



Senate

General Assembly

File No. 480

January Session, 2009

Substitute Senate Bill No. 1133

Senate, April 6, 2009

The Committee on Energy and Technology reported through SEN. FONFARA, J. of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING INNOVATIVE ENERGY TECHNOLOGIES.

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

1 Section 1. (NEW) (*Effective July 1, 2009, and applicable to income years*
2 *commencing on or after January 1, 2009*) (a) As used in this section,
3 "qualified voltage regulation technology" means a voltage regulation
4 technology that (1) reduces energy consumption, (2) improves grid
5 efficiency, (3) raises or lowers voltage dynamically, and (4) is ninety-
6 nine per cent, or more, efficient across at least ninety per cent of the
7 load curve.

8 (b) There shall be allowed as a credit against the tax imposed on any
9 corporation under chapter 208 of the general statutes an amount equal
10 to the cost of the purchase of a qualified voltage regulation technology
11 by such corporation.

12 (c) An amount equal to the tax credits provided pursuant to this
13 section shall be transferred from the Conservation and Load

- 14 Management Fund to the General Fund at the end of each fiscal year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009, and applicable to income years commencing on or after January 1, 2009</i>	New section

Statement of Legislative Commissioners:

The effective date was changed from "applicable to sales on and after January 1, 2009" to "applicable to income years commencing on or after January 1, 2009" to conform with the effective date style of the corporation tax and in subsection (a) the defined term was made singular for consistency with subsection (b), and subsection (b) was rephrased for statutory consistency.

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	Fund-Effect	FY 10 \$	FY 11 \$
Department of Revenue Services	GF - Revenue Impact	See Below	See Below
Energy Conservation and Load Management Fund	Energy Efficiency Fund - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill establishes a credit against the corporation business tax for corporations that purchase qualified voltage regulation technologies. This will result in a revenue loss to the General Fund from the corporation business tax. However, the bill requires that an amount equal to the tax credits provided be transferred from the Energy Conservation and Load Management Fund to the General Fund. This will result in a revenue gain to the General Fund and a cost to the Energy Conservation and Load Management Fund equal to the credits claimed. Since there is no limit established for the purchase of a qualified voltage regulation technology, this could have a potentially significant impact to the funds ability to continue with current programs.

The Out Years

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

Source: Energy Conservation and Management Board (ECMB)

OLR Bill Analysis**SB 1133*****AN ACT CONCERNING INNOVATIVE ENERGY TECHNOLOGIES.*****SUMMARY:**

This bill establishes a credit against the corporate business tax for corporations that purchase qualified voltage regulation technologies. The credit equals the cost of the purchase. Under the bill, these are voltage regulation technologies that (1) reduce energy consumption, (2) improve grid efficiency, (3) raise or lower voltage dynamically (over time), and (4) are 99% or more efficient across at least 90% of the load curve. (The load curve describes how electric demand varies over time.)

The bill requires that an amount equal to the tax credits provided be transferred from the Conservation and Load Management Fund to the General Fund at the end of each fiscal year.

EFFECTIVE DATE: July 1, 2009, and applicable to sales on and after January 1, 2009.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 21 Nay 0 (03/19/2009)