



General Assembly

January Session, 2009

Raised Bill No. 6510

LCO No. 3754

03754_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT ESTABLISHING A PUBLIC POWER AUTHORITY.

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

1 Section 1. Section 4-5 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 As used in sections 4-6, 4-7 and 4-8, the term "department head"
4 means Secretary of the Office of Policy and Management,
5 Commissioner of Administrative Services, Commissioner of Revenue
6 Services, Banking Commissioner, Commissioner of Children and
7 Families, Commissioner of Consumer Protection, Commissioner of
8 Correction, Commissioner of Economic and Community Development,
9 State Board of Education, Commissioner of Emergency Management
10 and Homeland Security, Commissioner of Environmental Protection,
11 Commissioner of Agriculture, Commissioner of Public Health,
12 Insurance Commissioner, Labor Commissioner, Liquor Control
13 Commission, Commissioner of Mental Health and Addiction Services,
14 Commissioner of Public Safety, Commissioner of Social Services,
15 Commissioner of Developmental Services, Commissioner of Motor
16 Vehicles, Commissioner of Transportation, Commissioner of Public

17 Works, Commissioner of Veterans' Affairs, Commissioner of Health
18 Care Access, Chief Information Officer, the chairperson of the Public
19 Utilities Control Authority, the executive director of the Board of
20 Education and Services for the Blind, the chairperson of the
21 Connecticut Electric Authority, the executive director of the
22 Connecticut Commission on Culture and Tourism, the Ombudsman
23 for Property Rights and the executive director of the Office of Military
24 Affairs. As used in sections 4-6 and 4-7, "department head" also means
25 the Commissioner of Education.

26 Sec. 2. (NEW) (*Effective October 1, 2009*) (a) There is established a
27 Connecticut Electric Authority, which shall consist of seven members:
28 (1) One with experience in electricity regulation appointed by the
29 president pro tempore of the Senate; (2) one with experience in
30 electricity generation appointed by the speaker of the House of
31 Representatives; (3) two with experience in electricity consumer issues
32 appointed by the majority leaders of the Senate and the House of
33 Representatives; (4) two with experience in electricity conservation
34 issues appointed by the minority leaders of the Senate and the House
35 of Representatives; and (5) the chairperson appointed by the Governor
36 pursuant to section 4-7 of the general statutes. The members appointed
37 pursuant to subdivisions (1) to (4), inclusive, of this subsection shall
38 serve two-year terms coterminous with the term of the appointing
39 authority. The chairperson of the Connecticut Electric Authority shall
40 serve a four-year term, coterminous with the Governor's term, or, if
41 said chairperson is appointed during the Governor's term, the
42 appointment shall be for the remainder of the Governor's term.

43 (b) The Connecticut Electric Authority shall (1) increase the state's
44 energy independence by promoting conservation and efficiency and
45 the use of diverse indigenous and regional electric resources; (2)
46 encourage the use of new electric technologies, particularly
47 technologies that support economic development in the state and
48 promote environmental sustainability; (3) minimize costs of electric
49 services to state consumers while maintaining reliable service; (4)

50 discourage undue price volatility of electric service; (5) encourage
51 competition, when in the interests of state consumers; and (6) serve as
52 the state's electric planning agency. The authority may own and
53 operate electric power plants and may provide financial assistance,
54 including low-interest loans to encourage the development of
55 necessary electric generation facilities by the electric distribution
56 companies or private entities, provided electricity generated at such
57 facilities shall be sold for use by Connecticut consumers at cost of
58 service with a reasonable rate of return. The authority may enter into
59 contracts with electricity generators, suppliers and consumers and
60 such other persons as necessary to carry out the purposes of this
61 section.

62 (c) The authority under the direction of the executive director may
63 hire personnel and adopt any policies for internal organization as
64 necessary and may contract with the Connecticut Municipal Electric
65 Energy Cooperative for administrative services.

66 Sec. 3. Section 16-245m of the general statutes is repealed and the
67 following is substituted in lieu thereof (*Effective October 1, 2009*):

68 (a) (1) On and after ~~January 1, 2000~~ October 1, 2009, the
69 Department of Public Utility Control shall assess or cause to be
70 assessed a charge of three and one-half mills per kilowatt hour of
71 electricity sold to each end use customer of an electric distribution
72 company to be used to implement the program as provided in this
73 section for conservation and load management programs but not for
74 the amortization of costs incurred prior to July 1, 1997, for such
75 conservation and load management programs.

76 (2) Notwithstanding the provisions of this section, receipts from
77 such charge shall be disbursed to the resources of the General Fund
78 during the period from July 1, 2003, to June 30, 2005, unless the
79 department shall, on or before October 30, 2003, issue a financing order
80 for each affected electric distribution company in accordance with
81 sections 16-245e to 16-245k, inclusive, to sustain funding of

82 conservation and load management programs by substituting an
83 equivalent amount, as determined by the department in such financing
84 order, of proceeds of rate reduction bonds for disbursement to the
85 resources of the General Fund during the period from July 1, 2003, to
86 June 30, 2005. The department may authorize in such financing order
87 the issuance of rate reduction bonds that substitute for disbursement to
88 the General Fund for receipts of both the charge under this subsection
89 and under subsection (b) of section 16-245n and also may, in its
90 discretion, authorize the issuance of rate reduction bonds under this
91 subsection and subsection (b) of section 16-245n that relate to more
92 than one electric distribution company. The department shall, in such
93 financing order or other appropriate order, offset any increase in the
94 competitive transition assessment necessary to pay principal,
95 premium, if any, interest and expenses of the issuance of such rate
96 reduction bonds by making an equivalent reduction to the charge
97 imposed under this subsection, provided any failure to offset all or any
98 portion of such increase in the competitive transition assessment shall
99 not affect the need to implement the full amount of such increase as
100 required by this subsection and by sections 16-245e to 16-245k,
101 inclusive. Such financing order shall also provide if the rate reduction
102 bonds are not issued, any unrecovered funds expended and committed
103 by the electric distribution companies for conservation and load
104 management programs, provided such expenditures were approved
105 by the department after August 20, 2003, and prior to the date of
106 determination that the rate reduction bonds cannot be issued, shall be
107 recovered by the companies from their respective competitive
108 transition assessment or systems benefits charge but such expenditures
109 shall not exceed four million dollars per month. All receipts from the
110 remaining charge imposed under this subsection, after reduction of
111 such charge to offset the increase in the competitive transition
112 assessment as provided in this subsection, shall be disbursed to the
113 Energy Conservation and Load Management Fund commencing as of
114 July 1, 2003. Any increase in the competitive transition assessment or
115 decrease in the conservation and load management component of an

116 electric distribution company's rates resulting from the issuance of or
117 obligations under rate reduction bonds shall be included as rate
118 adjustments on customer bills.

119 (b) The electric distribution company shall establish an Energy
120 Conservation and Load Management Fund which shall be held
121 separate and apart from all other funds or accounts. Receipts from the
122 charge imposed under subsection (a) of this section shall be deposited
123 into the fund. Any balance remaining in the fund at the end of any
124 fiscal year shall be carried forward in the fiscal year next succeeding.
125 Disbursements from the fund by electric distribution companies to
126 carry out the plan developed under subsection (d) of this section shall
127 be authorized by the [Department of Public Utility Control]
128 Connecticut Electric Authority upon its approval of such plan.

129 (c) The [Department of Public Utility Control] Connecticut Electric
130 Authority shall appoint and convene an Energy Conservation
131 Management Board which shall include representatives of: (1) An
132 environmental group knowledgeable in energy conservation program
133 collaboratives; (2) the Office of Consumer Counsel; (3) the Attorney
134 General; (4) the Department of Environmental Protection; (5) the
135 electric distribution companies in whose territories the activities take
136 place for such programs; (6) a state-wide manufacturing association;
137 (7) a chamber of commerce; (8) a state-wide business association; (9) a
138 state-wide retail organization; (10) a representative of a municipal
139 electric energy cooperative created pursuant to chapter 101a; (11) two
140 representatives selected by the gas companies in this state; and (12)
141 residential customers. Such members shall serve for a period of five
142 years and may be reappointed. Representatives of the gas companies
143 shall not vote on matters unrelated to gas conservation.
144 Representatives of the electric distribution companies and the
145 municipal electric energy cooperative shall not vote on matters
146 unrelated to electricity conservation.

147 (d) (1) The Energy Conservation Management Board shall advise

148 and assist the electric distribution companies in the development and
149 implementation of a comprehensive plan, which plan shall be
150 approved by the [Department of Public Utility Control] Connecticut
151 Electric Authority, to implement cost-effective energy conservation
152 programs and market transformation initiatives. The plan shall contain
153 specific goals for reducing electricity use in the state that shall be
154 consistent with such comprehensive plan and shall include an estimate
155 of the systemic savings that will be achieved if such goals are met.
156 Such systemic savings shall be no less than the total commitment of
157 funds under this section over the period covered by the plan. Each
158 program contained in the plan shall be reviewed by the electric
159 distribution company and either accepted or rejected by the Energy
160 Conservation Management Board prior to submission to the
161 department for approval. The Energy Conservation Management
162 Board shall, as part of its review, examine opportunities to offer joint
163 programs providing similar efficiency measures that save more than
164 one fuel resource or otherwise to coordinate programs targeted at
165 saving more than one fuel resource. Any costs for joint programs shall
166 be allocated equitably among the conservation programs. The Energy
167 Conservation Management Board shall give preference to projects that
168 maximize the reduction of federally mandated congestion charges. The
169 [Department of Public Utility Control] Connecticut Electric Authority
170 shall, in an uncontested proceeding during which the department may
171 hold a public hearing, approve, modify or reject the comprehensive
172 plan prepared pursuant to this subsection.

173 (2) There shall be a joint committee of the Energy Conservation
174 Management Board and the Renewable Energy Investments Board.
175 The board and the advisory committee shall each appoint members to
176 such joint committee. The joint committee shall examine opportunities
177 to coordinate the programs and activities funded by the Renewable
178 Energy Investment Fund pursuant to section 16-245n with the
179 programs and activities contained in the plan developed under this
180 subsection to reduce the long-term cost, environmental impacts and
181 security risks of energy in the state. Such joint committee shall hold its

182 first meeting on or before August 1, 2005.

183 (3) Programs included in the plan developed under subdivision (1)
184 of this subsection shall be screened through cost-effectiveness testing
185 which compares the value and payback period of program benefits to
186 program costs to ensure that programs are designed to obtain energy
187 savings and system benefits, including mitigation of federally
188 mandated congestion charges, whose value is greater than the costs of
189 the programs. Cost-effectiveness testing shall utilize available
190 information obtained from real-time monitoring systems to ensure
191 accurate validation and verification of energy use. Such testing shall
192 include an analysis of the effects of investments on increasing the
193 state's load factor. Program cost-effectiveness shall be reviewed
194 annually, or otherwise as is practicable. If a program is determined to
195 fail the cost-effectiveness test as part of the review process, it shall
196 either be modified to meet the test or shall be terminated. On or before
197 March 1, 2005, and on or before March first annually thereafter, the
198 board shall provide a report, in accordance with the provisions of
199 section 11-4a, to the joint standing committees of the General
200 Assembly having cognizance of matters relating to energy and the
201 environment (A) that documents expenditures and fund balances and
202 evaluates the cost-effectiveness of such programs conducted in the
203 preceding year, and (B) that documents the extent to and manner in
204 which the programs of such board collaborated and cooperated with
205 programs, established under section 7-233y, of municipal electric
206 energy cooperatives. To maximize the reduction of federally mandated
207 congestion charges, programs in the plan may allow for
208 disproportionate allocations between the amount of contributions to
209 the Energy Conservation and Load Management Funds by a certain
210 rate class and the programs that benefit such a rate class. Before
211 conducting such evaluation, the board shall consult with the
212 Renewable Energy Investments Board. The report shall include a
213 description of the activities undertaken during the reporting period
214 jointly or in collaboration with the Renewable Energy Investment
215 Fund established pursuant to subsection (c) of section 16-245n.

216 (4) Programs included in the plan developed under subdivision (1)
217 of this subsection may include, but not be limited to: (A) Conservation
218 and load management programs, including programs that benefit low-
219 income individuals; (B) research, development and commercialization
220 of products or processes which are more energy-efficient than those
221 generally available; (C) development of markets for such products and
222 processes; (D) support for energy use assessment, real-time monitoring
223 systems, engineering studies and services related to new construction
224 or major building renovation; (E) the design, manufacture,
225 commercialization and purchase of energy-efficient appliances and
226 heating, air conditioning and lighting devices; (F) program planning
227 and evaluation; (G) indoor air quality programs relating to energy
228 conservation; (H) joint fuel conservation initiatives programs targeted
229 at reducing consumption of more than one fuel resource; (I) public
230 education regarding conservation; and (J) the demand-side technology
231 programs recommended by the procurement plan approved by the
232 Department of Public Utility Control pursuant to section 16a-3a. Such
233 support may be by direct funding, manufacturers' rebates, sale price
234 and loan subsidies, leases and promotional and educational activities.
235 The plan shall also provide for expenditures by the Energy
236 Conservation Management Board for the retention of expert
237 consultants and reasonable administrative costs provided such
238 consultants shall not be employed by, or have any contractual
239 relationship with, an electric distribution company. Such costs shall
240 not exceed five per cent of the total revenue collected from the
241 assessment.

242 (e) Notwithstanding the provisions of subsections (a) to (d),
243 inclusive, of this section, the [Department of Public Utility Control]
244 Connecticut Electric Authority shall authorize the disbursement of a
245 total of one million dollars in each month, commencing with July,
246 2003, and ending with July, 2005, from the Energy Conservation and
247 Load Management Funds established pursuant to said subsections.
248 The amount disbursed from each Energy Conservation and Load
249 Management Fund shall be proportionately based on the receipts

250 received by each fund. Such disbursements shall be deposited in the
251 General Fund.

252 (f) No later than December 31, 2006, and no later than December
253 thirty-first every five years thereafter, the Energy Conservation
254 Management Board shall, after consulting with the Renewable Energy
255 Investments Board, conduct an evaluation of the performance of the
256 programs and activities of the fund and submit a report, in accordance
257 with the provisions of section 11-4a, of the evaluation to the joint
258 standing committee of the General Assembly having cognizance of
259 matters relating to energy.

260 (g) Repealed by P.A. 06-186, S. 91, effective July 1, 2006.

261 Sec. 4. Section 16-245l of the general statutes is repealed and the
262 following is substituted in lieu thereof (*Effective October 1, 2009*):

263 (a) The Department of Public Utility Control, in consultation with
264 the Connecticut Electric Authority, shall establish and each electric
265 distribution company shall collect a systems benefits charge to be
266 imposed against all end use customers of each electric distribution
267 company beginning January 1, 2000. The department shall hold a
268 hearing that shall be conducted as a contested case in accordance with
269 chapter 54 to establish the amount of the systems benefits charge. The
270 department may revise the systems benefits charge or any element of
271 said charge as the need arises. The systems benefits charge shall be
272 used to fund (1) the expenses of the public education outreach
273 program developed under subsections (a), (f) and (g) of section 16-
274 244d other than expenses for department staff, (2) the reasonable and
275 proper expenses of the education outreach consultant pursuant to
276 subsection (d) of section 16-244d, (3) the cost of hardship protection
277 measures under sections 16-262c and 16-262d and other hardship
278 protections, including, but not limited to, electric service bill payment
279 programs, funding and technical support for energy assistance, fuel
280 bank and weatherization programs and weatherization services, (4) the
281 payment program to offset tax losses described in section 12-94d, (5)

282 any sums paid to a resource recovery authority pursuant to subsection
283 (b) of section 16-243e, (6) low income conservation programs approved
284 by the Department of Public Utility Control, (7) displaced worker
285 protection costs, (8) unfunded storage and disposal costs for spent
286 nuclear fuel generated before January 1, 2000, approved by the
287 appropriate regulatory agencies, (9) postretirement safe shutdown and
288 site protection costs that are incurred in preparation for
289 decommissioning, (10) decommissioning fund contributions, (11) the
290 costs of temporary electric generation facilities incurred pursuant to
291 section 16-19ss, (12) operating expenses for the Connecticut Electric
292 Authority and the Connecticut Energy Advisory Board, (13) costs
293 associated with the Connecticut electric efficiency partner program
294 established pursuant to section 16-243v, (14) reinvestments and
295 investments in energy efficiency programs and technologies pursuant
296 to section 16a-38l, costs associated with the electricity conservation
297 incentive program established pursuant to section 119 of public act 07-
298 242*, and (15) legal, appraisal and purchase costs of a conservation or
299 land use restriction and other related costs as the department in its
300 discretion deems appropriate, incurred by a municipality on or before
301 January 1, 2000, to ensure the environmental, recreational and scenic
302 preservation of any reservoir located within this state created by a
303 pump storage hydroelectric generating facility. As used in this
304 subsection, "displaced worker protection costs" means the reasonable
305 costs incurred, prior to January 1, 2008, (A) by an electric supplier,
306 exempt wholesale generator, electric company, an operator of a
307 nuclear power generating facility in this state or a generation entity or
308 affiliate arising from the dislocation of any employee other than an
309 officer, provided such dislocation is a result of (i) restructuring of the
310 electric generation market and such dislocation occurs on or after July
311 1, 1998, or (ii) the closing of a Title IV source or an exempt wholesale
312 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a
313 result of such source's failure to meet requirements imposed as a result
314 of sections 22a-197 and 22a-198 and this section or those Regulations of
315 Connecticut State Agencies adopted by the Department of

316 Environmental Protection, as amended from time to time, in
317 accordance with Executive Order Number 19, issued on May 17, 2000,
318 and provided further such costs result from either the execution of
319 agreements reached through collective bargaining for union
320 employees or from the company's or entity's or affiliate's programs
321 and policies for nonunion employees, and (B) by an electric
322 distribution company or an exempt wholesale generator arising from
323 the retraining of a former employee of an unaffiliated exempt
324 wholesale generator, which employee was involuntarily dislocated on
325 or after January 1, 2004, from such wholesale generator, except for
326 cause. "Displaced worker protection costs" includes costs incurred or
327 projected for severance, retraining, early retirement, outplacement,
328 coverage for surviving spouse insurance benefits and related expenses.
329 "Displaced worker protection costs" does not include those costs
330 included in determining a tax credit pursuant to section 12-217bb.

331 (b) The amount of the systems benefits charge shall be determined
332 by the department in a general and equitable manner and shall be
333 imposed on all end use customers of each electric distribution
334 company at a rate that is applied equally to all customers of the same
335 class in accordance with methods of allocation in effect on July 1, 1998,
336 provided the system benefits charge shall not be imposed on
337 customers receiving services under a special contract which is in effect
338 on July 1, 1998, until such special contracts expire. The system benefits
339 charge shall be imposed beginning on January 1, 2000, on all customers
340 receiving services under a special contract which are entered into or
341 renewed after July 1, 1998. The systems benefits charge shall have a
342 generally applicable manner of determination that may be measured
343 on the basis of percentages of total costs of retail sales of generation
344 services. The systems benefits charge shall be payable on an equal
345 basis on the same payment terms and shall be eligible or subject to
346 prepayment on an equal basis. Any exemption of the systems benefits
347 charge by customers under a special contract shall not result in an
348 increase in rates to any customer.

349 Sec. 5. (NEW) (*Effective October 1, 2009*) (a) Subject to the approval of
350 the Treasurer or the Deputy Treasurer appointed pursuant to section 3-
351 12 of the general statutes, and other applicable limitations of the
352 Connecticut Electric Authority, the authority may borrow money and
353 issue its bonds and notes from time to time and use the proceeds
354 thereof for the purposes of the authority, as provided in section 2 of
355 this act. All such bonds issued by the authority, secured by a special
356 capital reserve fund within the meaning of subsection (b) of section 9
357 of this act, shall be general obligations of the authority payable out of
358 any revenues or other receipts, funds or moneys of the authority,
359 subject only to any agreements with the holders of particular notes or
360 bonds pledging any particular revenues, receipts, funds or moneys,
361 provided the authority may issue general obligation bonds of the
362 authority without the security of a special capital reserve fund. Any
363 other such bonds or notes not issued in anticipation of the issuance of
364 bonds referred to in the preceding sentence shall be special obligations
365 of the authority payable solely out of any revenues or other receipts,
366 funds or moneys of the authority pledged therefore. All such notes and
367 bonds may be executed and delivered in such manner and at such
368 times, in such form and denominations and of such tenor and maturity
369 or maturities, in bearer or registered form, as to principal and interest
370 or as to principal alone, may be payable at such time or times not
371 exceeding forty years from the date thereof, may be payable at such
372 place or places whether within or without the state, may bear interest
373 at such rate or rates payable at such time or times and at such place or
374 places and evidenced in such manner, and may contain such
375 provisions not inconsistent with sections 5 to 10, inclusive, of this act,
376 as shall be provided in the resolution of the authority authorizing the
377 issuance of the bonds and notes.

378 (b) Issuance by the authority of one or more series of bonds or notes
379 for one or more purposes shall not preclude it from issuing other
380 bonds or notes in connection with the same project or any other
381 projects, but the proceeding wherein any subsequent bonds or notes
382 may be issued shall recognize and protect any prior pledge or

383 mortgage made for any prior issue of bonds or notes unless in the
384 resolution authorizing such prior issue the right is reserved to issue
385 subsequent bonds on a parity with such prior issue.

386 (c) Subject to the approval of the Treasurer or the Deputy Treasurer
387 appointed pursuant to section 3-12 of the general statutes, any bonds
388 or notes of the authority may be sold at such price or prices, at public
389 or private sale, in such manner and from time to time as may be
390 determined by the authority, and the authority may pay all expenses,
391 premiums and commissions it may deem necessary or advantageous
392 in connection with the issuance and sale thereof; and any moneys of
393 the authority, including proceeds from the sale of any bonds and
394 notes, and revenues, receipts and income from any of its projects, may
395 be invested and reinvested in such obligations, securities and other
396 investments, including time deposits or certificates of deposit, or
397 deposited or redeposited in such bank or banks as shall be provided in
398 the resolution or resolutions authorizing the issuance of the bonds and
399 notes.

400 (d) The authority may issue its bonds for the purpose of refunding
401 any bonds of the authority then outstanding, including the payment of
402 any redemption premium thereon and any interest accrued or to
403 accrue to the earliest or subsequent date of redemption, purchase or
404 maturity of such bonds, and, if deemed advisable by the authority, for
405 the additional purpose of paying all or any part of the cost of
406 constructing and acquiring additions, improvements, extensions or
407 enlargements of a project or any portion thereof. The proceeds of any
408 such bonds issued for the purpose of refunding outstanding bonds
409 may, in the discretion of the authority, be applied to the purchase or
410 retirement at maturity or redemption of such outstanding bonds either
411 on their earliest or any subsequent redemption date, and may, pending
412 such application, be placed in escrow to be applied to such purchase or
413 retirement at maturity or redemption on such date as may be
414 determined by the authority.

415 (e) Whether or not the bonds or notes are of such form and character
416 as to be negotiable instruments under article 8 of title 42a of the
417 general statutes, the bonds or notes shall be and are hereby made
418 negotiable instruments within the meaning of and for all the purposes
419 of article 8 of said title 42a, subject only to the provisions of the bonds
420 or notes for registration.

421 (f) The principal of and interest on bonds or notes issued by the
422 authority may be secured by a pledge of any revenues and receipts of
423 the authority derived from any project and may be additionally
424 secured by a mortgage or deed of trust covering all or any part of a
425 project, including any additions, improvements, extensions to or
426 enlargements of any projects thereafter made. Such bonds or notes
427 may also be secured by a pledge or assignment of a loan agreement,
428 conditional sale agreement or agreement of sale or by an assignment of
429 the lease of any project for the construction and acquisition of which
430 said bonds or notes are issued and by an assignment of the revenues
431 and receipts derived by the authority from such project. The payments
432 of principal and interest on such bonds or notes may be additionally
433 secured by a pledge of any other property, revenues, moneys or funds
434 available to the authority for such purpose. The resolution authorizing
435 the issuance of any such bonds or notes and any such mortgage or
436 deed of trust or lease or loan agreement, conditional sale agreement or
437 agreement of sale or credit agreement may contain agreements and
438 provisions respecting the establishment of reserves to secure such
439 bonds or notes, the maintenance and insurance of the projects covered
440 thereby, the fixing and collection of rents for any portion thereof leased
441 by the authority to others or the sums to be paid under any conditional
442 sale agreement or agreement of sale entered into by the authority with
443 others, the creation and maintenance of special funds from such
444 revenues and the rights and remedies available in the event of default,
445 the vesting in a trustee or trustees of such property, rights, powers and
446 duties in trust as the authority may determine, which may include any
447 or all of the rights, powers and duties of any trustee appointed by the
448 holders of any bonds and notes and limiting or abrogating the right of

449 the holders of any bonds and notes of the authority to appoint a trustee
450 under the provisions of sections 5 to 10, inclusive, of this act, or
451 limiting the rights, powers and duties of such trustee; provision for a
452 trust agreement by and between the authority and a corporate trust
453 which may be any trust company or bank having the powers of a trust
454 company within or without the state, which agreement may provide
455 for the pledging or assigning of any revenues or assets or income from
456 assets to which or in which the authority has any rights or interest, and
457 may further provide for such other rights and remedies exercisable by
458 the trustee as may be proper for the protection of the holders of any
459 bonds or notes and not otherwise in violation of law, and such
460 agreement may provide for the restriction of the rights of any
461 individual holder of bonds or notes of the authority and may contain
462 any further provisions which are reasonable to delineate further the
463 respective rights, duties, safeguards, responsibilities and liabilities of
464 the authority; persons and collective holders of bonds or notes of the
465 authority and the trustee; and covenants to do or refrain from doing
466 such acts and things as may be necessary or convenient or desirable in
467 order to better secure any bonds or notes of the authority, or which, in
468 the discretion of the authority, will tend to make any bonds or notes to
469 be issued more marketable notwithstanding that such covenants, acts
470 or things may not be enumerated herein; and any other matters of like
471 or different character, which in any way affect the security or
472 protection of the bonds or notes, all as the authority shall deem
473 advisable and not in conflict with the provisions hereof. Each pledge,
474 agreement, mortgage and deed of trust made for the benefit or security
475 of any of the bonds or notes of the authority shall be in effect until the
476 principal of and interest on the bonds or notes for the benefit of which
477 the same were made have been fully paid, or until provision has been
478 made for payment in the manner provided in the resolution or
479 resolutions authorizing their issuance. Any pledge made in respect of
480 such bonds or notes shall be valid and binding from the time when the
481 pledge is made; the revenues, money or property so pledged and
482 thereafter received by the authority shall immediately be subject to the

483 lien of such pledge without any physical delivery thereof or further
484 act; and the lien of any such pledge shall be valid and binding as
485 against all parties having claims of any kind in tort, contract or
486 otherwise against the authority irrespective of whether such parties
487 have notice thereof. Neither the resolution, trust indenture nor any
488 other instrument by which a pledge is created need be recorded. The
489 resolution authorizing the issuance of such bonds or notes may
490 provide for the enforcement of any such pledge or security in any
491 lawful manner. The authority may elect to have the provisions of title
492 42a of the general statutes, the Connecticut Uniform Commercial Code,
493 apply to any pledge made by or to the authority to secure its bonds or
494 notes by filing a financing statement with respect to the security
495 interest created by the pledge and, in such case, the financing
496 statement shall be filed as if the debtor were located in this state.

497 (g) The authority may provide in any resolution authorizing the
498 issuance of bonds or notes that any project or part thereof or any
499 addition, improvement, extension or enlargement thereof, may be
500 constructed by the authority or the lessee or any designee of the
501 authority, and may also provide in such proceedings for the time and
502 manner of and requisites for disbursements to be made for the cost of
503 such construction and disbursements as the authority shall deem
504 necessary or appropriate.

505 (h) The authority is further authorized and empowered to issue
506 bonds, notes or other obligations under this section, the interest on
507 which may be includable in the gross income of the holder or holders
508 thereof under the Internal Revenue Code of 1986, or any subsequent
509 corresponding internal revenue code of the United States, as from time
510 to time amended, to the same extent and in the same manner that
511 interest on bills, notes, bonds or other obligations of the United States
512 is includable in the gross income of the holder or holders thereof under
513 any such internal revenue code. Any such bonds, notes or other
514 obligations may be issued only upon a finding by the authority that
515 such issuance is necessary, is in the public interest, and is in

516 furtherance of the purposes and powers of the authority. The state
517 hereby consents to such inclusion only for the bonds, notes or other
518 obligations of the authority so authorized.

519 Sec. 6. (NEW) (*Effective October 1, 2009*) (a) Except as provided in
520 subsection (b) of this section, all moneys of the Connecticut Electric
521 Authority, from whatever source derived, shall be paid to the
522 Treasurer as agent of the authority, who shall not commingle such
523 moneys with any other moneys. The Treasurer shall deposit such
524 moneys in a separate bank account or accounts. The moneys in such
525 accounts shall be paid by checks signed by the Treasurer or the
526 Deputy Treasurer appointed pursuant to section 3-12 of the general
527 statutes, on requisition of the chairperson or of such other officer or
528 employee of the authority as the authority shall authorize to make
529 such requisition. Notwithstanding the foregoing, the authority shall
530 have power, subject to the approval of the Treasurer or the Deputy
531 Treasurer appointed pursuant to said section 3-12, to contract with the
532 holders of any of its bonds or notes, as to the custody, collection,
533 securing, investment and payment of any moneys of the authority, or
534 of any moneys held in trust or otherwise for the payment of bonds or
535 notes, and to carry out such contracts. All moneys received pursuant to
536 the authority of the authority legislation pursuant to sections 5 to 10,
537 inclusive, of this act whether as proceeds from the sale of bonds or as
538 revenues, receipts or income, shall be deemed to be trust funds to be
539 held and applied solely as provided in said authority legislation and in
540 the resolutions authorizing the issuance of the bonds or notes. Any
541 officer with whom, or any bank or trust company with which, such
542 moneys shall be deposited as trustee thereof shall hold and apply the
543 same for the purposes thereof, subject to said provisions of the
544 authority and the resolution authorizing the issuance of bonds or notes
545 or the trust agreement securing such bonds or notes may provide.

546 (b) Any funds or revenues of the authority derived from application
547 fees, commitment fees or other fees or charges levied by the authority
548 in connection with its insurance and loan programs, any investment

549 income derived from funds held in trust or otherwise, which income is
550 not pledged to the payment of bonds or notes of the authority and any
551 other income of the authority from whatever source derived that is
552 available for the payment of authority expenses and any proceeds of
553 the foregoing shall be held, administered and invested by the authority
554 or deposited with and invested by such institution, trustee, fiduciary
555 or other custodian as may be designated by the authority and paid as
556 the authority shall direct.

557 Sec. 7. (NEW) (*Effective October 1, 2009*) The exercise of the powers
558 granted to the Connecticut Electric Authority in sections 5 to 10,
559 inclusive, of this act shall constitute the performance of an essential
560 governmental function and the authority shall not be required to pay
561 any taxes or assessments upon or in respect of a project, or any
562 property or moneys of the authority, levied by any municipality or
563 political subdivision or special district having taxing powers of the
564 state, nor shall the authority be required to pay state taxes of any kind,
565 and the authority, its projects, property and moneys and any bonds
566 and notes issued under the provisions of said sections, their transfer
567 and the income therefrom, including any profit made on the sale
568 thereof, shall at all times be free from taxation of every kind by the
569 state and by the municipalities and all other political subdivisions or
570 special districts having taxing powers of the state; provided any
571 person leasing a project from the authority shall pay to the
572 municipality, or other political subdivision or special district having
573 taxing powers, in which such project is located, a payment in lieu of
574 taxes which shall equal the taxes on real and personal property,
575 including water and sewer assessments, which such lessee would have
576 been required to pay had it been the owner of such property during
577 the period for which such payment is made and neither the authority
578 nor its projects, properties, money or bonds and notes shall be
579 obligated, liable or subject to lien of any kind for the enforcement,
580 collection or payment thereof. The sale of tangible personal property or
581 services by the authority is exempt from the sales tax under chapter
582 219 of the general statutes, and the storage, use or other consumption

583 in this state of tangible personal property or services purchased from
584 the authority is exempt from the use tax under said chapter 219. If and
585 to the extent the proceedings under which the bonds authorized to be
586 issued under the provisions of said sections so provide, the authority
587 may agree to cooperate with the lessee of a project in connection with
588 any administrative or judicial proceedings for determining the validity
589 or amount of such payments and may agree to appoint or designate
590 and reserve the right in and for such lessee to take all action which the
591 authority may lawfully take in respect of such payments and all
592 matters relating thereto, provided such lessee shall bear and pay all
593 costs and expenses of the authority thereby incurred at the request of
594 such lessee or by reason of any such action taken by such lessee in
595 behalf of the authority. Any lessee of a project which has paid the
596 amounts in lieu of taxes required by this section to be paid shall not be
597 required to pay any such taxes in which a payment in lieu thereof has
598 been made to the state or to any such municipality or other political
599 subdivision or special district having taxing powers, any other statute
600 to the contrary notwithstanding.

601 Sec. 8. (NEW) (*Effective October 1, 2009*) Bonds issued by the
602 Connecticut Electric Authority are hereby made securities in which all
603 public officers and public bodies of the state and its political
604 subdivisions, all insurance companies, credit unions, building and loan
605 associations, investment companies, savings banks, banking
606 associations, trust companies, executors, administrators, trustees and
607 other fiduciaries and pension, profit-sharing and retirement funds may
608 properly and legally invest funds, including capital in their control or
609 belonging to them. Such bonds are hereby made securities which may
610 properly and legally be deposited with and received by any state or
611 municipal officer or any agency or municipality of the state for any
612 purpose for which the deposit of bonds or obligations of the state is
613 now or may hereafter be authorized by law.

614 Sec. 9. (NEW) (*Effective October 1, 2009*) (a) Bonds or notes issued by
615 the Connecticut Electric Authority shall not be deemed to constitute a

616 debt or liability of the state or of any municipality thereof or a pledge
617 of the faith and credit of the state or of any such municipality and shall
618 not constitute bonds or notes issued or guaranteed by the state within
619 the meaning of section 3-21 of the general statutes, but shall be payable
620 solely from the revenues and funds herein provided for pursuant to
621 sections 5 to 10, inclusive, of this act. All such bonds or notes shall
622 contain on the face thereof a statement to the effect that neither the
623 state nor any municipality thereof other than the authority shall be
624 obligated to pay the same or the interest thereon and that neither the
625 faith and credit nor the taxing power of the state or of any municipality
626 is pledged to the payment of the principal of or the interest on such
627 bonds or notes.

628 (b) The authority may create and establish one or more reserve
629 funds to be known as special capital reserve funds and may pay into
630 such special capital reserve funds (1) any moneys appropriated and
631 made available by the state for the purposes of such funds, (2) any
632 proceeds of sale of notes or bonds, to the extent provided in the
633 resolution of the authority authorizing the issuance thereof, and (3)
634 any other moneys which may be made available to the authority for
635 the purpose of such funds from any other source or sources. The
636 moneys held in or credited to any special capital reserve fund
637 established under this section, except as hereinafter provided, shall be
638 used solely for the payment of the principal of bonds of the authority
639 secured by such special capital reserve fund as the same become due,
640 the purchase of such bonds of the authority, the payment of interest on
641 such bonds of the authority or the payment of any redemption
642 premium required to be paid when such bonds are redeemed before
643 maturity; provided the authority shall have power to provide that
644 moneys in any such fund shall not be withdrawn therefrom at any
645 time in such amount as would reduce the amount of such funds to less
646 than the maximum amount of principal and interest becoming due by
647 reason of maturity or a required sinking fund installment in the
648 succeeding calendar year on the bonds of the authority then
649 outstanding and secured by such special capital reserve fund or such

650 lesser amount specified by the authority in its resolution authorizing
651 the issuance of any such bonds, such amount being herein referred to
652 as the "required minimum capital reserve", except for the purpose of
653 paying such principal of, redemption premium and interest on such
654 bonds of the authority secured by such special capital reserve
655 becoming due and for the payment of which other moneys of the
656 authority are not available. The authority may provide that it shall not
657 issue bonds at any time if the required minimum capital reserve on the
658 bonds outstanding and the bonds then to be issued and secured by a
659 special capital reserve fund will exceed the amount of such special
660 capital reserve fund at the time of issuance, unless the authority, at the
661 time of the issuance of such bonds, shall deposit in such special capital
662 reserve fund from the proceeds of the bonds so to be issued, or
663 otherwise, an amount which, together with the amount then in such
664 special capital reserve fund, will be not less than the required
665 minimum capital reserve. On or before December first, annually, there
666 is deemed to be appropriated from the General Fund such sums, if
667 any, as shall be certified by the chairperson of the Connecticut Electric
668 Authority to the Secretary of the Office of Policy and Management and
669 State Treasurer, as necessary to restore each such special capital
670 reserve fund to the amount equal to the required minimum capital
671 reserve of such fund, and such amounts shall be allotted and paid to
672 the authority. For the purpose of evaluation of any such special capital
673 reserve fund, obligations acquired as an investment for any such fund
674 shall be valued at amortized cost. Nothing contained in this section
675 shall preclude the authority from establishing and creating other debt
676 service reserve funds in connection with the issuance of bonds or notes
677 of the authority. Subject to any agreement or agreements with holders
678 of outstanding notes and bonds of the authority, any amount or
679 amounts allotted and paid to the authority by the state pursuant to this
680 section shall be repaid to the state from moneys of the authority at
681 such time as such moneys are not required for any other of its
682 corporate purposes and in any event shall be repaid to the state on the
683 date one year after all bonds and notes of the authority theretofore

684 issued on the date or dates such amount or amounts are allotted and
685 paid to the authority or thereafter issued, together with interest on
686 such bonds and notes, with interest on any unpaid installments of
687 interest and all costs and expenses in connection with any action or
688 proceeding by or on behalf of the holders thereof, are fully met and
689 discharged. Notwithstanding any other provisions contained in said
690 sections, the aggregate amount of bonds secured by such special
691 capital reserve funds authorized to be created and established by this
692 section, shall not exceed four hundred fifty million dollars. Only
693 electric generation projects may be assisted or financed by such bonds
694 and the proceeds of such bonds shall not be used for such purpose
695 unless the authority is of the opinion and determines that the revenues
696 derived from the electric generation project or projects shall be
697 sufficient (1) to pay the applicable principal of and interest on the
698 bonds, the proceeds of which are used to finance the electric
699 generation project or projects, (2) to establish, increase and maintain
700 any reserves deemed by the authority to be advisable to secure the
701 payment of the principal of and interest on such bonds, (3) unless the
702 contract with a person obligates such person to pay for the
703 maintenance and insurance of the electric generation project, to pay the
704 cost of maintaining the electric generation project in good repair and
705 keeping it properly insured, and (4) to pay such other costs or taxes on
706 the electric generation project as may be required.

707 Sec. 10. (NEW) (*Effective October 1, 2009*) The state of Connecticut
708 does hereby pledge to and agree with the holders of any bonds and
709 notes issued under the provisions of sections 5 to 10, inclusive, of this
710 act, and with those parties who may enter into contracts with the
711 Connecticut Electric Authority or its successor agency, that the state
712 will not limit or alter the rights hereby vested in the authority until
713 such obligations, together with the interest thereon, are fully met and
714 discharged and such contracts are fully performed on the part of the
715 authority, provided nothing contained herein shall preclude such
716 limitation or alteration if and when adequate provision shall be made
717 by law for the protection of the holders of such bonds and notes of the

718 authority or those entering into such contracts with the authority. The
719 authority may include this pledge and undertaking for the state in
720 such bonds and notes or contracts.

721 Sec. 11. Subsection (c) of section 16-244c of the general statutes is
722 repealed and the following is substituted in lieu thereof (*Effective*
723 *October 1, 2009*):

724 (c) (1) On and after January 1, 2007, each electric distribution
725 company shall provide electric generation services through standard
726 service to any customer who (A) does not arrange for or is not
727 receiving electric generation services from an electric supplier, and (B)
728 does not use a demand meter or has a maximum demand of less than
729 five hundred kilowatts.

730 (2) Not later than October 1, 2006, and periodically as required by
731 subdivision (3) of this subsection, but not more often than every
732 calendar quarter, the Department of Public Utility Control shall
733 establish the standard service price for such customers pursuant to
734 subdivision (3) of this subsection. Each electric distribution company
735 shall recover the actual net costs of procuring and providing electric
736 generation services pursuant to this subsection, provided such
737 company mitigates the costs it incurs for the procurement of electric
738 generation services for customers who are no longer receiving service
739 pursuant to this subsection.

740 (3) An electric distribution company providing electric generation
741 services pursuant to this subsection shall mitigate the variation of the
742 price of the service offered to its customers by procuring electric
743 generation services contracts in the manner prescribed in a plan
744 approved by the department. Such plan shall require the procurement
745 of a portfolio of service contracts sufficient to meet the projected load
746 of the electric distribution company. Such plan shall require that the
747 portfolio of service contracts be procured in an overlapping pattern of
748 fixed periods at such times and in such manner and duration as the
749 department determines to be most likely to produce just, reasonable

750 and reasonably stable retail rates while reflecting underlying
751 wholesale market prices over time. The portfolio of contracts shall be
752 assembled in such manner as to invite competition; guard against
753 favoritism, improvidence, extravagance, fraud and corruption; and
754 secure a reliable electricity supply while avoiding unusual, anomalous
755 or excessive pricing. The portfolio of contracts procured under such
756 plan shall be for terms of not less than six months, provided contracts
757 for shorter periods may be procured under such conditions as the
758 department shall prescribe to (A) ensure the lowest rates possible for
759 end-use customers; (B) ensure reliable service under extraordinary
760 circumstances; and (C) ensure the prudent management of the contract
761 portfolio. An electric distribution company may receive a bid for an
762 electric generation services contract from any of its generation entities
763 or affiliates, provided such generation entity or affiliate submits its bid
764 the business day preceding the first day on which an unaffiliated
765 electric supplier may submit its bid and further provided the electric
766 distribution company and the generation entity or affiliate are in
767 compliance with the code of conduct established in section 16-244h.

768 (4) The [department] Connecticut Electric Authority, in consultation
769 with the Office of Consumer Counsel, shall retain the services of a
770 third-party entity with expertise in the area of energy procurement to
771 oversee the initial development of the request for proposals and the
772 procurement of contracts by an electric distribution company for the
773 provision of electric generation services offered pursuant to this
774 subsection. Costs associated with the retention of such third-party
775 entity shall be included in the cost of electric generation services that is
776 included in such price.

777 (5) Each bidder for a standard service contract shall submit its bid to
778 the electric distribution company and the third-party entity who shall
779 jointly review the bids, conduct a cost-based analysis of such bids and
780 submit an overview of all bids together with a joint recommendation
781 to the [department] authority as to the preferred bidders. The authority
782 shall make available to the Office of Consumer Counsel and the

783 Attorney General all bids it receives pursuant to this subsection,
784 provided the Office of Consumer Counsel and the Attorney General
785 shall not make the bids available to the public until the authority does
786 so pursuant to subdivision (6) of this subsection, except that the
787 Attorney General may share such information if such action is
788 necessary for any law enforcement purposes. The [department]
789 authority may, [within] not later than ten business days [of] after
790 submission of the overview, reject the recommendation regarding
791 preferred bidders if the bids are not in the best interest of the Electric
792 Distribution company's customers. In analyzing the bids, the authority
793 shall determine if they are consistent with the state's integrated
794 resource plan. In the event that the department rejects the preferred
795 bids, the electric distribution company and the third-party entity shall
796 rebid the service pursuant to this subdivision.

797 (6) Upon the authority's approval of the preferred bids, the electric
798 distribution company shall enter into contracts with approved bidders.
799 All bids received by the authority during the procurement process
800 shall be available for public review six months after authority rejection.

801 (7) Not later than October 1, 2010, and biennially thereafter, the
802 authority shall conduct a contested case proceeding in accordance with
803 chapter 54 to review the efficacy of the contract procurement process
804 held pursuant to this subsection.

805 *Sec. 12. (NEW) (Effective October 1, 2009) If, on or after July 1, 2008,*
806 *the Connecticut Electric Authority does not receive and approve*
807 *proposals pursuant to the request for proposals process established in*
808 *subsection (c) of section 16-244c of the general statutes, as amended by*
809 *this act, sufficient to reach the state's goal, the authority shall conduct a*
810 *contested case proceeding, in accordance with chapter 54 of the*
811 *general statutes, to perform a needs assessment to determine the total*
812 *amount and type of energy resource needs, if any, that remain*
813 *unaddressed. If the authority determines that such needs have been*
814 *unaddressed, the authority shall conduct a contested case proceeding*

815 to determine the costs and benefits of the authority serving as the
816 builder or provider of last resort for the shortfall of megawatts from
817 such request for proposal process, and may issue a request for
818 proposals, pursuant to subsection (c) of section 16-244c of the general
819 statutes, as amended by this act, to electric distribution companies to
820 address the shortfall of new, expanded or repowered eligible
821 generation, including baseload, peaking, renewable, conservation and
822 demand response electric power. Each electric distribution company
823 shall be entitled to recover its prudently incurred costs of such project,
824 including, but not limited to, capital costs, operation and maintenance
825 expenses, depreciation, fuel costs, taxes and other governmental
826 charges, and a reasonable rate of return on equity. The authority shall
827 review such recovery of costs consistent with the principles set forth in
828 sections 16-19, 16-19b and 16-19e of the general statutes, as amended
829 by this act, provided the return on equity associated with such project
830 shall be established in the initial annual contested case proceeding
831 under this section and updated at least once every four years. The
832 authority may request that the electric distribution company
833 submitting a proposal submit further information that the department
834 determines to be in the public interest, which the department may use
835 in evaluating the proposal.

836 Sec. 13. (NEW) (*Effective October 1, 2009*) (a) The chairperson of the
837 Connecticut Electric Authority, with the consent of two or more other
838 members of the authority, shall appoint an executive director, who
839 shall be the chief administrative officer of the Connecticut Electric
840 Authority. Said chairperson shall supervise the executive director, who
841 shall serve for a four-year term and annually receive a salary equal to
842 that established for management pay plan salary group seventy-two
843 by the Commissioner of Administrative Services. The executive
844 director (1) shall conduct comprehensive planning with respect to the
845 functions of the authority; (2) shall coordinate the activities of the
846 authority; (3) shall cause the administrative organization of the
847 authority to be examined with a view to promoting economy and
848 efficiency; (4) shall, in concurrence with the chairperson of the

849 authority, organize the authority into such divisions, bureaus or other
850 units as he deems necessary for the efficient conduct of the business of
851 the authority and may from time to time abolish, transfer or
852 consolidate within the authority, any division, bureau or other units as
853 may be necessary for the efficient conduct of the business of the
854 authority, provided such organization shall include any division,
855 bureau or other unit which is specifically required by the general
856 statutes; (5) may enter into such contractual agreements, in accordance
857 with established procedures, as may be necessary for the discharge of
858 his duties; and (6) may, subject to the provisions of section 4-32 of the
859 general statutes, and unless otherwise provided by law, receive any
860 money, revenue or services from the federal government, corporations,
861 associations or individuals, including payments from the sale of
862 printed matter or any other material or services. The executive director
863 shall require the staff of the authority to have expertise in public utility
864 engineering and accounting, finance, economics, computers and rate
865 design. Subject to the provisions of chapter 67 of the general statutes
866 and within available funds in any fiscal year, the executive director
867 may appoint a secretary and may employ such accountants, clerical
868 assistants, engineers, inspectors, experts, consultants and agents as the
869 department may require.

870 (b) No member of the authority or employee of the authority shall,
871 while serving as such, have any interest, financial or otherwise, direct
872 or indirect, or engage in any business, employment, transaction or
873 professional activity, or incur any obligation of any nature, which is in
874 substantial conflict with the proper discharge of his duties or
875 employment in the public interest and of his responsibilities as
876 prescribed in the laws of this state, as defined in section 1-85 of the
877 general statutes; provided no such substantial conflict shall be deemed
878 to exist solely by virtue of the fact that a member of the authority or
879 employee of the authority, or any business in which such a person has
880 an interest, receives utility service from one or more Connecticut
881 utilities under the normal rates and conditions of service.

882 (c) No member of the authority or employee of the authority shall
883 accept other employment that will either impair his independence of
884 judgment as to his official duties or employment or require him, or
885 induce him, to disclose confidential information acquired by him in the
886 course of and by reason of his official duties.

887 (d) No member of the authority or employee of the authority shall
888 wilfully and knowingly disclose, for pecuniary gain, confidential
889 information acquired in the course of and by reason of official duties or
890 employment or use any such information for the purpose of pecuniary
891 gain.

892 (e) No member of the authority or employee of the authority shall
893 agree to accept, or be in partnership or association with any person, or
894 a member of a professional corporation or in membership with any
895 union or professional association which partnership, association,
896 professional corporation, union or professional association agrees to
897 accept any employment, fee or other thing of value, or portion thereof,
898 in consideration of his appearing, agreeing to appear, or taking any
899 other action on behalf of another person before the authority, the
900 Connecticut Siting Council, the Office of Policy and Management or
901 the Commissioner of Environmental Protection.

902 (f) No member of the authority shall, for a period of one year
903 following the termination of his or her service as a member, accept
904 employment: (1) By a public service company or by any person, firm or
905 corporation engaged in lobbying activities with regard to
906 governmental regulation of public service companies; or (2) by an
907 electric supplier or by any person, firm or corporation engaged in
908 lobbying activities with regard to governmental regulation of electric
909 suppliers. No such member who is also an attorney shall in any
910 capacity, appear or participate in any matter, or accept any
911 compensation regarding a matter, before the authority, for a period of
912 one year following the termination of his or her service as a member.

913 Sec. 14. Section 16-4 of the general statutes is repealed and the

914 following is substituted in lieu thereof (*Effective October 1, 2009*):

915 No officer, employee, attorney or agent of any public service
916 company, of any certified telecommunications provider or of any
917 electric supplier shall be a member of the Public Utilities Control
918 Authority or the Connecticut Electric Authority or an employee of the
919 Department of Public Utility Control or the Connecticut Electric
920 Authority.

921 Sec. 15. Subsection (a) of section 16-19ss of the general statutes is
922 repealed and the following is substituted in lieu thereof (*Effective*
923 *October 1, 2009*):

924 (a) The [Department of Public Utility Control] Connecticut Electric
925 Authority may, from July 1, 2003, to January 1, 2008, inclusive,
926 determine, by an affirmative vote of four [commissioners of the Public
927 Utilities Control Authority] members of the Connecticut Electric
928 Authority, that (1) safe, adequate and reasonably priced electricity is
929 not available on the wholesale market; (2) additional temporary
930 electric generation facilities will result in reductions in federally
931 mandated congestion costs for which the ratepayers of the state are
932 responsible; and (3) the prices and costs specified in subdivision (2) of
933 this subsection will exceed the cost of investment in temporary electric
934 generation facilities. Such determination shall be in writing and shall
935 state the reasons supporting the determination.

936 Sec. 16. Subsection (a) of section 16a-3 of the general statutes is
937 repealed and the following is substituted in lieu thereof (*Effective*
938 *October 1, 2009*):

939 (a) There is established a Connecticut Energy Advisory Board
940 consisting of [fifteen] sixteen members, including the Commissioner of
941 Environmental Protection, the chairperson of the Public Utilities
942 Control Authority, the chairperson of the Connecticut Electric
943 Authority, the Commissioner of Transportation, the Consumer
944 Counsel, the Commissioner of Agriculture, and the Secretary of the

945 Office of Policy and Management, or their respective designees. The
946 Governor shall appoint a representative of an environmental
947 organization knowledgeable in energy efficiency programs, a
948 representative of a consumer advocacy organization and a
949 representative of a state-wide business association. The president pro
950 tempore of the Senate shall appoint a representative of a chamber of
951 commerce, a representative of a state-wide manufacturing association
952 and a member of the public considered to be an expert in electricity,
953 generation, procurement or conservation programs. The speaker of the
954 House of Representatives shall appoint a representative of low-income
955 ratepayers, a representative of state residents, in general, with
956 expertise in energy issues and a member of the public considered to be
957 an expert in electricity, generation, procurement or conservation
958 programs. All appointed members shall serve in accordance with
959 section 4-1a. No appointee may be employed by, or a consultant of, a
960 public service company, as defined in section 16-1, or an electric
961 supplier, as defined in section 16-1, or an affiliate or subsidiary of such
962 company or supplier.

963 Sec. 17. Subsection (f) of section 22a-198 of the general statutes is
964 repealed and the following is substituted in lieu thereof (*Effective*
965 *October 1, 2009*):

966 (f) The Commissioner of Environmental Protection, in consultation
967 with the chairperson of the [Public Utilities Control] Connecticut
968 Electric Authority, may suspend the prohibition of subsection (b) of
969 this section for a Title IV source if it is determined that the application
970 of the prohibition established under subsection (b) of this section
971 adversely affects the ability to meet the reliability standards, as defined
972 by the New England Power Pool or its successor organization, and the
973 suspension thereof is intended to mitigate such reliability problems.
974 The Commissioner of Environmental Protection, in consultation with
975 the chairperson of the [Public Utilities Control] Connecticut Electric
976 Authority, shall specify in writing the reasons for such suspension and
977 the period of time that such suspension shall be in effect and shall

978 provide notice of such suspension at the time of issuance, or the next
979 business day, to the joint standing committees of the General
980 Assembly having cognizance of matters relating to the environment
981 and energy and technology. No such waiver shall last more than thirty
982 days. The commissioner may reissue additional waivers for such
983 source after said initial waiver has expired. Within ten days of receipt
984 of the commissioner's notice of suspension, the committees having
985 cognizance of matters relating to the environment and energy and
986 technology may hold a joint public hearing and meeting of the
987 committees to either modify or reject the commissioner's suspension
988 by a majority vote. If the committees do not meet, the commissioner's
989 suspension shall be deemed approved.

990 Sec. 18. (NEW) (*Effective October 1, 2009*) (a) The Connecticut Electric
991 Authority shall: (1) Represent the state in regional energy system
992 planning processes conducted by the regional independent system
993 operator, as defined in section 16-1 of the general statutes; (2)
994 encourage representatives from the municipalities affected by a
995 proposed project of regional significance to participate in regional
996 energy system planning processes conducted by the regional
997 independent system operator; (3) participate in a forecast proceeding
998 conducted pursuant to subsection (a) of section 16-50r of the general
999 statutes; and (4) participate in a life-cycle proceeding conducted
1000 pursuant to subsection (b) of section 16-50r of the general statutes.

1001 Sec. 19. (NEW) (*Effective October 1, 2009*) (a) The Connecticut Electric
1002 Authority may participate in proceedings before agencies of the
1003 federal government and the federal courts on matters affecting electric
1004 distribution companies, as defined in section 16-1 of the general
1005 statutes, electric suppliers, as defined in said section 16-1, or exempt
1006 wholesale generators, as defined in said section 16-1.

1007 (b) For any proceeding before the Federal Energy Regulatory
1008 Commission, the United States Department of Energy or the United
1009 States Nuclear Regulatory Commission, or appeal thereof, the

1010 Attorney General, upon request of the Connecticut Electric Authority,
1011 may retain outside legal counsel in accordance with section 3-125 of
1012 the general statutes to participate in such proceedings on behalf of the
1013 department. All reasonable and proper expenses of such outside legal
1014 counsel shall be borne by the electric distribution companies, electric
1015 suppliers, or exempt wholesale generators affected by the decisions of
1016 such proceedings and shall be paid at such times and in such manner
1017 as the Connecticut Electric Authority directs, provided such expenses
1018 shall be apportioned in proportion to the revenues of each affected
1019 entity as reported to the Department of Public Utility Control for
1020 purposes of section 16-49 of the general statutes for the most recent
1021 period, and provided further such expenses shall not exceed two
1022 hundred fifty thousand dollars per proceeding, including any appeals
1023 thereof, in any calendar year unless the department finds good cause
1024 for exceeding the limit and the affected entities have an opportunity,
1025 after reasonable notice, to comment on the proposed overage. The
1026 Department of Public Utility Control shall recognize all such legal
1027 expenses as proper business expenses of the affected entities for rate-
1028 making purposes pursuant to section 16-19e of the general statutes, if
1029 applicable.

1030 Sec. 20. Subsection (a) of section 4-65a of the general statutes is
1031 repealed and the following is substituted in lieu thereof (*Effective*
1032 *October 1, 2009*):

1033 (a) There shall be an Office of Policy and Management which shall
1034 be responsible for all aspects of state staff planning and analysis in the
1035 areas of budgeting, management, planning, energy policy
1036 determination and evaluation, except to the extent such policies are
1037 delegated to the Connecticut Electric Authority, intergovernmental
1038 policy, criminal and juvenile justice planning and program evaluation.
1039 The department head shall be the Secretary of the Office of Policy and
1040 Management, who shall be appointed by the Governor in accordance
1041 with the provisions of sections 4-5, 4-6, 4-7 and 4-8, with all the powers
1042 and duties therein prescribed. The Secretary of the Office of Policy and

1043 Management shall be the employer representative (1) in collective
1044 bargaining negotiations concerning changes to the state employees
1045 retirement system and health and welfare benefits, and (2) in all other
1046 matters involving collective bargaining, including negotiation and
1047 administration of all collective bargaining agreements and
1048 supplemental understandings between the state and the state
1049 employee unions concerning all executive branch employees except
1050 (A) employees of the Division of Criminal Justice, and (B) faculty and
1051 professional employees of boards of trustees of constituent units of the
1052 state system of higher education. The secretary may designate a
1053 member of the secretary's staff to act as the employer representative in
1054 the secretary's place.

1055 Sec. 21. Subdivision (2) of subsection (e) of section 4a-57 of the
1056 general statutes is repealed and the following is substituted in lieu
1057 thereof (*Effective October 1, 2009*):

1058 (2) Any purchase of or contract by the department for electric
1059 generation services that are subject to competitive bidding and
1060 competitive negotiations shall be conducted in cooperation with the
1061 [Office of Policy and Management] Connecticut Electric Authority
1062 pursuant to section 16a-14e.

1063 Sec. 22. Section 8-37jj of the general statutes is repealed and the
1064 following is substituted in lieu thereof (*Effective October 1, 2009*):

1065 (a) The Department of Economic and Community Development
1066 may not approve electric resistance as the primary heat source in new,
1067 subsidized housing except where justified by a life-cycle cost analysis
1068 whose methodology has been approved by the [division of the Office
1069 of Policy and Management responsible for energy matters]
1070 Connecticut Electric Authority.

1071 (b) If the Department of Economic and Community Development or
1072 the Connecticut Housing Finance Authority uses electric resistance
1073 space heating as the primary heating source in any new construction, it

1074 shall construct the unit in such a way as to be eligible for any available
1075 energy conservation incentives provided by the electric company, as
1076 defined in section 16-1, or the municipal utility furnishing electric
1077 service to such unit.

1078 Sec. 23. Subsection (f) of section 13a-110a of the general statutes is
1079 repealed and the following is substituted in lieu thereof (*Effective*
1080 *October 1, 2009*):

1081 (f) The provisions of this section shall not apply to the installation or
1082 replacement of luminaires for which the [Secretary of the Office of
1083 Policy and Management] Connecticut Electric Authority (1) conducts a
1084 life-cycle cost analysis of one or more luminaires which meet the
1085 requirements set forth in subsection (b) of this section and one or more
1086 luminaires which do not meet such requirements, and (2) certifies that
1087 a luminaire which meets such requirements is not cost effective and is
1088 not the most appropriate alternative based on the life-cycle cost
1089 analysis.

1090 Sec. 24. Section 16-19e of the general statutes is repealed and the
1091 following is substituted in lieu thereof (*Effective October 1, 2009*):

1092 (a) In the exercise of its powers under the provisions of this title, the
1093 Department of Public Utility Control shall examine and regulate the
1094 transfer of existing assets and franchises, the expansion of the plant
1095 and equipment of existing public service companies, the operations
1096 and internal workings of public service companies and the
1097 establishment of the level and structure of rates in accordance with the
1098 following principles: (1) That there is a clear public need for the service
1099 being proposed or provided; (2) that the public service company shall
1100 be fully competent to provide efficient and adequate service to the
1101 public in that such company is technically, financially and
1102 managerially expert and efficient; (3) that the department and all
1103 public service companies shall perform all of their respective public
1104 responsibilities with economy, efficiency and care for public safety and
1105 energy security, and so as to promote economic development within

1106 the state with consideration for energy and water conservation, energy
1107 efficiency and the development and utilization of renewable sources of
1108 energy and for the prudent management of the natural environment;
1109 (4) that the level and structure of rates be sufficient, but no more than
1110 sufficient, to allow public service companies to cover their operating
1111 costs including, but not limited to, appropriate staffing levels, and
1112 capital costs, to attract needed capital and to maintain their financial
1113 integrity, and yet provide appropriate protection to the relevant public
1114 interests, both existing and foreseeable which shall include, but not be
1115 limited to, reasonable costs of security of assets, facilities and
1116 equipment that are incurred solely for the purpose of responding to
1117 security needs associated with the terrorist attacks of September 11,
1118 2001, and the continuing war on terrorism; (5) that the level and
1119 structure of rates charged customers shall reflect prudent and efficient
1120 management of the franchise operation; and (6) that the rates, charges,
1121 conditions of service and categories of service of the companies not
1122 discriminate against customers which utilize renewable energy sources
1123 or cogeneration technology to meet a portion of their energy
1124 requirements.

1125 (b) The Department of Public Utility Control shall promptly
1126 undertake a separate, general investigation of, and shall hold at least
1127 one public hearing on new pricing principles and rate structures for
1128 electric companies and for gas companies to consider, without
1129 limitation, long run incremental cost of marginal cost pricing, peak
1130 load or time of day pricing and proposals for optimizing the utilization
1131 of energy and restraining its wasteful use and encouraging energy
1132 conservation, and any other matter with respect to pricing principles
1133 and rate structures as the department shall deem appropriate. The
1134 department shall determine whether existing or future rate structures
1135 place an undue burden upon those persons of poverty status and shall
1136 make such adjustment in the rate structure as is necessary or desirable
1137 to take account of their indigency. The department shall require the
1138 utilization of such new principles and structures to the extent that the
1139 department determines that their implementation is in the public

1140 interest and necessary or desirable to accomplish the purposes of this
1141 provision without being unfair or discriminatory or unduly
1142 burdensome or disruptive to any group or class of customers, and
1143 determines that such principles and structures are capable of yielding
1144 required revenues. In reviewing the rates and rate structures of electric
1145 and gas companies, the department shall take into consideration
1146 appropriate energy policies, including those of the state as expressed
1147 in subsection (c) of this section. The authority shall issue its initial
1148 findings on such investigation by December 1, 1976, and its final
1149 findings and order by June 1, 1977; provided that after such final
1150 findings and order are issued, the department shall at least once every
1151 two years undertake such further investigations as it deems
1152 appropriate with respect to new developments or desirable
1153 modifications in pricing principles and rate structures and, after
1154 holding at least one public hearing thereon, shall issue its findings and
1155 order thereon.

1156 (c) The Department of Public Utility Control shall consult at least
1157 once each year with the Commissioner of Environmental Protection,
1158 the Connecticut Siting Council, the Connecticut Electric Authority and
1159 the Office of Policy and Management, so as to coordinate and integrate
1160 its actions, decisions and policies pertaining to gas and electric
1161 companies, so far as possible, with the actions, decisions and policies
1162 of said other agencies and instrumentalities in order to further the
1163 development and optimum use of the state's energy resources and
1164 conform to the greatest practicable extent with the state energy policy
1165 as stated in section 16a-35k, taking into account prudent management
1166 of the natural environment and continued promotion of economic
1167 development within the state. In the performance of its duties, the
1168 department shall take into consideration the energy policies of the
1169 state as expressed in this subsection and in any annual reports
1170 prepared or filed by such other agencies and instrumentalities, and
1171 shall defer, as appropriate, to any actions taken by such other agencies
1172 and instrumentalities on matters within their respective jurisdictions.

1173 (d) The Commissioner of Environmental Protection, the
1174 Commissioner of Economic and Community Development, the
1175 Connecticut Siting Council and the Office of Policy and Management
1176 shall be made parties to each proceeding on a rate amendment
1177 proposed by a gas, electric or electric distribution company based
1178 upon an alleged need for increased revenues to finance an expansion
1179 of capital equipment and facilities, and shall participate in such
1180 proceedings to the extent necessary. The Connecticut Electric
1181 Authority shall be made a party to such proceedings involving electric
1182 distribution companies.

1183 (e) The Department of Public Utility Control, in a proceeding on a
1184 rate amendment proposed by an electric distribution company based
1185 upon an alleged need for increased revenues to finance an expansion
1186 of the capacity of its electric distribution system, shall determine
1187 whether demand-side management would be more cost-effective in
1188 meeting any demand for electricity for which the increase in capacity is
1189 proposed.

1190 (f) The provisions of this section shall not apply to the regulation of
1191 a telecommunications service which is a competitive service, as
1192 defined in section 16-247a, or to a telecommunications service to which
1193 an approved plan for an alternative form of regulation applies,
1194 pursuant to section 16-247k.

1195 (g) The department may, upon application of any gas or electric
1196 public service company, which has, as part of its existing rate plan, an
1197 earnings sharing mechanism, modify such rate plan to allow the gas or
1198 electric public service company, after a hearing that is conducted as a
1199 contested case, in accordance with chapter 54, to include in its rates the
1200 reasonable costs of security of assets, facilities, and equipment, both
1201 existing and foreseeable, that are incurred solely for the purpose of
1202 responding to security needs associated with the terrorist attacks of
1203 September 11, 2001, and the continuing war on terrorism.

1204 Sec. 25. Section 16-243k of the general statutes is repealed and the

1205 following is substituted in lieu thereof (*Effective October 1, 2009*):

1206 Not later than January [1, 2007, and annually thereafter, the
1207 Department of Public Utility Control] first, annually, the Connecticut
1208 Electric Authority shall assess the number and types of customer-side
1209 and grid-side distributed resources, as defined in section 16-1, projects
1210 financed pursuant to the provisions of public act 05-1 of the June
1211 special session* and such projects' contributions to achieving fuel
1212 diversity, transmission support, and energy independence in the state.
1213 Not later than January 1, [2007] 2011, and biennially thereafter, the
1214 [department] authority shall collect the information in such annual
1215 assessments and report, in accordance with the provisions of section
1216 11-4a, on the effectiveness of the award program established in section
1217 16-243i and on its findings to the joint standing committee of the
1218 General Assembly having cognizance of matters relating to energy.

1219 Sec. 26. Subsection (m) of section 16-243m of the general statutes is
1220 repealed and the following is substituted in lieu thereof (*Effective*
1221 *October 1, 2009*):

1222 (m) An electric distribution company may not submit a proposal
1223 under this section on or after February 1, 2011. On or before January 1,
1224 2010, the [department] Connecticut Electric Authority shall submit a
1225 report, in accordance with section 11-4a, to the joint standing
1226 committee of the General Assembly having cognizance of matters
1227 relating to energy with a recommendation as to whether the period
1228 during which such company may submit proposals under this section
1229 should be extended.

1230 Sec. 27. Subsection (b) of section 16-244d of the general statutes is
1231 repealed and the following is substituted in lieu thereof (*Effective*
1232 *October 1, 2009*):

1233 (b) There shall be established a Consumer Education Advisory
1234 Council which shall advise the outreach program coordinator on the
1235 development and implementation of the outreach program until the

1236 termination of the standard offer under section 16-244c. Membership
1237 of the advisory council shall be established by the Consumer Counsel
1238 not later than December 1, 1998, and shall include, but not be limited
1239 to, representatives of the Department of Public Utility Control, the
1240 Office of Consumer Counsel, the Office of the Attorney General, the
1241 Office of Policy and Management, the Connecticut Electric Authority,
1242 the Department of Environmental Protection, community and business
1243 organizations, consumer groups, including, but not limited to, a group
1244 that represents hardship customers, as defined in section 16-262c, as
1245 amended by this act, electric distribution companies and electric
1246 suppliers. The advisory council shall determine the information to be
1247 distributed to customers as part of the education effort such as
1248 customers' rights and obligations in a restructured environment, how
1249 customers can exercise their right to participate in retail access, the
1250 types of electric suppliers expected to be licensed including the
1251 possibility of load aggregation, electric generation services options that
1252 will be available, the environmental characteristics of different types of
1253 generation facilities and other information determined by the advisory
1254 council to be necessary for customers. The advisory council shall
1255 advise the outreach program coordinator on the methods of
1256 distributing information in accordance with subsection (a) of this
1257 section and the timing of such distribution. The advisory council shall
1258 meet on a regular basis and report to the outreach program
1259 coordinator as it deems appropriate until termination of the advisory
1260 council's role upon the termination of the standard offer under section
1261 16-244c, as amended by this act.

1262 Sec. 28. Subdivision (5) of subsection (b) of section 16-262c of the
1263 general statutes is repealed and the following is substituted in lieu
1264 thereof (*Effective October 1, 2009*):

1265 (5) Each gas and electric distribution company shall submit to the
1266 Department of Public Utility Control annually, on or before July first,
1267 an implementation plan which shall include information concerning
1268 amortization agreements, counseling, reinstatement of eligibility, rate

1269 impacts and any other information deemed relevant by the
1270 department. The Department of Public Utility Control may, in
1271 consultation with the Office of Policy and Management and the
1272 Connecticut Electric Authority, approve or modify such plan within
1273 ninety days of receipt of the plan. If the department does not take any
1274 action on such plan within ninety days of its receipt, the plan shall
1275 automatically take effect at the end of the ninety-day period, provided
1276 the department may extend such period for an additional thirty days
1277 by notifying the company before the end of the ninety-day period. Any
1278 amount recovered by a company in its rates pursuant to this
1279 subsection shall not include any amount approved by the Department
1280 of Public Utility Control as an uncollectible expense. The department
1281 may deny all or part of the recovery required by this subsection if it
1282 determines that the company seeking recovery has been imprudent,
1283 inefficient or acting in violation of statutes or regulations regarding
1284 amortization agreements.

1285 Sec. 29. Section 16a-37f of the general statutes is repealed and the
1286 following is substituted in lieu thereof (*Effective October 1, 2009*):

1287 A budgeted agency, as defined in section 4-69, shall only purchase
1288 replacement light bulbs which (1) are provided under an electric
1289 company's customer lighting efficiency program, (2) are equivalent in
1290 energy efficiency to bulbs provided under such electric company
1291 lighting efficiency program, as determined by the [Secretary of the
1292 Office of Policy and Management] Connecticut Electric Authority, in
1293 consultation with the Commissioner of Administrative Services, or (3)
1294 meet such other life-cycle cost analysis standards as the [Secretary of
1295 the Office of Policy and Management] Connecticut Electric Authority,
1296 with the concurrence of the Commissioner of Administrative Services,
1297 may designate.

1298 Sec. 30. Section 16a-39 of the general statutes is repealed and the
1299 following is substituted in lieu thereof (*Effective October 1, 2009*):

1300 (a) As used in this section:

1301 (1) "Public building" means any building or portion thereof, other
1302 than an "exempted building", which is open to the public during
1303 normal business hours, including (A) any building which provides
1304 facilities or shelter for public assembly, (B) any inn, hotel, motel, sports
1305 arena, supermarket, transportation terminal, retail store, restaurant, or
1306 other commercial establishment which provides services or retails
1307 merchandise, and (C) any building owned or leased by the state of
1308 Connecticut or any political subdivision thereof, or by another state or
1309 political subdivision thereof and located in Connecticut, including
1310 libraries, museums, schools, hospitals, auditoriums, sports arenas and
1311 university buildings;

1312 (2) "Exempted building" means (A) any building whose peak design
1313 rate of energy usage for all purposes is less than one watt per square
1314 foot of floor area for all purposes, (B) any building with neither a
1315 heating nor cooling system, and (C) any building owned or leased in
1316 whole or in part by the United States; and

1317 [(3) "Commissioner" means the Commissioner of Public Works or
1318 his designee;

1319 (4) "Secretary" means the Secretary of the Office of Policy and
1320 Management or his designee; and]

1321 [(5)] (3) "Eligible building" means a building owned by a
1322 municipality, located within the state and not used for public
1323 education purposes.

1324 (b) The [commissioner] Commissioner of Public Works, after
1325 consultation with the [secretary] Connecticut Electric Authority and
1326 with such advisory board as said [secretary] authority may appoint,
1327 shall adopt, in accordance with chapter 54, regulations establishing
1328 lighting standards for all public buildings. The members of any such
1329 advisory board shall receive neither compensation nor expenses for the
1330 performance of their duties.

1331 (c) The lighting standards adopted pursuant to subsection (b) of this
1332 section shall provide for the maximum feasible energy efficiency of
1333 lighting equipment commensurate with other factors relevant to
1334 lighting levels and equipment, including, but not limited to, the
1335 purposes of the lighting, reasonable economic considerations in terms
1336 both of initial capital costs and of operating costs including nonenergy
1337 operating costs, reasonable budgetary considerations in terms of the
1338 feasibility of implementing changes which require a significant capital
1339 expenditure in a given time period, any constraints imposed on
1340 lighting equipment by the nature of the activities being carried out in
1341 the facility involved, considerations involving historic preservation or
1342 unusual architectural features, the amount of remaining useful lifetime
1343 which a particular structure would be expected to enjoy and the size of
1344 the building or portion of the building involved.

1345 (d) The [commissioner] Commissioner of Public Works shall, upon
1346 the adoption of the regulations required by subsection (b) of this
1347 section, make random inspections of public buildings to monitor
1348 compliance with the standards established by such regulations. The
1349 [commissioner] Commissioner of Public Works may also inspect any
1350 public buildings against which complaints alleging violation of such
1351 standards have been received. The operator of a public building or
1352 portion thereof shall provide access to such inspectors at any
1353 reasonable time, including all times during which the facility is open to
1354 the public. If an inspector is denied access to a public building for the
1355 purposes of making an inspection in accordance with the provisions of
1356 this section, the [commissioner] Commissioner of Public Works may
1357 apply to the superior court for the judicial district wherein such
1358 building is located for injunctive or other equitable relief. If upon
1359 inspection it is determined that the lighting levels in a public building
1360 do not conform to such standards, the inspector shall make available to
1361 the owner or operator of such building, information regarding such
1362 standards and the economic and energy savings expected to result
1363 from compliance therewith. The owner or operator of a public building
1364 may, after having taken appropriate measures to render such building

1365 in compliance with such standards request a reinspection of such
1366 building by the [commissioner] Commissioner of Public Works. The
1367 [commissioner] Commissioner of Public Works may, upon such
1368 request or at his or her own discretion, conduct such reinspection and
1369 determine whether or not such building has been brought into
1370 compliance with such standards.

1371 (e) The [commissioner] Commissioner of Public Works shall
1372 maintain a listing of all public buildings found to be in compliance
1373 with the lighting standards adopted pursuant to subsection (c) of this
1374 section.

1375 (f) The [secretary] Connecticut Electric Authority may award
1376 lighting grants to municipalities for the purpose of improving the
1377 energy efficiency of lighting equipment in eligible buildings. All
1378 lighting grants shall be awarded based on an application, submitted by
1379 a municipality, which sets forth the lighting conservation measures to
1380 be implemented. Such measures shall meet the standards established
1381 pursuant to subsection (b) of this section and be consistent with the
1382 state energy policy, as set forth in section 16a-35k. When evaluating the
1383 applications submitted pursuant to this section and determining the
1384 amount of a lighting grant, the [secretary] Connecticut Electric
1385 Authority shall consider the energy savings and the payback period
1386 for the measures to be implemented and any other information which
1387 the [secretary] Connecticut Electric Authority deems relevant. The
1388 funds for lighting grants shall be provided from proceeds of bonds
1389 issued for such purpose. The amount of each grant shall be not less
1390 than five thousand dollars but not more than fifty thousand dollars,
1391 provided the [secretary] Connecticut Electric Authority may award
1392 grants of less than five thousand dollars or more than fifty thousand
1393 dollars if the [secretary] Connecticut Electric Authority finds good
1394 cause to do so. All public service company incentive payments
1395 contributed to any energy conservation project at an eligible building
1396 shall be applied to pay the principal cost of that project.

1397 Sec. 31. Section 16a-46a of the general statutes is repealed and the
1398 following is substituted in lieu thereof (*Effective October 1, 2009*):

1399 (a) The Secretary of the Office of Policy and Management, in
1400 consultation with the Connecticut Electric Authority, shall prepare and
1401 may from time to time amend a residential energy conservation service
1402 plan which implements the program established under section 16a-46,
1403 and which complies with applicable federal law. The residential
1404 energy conservation service plan shall include, but not be limited to, a
1405 designation of the classes of residential buildings that may receive low-
1406 cost energy audits during the period covered by the plan.

1407 (b) Prior to implementing any amendments to the residential energy
1408 conservation service plan, the secretary shall submit the plan or
1409 amendments to the joint standing committee of the General Assembly
1410 having cognizance of matters relating to energy planning and
1411 activities. The committee may approve or disapprove such plan or
1412 amendments at a meeting held not later than sixty days after receipt of
1413 the plan or amendments. If the committee takes no action with regard
1414 to the plan or amendments during such sixty-day period, they shall be
1415 deemed approved. Upon such approval, the secretary shall submit the
1416 plans or amendments to the United States Department of Energy.

1417 Sec. 32. Section 16a-46c of the general statutes is repealed and the
1418 following is substituted in lieu thereof (*Effective October 1, 2009*):

1419 The Department of Public Utility Control shall exercise its
1420 regulatory responsibilities as they relate to the residential energy
1421 conservation service program within any program guidelines
1422 established by the Secretary of the Office of Policy and Management in
1423 regulations adopted under section 16a-46 and in the plan authorized
1424 under section 16a-46a. The secretary shall consult with the department
1425 and the Connecticut Electric Authority in the development of the
1426 program. The department, in consultation with the [secretary]
1427 chairperson of the Public Utilities Authority, may adopt regulations in
1428 accordance with chapter 54 concerning the conduct and administration

1429 of the program as it relates to the department's regulatory
1430 responsibilities.

1431 Sec. 33. Subsection (d) of section 16a-48 of the general statutes is
1432 repealed and the following is substituted in lieu thereof (*Effective*
1433 *October 1, 2009*):

1434 (d) (1) The office, in consultation with the Department of Public
1435 Utility Control and the Connecticut Electric Authority, shall adopt
1436 regulations, in accordance with the provisions of chapter 54, to
1437 implement the provisions of this section and to establish minimum
1438 energy efficiency standards for the types of new products set forth in
1439 subsection (b) of this section. The regulations shall provide for the
1440 following minimum energy efficiency standards:

1441 (A) Commercial clothes washers shall meet the requirements shown
1442 in Table P-3 of section 1605.3 of the California Code of Regulations,
1443 Title 20: Division 2, Chapter 4, Article 4;

1444 (B) Commercial refrigerators and freezers shall meet the August 1,
1445 2004, requirements shown in Table A-6 of said California regulation;

1446 (C) Illuminated exit signs shall meet the version 2.0 product
1447 specification of the "Energy Star Program Requirements for Exit Signs"
1448 developed by the United States Environmental Protection Agency;

1449 (D) Large packaged air-conditioning equipment having not more
1450 than seven hundred sixty thousand BTUs per hour of capacity shall
1451 meet a minimum energy efficiency ratio of 10.0 for units using both
1452 electric heat and air conditioning or units solely using electric air
1453 conditioning, and 9.8 for units using both natural gas heat and electric
1454 air conditioning;

1455 (E) Large packaged air-conditioning equipment having not less than
1456 seven hundred sixty-one thousand BTUs per hour of capacity shall
1457 meet a minimum energy efficiency ratio of 9.7 for units using both
1458 electric heat and air conditioning or units solely using electric air

1459 conditioning, and 9.5 for units using both natural gas heat and electric
1460 air conditioning;

1461 (F) Low voltage dry-type distribution transformers shall meet or
1462 exceed the energy efficiency values shown in Table 4-2 of the National
1463 Electrical Manufacturers Association Standard TP-1-2002;

1464 (G) Torchiere lighting fixtures shall not consume more than one
1465 hundred ninety watts and shall not be capable of operating with lamps
1466 that total more than one hundred ninety watts;

1467 (H) Traffic signal modules shall meet the product specification of
1468 the "Energy Star Program Requirements for Traffic Signals" developed
1469 by the United States Environmental Protection Agency that took effect
1470 in February, 2001, except where the department, in consultation with
1471 the Commissioner of Transportation, determines that such
1472 specification would compromise safe signal operation;

1473 (I) Unit heaters shall not have pilot lights and shall have either
1474 power venting or an automatic flue damper;

1475 (J) On or after January 1, 2009, residential furnaces and boilers
1476 purchased by the state shall meet or exceed the following annual fuel
1477 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
1478 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
1479 cent annual fuel utilization efficiency, (iii) for gas and propane hot
1480 water boilers, eighty-four per cent annual fuel utilization efficiency,
1481 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
1482 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
1483 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
1484 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
1485 for furnaces with furnace air handlers, an electricity ratio of not more
1486 than 2.0, except air handlers for oil furnaces with a capacity of less than
1487 ninety-four thousand BTUs per hour shall have an electricity ratio of
1488 2.3 or less;

1489 (K) On or after January 1, 2010, metal halide lamp fixtures designed
1490 to be operated with lamps rated greater than or equal to one hundred
1491 fifty watts but less than or equal to five hundred watts shall not
1492 contain a probe-start metal halide lamp ballast;

1493 (L) Single-voltage external AC to DC power supplies manufactured
1494 on or after January 1, 2008, shall meet the energy efficiency standards
1495 of table U-1 of section 1605.3 of the January 2006 California Code of
1496 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1497 Efficiency Regulations. This standard applies to single voltage AC to
1498 DC power supplies that are sold individually and to those that are sold
1499 as a component of or in conjunction with another product. This
1500 standard shall not apply to single voltage external AC to DC power
1501 supplies sold with products subject to certification by the United States
1502 Food and Drug Administration. A single-voltage external AC to DC
1503 power supply that is made available by a manufacturer directly to a
1504 consumer or to a service or repair facility after and separate from the
1505 original sale of the product requiring the power supply as a service
1506 part or spare part shall not be required to meet the standards in said
1507 table U-1 until five years after the effective dates indicated in the table;

1508 (M) On or after January 1, 2009, state regulated incandescent
1509 reflector lamps shall be manufactured to meet the minimum average
1510 lamp efficacy requirements for federally-regulated incandescent
1511 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
1512 indicate the date of manufacture;

1513 (N) On or after January 1, 2009, bottle-type water dispensers,
1514 commercial hot food holding cabinets, portable electric spas, walk-in
1515 refrigerators and walk-in freezers shall meet the efficiency
1516 requirements of section 1605.3 of the January 2006 California Code of
1517 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1518 Efficiency Regulations. On or after January 1, 2010, residential pool
1519 pumps shall meet said efficiency requirements;

1520 (O) On or after January 1, 2009, pool heaters shall meet the

1521 efficiency requirements of sections 1605.1 and 1605.3 of the January
1522 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
1523 Article 4: Appliance Efficiency Regulations.

1524 (2) Such efficiency standards, where in conflict with the State
1525 Building Code, shall take precedence over the standards contained in
1526 the Building Code. Not later than July 1, 2007, and biennially
1527 thereafter, the office, in consultation with the Department of Public
1528 Utility Control, shall review and increase the level of such efficiency
1529 standards by adopting regulations in accordance with the provisions
1530 of chapter 54 upon a determination that increased efficiency standards
1531 would serve to promote energy conservation in the state and would be
1532 cost-effective for consumers who purchase and use such new products,
1533 provided no such increased efficiency standards shall become effective
1534 within one year following the adoption of any amended regulations
1535 providing for such increased efficiency standards.

1536 (3) The office, in consultation with the Department of Public Utility
1537 Control, shall adopt regulations, in accordance with the provisions of
1538 chapter 54, to designate additional products to be subject to the
1539 provisions of this section and to establish efficiency standards for such
1540 products upon a determination that such efficiency standards (A)
1541 would serve to promote energy conservation in the state, (B) would be
1542 cost-effective for consumers who purchase and use such new products,
1543 and (C) that multiple products are available which meet such
1544 standards, provided no such efficiency standards shall become
1545 effective within one year following their adoption pursuant to this
1546 subdivision.

1547 Sec. 34. Section 16-245z of the general statutes is repealed and the
1548 following is substituted in lieu thereof (*Effective October 1, 2009*):

1549 [Not later than October 1, 2005, the Department of Public Utility
1550 Control] The Connecticut Electric Authority and the Energy
1551 Conservation Management Board, established in section 16-245m, shall
1552 establish links on their Internet web sites to the Energy Star program

1553 or successor program that promotes energy efficiency and each electric
1554 distribution company shall establish a link under its conservation
1555 programs on its Internet web site to the Energy Star program or such
1556 successor program.

1557 Sec. 35. Section 16-246e of the general statutes is repealed and the
1558 following is substituted in lieu thereof (*Effective October 1, 2009*):

1559 (a) The Governor may designate the [Department of Public Utility
1560 Control] Connecticut Electric Authority as the agent of the state,
1561 subject only to the limitation under subsection (b) of this section, to
1562 conduct negotiations and perform all acts necessary to procure electric
1563 power capacity, power output from such capacity or both from any
1564 out-of-state electric power producer, to transmit it to within the state
1565 and to sell or resell it on a nonprofit basis for distribution within the
1566 state to electric companies, as defined in section 16-1, municipal
1567 electric utilities established under chapter 101, municipal electric
1568 energy cooperatives organized under chapter 101a, membership
1569 electric cooperatives organized under chapter 597 and such other
1570 persons or entities as may be designated by the [governor] Governor.
1571 The [department] authority, if designated as such agent, shall arrange
1572 for the sale or resale of such power on an equitable basis and in such
1573 manner as it finds will most effectively promote the objectives of this
1574 title, chapters 101, 101a and 597, and section 16a-35k, subject to any
1575 conditions or limitations imposed by the out-of-state electric power
1576 producer selling such power. The [department] authority, if so
1577 designated, may also enter into any contracts or other arrangements
1578 for the sale or resale of such power for transmission outside the state if
1579 such sale or resale is reasonably incidental to and furthers the needs of
1580 the state and the purposes of this section.

1581 (b) The [department] authority shall submit any final action it takes
1582 under subsection (a) of this section to the Governor, who may, not later
1583 than sixty days after such submission, disapprove such action by
1584 notifying the [department] authority in writing of such disapproval

1585 and the reasons for it.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	4-5
Sec. 2	<i>October 1, 2009</i>	New section
Sec. 3	<i>October 1, 2009</i>	16-245m
Sec. 4	<i>October 1, 2009</i>	16-245l
Sec. 5	<i>October 1, 2009</i>	New section
Sec. 6	<i>October 1, 2009</i>	New section
Sec. 7	<i>October 1, 2009</i>	New section
Sec. 8	<i>October 1, 2009</i>	New section
Sec. 9	<i>October 1, 2009</i>	New section
Sec. 10	<i>October 1, 2009</i>	New section
Sec. 11	<i>October 1, 2009</i>	16-244c(c)
Sec. 12	<i>October 1, 2009</i>	New section
Sec. 13	<i>October 1, 2009</i>	New section
Sec. 14	<i>October 1, 2009</i>	16-4
Sec. 15	<i>October 1, 2009</i>	16-19ss(a)
Sec. 16	<i>October 1, 2009</i>	16a-3(a)
Sec. 17	<i>October 1, 2009</i>	22a-198(f)
Sec. 18	<i>October 1, 2009</i>	New section
Sec. 19	<i>October 1, 2009</i>	New section
Sec. 20	<i>October 1, 2009</i>	4-65a(a)
Sec. 21	<i>October 1, 2009</i>	4a-57(e)(2)
Sec. 22	<i>October 1, 2009</i>	8-37jj
Sec. 23	<i>October 1, 2009</i>	13a-110a(f)
Sec. 24	<i>October 1, 2009</i>	16-19e
Sec. 25	<i>October 1, 2009</i>	16-243k
Sec. 26	<i>October 1, 2009</i>	16-243m(m)
Sec. 27	<i>October 1, 2009</i>	16-244d(b)
Sec. 28	<i>October 1, 2009</i>	16-262c(b)(5)
Sec. 29	<i>October 1, 2009</i>	16a-37f
Sec. 30	<i>October 1, 2009</i>	16a-39
Sec. 31	<i>October 1, 2009</i>	16a-46a
Sec. 32	<i>October 1, 2009</i>	16a-46c
Sec. 33	<i>October 1, 2009</i>	16a-48(d)
Sec. 34	<i>October 1, 2009</i>	16-245z
Sec. 35	<i>October 1, 2009</i>	16-246e

Statement of Purpose:

To establish the Connecticut Electric Authority to coordinate the state's electricity needs and conservation efforts.

[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.]