour. (The amount of power used by ten 100-watt light bulbs in one hour.)

Under current law, for residential conservation and load management projects, 75% of the value of the credits goes to the electric companies' conservation and load management funds. The bill limits this provision to projects that have received conservation and load management funding (presumably from these funds). It allows market-based providers to aggregate the credits earned by residential customers who have received no such funding. It requires that the credits for projects that serve residential customers that received no conservation and load management funding go to the customer who implemented the measures or to the market-based provider the customer designates.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 21 Nay 0 (03/19/2009)

