



General Assembly

February Session, 2010

Raised Bill No. 5505

LCO No. 2271

02271_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING ELECTRIC RATE RELIEF.

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

1 Section 1. (NEW) (*Effective from passage*) (a) On or before June 30,
2 2011, the Department of Public Utility Control shall conduct a
3 proceeding regarding development of discounted rates for service
4 provided by gas and electric distribution companies, as defined in
5 section 16-1 of the general statutes, to low-income customers. Such
6 proceeding shall include, but not be limited to, review of the current
7 and future availability of rate discounts for individuals who receive
8 means-tested assistance administered by the state or federal
9 governments through the electricity purchasing pool operated by the
10 Office of Policy and Management pursuant to section 16a-14e of the
11 general statutes, energy assistance benefits available through any plan
12 adopted pursuant to section 16a-41a of the general statutes, as
13 amended by this act, state funded or administered programs,
14 conservation assistance available pursuant to section 16-32f or 16-245m
15 of the general statutes, assistance funded or administered by the
16 Department of Social Services or the Office of Policy and Management,
17 renewable energy resource assistance available pursuant to section 16-

18 245n of the general statutes, or matching payment program benefits
19 available pursuant to subsection (b) of section 16-262c of the general
20 statutes. The Department of Public Utility Control shall (1) coordinate
21 resources and programs, to the extent practicable; (2) develop rates
22 that take into account the indigency of persons of poverty status and
23 allow such persons' households to meet the costs of essential energy
24 needs; (3) require the households to agree to have a home energy audit
25 as a prerequisite to qualification; and (4) prepare an analysis of the
26 benefits and anticipated costs of such discounted rates.

27 (b) The Department of Public Utility Control shall order (1) filing by
28 each gas or electric company of proposed rates consistent with the
29 department's decision pursuant to subsection (a) of this section not
30 later than sixty days after its issuance, and (2) appropriate modification
31 of existing low-income programs, including the matching payment
32 program. Each company shall conduct outreach to make its low-
33 income discounted rates available to eligible customers and report to
34 the Department of Public Utility Control at least annually regarding its
35 outreach activities and the results of such activities.

36 (c) The cost of discounted rates and related outreach activities
37 pursuant to this section shall be included in the rates charged to all
38 other customers as follows: (1) An electric distribution company shall
39 recover such costs on a semiannual basis through the systems benefits
40 charge, and (2) a gas company shall recover such costs on a
41 semiannual basis through a public benefits charge developed and
42 approved by the Department of Public Utility Control.

43 (d) On or before July 1, 2012, the Department of Public Utility
44 Control shall report, in accordance with section 11-4a of the general
45 statutes, to the joint standing committee of the General Assembly
46 having cognizance of matters relating to energy regarding the benefits
47 and costs of the discounted rates established pursuant to subsection (a)
48 of this section and any recommended modifications.

49 (e) The Department of Public Utility Control shall adopt regulations,

50 in accordance with the provisions of chapter 54 of the general statutes,
51 to implement the provisions of this section.

52 Sec. 2. (NEW) (*Effective July 1, 2010*) On and after October 1, 2010,
53 the Department of Public Utility Control shall assess or cause to be
54 assessed a charge per kilowatt hour of electricity sold to each end use
55 customer of an electric supplier, as defined in section 16-1 of the
56 general statutes, to be used by the department to expand its
57 educational programs. Such expansion of programs shall emphasize
58 how in-state businesses can operate successfully as consumers in the
59 competitive market. The department shall initiate a proceeding to
60 determine the amount of the per kilowatt hour charge to be assessed
61 pursuant to this section.

62 Sec. 3. (*Effective July 1, 2010*) The Connecticut Energy Advisory
63 Board shall conduct a study on (1) the statutory restrictions on nuclear
64 power generation plants, and (2) notwithstanding such restrictions, the
65 costs and benefits of developing new nuclear power generation plants
66 in the state. On or before January 1, 2011, the board shall report the
67 findings of such study to the joint standing committee of the General
68 Assembly having cognizance of matters relating to energy.

69 Sec. 4. Section 4-5 of the 2010 supplement to the general statutes is
70 repealed and the following is substituted in lieu thereof (*Effective*
71 *October 1, 2010*):

72 As used in sections 4-6, 4-7 and 4-8, the term "department head"
73 means Secretary of the Office of Policy and Management,
74 Commissioner of Administrative Services, Commissioner of Revenue
75 Services, Banking Commissioner, Commissioner of Children and
76 Families, Commissioner of Consumer Protection, Commissioner of
77 Correction, Commissioner of Economic and Community Development,
78 State Board of Education, Commissioner of Emergency Management
79 and Homeland Security, Commissioner of Environmental Protection,
80 Commissioner of Agriculture, Commissioner of Public Health,
81 Insurance Commissioner, Labor Commissioner, Liquor Control

82 Commission, Commissioner of Mental Health and Addiction Services,
83 Commissioner of Public Safety, Commissioner of Social Services,
84 Commissioner of Developmental Services, Commissioner of Motor
85 Vehicles, Commissioner of Transportation, Commissioner of Public
86 Works, Commissioner of Veterans' Affairs, Chief Information Officer,
87 the chairperson of the Public Utilities Control Authority, the executive
88 director of the Board of Education and Services for the Blind, the
89 chairperson of the Connecticut Electric Authority, the executive
90 director of the Connecticut Commission on Culture and Tourism, and
91 the executive director of the Office of Military Affairs. As used in
92 sections 4-6 and 4-7, "department head" also means the Commissioner
93 of Education.

94 Sec. 5. Section 1-120 of the general statutes is repealed and the
95 following is substituted in lieu thereof (*Effective October 1, 2010*):

96 As used in sections 1-120 to 1-123, inclusive:

97 (1) "Quasi-public agency" means the Connecticut Development
98 Authority, Connecticut Innovations, Incorporated, Connecticut Health
99 and Educational Facilities Authority, Connecticut Higher Education
100 Supplemental Loan Authority, Connecticut Housing Finance
101 Authority, Connecticut Housing Authority, Connecticut Resources
102 Recovery Authority, Capital City Economic Development Authority,
103 the Connecticut Electric Authority and Connecticut Lottery
104 Corporation.

105 (2) "Procedure" means each statement, by a quasi-public agency, of
106 general applicability, without regard to its designation, that
107 implements, interprets or prescribes law or policy, or describes the
108 organization or procedure of any such agency. The term includes the
109 amendment or repeal of a prior regulation, but does not include,
110 unless otherwise provided by any provision of the general statutes, (A)
111 statements concerning only the internal management of any agency
112 and not affecting procedures available to the public, and (B) intra-
113 agency memoranda.

114 (3) "Proposed procedure" means a proposal by a quasi-public
115 agency under the provisions of section 1-121 for a new procedure or
116 for a change in, addition to or repeal of an existing procedure.

117 Sec. 6. Subsection (l) of section 1-79 of the general statutes is
118 repealed and the following is substituted in lieu thereof (*Effective*
119 *October 1, 2010*):

120 (l) "Quasi-public agency" means the Connecticut Development
121 Authority, Connecticut Innovations, Incorporated, Connecticut Health
122 and Education Facilities Authority, Connecticut Higher Education
123 Supplemental Loan Authority, Connecticut Housing Finance
124 Authority, Connecticut Housing Authority, Connecticut Resources
125 Recovery Authority, Lower Fairfield County Convention Center
126 Authority, Capital City Economic Development Authority, the
127 Connecticut Electric Authority and Connecticut Lottery Corporation.

128 Sec. 7. (NEW) (*Effective October 1, 2010*) (a) There is hereby created as
129 a body politic and corporate, constituting a public instrumentality and
130 political subdivision of the state created for the performance of an
131 essential public and governmental function, the Connecticut Electric
132 Authority, which is empowered to carry out the purposes of the
133 authority, as defined in this section, which are hereby determined to be
134 public purposes for which public funds may be expended. The
135 Connecticut Electric Authority shall not be construed to be a
136 department, institution or agency of the state. The Connecticut Electric
137 Authority, which shall consist of seven members as follows: (1) One
138 with experience in electricity regulation, appointed by the president
139 pro tempore of the Senate; (2) one with experience in electricity
140 generation appointed by the speaker of the House of Representatives;
141 (3) two with experience in electricity consumer issues, one each
142 appointed by the majority leaders of the Senate and the House of
143 Representatives; (4) two with experience in electricity conservation
144 issues, one each appointed by the minority leaders of the Senate and
145 the House of Representatives; and (5) the chairperson appointed by the

146 Governor pursuant to section 4-7 of the general statutes. The members
147 appointed pursuant to subdivisions (1) to (4), inclusive, of this
148 subsection shall serve two-year terms coterminous with the term of the
149 appointing authority. The chairperson of the Connecticut Electric
150 Authority shall serve a four-year term, coterminous with the
151 Governor's term, or, if said chairperson is appointed during the
152 Governor's term, the appointment shall be for the remainder of the
153 Governor's term.

154 (b) The Connecticut Electric Authority shall, in accordance with the
155 comprehensive plan approved pursuant to section 16a-3a of the
156 general statutes, (1) increase the state's energy independence by
157 promoting conservation and efficiency and the use of diverse
158 indigenous and regional electric resources; (2) encourage the use of
159 new electric technologies, particularly technologies that support
160 economic development in the state and promote environmental
161 sustainability; (3) minimize costs of electric services to state consumers
162 while maintaining reliable service; (4) discourage undue price
163 volatility of electric service; and (5) encourage competition, when in
164 the interests of state consumers. The authority may own and operate
165 electric power plants and may provide financial assistance, including
166 low-interest loans to encourage the development of necessary electric
167 generation facilities by the electric distribution companies or private
168 entities, provided electricity generated at such facilities shall be sold
169 through the electric distribution companies or the Connecticut
170 Municipal Electric Energy Cooperative for use by Connecticut
171 consumers at cost of service with a reasonable rate of return, as
172 determined by the Department of Public Utility Control. The authority
173 may enter into contracts with electricity generators, suppliers and such
174 other persons as necessary to carry out the purposes of this section.

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

179 (d) The authority may negotiate contracts with electricity generators
180 for the provision of electric generation services offered pursuant to
181 subsection (c) of section 16-244c of the general statutes, as amended by
182 this act. Such negotiation may be in connection with the provision of
183 financing or other assistance to an electricity generation services
184 supplier for the construction or reconstruction of a generation facility.
185 Such contracts shall be in the best interests of ratepayers and shall offer
186 a reduction in electricity costs to those consumers receiving electric
187 generation services pursuant to said subsection. The Department of
188 Public Utility Control, in consultation with the electric distribution
189 companies, shall review such contracts and shall approve a contract if
190 the department determines that such contract is consistent with the
191 principles of section 16-19e of the general statutes, as amended by this
192 act, and in the best interests of ratepayers and reduces electricity costs
193 to those consumers receiving electric generation services pursuant to
194 said subsection (c). Upon the department's approval, an electric
195 distribution company shall enter into such contract with the approved
196 electric generation services supplier.

197 Sec. 8. Section 16a-3b of the general statutes is repealed and the
198 following is substituted in lieu thereof (*Effective October 1, 2010*):

199 (a) The [Department of Public Utility Control] Connecticut Electric
200 Authority shall oversee the implementation of the procurement plan
201 approved by the Department of Public Utility Control pursuant to
202 section 16a-3a. The electric distribution companies shall implement the
203 demand-side measures, including, but not limited to, energy
204 efficiency, load management, demand response, combined heat and
205 power facilities, distributed generation and other emerging energy
206 technologies, specified in said procurement plan through the
207 comprehensive conservation and load management plan prepared
208 pursuant to section 16-245m for review by the Energy Conservation
209 Management Board. The electric distribution companies shall submit
210 proposals to appropriate regulatory agencies to address transmission
211 and distribution upgrades as specified in said procurement plan.

212 (b) If the procurement plan specifies the construction of a generating
213 facility, the [department] Connecticut Electric Authority shall develop
214 and issue a request for proposals, shall publish such request for
215 proposals in one or more newspapers or periodicals, as selected by the
216 [department] Connecticut Electric Authority, and shall post such
217 request for proposals on its web site. Pursuant to a nondisclosure
218 agreement, the [department] Connecticut Electric Authority shall make
219 available to the Office of Consumer Counsel and the Attorney General
220 all confidential bid information it receives pursuant to this subsection,
221 provided the bids and any analysis of such bids shall not be subject to
222 disclosure under the Freedom of Information Act. Three months after
223 the [department] Connecticut Electric Authority issues a final decision,
224 it shall make available all financial bid information, provided such
225 information regarding the bidders not selected be presented in a
226 manner that conceals the identities of such bidders.

227 (1) On and after July 1, 2008, an electric distribution company may
228 submit proposals in response to a request for proposals on the same
229 basis as other respondents to the solicitation. A proposal submitted by
230 an electric distribution company shall include its full projected costs
231 such that any project costs recovered from or defrayed by ratepayers
232 are included in the projected costs. An electric distribution company
233 submitting any such bid shall demonstrate to the satisfaction of the
234 [department] Connecticut Electric Authority that its bid is not
235 supported in any form of cross subsidization by affiliated entities. If
236 the [department] Connecticut Electric Authority approves such electric
237 distribution company's proposal, the costs and revenues of such
238 proposal shall not be included in calculating such company's earning
239 for purposes of, or in determining whether its rates are just and
240 reasonable under, sections 16-19, 16-19a and 16-19e, as amended by
241 this act. An electric distribution company shall not recover more than
242 the full costs identified in any approved proposal. Affiliates of the
243 electric distribution company may submit proposals pursuant to
244 section 16-244h, regulations adopted pursuant to section 16-244h and
245 other requirements the [department] Connecticut Electric Authority

246 may impose.

247 (2) If the [department] Connecticut Electric Authority selects a
248 nonelectric distribution company proposal, an electric distribution
249 company shall, within thirty days of the selection of a proposal by the
250 [department] Connecticut Electric Authority, negotiate in good faith
251 the final terms of a contract with a generating facility and shall apply
252 to the [department] Connecticut Electric Authority for approval of
253 such contract. Upon [department] Connecticut Electric Authority
254 approval, the electric distribution company shall enter into such
255 contract.

256 (3) The [department] Connecticut Electric Authority shall determine
257 the appropriate manner of cost recovery for proposals selected
258 pursuant to this section.

259 (4) The [department] Connecticut Electric Authority may retain the
260 services of a third-party entity with expertise in the area of energy
261 procurement to oversee the development of the request for proposals
262 and to assist the [department] Connecticut Electric Authority in its
263 approval of proposals pursuant to this section. The reasonable and
264 proper expenses for retaining such third-party entity shall be
265 recoverable through the generation services charge.

266 (c) The electric distribution companies shall issue requests for
267 proposals to acquire any other resource needs not identified in
268 subsection (a) or (b) of this section but specified in the procurement
269 plan approved by the Department of Public Utility Control pursuant to
270 section 16a-3a. Such requests for proposals shall be subject to approval
271 by the [department] Connecticut Electric Authority.

272 Sec. 9. Section 16a-3c of the general statutes is repealed and the
273 following is substituted in lieu thereof (*Effective October 1, 2010*):

274 (a) On and after July 1, 2009, if the [Department of Public Utility
275 Control] Connecticut Electric Authority does not receive and approve

276 proposals pursuant to the requests for proposals processes, pursuant
277 to section 16a-3b, as amended by this act, sufficient to reach the goal
278 set by the plan approved pursuant to section 16a-3a, the [department]
279 Connecticut Electric Authority may order an electric distribution
280 company to submit for the [department's] Connecticut Electric
281 Authority's review [in a contested case proceeding, in accordance with
282 chapter 54,] a proposal to build and operate an electric generation
283 facility in the state. An electric distribution company shall be eligible to
284 recover its prudently incurred costs consistent with the principles set
285 forth in section 16-19e, as amended by this act, for any generation
286 project approved pursuant to this section.

287 (b) On or before January 1, 2008, the [department] Connecticut
288 Electric Authority shall initiate a contested case proceeding to
289 determine the costs and benefits of the state serving as the builder of
290 last resort for the shortfall of megawatts from said request for proposal
291 process.

292 Sec. 10. Section 16-245l of the general statutes is repealed and the
293 following is substituted in lieu thereof (*Effective October 1, 2010*):

294 (a) The Department of Public Utility Control, in consultation with
295 the Connecticut Electric Authority, shall establish and each electric
296 distribution company shall collect a systems benefits charge to be
297 imposed against all end use customers of each electric distribution
298 company beginning January 1, 2000. The department shall hold a
299 hearing that shall be conducted as a contested case in accordance with
300 chapter 54 to establish the amount of the systems benefits charge. The
301 department may revise the systems benefits charge or any element of
302 said charge as the need arises. The systems benefits charge shall be
303 used to fund (1) the expenses of the public education outreach
304 program developed under subsections (a), (f) and (g) of section 16-
305 244d other than expenses for department staff, (2) the reasonable and
306 proper expenses of the education outreach consultant pursuant to
307 subsection (d) of section 16-244d, (3) the cost of hardship protection

308 measures under sections 16-262c and 16-262d and other hardship
309 protections, including, but not limited to, electric service bill payment
310 programs, funding and technical support for energy assistance, fuel
311 bank and weatherization programs and weatherization services, (4) the
312 payment program to offset tax losses described in section 12-94d, (5)
313 any sums paid to a resource recovery authority pursuant to subsection
314 (b) of section 16-243e, (6) low income conservation programs approved
315 by the Department of Public Utility Control, (7) displaced worker
316 protection costs, (8) unfunded storage and disposal costs for spent
317 nuclear fuel generated before January 1, 2000, approved by the
318 appropriate regulatory agencies, (9) postretirement safe shutdown and
319 site protection costs that are incurred in preparation for
320 decommissioning, (10) decommissioning fund contributions, (11) the
321 costs of temporary electric generation facilities incurred pursuant to
322 section 16-19ss, (12) operating expenses for the Connecticut Electric
323 Authority and the Connecticut Energy Advisory Board, (13) costs
324 associated with the Connecticut electric efficiency partner program
325 established pursuant to section 16-243v, (14) reinvestments and
326 investments in energy efficiency programs and technologies pursuant
327 to section 16a-38l, as amended by this act, costs associated with the
328 electricity conservation incentive program established pursuant to
329 section 119 of public act 07-242, and (15) legal, appraisal and purchase
330 costs of a conservation or land use restriction and other related costs as
331 the department in its discretion deems appropriate, incurred by a
332 municipality on or before January 1, 2000, to ensure the environmental,
333 recreational and scenic preservation of any reservoir located within
334 this state created by a pump storage hydroelectric generating facility.
335 As used in this subsection, "displaced worker protection costs" means
336 the reasonable costs incurred, prior to January 1, 2008, (A) by an
337 electric supplier, exempt wholesale generator, electric company, an
338 operator of a nuclear power generating facility in this state or a
339 generation entity or affiliate arising from the dislocation of any
340 employee other than an officer, provided such dislocation is a result of
341 (i) restructuring of the electric generation market and such dislocation

342 occurs on or after July 1, 1998, or (ii) the closing of a Title IV source or
343 an exempt wholesale generator, as defined in 15 USC 79z-5a, on or
344 after January 1, 2004, as a result of such source's failure to meet
345 requirements imposed as a result of sections 22a-197 and 22a-198, as
346 amended by this act, and this section or those Regulations of
347 Connecticut State Agencies adopted by the Department of
348 Environmental Protection, as amended from time to time, in
349 accordance with Executive Order Number 19, issued on May 17, 2000,
350 and provided further such costs result from either the execution of
351 agreements reached through collective bargaining for union
352 employees or from the company's or entity's or affiliate's programs
353 and policies for nonunion employees, and (B) by an electric
354 distribution company or an exempt wholesale generator arising from
355 the retraining of a former employee of an unaffiliated exempt
356 wholesale generator, which employee was involuntarily dislocated on
357 or after January 1, 2004, from such wholesale generator, except for
358 cause. "Displaced worker protection costs" includes costs incurred or
359 projected for severance, retraining, early retirement, outplacement,
360 coverage for surviving spouse insurance benefits and related expenses.
361 "Displaced worker protection costs" does not include those costs
362 included in determining a tax credit pursuant to section 12-217bb.

363 (b) The amount of the systems benefits charge shall be determined
364 by the department in a general and equitable manner and shall be
365 imposed on all end use customers of each electric distribution
366 company at a rate that is applied equally to all customers of the same
367 class in accordance with methods of allocation in effect on July 1, 1998,
368 provided the system benefits charge shall not be imposed on
369 customers receiving services under a special contract which is in effect
370 on July 1, 1998, until such special contracts expire. The system benefits
371 charge shall be imposed beginning on January 1, 2000, on all customers
372 receiving services under a special contract which are entered into or
373 renewed after July 1, 1998. The systems benefits charge shall have a
374 generally applicable manner of determination that may be measured
375 on the basis of percentages of total costs of retail sales of generation

376 services. The systems benefits charge shall be payable on an equal
377 basis on the same payment terms and shall be eligible or subject to
378 prepayment on an equal basis. Any exemption of the systems benefits
379 charge by customers under a special contract shall not result in an
380 increase in rates to any customer.

381 Sec. 11. (NEW) (*Effective October 1, 2011*) (a) Subject to the approval
382 of the State Bond Commission established pursuant to section 3-20 of
383 the general statutes, the authority may borrow money and issue bonds
384 and notes from time to time and use the proceeds thereof for the
385 purposes of implementing the provisions of the comprehensive plan
386 approved pursuant to section 16a-3a of the general statutes. All such
387 bonds issued by the authority, secured by a special capital reserve
388 fund within the meaning of subsection (b) of section 15 of this act, shall
389 be general obligations of the authority payable out of any revenues or
390 other receipts, funds or moneys of the authority, subject only to any
391 agreements with the holders of particular notes or bonds pledging any
392 particular revenues, receipts, funds or moneys, provided the authority
393 may issue general obligation bonds of the authority without the
394 security of a special capital reserve fund. Any other such bonds or
395 notes not issued in anticipation of the issuance of bonds referred to in
396 the preceding sentence shall be special obligations of the authority
397 payable solely out of any revenues or other receipts, funds or moneys
398 of the authority pledged therefore. All such notes and bonds may be
399 executed and delivered in such manner and at such times, in such form
400 and denominations and of such tenor and maturity or maturities, in
401 bearer or registered form, as to principal and interest or as to principal
402 alone, may be payable at such time or times not exceeding forty years
403 from the date thereof, may be payable at such place or places whether
404 within or without the state, may bear interest at such rate or rates
405 payable at such time or times and at such place or places and
406 evidenced in such manner, and may contain such provisions not
407 inconsistent with sections 11 to 16, inclusive, of this act, as shall be
408 provided in the resolution of the authority authorizing the issuance of
409 the bonds and notes.

410 (b) Issuance by the authority of one or more series of bonds or notes
411 for one or more purposes shall not preclude it from issuing other
412 bonds or notes in connection with the same project or any other
413 projects, but the proceeding wherein any subsequent bonds or notes
414 may be issued shall recognize and protect any prior pledge or
415 mortgage made for any prior issue of bonds or notes unless in the
416 resolution authorizing such prior issue the right is reserved to issue
417 subsequent bonds on a parity with such prior issue.

418 (c) Subject to the approval of the State Bond Commission
419 established pursuant to section 3-20 of the general statutes, any bonds
420 or notes of the authority may be sold at such price or prices, at public
421 or private sale, in such manner and from time to time as may be
422 determined by the authority, and the authority may pay all expenses,
423 premiums and commissions it may deem necessary or advantageous
424 in connection with the issuance and sale thereof; and any moneys of
425 the authority, including proceeds from the sale of any bonds and
426 notes, and revenues, receipts and income from any of its projects, may
427 be invested and reinvested in such obligations, securities and other
428 investments, including time deposits or certificates of deposit, or
429 deposited or redeposited in such bank or banks as shall be provided in
430 the resolution or resolutions authorizing the issuance of the bonds and
431 notes.

432 (d) The authority may issue its bonds for the purpose of refunding
433 any bonds of the authority then outstanding, including the payment of
434 any redemption premium thereon and any interest accrued or to
435 accrue to the earliest or subsequent date of redemption, purchase or
436 maturity of such bonds, and, if deemed advisable by the authority, for
437 the additional purpose of paying all or any part of the cost of
438 constructing and acquiring additions, improvements, extensions or
439 enlargements of a project or any portion thereof. The proceeds of any
440 such bonds issued for the purpose of refunding outstanding bonds
441 may, in the discretion of the authority, be applied to the purchase or
442 retirement at maturity or redemption of such outstanding bonds either

443 on their earliest or any subsequent redemption date, and may, pending
444 such application, be placed in escrow to be applied to such purchase or
445 retirement at maturity or redemption on such date as may be
446 determined by the authority.

447 (e) Whether or not the bonds or notes are of such form and character
448 as to be negotiable instruments under article 8 of title 42a of the
449 general statutes, the bonds or notes shall be and are hereby made
450 negotiable instruments within the meaning of and for all the purposes
451 of article 8 of said title 42a, subject only to the provisions of the bonds
452 or notes for registration.

453 (f) The principal of and interest on bonds or notes issued by the
454 authority may be secured by a pledge of any revenues and receipts of
455 the authority derived from any project and may be additionally
456 secured by a mortgage or deed of trust covering all or any part of a
457 project, including any additions, improvements, extensions to or
458 enlargements of any projects thereafter made. Such bonds or notes
459 may also be secured by a pledge or assignment of a loan agreement,
460 conditional sale agreement or agreement of sale or by an assignment of
461 the lease of any project for the construction and acquisition of which
462 said bonds or notes are issued and by an assignment of the revenues
463 and receipts derived by the authority from such project. The payments
464 of principal and interest on such bonds or notes may be additionally
465 secured by a pledge of any other property, revenues, moneys or funds
466 available to the authority for such purpose. The resolution authorizing
467 the issuance of any such bonds or notes and any such mortgage or
468 deed of trust or lease or loan agreement, conditional sale agreement or
469 agreement of sale or credit agreement may contain agreements and
470 provisions respecting the establishment of reserves to secure such
471 bonds or notes, the maintenance and insurance of the projects covered
472 thereby, the fixing and collection of rents for any portion thereof leased
473 by the authority to others or the sums to be paid under any conditional
474 sale agreement or agreement of sale entered into by the authority with
475 others, the creation and maintenance of special funds from such

476 revenues and the rights and remedies available in the event of default,
477 the vesting in a trustee or trustees of such property, rights, powers and
478 duties in trust as the authority may determine, which may include any
479 or all of the rights, powers and duties of any trustee appointed by the
480 holders of any bonds and notes and limiting or abrogating the right of
481 the holders of any bonds and notes of the authority to appoint a trustee
482 under the provisions of sections 11 to 16, inclusive, of this act, or
483 limiting the rights, powers and duties of such trustee; provision for a
484 trust agreement by and between the authority and a corporate trust
485 which may be any trust company or bank having the powers of a trust
486 company within or without the state, which agreement may provide
487 for the pledging or assigning of any revenues or assets or income from
488 assets to which or in which the authority has any rights or interest, and
489 may further provide for such other rights and remedies exercisable by
490 the trustee as may be proper for the protection of the holders of any
491 bonds or notes and not otherwise in violation of law, and such
492 agreement may provide for the restriction of the rights of any
493 individual holder of bonds or notes of the authority and may contain
494 any further provisions which are reasonable to delineate further the
495 respective rights, duties, safeguards, responsibilities and liabilities of
496 the authority; persons and collective holders of bonds or notes of the
497 authority and the trustee; and covenants to do or refrain from doing
498 such acts and things as may be necessary or convenient or desirable in
499 order to better secure any bonds or notes of the authority, or which, in
500 the discretion of the authority, will tend to make any bonds or notes to
501 be issued more marketable notwithstanding that such covenants, acts
502 or things may not be enumerated herein; and any other matters of like
503 or different character, which in any way affect the security or
504 protection of the bonds or notes, all as the authority shall deem
505 advisable and not in conflict with the provisions hereof. Each pledge,
506 agreement, mortgage and deed of trust made for the benefit or security
507 of any of the bonds or notes of the authority shall be in effect until the
508 principal of and interest on the bonds or notes for the benefit of which
509 the same were made have been fully paid, or until provision has been

510 made for payment in the manner provided in the resolution or
511 resolutions authorizing their issuance. Any pledge made in respect of
512 such bonds or notes shall be valid and binding from the time when the
513 pledge is made; the revenues, money or property so pledged and
514 thereafter received by the authority shall immediately be subject to the
515 lien of such pledge without any physical delivery thereof or further
516 act; and the lien of any such pledge shall be valid and binding as
517 against all parties having claims of any kind in tort, contract or
518 otherwise against the authority irrespective of whether such parties
519 have notice thereof. Neither the resolution, trust indenture nor any
520 other instrument by which a pledge is created need be recorded. The
521 resolution authorizing the issuance of such bonds or notes may
522 provide for the enforcement of any such pledge or security in any
523 lawful manner. The authority may elect to have the provisions of title
524 42a of the general statutes, the Connecticut Uniform Commercial Code,
525 apply to any pledge made by or to the authority to secure its bonds or
526 notes by filing a financing statement with respect to the security
527 interest created by the pledge and, in such case, the financing
528 statement shall be filed as if the debtor were located in this state.

529 (g) The authority may provide in any resolution authorizing the
530 issuance of bonds or notes that any project or part thereof or any
531 addition, improvement, extension or enlargement thereof, may be
532 constructed by the authority or the lessee or any designee of the
533 authority, and may also provide in such proceedings for the time and
534 manner of and requisites for disbursements to be made for the cost of
535 such construction and disbursements as the authority shall deem
536 necessary or appropriate.

537 (h) The authority is further authorized and empowered to issue
538 bonds, notes or other obligations under this section, the interest on
539 which may be includable in the gross income of the holder or holders
540 thereof under the Internal Revenue Code of 1986, or any subsequent
541 corresponding internal revenue code of the United States, as from time
542 to time amended, to the same extent and in the same manner that

543 interest on bills, notes, bonds or other obligations of the United States
544 is includable in the gross income of the holder or holders thereof under
545 any such internal revenue code. Any such bonds, notes or other
546 obligations may be issued only upon a finding by the authority that
547 such issuance is necessary, is in the public interest, and is in
548 furtherance of the purposes and powers of the authority. The state
549 hereby consents to such inclusion only for the bonds, notes or other
550 obligations of the authority so authorized.

551 Sec. 12. (NEW) (*Effective October 1, 2011*) (a) Except as provided in
552 subsection (b) of this section, all moneys of the Connecticut Electric
553 Authority, from whatever source derived, shall be paid to the
554 Treasurer as agent of the authority, who shall not commingle such
555 moneys with any other moneys. The Treasurer shall deposit such
556 moneys in a separate bank account or accounts. The moneys in such
557 accounts shall be paid by checks signed by the Treasurer or the Deputy
558 Treasurer appointed pursuant to section 3-12 of the general statutes, on
559 requisition of the chairperson or of such other officer or employee of
560 the authority as the authority shall authorize to make such requisition.
561 Notwithstanding the foregoing, the authority shall have power, subject
562 to the approval of the Treasurer or the Deputy Treasurer appointed
563 pursuant to said section 3-12, to contract with the holders of any of its
564 bonds or notes, as to the custody, collection, securing, investment and
565 payment of any moneys of the authority, or of any moneys held in
566 trust or otherwise for the payment of bonds or notes, and to carry out
567 such contracts. All moneys received pursuant to the authority of
568 sections 11 to 16, inclusive, of this act whether as proceeds from the
569 sale of bonds or as revenues, receipts or income, shall be deemed to be
570 trust funds to be held and applied solely as provided in said sections
571 and in the resolutions authorizing the issuance of the bonds or notes.
572 Any officer with whom, or any bank or trust company with which,
573 such moneys shall be deposited as trustee thereof shall hold and apply
574 the same for the purposes thereof, subject to said provisions of the
575 authority and the resolution authorizing the issuance of bonds or notes
576 or the trust agreement securing such bonds or notes may provide.

577 (b) Any funds or revenues of the authority derived from application
578 fees, commitment fees or other fees or charges levied by the authority
579 in connection with its insurance and loan programs, any investment
580 income derived from funds held in trust or otherwise, which income is
581 not pledged to the payment of bonds or notes of the authority and any
582 other income of the authority from whatever source derived that is
583 available for the payment of authority expenses and any proceeds of
584 the foregoing shall be held, administered and invested by the authority
585 or deposited with and invested by such institution, trustee, fiduciary
586 or other custodian as may be designated by the authority and paid as
587 the authority shall direct.

588 Sec. 13. (NEW) (*Effective October 1, 2011*) The exercise of the powers
589 granted to the Connecticut Electric Authority in sections 11 to 16,
590 inclusive, of this act shall constitute the performance of an essential
591 governmental function and the authority shall not be required to pay
592 any taxes or assessments upon or in respect of a project, or any
593 property or moneys of the authority, levied by any municipality or
594 political subdivision or special district having taxing powers of the
595 state, nor shall the authority be required to pay state taxes of any kind,
596 and the authority, its projects, property and moneys and any bonds
597 and notes issued under the provisions of said sections, their transfer
598 and the income therefrom, including any profit made on the sale
599 thereof, shall at all times be free from taxation of every kind by the
600 state and by the municipalities and all other political subdivisions or
601 special districts having taxing powers of the state; provided any
602 person leasing a project from the authority shall pay to the
603 municipality, or other political subdivision or special district having
604 taxing powers, in which such project is located, a payment in lieu of
605 taxes which shall equal the taxes on real and personal property,
606 including water and sewer assessments, which such lessee would have
607 been required to pay had it been the owner of such property during
608 the period for which such payment is made and neither the authority
609 nor its projects, properties, money or bonds and notes shall be
610 obligated, liable or subject to lien of any kind for the enforcement,

611 collection or payment thereof. The sale of tangible personal property or
612 services by the authority is exempt from the sales tax under chapter
613 219 of the general statutes, and the storage, use or other consumption
614 in this state of tangible personal property or services purchased from
615 the authority is exempt from the use tax under said chapter 219. If and
616 to the extent the proceedings under which the bonds authorized to be
617 issued under the provisions of sections 11 to 16, inclusive, of this act so
618 provide, the authority may agree to cooperate with the lessee of a
619 project in connection with any administrative or judicial proceedings
620 for determining the validity or amount of such payments and may
621 agree to appoint or designate and reserve the right in and for such
622 lessee to take all action which the authority may lawfully take in
623 respect of such payments and all matters relating thereto, provided
624 such lessee shall bear and pay all costs and expenses of the authority
625 thereby incurred at the request of such lessee or by reason of any such
626 action taken by such lessee in behalf of the authority. Any lessee of a
627 project which has paid the amounts in lieu of taxes required by this
628 section to be paid shall not be required to pay any such taxes in which
629 a payment in lieu thereof has been made to the state or to any such
630 municipality or other political subdivision or special district having
631 taxing powers, any other statute to the contrary notwithstanding.

632 Sec. 14. (NEW) (*Effective October 1, 2011*) Bonds issued by the
633 Connecticut Electric Authority are hereby made securities in which all
634 public officers and public bodies of the state and its political
635 subdivisions, all insurance companies, credit unions, building and loan
636 associations, investment companies, savings banks, banking
637 associations, trust companies, executors, administrators, trustees and
638 other fiduciaries and pension, profit-sharing and retirement funds may
639 properly and legally invest funds, including capital in their control or
640 belonging to them. Such bonds are hereby made securities which may
641 properly and legally be deposited with and received by any state or
642 municipal officer or any agency or municipality of the state for any
643 purpose for which the deposit of bonds or obligations of the state is
644 now or may hereafter be authorized by law.

645 Sec. 15. (NEW) (*Effective October 1, 2011*) (a) Bonds or notes issued
646 by the Connecticut Electric Authority shall not be deemed to constitute
647 a debt or liability of the state or of any municipality thereof or a pledge
648 of the faith and credit of the state or of any such municipality and shall
649 not constitute bonds or notes issued or guaranteed by the state within
650 the meaning of section 3-21 of the general statutes, but shall be payable
651 solely from the revenues and funds herein provided for pursuant to
652 sections 11 to 16, inclusive, of this act. All such bonds or notes shall
653 contain on the face thereof a statement to the effect that neither the
654 state nor any municipality thereof other than the authority shall be
655 obligated to pay the same or the interest thereon and that neither the
656 faith and credit nor the taxing power of the state or of any municipality
657 is pledged to the payment of the principal of or the interest on such
658 bonds or notes.

659 (b) The authority may create and establish one or more reserve
660 funds to be known as special capital reserve funds and may pay into
661 such special capital reserve funds (1) any moneys appropriated and
662 made available by the state for the purposes of such funds, (2) any
663 proceeds of sale of notes or bonds, to the extent provided in the
664 resolution of the authority authorizing the issuance thereof, and (3)
665 any other moneys which may be made available to the authority for
666 the purpose of such funds from any other source or sources. The
667 moneys held in or credited to any special capital reserve fund
668 established under this section, except as hereinafter provided, shall be
669 used solely for the payment of the principal of bonds of the authority
670 secured by such special capital reserve fund as the same become due,
671 the purchase of such bonds of the authority, the payment of interest on
672 such bonds of the authority or the payment of any redemption
673 premium required to be paid when such bonds are redeemed before
674 maturity; provided the authority shall have power to provide that
675 moneys in any such fund shall not be withdrawn therefrom at any
676 time in such amount as would reduce the amount of such funds to less
677 than the maximum amount of principal and interest becoming due by
678 reason of maturity or a required sinking fund installment in the

679 succeeding calendar year on the bonds of the authority then
680 outstanding and secured by such special capital reserve fund or such
681 lesser amount specified by the authority in its resolution authorizing
682 the issuance of any such bonds, such amount being herein referred to
683 as the "required minimum capital reserve", except for the purpose of
684 paying such principal of, redemption premium and interest on such
685 bonds of the authority secured by such special capital reserve
686 becoming due and for the payment of which other moneys of the
687 authority are not available. The authority may provide that it shall not
688 issue bonds at any time if the required minimum capital reserve on the
689 bonds outstanding and the bonds then to be issued and secured by a
690 special capital reserve fund will exceed the amount of such special
691 capital reserve fund at the time of issuance, unless the authority, at the
692 time of the issuance of such bonds, shall deposit in such special capital
693 reserve fund from the proceeds of the bonds so to be issued, or
694 otherwise, an amount which, together with the amount then in such
695 special capital reserve fund, will be not less than the required
696 minimum capital reserve. On or before December first, annually, there
697 is deemed to be appropriated from the General Fund such sums, if
698 any, as shall be certified by the chairperson of the Connecticut Electric
699 Authority to the Secretary of the Office of Policy and Management and
700 State Treasurer, as necessary to restore each such special capital
701 reserve fund to the amount equal to the required minimum capital
702 reserve of such fund, and such amounts shall be allotted and paid to
703 the authority. For the purpose of evaluation of any such special capital
704 reserve fund, obligations acquired as an investment for any such fund
705 shall be valued at amortized cost. Nothing contained in this section
706 shall preclude the authority from establishing and creating other debt
707 service reserve funds in connection with the issuance of bonds or notes
708 of the authority. Subject to any agreement or agreements with holders
709 of outstanding notes and bonds of the authority, any amount or
710 amounts allotted and paid to the authority by the state pursuant to this
711 section shall be repaid to the state from moneys of the authority at
712 such time as such moneys are not required for any other of its

713 corporate purposes and in any event shall be repaid to the state on the
714 date one year after all bonds and notes of the authority theretofore
715 issued on the date or dates such amount or amounts are allotted and
716 paid to the authority or thereafter issued, together with interest on
717 such bonds and notes, with interest on any unpaid installments of
718 interest and all costs and expenses in connection with any action or
719 proceeding by or on behalf of the holders thereof, are fully met and
720 discharged. Notwithstanding any other provisions contained in said
721 sections, the aggregate amount of bonds secured by such special
722 capital reserve funds authorized to be created and established by this
723 section, shall not exceed four hundred fifty million dollars. Only
724 electric generation projects may be assisted or financed by such bonds
725 and the proceeds of such bonds shall not be used for such purpose
726 unless the authority is of the opinion and determines that the revenues
727 derived from the electric generation project or projects shall be
728 sufficient (A) to pay the applicable principal of and interest on the
729 bonds, the proceeds of which are used to finance the electric
730 generation project or projects, (B) to establish, increase and maintain
731 any reserves deemed by the authority to be advisable to secure the
732 payment of the principal of and interest on such bonds, (C) unless the
733 contract with a person obligates such person to pay for the
734 maintenance and insurance of the electric generation project, to pay the
735 cost of maintaining the electric generation project in good repair and
736 keeping it properly insured, and (D) to pay such other costs or taxes on
737 the electric generation project as may be required.

738 Sec. 16. (NEW) (*Effective October 1, 2011*) The state of Connecticut
739 does hereby pledge to and agree with the holders of any bonds and
740 notes issued under the provisions of sections 11 to 16, inclusive, of this
741 act, and with those parties who may enter into contracts with the
742 Connecticut Electric Authority or its successor agency, that the state
743 will not limit or alter the rights hereby vested in the authority until
744 such obligations, together with the interest thereon, are fully met and
745 discharged and such contracts are fully performed on the part of the
746 authority, provided nothing contained herein shall preclude such

747 limitation or alteration if and when adequate provision shall be made
748 by law for the protection of the holders of such bonds and notes of the
749 authority or those entering into such contracts with the authority. The
750 authority may include this pledge and undertaking for the state in
751 such bonds and notes or contracts.

752 Sec. 17. Subsection (c) of section 16-244c of the general statutes is
753 repealed and the following is substituted in lieu thereof (*Effective*
754 *October 1, 2010*):

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

761 (2) Not later than October 1, 2006, and periodically as required by
762 subdivision (3) of this subsection, but not more often than every
763 calendar quarter, the Department of Public Utility Control shall
764 establish the standard service price for such customers pursuant to
765 subdivision (3) of this subsection. Each electric distribution company
766 shall recover the actual net costs of procuring and providing electric
767 generation services pursuant to this subsection, provided such
768 company mitigates the costs it incurs for the procurement of electric
769 generation services for customers who are no longer receiving service
770 pursuant to this subsection.

771 (3) An electric distribution company providing electric generation
772 services pursuant to this subsection shall mitigate the variation of the
773 price of the service offered to its customers by procuring electric
774 generation services contracts in the manner prescribed in a plan
775 approved by the department. Such plan shall require the procurement
776 of a portfolio of service contracts sufficient to meet the projected load
777 of the electric distribution company. Such plan shall require that the
778 portfolio of service contracts be procured in an overlapping pattern of

779 fixed periods at such times and in such manner and duration as the
780 department determines to be most likely to produce just, reasonable
781 and reasonably stable retail rates while reflecting underlying
782 wholesale market prices over time. The portfolio of contracts shall be
783 assembled in such manner as to invite competition; guard against
784 favoritism, improvidence, extravagance, fraud and corruption; and
785 secure a reliable electricity supply while avoiding unusual, anomalous
786 or excessive pricing. The portfolio of contracts procured under such
787 plan shall be for terms of not less than a period not to exceed six
788 months [, provided contracts for shorter periods may be procured
789 under such conditions] as the department shall prescribe to (A) ensure
790 the lowest rates possible for end-use customers; (B) ensure reliable
791 service under extraordinary circumstances; and (C) ensure the prudent
792 management of the contract portfolio. An electric distribution
793 company may receive a bid for an electric generation services contract
794 from any of its generation entities or affiliates, provided such
795 generation entity or affiliate submits its bid the business day preceding
796 the first day on which an unaffiliated electric supplier may submit its
797 bid and further provided the electric distribution company and the
798 generation entity or affiliate are in compliance with the code of
799 conduct established in section 16-244h.

800 (4) On or before July 1, 2011, each electric distribution company
801 providing electric generation services pursuant to this subsection shall
802 file with the department a procurement plan that provides for a
803 transition from sole reliance on full requirements generation service
804 contracts for standard service supply to a procurement process in
805 which the distribution company manages a portfolio of electric
806 generation supply resources by January 1, 2013. Each electric
807 distribution company shall develop such portfolio in a manner that
808 mitigates the variation of the price of the service offered to the electric
809 distribution company's customers by blending short and mid-term
810 market purchases at prevailing market prices with long-term
811 purchases at prices aligned with the cost of electricity production. Such
812 plan shall specify the method for purchasing power for standard

813 service and the electric distribution companies may (A) procure load
814 following full requirements service contracts in a manner similar to
815 that pursuant to subdivision (3) of this subsection; (B) procure
816 individual electric supply components, including, but not limited to,
817 base load, intermediate and peaking energy resources, capacity and
818 other power supply services, using requests for proposals, bilateral
819 contracts outside the request for proposals process and the regional
820 power market; (C) procure physical and financial hedges to manage
821 prices, including, but not limited to, tolling arrangements and financial
822 transmission rights; and (D) manage the power supply portfolio with
823 purchases and sales of energy and other products in the spot market
824 and on a real-time basis, to balance purchases with load, and to
825 optimize supply for the benefit of customers. Such plan shall describe
826 how an electric distribution company shall, over time, transition to its
827 new supply aggregation role and manage the power supply portfolio
828 on a real-time basis to optimize supply for the benefit of customers.
829 The department shall set standard service rates in accordance with
830 subdivision (2) of this subsection, provided such rates will be trued up
831 to actual revenues and expenses twice per year, with any over or
832 under recovery being included in either the current period or
833 subsequent standard service rate, as determined by the department.
834 An electric distribution company shall recover the reasonable costs it
835 incurs to provide such service.

836 [(4) The department] (5) In approving a plan pursuant to
837 subdivision (3) or (4) of this subsection, the Connecticut Electric
838 Authority, in consultation with the Office of Consumer Counsel, shall
839 retain the services of a third-party entity with expertise in the area of
840 energy procurement to oversee the initial development of the request
841 for proposals and the procurement of contracts by an electric
842 distribution company for the provision of electric generation services
843 offered pursuant to this subsection. Costs associated with the retention
844 of such third-party entity shall be included in the cost of electric
845 generation services that is included in such price.

846 [(5) Each] (6) For resources acquired pursuant to subdivision (3) of
847 this subsection, each bidder for a standard service contract shall
848 submit its bid to the electric distribution company and the third-party
849 entity who shall jointly review the bids, conduct a cost-based analysis
850 of such bids and submit an overview of all bids together with a joint
851 recommendation to the [department] authority as to the preferred
852 bidders. The authority shall make available to the Office of Consumer
853 Counsel and the Attorney General all bids it receives pursuant to this
854 subsection, provided the Office of Consumer Counsel and the
855 Attorney General shall not make the bids available to the public until
856 the authority does so pursuant to subdivision (6) of this subsection,
857 except that the Attorney General may share such information if such
858 action is necessary for any law enforcement purposes. The
859 [department] authority may, [within] not later than ten business days
860 [of] after submission of the overview, reject the recommendation
861 regarding preferred bidders if the bids are not in the best interest of the
862 electric distribution company's customers. In analyzing the bids, the
863 authority shall determine if they are consistent with the state's
864 integrated resource plan. In the event that the [department] authority
865 rejects the preferred bids, the [electric distribution company and the
866 third-party] authority and the third-party entity shall rebid the service
867 pursuant to this subdivision.

868 (7) Upon the authority's approval of the preferred bids, the electric
869 distribution company shall enter into contracts with approved bidders
870 in accordance with contract terms established by the authority. All bids
871 received by the authority during the procurement process shall be
872 available for public review three months after authority rejection
873 provided such information regarding the bidders not selected shall be
874 presented in a manner that conceals the identities of such bidders.

875 (8) Not later than October 1, 2011, and biennially thereafter, the
876 department shall conduct a contested case proceeding in accordance
877 with chapter 54 to review the efficacy of the contract procurement
878 process held pursuant to this subsection.

879 Sec. 18. (NEW) (*Effective October 1, 2010*) (a) The chairperson of the
880 Connecticut Electric Authority, with the consent of two or more other
881 members of the authority, shall appoint an executive director, who
882 shall be the chief administrative officer of the Connecticut Electric
883 Authority. Said chairperson shall supervise the executive director, who
884 shall serve for a four-year term and annually receive a salary equal to
885 that established for management pay plan salary group seventy-two
886 by the Commissioner of Administrative Services. The executive
887 director (1) shall conduct comprehensive planning with respect to the
888 functions of the authority; (2) shall coordinate the activities of the
889 authority; (3) shall cause the administrative organization of the
890 authority to be examined with a view to promoting economy and
891 efficiency; (4) may enter into such contractual agreements, in
892 accordance with established procedures, as may be necessary for the
893 discharge of his duties; and (5) may, subject to the provisions of section
894 4-32 of the general statutes, and unless otherwise provided by law,
895 receive any money, revenue or services from the federal government,
896 corporations, associations or individuals, including payments from the
897 sale of printed matter or any other material or services. The executive
898 director shall require the staff of the authority to have expertise in
899 public utility engineering and accounting, finance, economics,
900 computers and rate design. Within available funds in any fiscal year,
901 the executive director may appoint a secretary and may employ such
902 accountants, clerical assistants, engineers, inspectors, experts,
903 consultants and agents as the authority may require.

904 (b) No member of the authority or employee of the authority shall,
905 while serving as such, have any interest, financial or otherwise, direct
906 or indirect, or engage in any business, employment, transaction or
907 professional activity, or incur any obligation of any nature, which is in
908 substantial conflict with the proper discharge of his duties or
909 employment in the public interest and of his responsibilities as
910 prescribed in the laws of this state, as defined in section 1-85 of the
911 general statutes; provided no such substantial conflict shall be deemed
912 to exist solely by virtue of the fact that a member of the authority or

913 employee of the authority, or any business in which such a person has
914 an interest, receives utility service from one or more Connecticut
915 utilities under the normal rates and conditions of service.

916 (c) No member of the authority or employee of the authority shall
917 accept other employment that will either impair his independence of
918 judgment as to his official duties or employment or require him, or
919 induce him, to disclose confidential information acquired by him in the
920 course of and by reason of his official duties.

921 (d) No member of the authority or employee of the authority shall
922 wilfully and knowingly disclose, for pecuniary gain, confidential
923 information acquired in the course of and by reason of official duties or
924 employment or use any such information for the purpose of pecuniary
925 gain.

926 (e) No member of the authority or employee of the authority shall
927 agree to accept, or be in partnership or association with any person, or
928 a member of a professional corporation or in membership with any
929 union or professional association which partnership, association,
930 professional corporation, union or professional association agrees to
931 accept any employment, fee or other thing of value, or portion thereof,
932 in consideration of his appearing, agreeing to appear, or taking any
933 other action on behalf of another person before the authority, the
934 Connecticut Siting Council, the Office of Policy and Management or
935 the Commissioner of Environmental Protection.

936 (f) No member of the authority shall, for a period of one year
937 following the termination of his or her service as a member, accept
938 employment: (1) By a public service company or by any person, firm or
939 corporation engaged in lobbying activities with regard to
940 governmental regulation of public service companies; or (2) by an
941 electric supplier or by any person, firm or corporation engaged in
942 lobbying activities with regard to governmental regulation of electric
943 suppliers. No such member who is also an attorney shall in any
944 capacity, appear or participate in any matter, or accept any

945 compensation regarding a matter, before the authority, for a period of
946 one year following the termination of his or her service as a member.

947 Sec. 19. Section 16-4 of the general statutes is repealed and the
948 following is substituted in lieu thereof (*Effective October 1, 2010*):

949 No officer, employee, attorney or agent of any public service
950 company, of any certified telecommunications provider or of any
951 electric supplier shall be a member of the Public Utilities Control
952 Authority or the Connecticut Electric Authority or an employee of the
953 Department of Public Utility Control or the Connecticut Electric
954 Authority.

955 Sec. 20. Subsection (a) of section 16a-3 of the general statutes is
956 repealed and the following is substituted in lieu thereof (*Effective*
957 *October 1, 2010*):

958 (a) There is established a Connecticut Energy Advisory Board
959 consisting of [~~fifteen~~] sixteen members, including the Commissioner of
960 Environmental Protection, the chairperson of the Public Utilities
961 Control Authority, the chairperson of the Connecticut Electric
962 Authority, the Commissioner of Transportation, the Consumer
963 Counsel, the Commissioner of Agriculture, and the Secretary of the
964 Office of Policy and Management, or their respective designees. The
965 Governor shall appoint a representative of an environmental
966 organization knowledgeable in energy efficiency programs, a
967 representative of a consumer advocacy organization and a
968 representative of a state-wide business association. The president pro
969 tempore of the Senate shall appoint a representative of a chamber of
970 commerce, a representative of a state-wide manufacturing association
971 and a member of the public considered to be an expert in electricity,
972 generation, procurement or conservation programs. The speaker of the
973 House of Representatives shall appoint a representative of low-income
974 ratepayers, a representative of state residents, in general, with
975 expertise in energy issues and a member of the public considered to be
976 an expert in electricity, generation, procurement or conservation

977 programs. All appointed members shall serve in accordance with
978 section 4-1a. No appointee may be employed by, or a consultant of, a
979 public service company, as defined in section 16-1, or an electric
980 supplier, as defined in section 16-1, or an affiliate or subsidiary of such
981 company or supplier.

982 Sec. 21. Subsection (f) of section 22a-198 of the general statutes is
983 repealed and the following is substituted in lieu thereof (*Effective*
984 *October 1, 2010*):

985 (f) The Commissioner of Environmental Protection, in consultation
986 with the chairperson of the [Public Utilities Control] Connecticut
987 Electric Authority, may suspend the prohibition of subsection (b) of
988 this section for a Title IV source if it is determined that the application
989 of the prohibition established under subsection (b) of this section
990 adversely affects the ability to meet the reliability standards, as defined
991 by the New England Power Pool or its successor organization, and the
992 suspension thereof is intended to mitigate such reliability problems.
993 The Commissioner of Environmental Protection, in consultation with
994 the chairperson of the [Public Utilities Control] Connecticut Electric
995 Authority, shall specify in writing the reasons for such suspension and
996 the period of time that such suspension shall be in effect and shall
997 provide notice of such suspension at the time of issuance, or the next
998 business day, to the joint standing committees of the General
999 Assembly having cognizance of matters relating to the environment
1000 and energy and technology. No such waiver shall last more than thirty
1001 days. The commissioner may reissue additional waivers for such
1002 source after said initial waiver has expired. Within ten days of receipt
1003 of the commissioner's notice of suspension, the committees having
1004 cognizance of matters relating to the environment and energy and
1005 technology may hold a joint public hearing and meeting of the
1006 committees to either modify or reject the commissioner's suspension
1007 by a majority vote. If the committees do not meet, the commissioner's
1008 suspension shall be deemed approved.

1009 Sec. 22. Subsection (a) of section 4-65a of the general statutes is
1010 repealed and the following is substituted in lieu thereof (*Effective*
1011 *October 1, 2010*):

1012 (a) There shall be an Office of Policy and Management which shall
1013 be responsible for all aspects of state staff planning and analysis in the
1014 areas of budgeting, management, planning, energy policy
1015 determination and evaluation, except to the extent such policies are
1016 delegated to the Connecticut Electric Authority, intergovernmental
1017 policy, criminal and juvenile justice planning and program evaluation.
1018 The department head shall be the Secretary of the Office of Policy and
1019 Management, who shall be appointed by the Governor in accordance
1020 with the provisions of sections 4-5, as amended by this act, 4-6, 4-7 and
1021 4-8, with all the powers and duties therein prescribed. The Secretary of
1022 the Office of Policy and Management shall be the employer
1023 representative (1) in collective bargaining negotiations concerning
1024 changes to the state employees retirement system and health and
1025 welfare benefits, and (2) in all other matters involving collective
1026 bargaining, including negotiation and administration of all collective
1027 bargaining agreements and supplemental understandings between the
1028 state and the state employee unions concerning all executive branch
1029 employees except (A) employees of the Division of Criminal Justice,
1030 and (B) faculty and professional employees of boards of trustees of
1031 constituent units of the state system of higher education. The secretary
1032 may designate a member of the secretary's staff to act as the employer
1033 representative in the secretary's place.

1034 Sec. 23. Subdivision (2) of subsection (e) of section 4a-57 of the
1035 general statutes is repealed and the following is substituted in lieu
1036 thereof (*Effective October 1, 2010*):

1037 (2) Any purchase of or contract by the department for electric
1038 generation services that are subject to competitive bidding and
1039 competitive negotiations shall be conducted in cooperation with the
1040 [Office of Policy and Management] Connecticut Electric Authority

1041 pursuant to section 16a-14e.

1042 Sec. 24. Section 16-19e of the general statutes is repealed and the
1043 following is substituted in lieu thereof (*Effective October 1, 2010*):

1044 (a) In the exercise of its powers under the provisions of this title, the
1045 Department of Public Utility Control shall examine and regulate the
1046 transfer of existing assets and franchises, the expansion of the plant
1047 and equipment of existing public service companies, the operations
1048 and internal workings of public service companies and the
1049 establishment of the level and structure of rates in accordance with the
1050 following principles: (1) That there is a clear public need for the service
1051 being proposed or provided; (2) that the public service company shall
1052 be fully competent to provide efficient and adequate service to the
1053 public in that such company is technically, financially and
1054 managerially expert and efficient; (3) that the department and all
1055 public service companies shall perform all of their respective public
1056 responsibilities with economy, efficiency and care for public safety and
1057 energy security, and so as to promote economic development within
1058 the state with consideration for energy and water conservation, energy
1059 efficiency and the development and utilization of renewable sources of
1060 energy and for the prudent management of the natural environment;
1061 (4) that the level and structure of rates be sufficient, but no more than
1062 sufficient, to allow public service companies to cover their operating
1063 costs including, but not limited to, appropriate staffing levels, and
1064 capital costs, to attract needed capital and to maintain their financial
1065 integrity, and yet provide appropriate protection to the relevant public
1066 interests, both existing and foreseeable which shall include, but not be
1067 limited to, reasonable costs of security of assets, facilities and
1068 equipment that are incurred solely for the purpose of responding to
1069 security needs associated with the terrorist attacks of September 11,
1070 2001, and the continuing war on terrorism; (5) that the level and
1071 structure of rates charged customers shall reflect prudent and efficient
1072 management of the franchise operation; and (6) that the rates, charges,
1073 conditions of service and categories of service of the companies not

1074 discriminate against customers which utilize renewable energy sources
1075 or cogeneration technology to meet a portion of their energy
1076 requirements.

1077 (b) The Department of Public Utility Control shall promptly
1078 undertake a separate, general investigation of, and shall hold at least
1079 one public hearing on new pricing principles and rate structures for
1080 electric companies and for gas companies to consider, without
1081 limitation, long run incremental cost of marginal cost pricing, peak
1082 load or time of day pricing and proposals for optimizing the utilization
1083 of energy and restraining its wasteful use and encouraging energy
1084 conservation, and any other matter with respect to pricing principles
1085 and rate structures as the department shall deem appropriate. The
1086 department shall determine whether existing or future rate structures
1087 place an undue burden upon those persons of poverty status and shall
1088 make such adjustment in the rate structure as is necessary or desirable
1089 to take account of their indigency. The department shall require the
1090 utilization of such new principles and structures to the extent that the
1091 department determines that their implementation is in the public
1092 interest and necessary or desirable to accomplish the purposes of this
1093 provision without being unfair or discriminatory or unduly
1094 burdensome or disruptive to any group or class of customers, and
1095 determines that such principles and structures are capable of yielding
1096 required revenues. In reviewing the rates and rate structures of electric
1097 and gas companies, the department shall take into consideration
1098 appropriate energy policies, including those of the state as expressed
1099 in subsection (c) of this section. The authority shall issue its initial
1100 findings on such investigation by December 1, 1976, and its final
1101 findings and order by June 1, 1977; provided that after such final
1102 findings and order are issued, the department shall at least once every
1103 two years undertake such further investigations as it deems
1104 appropriate with respect to new developments or desirable
1105 modifications in pricing principles and rate structures and, after
1106 holding at least one public hearing thereon, shall issue its findings and
1107 order thereon.

1108 (c) The Department of Public Utility Control shall consult at least
1109 once each year with the Commissioner of Environmental Protection,
1110 the Connecticut Siting Council, the Connecticut Electric Authority and
1111 the Office of Policy and Management, so as to coordinate and integrate
1112 its actions, decisions and policies pertaining to gas and electric
1113 companies, so far as possible, with the actions, decisions and policies
1114 of said other agencies and instrumentalities in order to further the
1115 development and optimum use of the state's energy resources and
1116 conform to the greatest practicable extent with the state energy policy
1117 as stated in section 16a-35k, taking into account prudent management
1118 of the natural environment and continued promotion of economic
1119 development within the state. In the performance of its duties, the
1120 department shall take into consideration the energy policies of the
1121 state as expressed in this subsection and in any annual reports
1122 prepared or filed by such other agencies and instrumentalities, and
1123 shall defer, as appropriate, to any actions taken by such other agencies
1124 and instrumentalities on matters within their respective jurisdictions.

1125 (d) The Commissioner of Environmental Protection, the
1126 Commissioner of Economic and Community Development, the
1127 Connecticut Siting Council and the Office of Policy and Management
1128 shall be made parties to each proceeding on a rate amendment
1129 proposed by a gas, electric or electric distribution company based
1130 upon an alleged need for increased revenues to finance an expansion
1131 of capital equipment and facilities, and shall participate in such
1132 proceedings to the extent necessary. The Connecticut Electric
1133 Authority shall be made a party to such proceedings involving electric
1134 distribution companies.

1135 (e) The Department of Public Utility Control, in a proceeding on a
1136 rate amendment proposed by an electric distribution company based
1137 upon an alleged need for increased revenues to finance an expansion
1138 of the capacity of its electric distribution system, shall determine
1139 whether demand-side management would be more cost-effective in
1140 meeting any demand for electricity for which the increase in capacity is

1141 proposed.

1142 (f) The provisions of this section shall not apply to the regulation of
1143 a telecommunications service which is a competitive service, as
1144 defined in section 16-247a, or to a telecommunications service to which
1145 an approved plan for an alternative form of regulation applies,
1146 pursuant to section 16-247k.

1147 (g) The department may, upon application of any gas or electric
1148 public service company, which has, as part of its existing rate plan, an
1149 earnings sharing mechanism, modify such rate plan to allow the gas or
1150 electric public service company, after a hearing that is conducted as a
1151 contested case, in accordance with chapter 54, to include in its rates the
1152 reasonable costs of security of assets, facilities, and equipment, both
1153 existing and foreseeable, that are incurred solely for the purpose of
1154 responding to security needs associated with the terrorist attacks of
1155 September 11, 2001, and the continuing war on terrorism.

1156 Sec. 25. Subsection (m) of section 16-243m of the general statutes is
1157 repealed and the following is substituted in lieu thereof (*Effective*
1158 *October 1, 2010*):

1159 (m) An electric distribution company may not submit a proposal
1160 under this section on or after February 1, 2011. On or before [January]
1161 December 1, 2010, the [department] Connecticut Electric Authority
1162 shall submit a report, in accordance with section 11-4a, to the joint
1163 standing committee of the General Assembly having cognizance of
1164 matters relating to energy with a recommendation as to whether the
1165 period during which such company may submit proposals under this
1166 section should be extended.

1167 Sec. 26. Subsection (b) of section 16-244d of the general statutes is
1168 repealed and the following is substituted in lieu thereof (*Effective*
1169 *October 1, 2010*):

1170 (b) There shall be established a Consumer Education Advisory

1171 Council which shall advise the outreach program coordinator on the
1172 development and implementation of the outreach program until the
1173 termination of the standard offer under section 16-244c, as amended by
1174 this act. Membership of the advisory council shall be established by the
1175 Consumer Counsel not later than December 1, 1998, and shall include,
1176 but not be limited to, representatives of the Department of Public
1177 Utility Control, the Office of Consumer Counsel, the Office of the
1178 Attorney General, the Office of Policy and Management, the
1179 Connecticut Electric Authority, the Department of Environmental
1180 Protection, community and business organizations, consumer groups,
1181 including, but not limited to, a group that represents hardship
1182 customers, as defined in section 16-262c, electric distribution
1183 companies and electric suppliers. The advisory council shall determine
1184 the information to be distributed to customers as part of the education
1185 effort such as customers' rights and obligations in a restructured
1186 environment, how customers can exercise their right to participate in
1187 retail access, the types of electric suppliers expected to be licensed
1188 including the possibility of load aggregation, electric generation
1189 services options that will be available, the environmental
1190 characteristics of different types of generation facilities and other
1191 information determined by the advisory council to be necessary for
1192 customers. The advisory council shall advise the outreach program
1193 coordinator on the methods of distributing information in accordance
1194 with subsection (a) of this section and the timing of such distribution.
1195 The advisory council shall meet on a regular basis and report to the
1196 outreach program coordinator as it deems appropriate until
1197 termination of the advisory council's role upon the termination of the
1198 standard offer under section 16-244c, as amended by this act.

1199 Sec. 27. Subsection (d) of section 16a-48 of the general statutes is
1200 repealed and the following is substituted in lieu thereof (*Effective*
1201 *October 1, 2010*):

1202 (d) (1) The office, in consultation with the Department of Public
1203 Utility Control and the Connecticut Electric Authority, shall adopt

1204 regulations, in accordance with the provisions of chapter 54, to
1205 implement the provisions of this section and to establish minimum
1206 energy efficiency standards for the types of new products set forth in
1207 subsection (b) of this section. The regulations shall provide for the
1208 following minimum energy efficiency standards:

1209 (A) Commercial clothes washers shall meet the requirements shown
1210 in Table P-3 of section 1605.3 of the California Code of Regulations,
1211 Title 20: Division 2, Chapter 4, Article 4;

1212 (B) Commercial refrigerators and freezers shall meet the August 1,
1213 2004, requirements shown in Table A-6 of said California regulation;

1214 (C) Illuminated exit signs shall meet the version 2.0 product
1215 specification of the "Energy Star Program Requirements for Exit Signs"
1216 developed by the United States Environmental Protection Agency;

1217 (D) Large packaged air-conditioning equipment having not more
1218 than seven hundred sixty thousand BTUs per hour of capacity shall
1219 meet a minimum energy efficiency ratio of 10.0 for units using both
1220 electric heat and air conditioning or units solely using electric air
1221 conditioning, and 9.8 for units using both natural gas heat and electric
1222 air conditioning;

1223 (E) Large packaged air-conditioning equipment having not less than
1224 seven hundred sixty-one thousand BTUs per hour of capacity shall
1225 meet a minimum energy efficiency ratio of 9.7 for units using both
1226 electric heat and air conditioning or units solely using electric air
1227 conditioning, and 9.5 for units using both natural gas heat and electric
1228 air conditioning;

1229 (F) Low voltage dry-type distribution transformers shall meet or
1230 exceed the energy efficiency values shown in Table 4-2 of the National
1231 Electrical Manufacturers Association Standard TP-1-2002;

1232 (G) Torchiere lighting fixtures shall not consume more than one
1233 hundred ninety watts and shall not be capable of operating with lamps

1234 that total more than one hundred ninety watts;

1235 (H) Traffic signal modules shall meet the product specification of
1236 the "Energy Star Program Requirements for Traffic Signals" developed
1237 by the United States Environmental Protection Agency that took effect
1238 in February, 2001, except where the department, in consultation with
1239 the Commissioner of Transportation, determines that such
1240 specification would compromise safe signal operation;

1241 (I) Unit heaters shall not have pilot lights and shall have either
1242 power venting or an automatic flue damper;

1243 (J) On or after January 1, 2009, residential furnaces and boilers
1244 purchased by the state shall meet or exceed the following annual fuel
1245 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
1246 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
1247 cent annual fuel utilization efficiency, (iii) for gas and propane hot
1248 water boilers, eighty-four per cent annual fuel utilization efficiency,
1249 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
1250 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
1251 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
1252 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
1253 for furnaces with furnace air handlers, an electricity ratio of not more
1254 than 2.0, except air handlers for oil furnaces with a capacity of less than
1255 ninety-four thousand BTUs per hour shall have an electricity ratio of
1256 2.3 or less;

1257 (K) On or after January 1, 2010, metal halide lamp fixtures designed
1258 to be operated with lamps rated greater than or equal to one hundred
1259 fifty watts but less than or equal to five hundred watts shall not
1260 contain a probe-start metal halide lamp ballast;

1261 (L) Single-voltage external AC to DC power supplies manufactured
1262 on or after January 1, 2008, shall meet the energy efficiency standards
1263 of table U-1 of section 1605.3 of the January 2006 California Code of
1264 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance

1265 Efficiency Regulations. This standard applies to single voltage AC to
1266 DC power supplies that are sold individually and to those that are sold
1267 as a component of or in conjunction with another product. This
1268 standard shall not apply to single voltage external AC to DC power
1269 supplies sold with products subject to certification by the United States
1270 Food and Drug Administration. A single-voltage external AC to DC
1271 power supply that is made available by a manufacturer directly to a
1272 consumer or to a service or repair facility after and separate from the
1273 original sale of the product requiring the power supply as a service
1274 part or spare part shall not be required to meet the standards in said
1275 table U-1 until five years after the effective dates indicated in the table;

1276 (M) On or after January 1, 2009, state regulated incandescent
1277 reflector lamps shall be manufactured to meet the minimum average
1278 lamp efficacy requirements for federally-regulated incandescent
1279 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
1280 indicate the date of manufacture;

1281 (N) On or after January 1, 2009, bottle-type water dispensers,
1282 commercial hot food holding cabinets, portable electric spas, walk-in
1283 refrigerators and walk-in freezers shall meet the efficiency
1284 requirements of section 1605.3 of the January 2006 California Code of
1285 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1286 Efficiency Regulations. On or after January 1, 2010, residential pool
1287 pumps shall meet said efficiency requirements;

1288 (O) On or after January 1, 2009, pool heaters shall meet the
1289 efficiency requirements of sections 1605.1 and 1605.3 of the January
1290 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
1291 Article 4: Appliance Efficiency Regulations.

1292 (2) Such efficiency standards, where in conflict with the State
1293 Building Code, shall take precedence over the standards contained in
1294 the Building Code. Not later than July 1, 2007, and biennially
1295 thereafter, the office, in consultation with the Department of Public
1296 Utility Control, shall review and increase the level of such efficiency

1297 standards by adopting regulations in accordance with the provisions
1298 of chapter 54 upon a determination that increased efficiency standards
1299 would serve to promote energy conservation in the state and would be
1300 cost-effective for consumers who purchase and use such new products,
1301 provided no such increased efficiency standards shall become effective
1302 within one year following the adoption of any amended regulations
1303 providing for such increased efficiency standards.

1304 (3) The office, in consultation with the Department of Public Utility
1305 Control, shall adopt regulations, in accordance with the provisions of
1306 chapter 54, to designate additional products to be subject to the
1307 provisions of this section and to establish efficiency standards for such
1308 products upon a determination that such efficiency standards (A)
1309 would serve to promote energy conservation in the state, (B) would be
1310 cost-effective for consumers who purchase and use such new products,
1311 and (C) that multiple products are available which meet such
1312 standards, provided no such efficiency standards shall become
1313 effective within one year following their adoption pursuant to this
1314 subdivision.

1315 Sec. 28. Section 16-246e of the general statutes is repealed and the
1316 following is substituted in lieu thereof (*Effective October 1, 2010*):

1317 (a) The Governor may designate the [Department of Public Utility
1318 Control] Connecticut Electric Authority as the agent of the state,
1319 subject only to the limitation under subsection (b) of this section, to
1320 conduct negotiations and perform all acts necessary to procure electric
1321 power capacity, power output from such capacity or both from any
1322 out-of-state electric power producer, to transmit it to within the state
1323 and to sell or resell it on a nonprofit basis for distribution within the
1324 state to electric companies, as defined in section 16-1, municipal
1325 electric utilities established under chapter 101, municipal electric
1326 energy cooperatives organized under chapter 101a, membership
1327 electric cooperatives organized under chapter 597 and such other
1328 persons or entities as may be designated by the [governor] Governor.

1329 The [department] authority, if designated as such agent, shall arrange
1330 for the sale or resale of such power on an equitable basis and in such
1331 manner as it finds will most effectively promote the objectives of this
1332 title, chapters 101, 101a and 597, and section 16a-35k, subject to any
1333 conditions or limitations imposed by the out-of-state electric power
1334 producer selling such power. The [department] authority, if so
1335 designated, may also enter into any contracts or other arrangements
1336 for the sale or resale of such power for transmission outside the state if
1337 such sale or resale is reasonably incidental to and furthers the needs of
1338 the state and the purposes of this section.

1339 (b) The [department] authority shall submit any final action it takes
1340 under subsection (a) of this section to the Governor, who may, not later
1341 than sixty days after such submission, disapprove such action by
1342 notifying the [department] authority in writing of such disapproval
1343 and the reasons for it.

1344 Sec. 29. Section 16-245o of the general statutes is repealed and the
1345 following is substituted in lieu thereof (*Effective July 1, 2010*):

1346 (a) To protect a customer's right to privacy from unwanted
1347 solicitation, each electric company or electric distribution company, as
1348 the case may be, shall distribute to each customer a form approved by
1349 the Department of Public Utility Control which the customer shall
1350 submit to the customer's electric or electric distribution company in a
1351 timely manner if the customer does not want the customer's name,
1352 address, telephone number and rate class to be released to electric
1353 suppliers. On and after July 1, 1999, each electric or electric distribution
1354 company, as the case may be, shall make available to all electric
1355 suppliers customer names, addresses, telephone numbers, if known,
1356 and rate class, unless the electric company or electric distribution
1357 company has received a form from a customer requesting that such
1358 information not be released. Additional information about a customer
1359 for marketing purposes shall not be released to any electric supplier
1360 unless a customer consents to a release by one of the following: (1) An

1361 independent third-party telephone verification; (2) receipt of a written
1362 confirmation received in the mail from the customer after the customer
1363 has received an information package confirming any telephone
1364 agreement; (3) the customer signs a document fully explaining the
1365 nature and effect of the release; or (4) the customer's consent is
1366 obtained through electronic means, including, but not limited to, a
1367 computer transaction.

1368 (b) All electric suppliers shall have equal access to customer
1369 information required to be disclosed under subsection (a) of this
1370 section. No electric supplier shall have preferential access to historical
1371 distribution company customer usage data.

1372 (c) No electric or electric distribution company shall include in any
1373 bill or bill insert anything that directly or indirectly promotes a
1374 generation entity or affiliate of the electric distribution company. No
1375 electric supplier shall include a bill insert in an electric bill of an
1376 electric distribution company.

1377 (d) All marketing information provided pursuant to the provisions
1378 of this section shall be formatted electronically by the electric company
1379 or electric distribution company, as the case may be, in a form that is
1380 readily usable by standard commercial software packages. Updated
1381 lists shall be made available within a reasonable time, as determined
1382 by the department, following a request by an electric supplier. Each
1383 electric supplier seeking the information shall pay a fee to the electric
1384 company or electric distribution company, as the case may be, which
1385 reflects the incremental costs of formatting, sorting and distributing
1386 this information, together with related software changes. Customers
1387 shall be entitled to any available individual information about their
1388 loads or usage at no cost.

1389 (e) Each electric supplier shall, prior to the initiation of electric
1390 generation services, provide the potential customer with a written
1391 notice describing the rates, information on air emissions and resource
1392 mix of generation facilities operated by and under long-term contract

1393 to the supplier, terms and conditions of the service, and a notice
1394 describing the customer's right to cancel the service, as provided in this
1395 section. No electric supplier shall provide electric generation services
1396 unless the customer has signed a service contract or consents to such
1397 services by one of the following: (1) An independent third-party
1398 telephone verification; (2) receipt of a written confirmation received in
1399 the mail from the customer after the customer has received an
1400 information package confirming any telephone agreement; (3) the
1401 customer signs a document fully explaining the nature and effect of the
1402 initiation of the service; or (4) the customer's consent is obtained
1403 through electronic means, including, but not limited to, a computer
1404 transaction. Each electric supplier shall maintain records of such
1405 signed service contract or consent to service for a period of two years,
1406 which records shall be provided to the department or the customer
1407 upon request. A customer [who has a maximum demand of five
1408 hundred kilowatts or less] shall, until midnight of the third business
1409 day after the latter of the day on which the customer enters into a
1410 service agreement or the day on which the customer receives the
1411 written notice from the electric supplier as provided in this section,
1412 have the right to cancel a contract for electric generation services
1413 entered into with an electric supplier.

1414 [(f) An electric supplier shall not advertise or disclose the price of
1415 electricity in such a manner as to mislead a reasonable person into
1416 believing that the electric generation services portion of the bill will be
1417 the total bill amount for the delivery of electricity to the customer's
1418 location. When advertising or disclosing the price for electricity, the
1419 electric supplier shall also disclose the electric distribution company's
1420 average current charges, including the competitive transition
1421 assessment and the systems benefits charge, for that customer class.]

1422 (f) (1) Any third-party agent who contracts with or is otherwise
1423 compensated by an electric supplier to sell residential or commercial
1424 electric generation services shall be a legal agent of the electric
1425 supplier.

1426 (2) On or after July 1, 2010, all sales and solicitations of electric
1427 generation services by an electric supplier, aggregator or agent of an
1428 electric supplier or aggregator conducted and consummated entirely
1429 by mail, door-to-door sale, telephone or other electronic means, during
1430 a scheduled appointment at the premises of a customer or at a fair,
1431 trade or business show, convention or exposition shall:

1432 (A) For any sale or solicitation, include from any person
1433 representing such electric supplier, aggregator or agent of an electric
1434 supplier or aggregator (i) identification of themselves and the electric
1435 generation services company or companies they represent; (ii) a
1436 statement that they do not represent an electric distribution company;
1437 (iii) an explanation of the purpose of the solicitation; and (iv) an
1438 explanation of all rates, fees, variable charges and terms and
1439 conditions for the services provided; and

1440 (B) For door-to-door sales, which shall include the sale of electric
1441 generation services in which the electric supplier, aggregator or agent
1442 of an electric supplier or aggregator solicits the sale and receives the
1443 customer's agreement or offer to purchase at a place other than the
1444 seller's place of business, be conducted (i) in accordance with any
1445 municipal and local ordinances regarding door-to-door solicitations,
1446 (ii) between the hours of 10:00 a.m. and 6:00 p.m., (iii) with both
1447 Spanish and English written materials available. Any representative of
1448 an electric supplier, aggregator or agent of an electric supplier or
1449 aggregator shall prominently display or wear a photo identification
1450 badge stating the name of their employer or the electric supplier they
1451 represent. Each such supplier, aggregator or agent shall conduct a
1452 criminal background check on each person such entity employs to
1453 conduct such door-to-door sales and no one with a criminal record
1454 shall be employed to conduct such sales.

1455 (3) No electric supplier, aggregator or agent of an electric supplier
1456 or aggregator shall advertise or disclose the price of electricity to
1457 mislead a reasonable person into believing that the electric generation

1458 services portion of the bill will be the total bill amount for the delivery
1459 of electricity to the customer's location. When advertising or disclosing
1460 the price for electricity, the electric supplier, aggregator or agent of an
1461 electric supplier or aggregator shall also disclose the electric
1462 distribution company's average current charges, including the
1463 competitive transition assessment and the systems benefits charge, for
1464 that customer class.

1465 (4) No entity, including an aggregator or agent of an electric
1466 supplier or aggregator, who sells or offers for sale any electric
1467 generation services for or on behalf of an electric supplier, shall engage
1468 in any deceptive acts or practices in the marketing, sale or solicitation
1469 of electric generation services.

1470 (5) No contract for electric generation services by an electric supplier
1471 shall require a residential customer to pay any fee for termination or
1472 early cancellation of a contract in excess of (A) one hundred dollars; or
1473 (B) twice the estimated bill for energy services for an average month,
1474 provided when an electric supplier offers a contract, it provides the
1475 residential customer an estimate of such customer's average monthly
1476 bill.

1477 (6) An electric supplier shall not make a material change in the
1478 terms or duration of any contract for the provision of electric
1479 generation services by an electric supplier without the express consent
1480 of the customer. Nothing in this subdivision shall restrict an electric
1481 supplier from renewing a contract by clearly informing the customer in
1482 writing, not less than thirty days nor more than sixty days before the
1483 renewal date, of the renewal terms and of the option not to accept the
1484 renewal offer, provided no fee pursuant to subdivision (5) of this
1485 section shall be charged to a customer who terminates or cancels such
1486 renewal not later than seven business days after receiving the first
1487 billing statement for the renewed contract.

1488 (g) Each electric supplier, aggregator or agent of an electric supplier
1489 or aggregator shall comply with the provisions of the telemarketing

1490 regulations adopted pursuant to 15 USC 6102.

1491 (h) Any violation of this section shall be deemed an unfair or
1492 deceptive trade practice under subsection (a) of section 42-110b. Any
1493 contract for electric generation services that the department finds to be
1494 the product of unfair or deceptive marketing practices or in violation
1495 of any of the provisions of this section shall be void and unenforceable.
1496 Any waiver of the provisions of this section by a customer of electric
1497 generation services shall be deemed void and unenforceable by the
1498 electric supplier.

1499 (i) Any violation or failure to comply with any provision of this
1500 section shall be subject to (1) civil penalties by the department in
1501 accordance with section 16-41, (2) the suspension or revocation of an
1502 electric supplier or aggregator's license, or (3) a prohibition on
1503 accepting new customers following a hearing that is conducted as a
1504 contested case in accordance with chapter 54.

1505 (j) The department may adopt regulations, in accordance with the
1506 provisions of chapter 54, to include, but not be limited to, abusive
1507 switching practices, solicitations and renewals by electric suppliers.

1508 Sec. 30. Subsection (k) of section 16-244c of the general statutes is
1509 repealed and the following is substituted in lieu thereof (*Effective from*
1510 *passage*):

1511 (k) (1) As used in this section:

1512 (A) "Participating electric supplier" means an electric supplier that is
1513 licensed by the department to provide electric service, pursuant to this
1514 subsection, to residential or small commercial customers.

1515 (B) "Residential customer" means a customer who is eligible for
1516 standard service and who takes electric distribution-related service
1517 from an electric distribution company pursuant to a residential tariff.

1518 (C) "Small commercial customer" means a customer who is eligible

1519 for standard service and who takes electric distribution-related service
1520 from an electric distribution company pursuant to a small commercial
1521 tariff.

1522 (D) "Qualifying electric offer" means an offer to provide full
1523 requirements commodity electric service and all other generation-
1524 related service to a residential or small commercial customer at a fixed
1525 price per kilowatt hour for a term of no less than [one year] six months.

1526 (2) In the manner determined by the department, residential or
1527 small commercial service customers (A) initiating new utility service,
1528 (B) reinitiating service following a change of residence or business
1529 location, (C) making an inquiry regarding their utility rates, or (D)
1530 seeking information regarding energy efficiency shall be offered the
1531 option to learn about their ability to enroll with a participating electric
1532 supplier. Customers expressing an interest to learn about their electric
1533 supply options shall be informed of the qualifying electric offers then
1534 available from participating electric suppliers. The electric distribution
1535 companies shall describe then available qualifying electric offers
1536 through a method reviewed and approved by the department. The
1537 information conveyed to customers expressing an interest to learn
1538 about their electric supply options shall include, at a minimum, the
1539 price and term of the available electric supply option. Customers
1540 expressing an interest in a particular qualifying electric offer shall be
1541 immediately transferred to a call center operated by that participating
1542 electric supplier.

1543 (3) Not later than September 1, 2007, the department shall establish
1544 terms and conditions under which a participating electric supplier can
1545 be included in the referral program described in subdivision (2) of this
1546 subsection. Such terms shall include, but not be limited to, requiring
1547 participating electrical suppliers to offer time-of-use and real-time use
1548 rates to residential customers.

1549 (4) Each calendar quarter, participating electric suppliers shall be
1550 allowed to list qualifying offers to provide electric generation service

1551 to residential and small commercial customers with each customer's
1552 utility bill. The department shall determine the manner such
1553 information is presented in customers' utility bills.

1554 (5) Any customer that receives electric generation service from a
1555 participating electric supplier may return to standard service or may
1556 choose another participating electric supplier [at any time, including]
1557 during the qualifying electric offer, without the imposition of any
1558 additional charges. Any customer that is receiving electric generation
1559 service from an electric distribution company pursuant to standard
1560 service [can] may not for a period of two years switch to another
1561 participating electric supplier [at any time] or return to standard
1562 service without the imposition of additional charges by the electric
1563 distribution company.

1564 Sec. 31. Subdivision (10) of subsection (c) of section 7-148 of the
1565 general statutes is repealed and the following is substituted in lieu
1566 thereof (*Effective July 1, 2010*):

1567 (10) (A) Make all lawful regulations and ordinances in furtherance
1568 of any general powers as enumerated in this section, and prescribe
1569 penalties for the violation of the same not to exceed two hundred fifty
1570 dollars, unless otherwise specifically provided by the general statutes.
1571 Such regulations and ordinances may be enforced by citations issued
1572 by designated municipal officers or employees, provided the
1573 regulations and ordinances have been designated specifically by the
1574 municipality for enforcement by citation in the same manner in which
1575 they were adopted and the designated municipal officers or employees
1576 issue a written warning providing notice of the specific violation
1577 before issuing the citation;

1578 (B) Adopt a code of ethical conduct;

1579 (C) Establish and maintain free legal aid bureaus;

1580 (D) Perform data processing and related administrative computer

1581 services for a fee for another municipality;

1582 (E) Adopt the model ordinance concerning a municipal freedom of
1583 information advisory board created under subsection (f) of section 1-
1584 205 and establish a municipal freedom of information advisory board
1585 as provided by said ordinance and said section;

1586 (F) Enter into energy efficiency performance contracts.

1587 Sec. 32. (NEW) (*Effective July 1, 2010*) Each electric distribution
1588 company, as defined in section 16-1 of the general statutes, may
1589 establish a pilot performance contracting program to fund additional
1590 investments in energy efficiency and renewable energy projects. The
1591 Department of Public Utility Control shall approve any such program
1592 established pursuant to this section before an electric distribution
1593 company may initiate such program.

1594 Sec. 33. (NEW) (*Effective July 1, 2010*) On or before October 1, 2010,
1595 and periodically thereafter, the Department of Public Utility Control
1596 shall review the current renewable energy portfolio standards to
1597 ensure that an appropriate level of power is being purchased from
1598 renewable sources. The department shall report the results of such
1599 review to the joint standing committee of the General Assembly
1600 having cognizance of matters relating to energy.

1601 Sec. 34. Subsection (g) of section 16-245a of the general statutes is
1602 amended by adding subdivision (3) as follows (*Effective July 1, 2010*):

1603 (NEW) (3) On or before October 1, 2010, the department shall
1604 initiate a contested case proceeding to determine an appropriate
1605 maximum rate increase for end use customers that would result from
1606 renewable energy. Such maximum increase shall be allocated among
1607 renewable energy technologies.

1608 Sec. 35. Subdivision (3) of subsection (c) of section 16-50p of the
1609 general statutes is repealed and the following is substituted in lieu
1610 thereof (*Effective from passage*):

1611 (3) For purposes of [subparagraph (A) of this subdivision] this
1612 section, a public benefit exists if such a facility is necessary for the
1613 reliability of the electric power supply of the state or for the
1614 development of a competitive market for electricity and the council has
1615 considered the diversity of the state's power supply and a public need
1616 exists if such facility is necessary for the reliability of the electric power
1617 supply of the state.

1618 Sec. 36. (NEW) (*Effective from passage and applicable to profits generated*
1619 *on or after January 1, 2010*) (a) Each company that owns an electric
1620 generating plant located in the state, including any affiliates or
1621 subsidiaries of such company, whether those affiliates or subsidiaries
1622 are located within the state or outside the state, shall pay a quarterly
1623 tax of fifty per cent upon windfall profits, as described in subsections
1624 (b) and (c) of this section, from the generation, manufacture, sale or
1625 other disposition of electricity or rights to electricity generated or
1626 manufactured at such electric generating plant located in the state.

1627 (b) Windfall profits of a company from the generation, manufacture,
1628 sale or other disposition of electricity or rights to electricity shall
1629 include all earnings in excess of twenty per cent return on equity, as
1630 classified by the Federal Energy Regulatory Commission according to
1631 the uniform systems of accounts prescribed in 18 CFR Part 101,
1632 accounted for as if the company owning an electric generating plant
1633 located in the state and any of its affiliates or subsidiaries maintained
1634 their books and records according to such uniform system of accounts,
1635 for operations within the taxable quarter.

1636 (c) (1) With respect to each company that owns an electric
1637 generating plant located in the state, in calculating earnings for the
1638 purpose of the windfall profits tax, those earnings shall include all
1639 revenue derived by such company and any affiliate or subsidiary of
1640 such company owning an electric generating plant located in the state,
1641 whether the affiliate or subsidiary is located within or outside of the
1642 state, from the sale or other disposition of electricity or rights to

1643 electricity from the electric generating plant located in the state to any
1644 buyer in any state.

1645 (2) Revenue derived from the sale or other disposition of electricity
1646 or rights to electricity from a generating plant located in the state by
1647 any affiliate or subsidiary of a company that owns such electric
1648 generating plant, whether or not such affiliate or subsidiary is located
1649 in the state, shall be attributed to the revenue of the company that
1650 owns the electric generating plant located in the state as if the sale or
1651 other disposition of electricity or rights to electricity by such affiliate or
1652 subsidiary were made directly by the company that owns the electric
1653 generating plant located in the state.

1654 (3) In calculating earnings subject to the windfall profits tax,
1655 revenue from such company and such affiliates or subsidiaries
1656 attributed to an electric generating plant located in the state shall be
1657 reduced by the reasonable operating expenses of such company and
1658 affiliate or subsidiary properly allocated to the sale or other disposition
1659 of electricity or rights to electricity which is generated or manufactured
1660 by the electric generating plant located in the state and is to be
1661 determined as if the affiliate or subsidiary were subject to the uniform
1662 system of accounts prescribed by the Federal Energy Regulatory
1663 Commission in 18 CFR Part 101 for regulated entities.

1664 (d) (1) Each company that owns an electric generating plant located
1665 in the state shall, on or before the last day of January, April, July and
1666 October of each year, render to the Commissioner of Revenue Services
1667 a return on forms prescribed or furnished by the commissioner and
1668 signed by its treasurer or the person performing the duties of
1669 treasurer, or by an authorized agent or officer, specifying (A) the name
1670 and location of such company or affiliate or subsidiary of such
1671 company, (B) the amount of all revenue derived from the generation,
1672 manufacture, sale or other disposition of electricity or the rights to
1673 electricity from the electric generating plant located in the state, by
1674 such company or any of its affiliates or subsidiaries and the amount of

1675 reasonable operating expenses for the quarter ending on the last day of
1676 the preceding month, (C) the return on equity from the generation,
1677 manufacture, sale or other disposition of electricity or rights to
1678 electricity, (D) the earnings in excess of a twenty per cent return on
1679 equity from the generation, manufacture or sale of electricity or the
1680 rights to electricity, and (E) the tax due to the state on the windfall
1681 profits.

1682 (e) Each such company shall pay a quarterly tax upon its windfall
1683 profits in each calendar quarter at the rate of fifty per cent.

1684 (f) The tax imposed by this chapter is due and payable to the
1685 Commissioner of Revenue Services quarterly on or before the last day
1686 of the month next succeeding each calendar quarter.

1687 Sec. 37. (NEW) (*Effective from passage*) (a) There is established an
1688 account to be known as the "electricity ratepayers relief account" which
1689 shall be a separate, nonlapsing account of the General Fund. The
1690 proceeds of the tax imposed pursuant to section 36 of this act shall be
1691 deposited into the account. Investment earnings credited to the assets
1692 of the account shall become part of the assets of the account. Any
1693 balance remaining in said account at the end of any fiscal year shall be
1694 carried forward in said account for the fiscal year next succeeding.

1695 (b) The Department of Public Utility Control shall conduct a
1696 contested case proceeding in accordance with the provisions of chapter
1697 54 of the general statutes to disburse funds from the electricity
1698 ratepayers relief account in a manner to directly reduce electricity
1699 ratepayers' electric bills.

1700 Sec. 38. Subsection (b) of section 16a-38l of the general statutes is
1701 repealed and the following is substituted in lieu thereof (*Effective from*
1702 *passage*):

1703 (b) On or before [September 1, 2007] August 1, 2010, and annually
1704 thereafter, the Office of Policy and Management shall file such

1705 strategic plan with the Connecticut Energy Advisory Board. On or
1706 before January 1, 2008, and annually thereafter, the board shall
1707 approve or modify and approve said plan. On or before March 15,
1708 2008, and annually thereafter, the board shall measure the success of
1709 the implementation of said plan and determine any actual financial
1710 benefits that have been derived by the overall electric system,
1711 including, but not limited to, state facilities. Any savings shall be
1712 allocated as follows: (1) Seventy-five per cent shall be retained by
1713 electric ratepayers, and (2) twenty-five per cent shall be divided
1714 equally between (A) reinvestment into energy efficiency programs in
1715 state buildings, and (B) investment into energy efficiency programs
1716 and technologies on behalf of participants of energy assistance
1717 programs administered by the Department of Social Services. Any
1718 reinvestments or investments made in programs pursuant to this
1719 section shall be paid through the systems benefits charge.

1720 Sec. 39. Subsection (d) of section 16a-41a of the 2010 supplement to
1721 the general statutes is repealed and the following is substituted in lieu
1722 thereof (*Effective from passage*):

1723 (d) If funding allows, the Commissioner of Social Services, in
1724 consultation with the Secretary of the Office of Policy and
1725 Management, shall require that, each community action agency
1726 administering a fuel assistance program [begin accepting] accept
1727 applications [for the program not later than September first of each]
1728 year round.

1729 Sec. 40. Section 16a-41b of the 2010 supplement to the general
1730 statutes is amended by adding subsection (e) as follows (*Effective July 1,*
1731 *2010*):

1732 (NEW) (e) On or before October 1, 2010, the Low-Income Energy
1733 Advisory Board shall report to the joint standing committee of the
1734 General Assembly having cognizance of matters relating to energy on
1735 (1) a process for allowing households with elderly and disabled
1736 customers to self-certify for energy assistance program eligibility, and

1737 (2) effective outreach programs that will increase participation of
 1738 vulnerable households in energy assistance and conservation
 1739 programs.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2010</i>	New section
Sec. 3	<i>July 1, 2010</i>	New section
Sec. 4	<i>October 1, 2010</i>	4-5
Sec. 5	<i>October 1, 2010</i>	1-120
Sec. 6	<i>October 1, 2010</i>	1-79(l)
Sec. 7	<i>October 1, 2010</i>	New section
Sec. 8	<i>October 1, 2010</i>	16a-3b
Sec. 9	<i>October 1, 2010</i>	16a-3c
Sec. 10	<i>October 1, 2010</i>	16-245l
Sec. 11	<i>October 1, 2011</i>	New section
Sec. 12	<i>October 1, 2011</i>	New section
Sec. 13	<i>October 1, 2011</i>	New section
Sec. 14	<i>October 1, 2011</i>	New section
Sec. 15	<i>October 1, 2011</i>	New section
Sec. 16	<i>October 1, 2011</i>	New section
Sec. 17	<i>October 1, 2010</i>	16-244c(c)
Sec. 18	<i>October 1, 2010</i>	New section
Sec. 19	<i>October 1, 2010</i>	16-4
Sec. 20	<i>October 1, 2010</i>	16a-3(a)
Sec. 21	<i>October 1, 2010</i>	22a-198(f)
Sec. 22	<i>October 1, 2010</i>	4-65a(a)
Sec. 23	<i>October 1, 2010</i>	4a-57(e)(2)
Sec. 24	<i>October 1, 2010</i>	16-19e
Sec. 25	<i>October 1, 2010</i>	16-243m(m)
Sec. 26	<i>October 1, 2010</i>	16-244d(b)
Sec. 27	<i>October 1, 2010</i>	16a-48(d)
Sec. 28	<i>October 1, 2010</i>	16-246e
Sec. 29	<i>July 1, 2010</i>	16-245o
Sec. 30	<i>from passage</i>	16-244c(k)
Sec. 31	<i>July 1, 2010</i>	7-148(c)(10)
Sec. 32	<i>July 1, 2010</i>	New section

Sec. 33	<i>July 1, 2010</i>	New section
Sec. 34	<i>July 1, 2010</i>	16-245a(g)
Sec. 35	<i>from passage</i>	16-50p(c)(3)
Sec. 36	<i>from passage and applicable to profits generated on or after January 1, 2010</i>	New section
Sec. 37	<i>from passage</i>	New section
Sec. 38	<i>from passage</i>	16a-38l(b)
Sec. 39	<i>from passage</i>	16a-41a(d)
Sec. 40	<i>July 1, 2010</i>	16a-41b

Statement of Purpose:

To implement the recommendations of the Speaker's Rate Relief Panel.

[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.]