



General Assembly

Substitute Bill No. 5505

February Session, 2010

* _____HB05505APP__042610_____*

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 eligible
6 for assistance under any energy assistance program plan adopted
7 pursuant to section 16-41a of the general statutes. Such proceeding
8 shall include, but not be limited to, review of the current and future
9 availability of rate discounts for individuals who receive means-tested
10 assistance administered by the state or federal governments through
11 the electricity purchasing pool operated by the Office of Policy and
12 Management pursuant to section 16a-14e of the general statutes,
13 energy assistance benefits available through any plan adopted
14 pursuant to section 16a-41a of the general statutes, as amended by this
15 act, state funded or administered programs, conservation assistance
16 available pursuant to section 16-32f or 16-245m of the general statutes,
17 as amended by this act, assistance funded or administered by the
18 Department of Social Services or the Office of Policy and Management,
19 renewable energy resource assistance available pursuant to section 16-
20 245n of the general statutes, as amended by this act, or matching
21 payment program benefits available pursuant to subsection (b) of

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

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

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

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

52 (e) The Department of Public Utility Control shall adopt regulations,
53 in accordance with the provisions of chapter 54 of the general statutes,

54 to implement the provisions of this section.

55 Sec. 2. Section 16-19hh of the general statutes is amended by adding
56 subsection (d) as follows (*Effective from passage*):

57 (NEW) (d) (1) On or after May 1, 2010, any electricity-intensive
58 industry customer may apply to the department for a special contract
59 as to its electricity distribution rates from an electric distribution
60 company. Such special contract shall be for a term of not more than
61 five years and shall allow a reduction of up to ten per cent of the
62 electricity-intensive industry customer's monthly distribution charge,
63 provided the department may set the actual percentage at a level equal
64 to or below twenty per cent. To be eligible for a special contract, an
65 electricity-intensive industry customer shall participate actively in any
66 conservation and load management fund program for which the
67 customer is eligible, including at its own expense where the program
68 incentive levels require a customer contribution.

69 (2) Each electric distribution company shall recover the cost of
70 special contracts awarded pursuant to subdivision (1) of this
71 subsection, including prudent costs of administration, with interest, as
72 part of the electric distribution company's subsequent rate case filing
73 with the department. The annual aggregate cost of any special
74 contracts awarded pursuant to this subsection shall not exceed three
75 million dollars.

76 (3) For the purposes of this subdivision, "electricity-intensive
77 industry customer" means an industrial customer whose usage was
78 among the top twenty-five industrial customers who pay a distribution
79 charge to an electric distribution company during calendar year
80 2009 or a customer who can demonstrate to the department's
81 satisfaction that its electricity costs constitute not less than one per cent
82 of its total product costs.

83 Sec. 3. (NEW) (*Effective October 1, 2010*) (a) There is established a
84 Division of Electricity Policy and Procurement, which shall be within
85 the Public Utilities Control Authority.

86 (b) The Division of Electricity Policy and Procurement shall, in
87 accordance with the comprehensive plan approved pursuant to section
88 16a-3a of the general statutes, as amended by this act, (1) increase the
89 state's energy independence by promoting conservation and efficiency
90 and the use of diverse indigenous and regional electric resources; (2)
91 encourage the use of new electric technologies, particularly
92 technologies that support economic development in the state and
93 promote environmental sustainability; (3) minimize costs of electric
94 services to state consumers while maintaining reliable service; (4)
95 discourage undue price volatility of electric service; and (5) encourage
96 competition, if in the interests of state consumers.

97 (c) The Public Utilities Control Authority shall appoint an executive
98 director, who shall be the chief administrative officer of the Division of
99 Electricity Policy and Procurement and who shall have no less than ten
100 years experience in electric procurement, conservation and renewable
101 energy policy. Said chairperson shall supervise the executive director,
102 who shall serve for a four-year term. The executive director (1) shall
103 conduct comprehensive planning with respect to the functions of the
104 division; (2) shall coordinate the activities of the division; (3) shall
105 cause the administrative organization of the division to be examined
106 with a view to promoting economy and efficiency; (4) may enter into
107 such contractual agreements, in accordance with established
108 procedures, as may be necessary for the discharge of his duties; and (5)
109 may, subject to the provisions of section 4-32 of the general statutes,
110 and unless otherwise provided by law, receive any money, revenue or
111 services from the federal government, corporations, associations or
112 individuals, including payments from the sale of printed matter or any
113 other material or services. Within available funds in any fiscal year, the
114 executive director may appoint a secretary and may employ such
115 accountants, clerical assistants, engineers, inspectors, experts,
116 consultants and agents as the division may require.

117 (d) The Division of Electricity Policy and Procurement under the
118 direction of the executive director may (1) hire three directors, one
119 each specializing in power procurement, energy conservation and

120 renewables, all of whom shall have no less than five years of
121 experience in their areas of expertise; (2) contract with consultants; and
122 (3) adopt any policies for internal organization as necessary.

123 Sec. 4. Section 16a-3b of the general statutes is repealed and the
124 following is substituted in lieu thereof (*Effective October 1, 2010*):

125 (a) The [Department of Public Utility Control] Division of Electricity
126 Policy and Procurement shall oversee the implementation of the
127 procurement plan approved by the [Department of Public Utility
128 Control] Public Utilities Control Authority pursuant to section 16a-3a.
129 The electric distribution companies shall implement the demand-side
130 measures, including, but not limited to, energy efficiency, load
131 management, demand response, combined heat and power facilities,
132 distributed generation and other emerging energy technologies,
133 specified in said procurement plan through the comprehensive
134 conservation and load management plan prepared pursuant to section
135 16-245m, as amended by this act, for review by the Energy
136 Conservation Management Board. The electric distribution companies
137 shall submit proposals to appropriate regulatory agencies to address
138 transmission and distribution upgrades as specified in said
139 procurement plan.

140 (b) If the procurement plan specifies the construction of a generating
141 facility, the [department] division shall develop and issue a request for
142 proposals, shall publish such request for proposals in one or more
143 newspapers or periodicals, as selected by the [department] division,
144 and shall post such request for proposals on its web site. Pursuant to a
145 nondisclosure agreement, the [department] division shall make
146 available to the Office of Consumer Counsel and the Attorney General
147 all confidential bid information it receives pursuant to this subsection,
148 provided the bids and any analysis of such bids shall not be subject to
149 disclosure under the Freedom of Information Act. Three months after
150 the [department] division issues a final decision, it shall make available
151 all financial bid information, provided such information regarding the
152 bidders not selected be presented in a manner that conceals the

153 identities of such bidders.

154 (1) On and after July 1, 2008, an electric distribution company may
155 submit proposals in response to a request for proposals on the same
156 basis as other respondents to the solicitation. A proposal submitted by
157 an electric distribution company shall include its full projected costs
158 such that any project costs recovered from or defrayed by ratepayers
159 are included in the projected costs. An electric distribution company
160 submitting any such bid shall demonstrate to the satisfaction of the
161 [department] division that its bid is not supported in any form of cross
162 subsidization by affiliated entities. If the [department] division
163 approves such electric distribution company's proposal, the costs and
164 revenues of such proposal shall not be included in calculating such
165 company's earning for purposes of, or in determining whether its rates
166 are just and reasonable under, sections 16-19, 16-19a and 16-19e, as
167 amended by this act. An electric distribution company shall not
168 recover more than the full costs identified in any approved proposal.
169 Affiliates of the electric distribution company may submit proposals
170 pursuant to section 16-244h, regulations adopted pursuant to section
171 16-244h and other requirements the [department] division may
172 impose.

173 (2) If the [department] division selects a nonelectric distribution
174 company proposal, an electric distribution company shall, within
175 thirty days of the selection of a proposal by the [department] division,
176 negotiate in good faith the final terms of a contract with a generating
177 facility and shall apply to the [department] division for approval of
178 such contract. Upon [department] the division's approval, the electric
179 distribution company shall enter into such contract.

180 (3) The [department] division shall determine the appropriate
181 manner of cost recovery for proposals selected pursuant to this section.

182 (4) The [department] division may retain the services of a third-
183 party entity with expertise in the area of energy procurement to
184 oversee the development of the request for proposals and to assist the

185 department in its approval of proposals pursuant to this section. The
186 reasonable and proper expenses for retaining such third-party entity
187 shall be recoverable through the generation services charge.

188 (c) The electric distribution companies shall issue requests for
189 proposals to acquire any other resource needs not identified in
190 subsection (a) or (b) of this section but specified in the procurement
191 plan approved by the [Department of Public Utility Control] Public
192 Utilities Control Authority pursuant to section 16a-3a. Such requests
193 for proposals shall be subject to approval by the [department] division.

194 Sec. 5. Section 16a-3c of the general statutes is repealed and the
195 following is substituted in lieu thereof (*Effective October 1, 2010*):

196 [(a) On and after July 1, 2009, if] If the [Department of Public Utility
197 Control] Division of Electricity Policy and Procurement does not
198 receive and approve proposals pursuant to the requests for proposals
199 processes, pursuant to section 16a-3b, as amended by this act,
200 sufficient to reach the goal set by the plan approved pursuant to
201 section 16a-3a, the [department] division may order an electric
202 distribution company to submit for the [department's] division's
203 review in a contested case proceeding, in accordance with chapter 54, a
204 proposal to build and operate an electric generation facility in the state.
205 An electric distribution company shall be eligible to recover its
206 prudently incurred costs consistent with the principles set forth in
207 section 16-19e, as amended by this act, for any generation project
208 approved pursuant to this section.

209 [(b) On or before January 1, 2008, the department shall initiate a
210 contested case proceeding to determine the costs and benefits of the
211 state serving as the builder of last resort for the shortfall of megawatts
212 from said request for proposal process.]

213 Sec. 6. (NEW) (*Effective October 1, 2010*) The Division of Electricity
214 Policy and Procurement may own and operate electric power plants
215 and may provide financial assistance, including low-interest loans to
216 encourage the development of necessary electric generation facilities

217 by the electric distribution companies or private entities, provided
218 electricity generated at such facilities shall be sold through the electric
219 distribution companies or the Connecticut Municipal Electric Energy
220 Cooperative for use by Connecticut consumers at cost of service with a
221 reasonable rate of return, as determined by the Department of Public
222 Utility Control. The Division of Electricity Policy and Procurement
223 may enter into contracts with electricity generators, suppliers and such
224 other persons as necessary to carry out the purposes of this section.

225 Sec. 7. (NEW) (*Effective October 1, 2010*) (a) On or before January 1,
226 2011, the Division of Electricity Policy and Procurement, in
227 consultation with the Office of Consumer Counsel, shall issue a
228 request for proposals for the retention, for a period of not more than
229 two years, of an entity with expertise in the area of electricity
230 procurement. Such entity shall be responsible for procuring contracts
231 for electric generation services for standard service, as needed, with
232 the goal of achieving the lowest possible standard service price. An
233 electric distribution company may submit a bid in response to such
234 request for proposals, provided the bid of an electric distribution
235 company may not be supported by any cross-subsidization from any
236 affiliate.

237 (b) In the absence of a successful bid from a procuring entity as
238 described in subsection (a) of this section, on and after January 1, 2011,
239 either the Division of Electricity Policy and Procurement or an electric
240 distribution company may serve as the procurement entity on an
241 interim basis. Any electric distribution company that serves on such an
242 interim basis shall be entitled to appropriate compensation in such
243 form and amount as determined by the Department of Public Utility
244 Control.

245 (c) Any entity that serves as a procuring entity pursuant to this
246 section shall seek contracts for electric generation services, as
247 frequently as necessary, and shall deliver a list of preferred contracts
248 for electric generation services to the Division of Electricity Policy and
249 Procurement for approval or denial. Upon approval of any such

250 contract by the Division of Electricity Policy and Procurement, the
251 electric distribution company shall enter into such contract.

252 (d) Any entity serving as a procuring entity pursuant to this section
253 may include on such list of preferred contracts submitted to the
254 Division of Electricity Policy and Procurement proposed contracts for
255 electric generation services that do or do not constitute full
256 requirements service and may include contracts of a length as short as
257 one month or as long as ten years, provided the set of contracts in the
258 aggregate ensure the reliability of standard service and are consistent
259 with the goal of providing standard service at the lowest achievable
260 cost. The procuring entity may, with the approval of the Division of
261 Electricity Policy and Procurement, also arrange through the electricity
262 distribution companies to have some portion of standard service
263 power purchased in the short-term regional electricity market.

264 (e) On or before October 1, 2011, and biennially thereafter, the
265 department shall open a contested case proceeding in accordance with
266 chapter 54 of the general statutes to review the efficacy of the
267 procurement process described in this section and report its findings to
268 the joint standing committee of the General Assembly having
269 cognizance of matters relating to energy.

270 Sec. 8. (NEW) (*Effective October 1, 2010*) The Division of Electricity
271 Policy and Procurement may negotiate contracts on behalf of electric
272 distribution companies with electricity generators for the provision of
273 electric generation services offered pursuant to subsection (c) of section
274 16-244c of the general statutes. Such negotiation may be in connection
275 with the provision of financing or other assistance to an electricity
276 generation services supplier for the construction or reconstruction of a
277 generation facility. Such contracts shall be in the best interests of
278 ratepayers and shall offer a reduction in electricity costs to those
279 consumers receiving electric generation services pursuant to said
280 subsection. The Public Utilities Control Authority, in consultation with
281 the electric distribution companies, shall review such contracts and
282 shall approve a contract if the authority determines that such contract

283 is (1) consistent with the principles of section 16-19e of the general
284 statutes, as amended by this act, (2) in the best interests of ratepayers,
285 and (3) reduces electricity costs to those consumers receiving electric
286 generation services pursuant to said subsection. Upon the authority's
287 approval, an electric distribution company shall enter into such
288 contract with the approved electric generation services supplier.

289 Sec. 9. Section 16-4 of the general statutes is repealed and the
290 following is substituted in lieu thereof (*Effective October 1, 2010*):

291 No officer, employee, attorney or agent of any public service
292 company, of any certified telecommunications provider or of any
293 electric supplier shall be a member of the Public Utilities Control
294 Authority or an employee of the Department of Public Utility Control
295 or the Division of Electricity Policy and Procurement.

296 Sec. 10. Section 16a-3 of the general statutes is repealed and the
297 following is substituted in lieu thereof (*Effective October 1, 2010*):

298 (a) There is established a Connecticut Energy Advisory Board
299 consisting of fifteen members, including the Commissioner of
300 Environmental Protection, the chairperson of the Public Utilities
301 Control Authority, the Commissioner of Transportation, the Consumer
302 Counsel, the Commissioner of Agriculture, and the Secretary of the
303 Office of Policy and Management, or their respective designees. The
304 Governor shall appoint a representative of an environmental
305 organization knowledgeable in energy efficiency programs, a
306 representative of a consumer advocacy organization and a
307 representative of a state-wide business association. The president pro
308 tempore of the Senate shall appoint a representative of a chamber of
309 commerce, a representative of a state-wide manufacturing association
310 and a member of the public considered to be an expert in electricity,
311 generation, procurement or conservation programs. The speaker of the
312 House of Representatives shall appoint a representative of low-income
313 ratepayers, a representative of state residents, in general, with
314 expertise in energy issues and a member of the public considered to be

315 an expert in electricity, generation, procurement or conservation
316 programs. All appointed members shall serve in accordance with
317 section 4-1a. No appointee may be employed by, or a consultant of, a
318 public service company, as defined in section 16-1, or an electric
319 supplier, as defined in section 16-1, or an affiliate or subsidiary of such
320 company or supplier.

321 (b) The board shall (1) represent the state in regional energy system
322 planning processes conducted by the regional independent system
323 operator, as defined in section 16-1; (2) encourage representatives from
324 the municipalities that are affected by a proposed project of regional
325 significance to participate in regional energy system planning
326 processes conducted by the regional independent system operator; (3)
327 participate in a forecast proceeding conducted pursuant to subsection
328 (a) of section 16-50r; (4) participate in a life-cycle proceeding conducted
329 pursuant to subsection (b) of section 16-50r; (5) advise the Division of
330 Electricity Policy and Procurement, and ~~[(5)]~~ (6) review the
331 procurement plan submitted by the electric distribution companies
332 pursuant to section 16a-3a.

333 (c) The board shall elect a chairman and a vice-chairman from
334 among its members and shall adopt such rules of procedure as are
335 necessary to carry out its functions.

336 (d) The board shall convene its first meeting not later than
337 September 1, 2003. A quorum of the board shall consist of two-thirds
338 of the members currently serving on the board.

339 (e) The board shall employ such staff as is required for the proper
340 discharge of its duties. The board may also retain any third-party
341 consultants it deems necessary to accomplish the goals set forth in
342 subsection (b) of this section. The board shall annually submit to the
343 Department of Public Utility Control a proposal regarding the level of
344 funding required for the discharge of its duties, which proposal shall
345 be approved by the department either as submitted or as modified by
346 the department.

347 (f) The Connecticut Energy Advisory Board shall be within the
348 [Office of Policy and Management] Public Utilities Control Authority
349 for administrative purposes only.

350 Sec. 11. Subsection (a) of section 4-65a of the general statutes is
351 repealed and the following is substituted in lieu thereof (*Effective*
352 *October 1, 2010*):

353 (a) There shall be an Office of Policy and Management which shall
354 be responsible for all aspects of state staff planning and analysis in the
355 areas of budgeting, management, planning, energy policy
356 determination and evaluation, except to the extent such policies are
357 under the authority of the Division of Electricity Policy and
358 Procurement, intergovernmental policy, criminal and juvenile justice
359 planning and program evaluation. The department head shall be the
360 Secretary of the Office of Policy and Management, who shall be
361 appointed by the Governor in accordance with the provisions of
362 sections 4-5, 4-6, 4-7 and 4-8, with all the powers and duties therein
363 prescribed. The Secretary of the Office of Policy and Management shall
364 be the employer representative (1) in collective bargaining negotiations
365 concerning changes to the state employees retirement system and
366 health and welfare benefits, and (2) in all other matters involving
367 collective bargaining, including negotiation and administration of all
368 collective bargaining agreements and supplemental understandings
369 between the state and the state employee unions concerning all
370 executive branch employees except (A) employees of the Division of
371 Criminal Justice, and (B) faculty and professional employees of boards
372 of trustees of constituent units of the state system of higher education.
373 The secretary may designate a member of the secretary's staff to act as
374 the employer representative in the secretary's place.

375 Sec. 12. Subdivision (2) of subsection (e) of section 4a-57 of the
376 general statutes is repealed and the following is substituted in lieu
377 thereof (*Effective October 1, 2010*):

378 (2) Any purchase of or contract by the department for electric

379 generation services that are subject to competitive bidding and
380 competitive negotiations shall be conducted in cooperation with the
381 [Office of Policy and Management] Division of Electricity Policy and
382 Procurement pursuant to section 16a-14e.

383 Sec. 13. Subsection (c) of section 16-19e of the general statutes is
384 repealed and the following is substituted in lieu thereof (*Effective*
385 *October 1, 2010*):

386 (c) The Department of Public Utility Control shall consult at least
387 once each year with the Commissioner of Environmental Protection,
388 the Connecticut Siting Council, the Division of Electricity Policy and
389 Procurement and the Office of Policy and Management, so as to
390 coordinate and integrate its actions, decisions and policies pertaining
391 to gas and electric companies, so far as possible, with the actions,
392 decisions and policies of said other agencies and instrumentalities in
393 order to further the development and optimum use of the state's
394 energy resources and conform to the greatest practicable extent with
395 the state energy policy as stated in section 16a-35k, taking into account
396 prudent management of the natural environment and continued
397 promotion of economic development within the state. In the
398 performance of its duties, the department shall take into consideration
399 the energy policies of the state as expressed in this subsection and in
400 any annual reports prepared or filed by such other agencies and
401 instrumentalities, and shall defer, as appropriate, to any actions taken
402 by such other agencies and instrumentalities on matters within their
403 respective jurisdictions.

404 Sec. 14. Subsection (d) of section 16a-48 of the general statutes is
405 repealed and the following is substituted in lieu thereof (*Effective*
406 *October 1, 2010*):

407 (d) (1) The [office] Division of Electricity Policy and Procurement, in
408 consultation with the Department of Public Utility Control, shall adopt
409 regulations, in accordance with the provisions of chapter 54, to
410 implement the provisions of this section and to establish minimum

411 energy efficiency standards for the types of new products set forth in
412 subsection (b) of this section. The regulations shall provide for the
413 following minimum energy efficiency standards:

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

417 (B) Commercial refrigerators and freezers shall meet the August 1,
418 2004, requirements shown in Table A-6 of said California regulation;

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

422 (D) Large packaged air-conditioning equipment having not more
423 than seven hundred sixty thousand BTUs per hour of capacity shall
424 meet a minimum energy efficiency ratio of 10.0 for units using both
425 electric heat and air conditioning or units solely using electric air
426 conditioning, and 9.8 for units using both natural gas heat and electric
427 air conditioning;

428 (E) Large packaged air-conditioning equipment having not less than
429 seven hundred sixty-one thousand BTUs per hour of capacity shall
430 meet a minimum energy efficiency ratio of 9.7 for units using both
431 electric heat and air conditioning or units solely using electric air
432 conditioning, and 9.5 for units using both natural gas heat and electric
433 air conditioning;

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

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

440 (H) Traffic signal modules shall meet the product specification of

441 the "Energy Star Program Requirements for Traffic Signals" developed
442 by the United States Environmental Protection Agency that took effect
443 in February, 2001, except where the department, in consultation with
444 the Commissioner of Transportation, determines that such
445 specification would compromise safe signal operation;

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

448 (J) On or after January 1, 2009, residential furnaces and boilers
449 purchased by the state shall meet or exceed the following annual fuel
450 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
451 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
452 cent annual fuel utilization efficiency, (iii) for gas and propane hot
453 water boilers, eighty-four per cent annual fuel utilization efficiency,
454 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
455 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
456 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
457 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
458 for furnaces with furnace air handlers, an electricity ratio of not more
459 than 2.0, except air handlers for oil furnaces with a capacity of less than
460 ninety-four thousand BTUs per hour shall have an electricity ratio of
461 2.3 or less;

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

466 (L) Single-voltage external AC to DC power supplies manufactured
467 on or after January 1, 2008, shall meet the energy efficiency standards
468 of table U-1 of section 1605.3 of the January 2006 California Code of
469 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
470 Efficiency Regulations. This standard applies to single voltage AC to
471 DC power supplies that are sold individually and to those that are sold
472 as a component of or in conjunction with another product. This

473 standard shall not apply to single voltage external AC to DC power
474 supplies sold with products subject to certification by the United States
475 Food and Drug Administration. A single-voltage external AC to DC
476 power supply that is made available by a manufacturer directly to a
477 consumer or to a service or repair facility after and separate from the
478 original sale of the product requiring the power supply as a service
479 part or spare part shall not be required to meet the standards in said
480 table U-1 until five years after the effective dates indicated in the table;

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

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

493 (O) On or after January 1, 2009, pool heaters shall meet the
494 efficiency requirements of sections 1605.1 and 1605.3 of the January
495 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
496 Article 4: Appliance Efficiency Regulations.

497 (2) Such efficiency standards, where in conflict with the State
498 Building Code, shall take precedence over the standards contained in
499 the Building Code. Not later than July 1, 2007, and biennially
500 thereafter, the office, in consultation with the Department of Public
501 Utility Control, shall review and increase the level of such efficiency
502 standards by adopting regulations in accordance with the provisions
503 of chapter 54 upon a determination that increased efficiency standards
504 would serve to promote energy conservation in the state and would be

505 cost-effective for consumers who purchase and use such new products,
506 provided no such increased efficiency standards shall become effective
507 within one year following the adoption of any amended regulations
508 providing for such increased efficiency standards.

509 (3) The [office] Division of Electricity Policy and Procurement, in
510 consultation with the Department of Public Utility Control, shall adopt
511 regulations, in accordance with the provisions of chapter 54, to
512 designate additional products to be subject to the provisions of this
513 section and to establish efficiency standards for such products upon a
514 determination that such efficiency standards (A) would serve to
515 promote energy conservation in the state, (B) would be cost-effective
516 for consumers who purchase and use such new products, and (C) that
517 multiple products are available which meet such standards, provided
518 no such efficiency standards shall become effective within one year
519 following their adoption pursuant to this subdivision.

520 Sec. 15. Section 16-246e of the general statutes is repealed and the
521 following is substituted in lieu thereof (*Effective October 1, 2010*):

522 (a) The Governor may designate the [Department of Public Utility
523 Control] Division of Electricity Policy and Procurement as the agent of
524 the state, subject only to the limitation under subsection (b) of this
525 section, to conduct negotiations and perform all acts necessary to
526 procure electric power capacity, power output from such capacity or
527 both from any out-of-state electric power producer, to transmit it to
528 within the state and to sell or resell it on a nonprofit basis for
529 distribution within the state to electric companies, as defined in section
530 16-1, municipal electric utilities established under chapter 101,
531 municipal electric energy cooperatives organized under chapter 101a,
532 membership electric cooperatives organized under chapter 597 and
533 such other persons or entities as may be designated by the [governor]
534 Governor. The [department] division, if designated as such agent, shall
535 arrange for the sale or resale of such power on an equitable basis and
536 in such manner as it finds will most effectively promote the objectives
537 of this title, chapters 101, 101a and 597, and section 16a-35k, subject to

538 any conditions or limitations imposed by the out-of-state electric
539 power producer selling such power. The [department] division, if so
540 designated, may also enter into any contracts or other arrangements
541 for the sale or resale of such power for transmission outside the state if
542 such sale or resale is reasonably incidental to and furthers the needs of
543 the state and the purposes of this section.

544 (b) The [department] division shall submit any final action it takes
545 under subsection (a) of this section to the Governor, who may, not later
546 than sixty days after such submission, disapprove such action by
547 notifying the [department] division in writing of such disapproval and
548 the reasons for it.

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

551 (a) There shall continue to be a Public Utilities Control Authority,
552 which shall consist of [~~five~~] seven electors of this state, appointed by
553 the Governor with the advice and consent of both houses of the
554 General Assembly. Not more than [~~three~~] four members of said
555 authority in office at any one time shall be members of any one
556 political party. On or before July 1, 1983, and quadrennially thereafter,
557 the Governor shall appoint three members to the authority; [~~and~~] on or
558 before July 1, 1985, and quadrennially thereafter, the Governor shall
559 appoint two members; and on or before July 1, 2010, and
560 quadrennially thereafter, the Governor shall appoint two members. All
561 such members shall serve for a term of four years. The procedure
562 prescribed by section 4-7 shall apply to such appointments, except that
563 the Governor shall submit each nomination on or before May first, and
564 both houses shall confirm or reject it before adjournment sine die. The
565 commissioners shall be sworn to the faithful performance of their
566 duties.

567 (b) The authority shall elect a chairperson and vice-chairperson each
568 June for one-year terms starting on July first of the same year. The vice-
569 chairperson shall perform the duties of the chairperson in his absence.

570 (c) Any matter coming before the authority may be assigned by the
571 chairperson to a panel of [three] five commissioners, not more than
572 [two] four of whom shall be members of the same political party.
573 Except as otherwise provided by statute or regulation, the panel shall
574 determine whether a public hearing shall be held on the matter, and
575 may designate one or two of its members to conduct such hearing or
576 appoint an examiner to ascertain the facts and report thereon to the
577 panel. The decision of the panel, if unanimous, shall be the decision of
578 the authority. If the decision of the panel is not unanimous, the matter
579 shall be referred to the entire authority for decision.

580 (d) The commissioners of the authority shall serve full time and
581 shall make full public disclosure of their assets, liabilities and income
582 at the time of their appointment, and thereafter each member of the
583 authority shall make such disclosure on or before July thirtieth of each
584 year of such member's term, and shall file such disclosure with the
585 office of the Secretary of the State. Each commissioner shall receive
586 annually a salary equal to that established for management pay plan
587 salary group seventy-five by the Commissioner of Administrative
588 Services, except that the chairperson shall receive annually a salary
589 equal to that established for management pay plan salary group
590 seventy-seven.

591 (e) To insure the highest standard of public utility regulation, on
592 and after October 1, 2007, any newly appointed commissioner of the
593 authority shall have education or training and three or more years of
594 experience in one or more of the following fields: Economics,
595 engineering, law, accounting, finance, utility regulation, public or
596 government administration, consumer advocacy, business
597 management, and environmental management. On and after July 1,
598 1997, at least three of these fields shall be represented on the authority
599 by individual commissioners at all times. Any time a commissioner is
600 newly appointed, at least one of the commissioners shall have
601 experience in utility [customer] consumer advocacy, one in
602 environmental management and one in business management.

603 (f) The chairperson of the authority, with the consent of [two] three
604 or more other members of the authority, shall appoint an executive
605 director, who shall be the chief administrative officer of the
606 Department of Public Utility Control. The executive director shall be
607 supervised by the chairperson of the authority, serve for a term of four
608 years and annually receive a salary equal to that established for
609 management pay plan salary group seventy-two by the Commissioner
610 of Administrative Services. The executive director (1) shall conduct
611 comprehensive planning with respect to the functions of the
612 department; (2) shall coordinate the activities of the department; (3)
613 shall cause the administrative organization of the department to be
614 examined with a view to promoting economy and efficiency; (4) shall,
615 in concurrence with the chairperson of the authority, organize the
616 department into such divisions, bureaus or other units as he deems
617 necessary for the efficient conduct of the business of the department
618 and may from time to time abolish, transfer or consolidate within the
619 department, any division, bureau or other units as may be necessary
620 for the efficient conduct of the business of the department, provided
621 such organization shall include any division, bureau or other unit
622 which is specifically required by the general statutes; (5) shall, for any
623 proceeding on a proposed rate amendment in which staff of the
624 department are to be made a party pursuant to section 16-19j,
625 determine which staff shall appear and participate in the proceedings
626 and which shall serve the members of the authority; (6) may enter into
627 such contractual agreements, in accordance with established
628 procedures, as may be necessary for the discharge of his duties; and (7)
629 may, subject to the provisions of section 4-32, and unless otherwise
630 provided by law, receive any money, revenue or services from the
631 federal government, corporations, associations or individuals,
632 including payments from the sale of printed matter or any other
633 material or services. The executive director shall require the staff of the
634 department to have expertise in public utility engineering and
635 accounting, finance, economics, computers and rate design. Subject to
636 the provisions of chapter 67 and within available funds in any fiscal
637 year, the executive director may appoint a secretary, and may employ

638 such accountants, clerical assistants, engineers, inspectors, experts,
639 consultants and agents as the department may require.

640 (g) No member of the authority or employee of the department
641 shall, while serving as such, have any interest, financial or otherwise,
642 direct or indirect, or engage in any business, employment, transaction
643 or professional activity, or incur any obligation of any nature, which is
644 in substantial conflict with the proper discharge of his duties or
645 employment in the public interest and of his responsibilities as
646 prescribed in the laws of this state, as defined in section 1-85; provided,
647 no such substantial conflict shall be deemed to exist solely by virtue of
648 the fact that a member of the authority or employee of the department,
649 or any business in which such a person has an interest, receives utility
650 service from one or more Connecticut utilities under the normal rates
651 and conditions of service.

652 (h) No member of the authority or employee of the department shall
653 accept other employment which will either impair his independence of
654 judgment as to his official duties or employment or require him, or
655 induce him, to disclose confidential information acquired by him in the
656 course of and by reason of his official duties.

657 (i) No member of the authority or employee of the department shall
658 wilfully and knowingly disclose, for pecuniary gain, to any other
659 person, confidential information acquired by him in the course of and
660 by reason of his official duties or employment or use any such
661 information for the purpose of pecuniary gain.

662 (j) No member of the authority or employee of the department shall
663 agree to accept, or be in partnership or association with any person, or
664 a member of a professional corporation or in membership with any
665 union or professional association which partnership, association,
666 professional corporation, union or professional association agrees to
667 accept any employment, fee or other thing of value, or portion thereof,
668 in consideration of his appearing, agreeing to appear, or taking any
669 other action on behalf of another person before the authority, the

670 Connecticut Siting Council, the Office of Policy and Management or
671 the Commissioner of Environmental Protection.

672 (k) No commissioner of the authority shall, for a period of one year
673 following the termination of his or her service as a commissioner,
674 accept employment: (1) By a public service company or by any person,
675 firm or corporation engaged in lobbying activities with regard to
676 governmental regulation of public service companies; (2) by a certified
677 telecommunications provider or by any person, firm or corporation
678 engaged in lobbying activities with regard to governmental regulation
679 of persons, firms or corporations so certified; or (3) by an electric
680 supplier or by any person, firm or corporation engaged in lobbying
681 activities with regard to governmental regulation of electric suppliers.
682 No such commissioner who is also an attorney shall in any capacity,
683 appear or participate in any matter, or accept any compensation
684 regarding a matter, before the authority, for a period of one year
685 following the termination of his or her service as a commissioner.

686 Sec. 17. Section 16-245*l* of the general statutes is repealed and the
687 following is substituted in lieu thereof (*Effective October 1, 2010*):

688 (a) The Department of Public Utility Control shall establish and each
689 electric distribution company shall collect a systems benefits charge to
690 be imposed against all end use customers of each electric distribution
691 company beginning January 1, 2000. The department shall hold a
692 hearing that shall be conducted as a contested case in accordance with
693 chapter 54 to establish the amount of the systems benefits charge. The
694 department may revise the systems benefits charge or any element of
695 said charge as the need arises. The systems benefits charge shall be
696 used to fund (1) the expenses of the public education outreach
697 program developed under subsections (a), (f) and (g) of section 16-
698 244d other than expenses for department staff, (2) the reasonable and
699 proper expenses of the education outreach consultant pursuant to
700 subsection (d) of section 16-244d, (3) the cost of hardship protection
701 measures under sections 16-262c and 16-262d and other hardship
702 protections, including, but not limited to, electric service bill payment

703 programs, funding and technical support for energy assistance, fuel
704 bank and weatherization programs and weatherization services, (4) the
705 payment program to offset tax losses described in section 12-94d, (5)
706 any sums paid to a resource recovery authority pursuant to subsection
707 (b) of section 16-243e, (6) low income conservation programs approved
708 by the Department of Public Utility Control, (7) displaced worker
709 protection costs, (8) unfunded storage and disposal costs for spent
710 nuclear fuel generated before January 1, 2000, approved by the
711 appropriate regulatory agencies, (9) postretirement safe shutdown and
712 site protection costs that are incurred in preparation for
713 decommissioning, (10) decommissioning fund contributions, (11) the
714 costs of temporary electric generation facilities incurred pursuant to
715 section 16-19ss, (12) operating expenses for the Connecticut Energy
716 Advisory Board, (13) costs associated with the Connecticut electric
717 efficiency partner program established pursuant to section 16-243v,
718 (14) reinvestments and investments in energy efficiency programs and
719 technologies pursuant to section 16a-38l, costs associated with the
720 electricity conservation incentive program established pursuant to
721 section 119 of public act 07-242, (15) operating expenses and costs
722 associated with the Division of Electricity Policy and Procurement, and
723 [(15)] (16) legal, appraisal and purchase costs of a conservation or land
724 use restriction and other related costs as the department in its
725 discretion deems appropriate, incurred by a municipality on or before
726 January 1, 2000, to ensure the environmental, recreational and scenic
727 preservation of any reservoir located within this state created by a
728 pump storage hydroelectric generating facility. As used in this
729 subsection, "displaced worker protection costs" means the reasonable
730 costs incurred, prior to January 1, 2008, (A) by an electric supplier,
731 exempt wholesale generator, electric company, an operator of a
732 nuclear power generating facility in this state or a generation entity or
733 affiliate arising from the dislocation of any employee other than an
734 officer, provided such dislocation is a result of (i) restructuring of the
735 electric generation market and such dislocation occurs on or after July
736 1, 1998, or (ii) the closing of a Title IV source or an exempt wholesale
737 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a

738 result of such source's failure to meet requirements imposed as a result
739 of sections 22a-197 and 22a-198 and this section or those Regulations of
740 Connecticut State Agencies adopted by the Department of
741 Environmental Protection, as amended from time to time, in
742 accordance with Executive Order Number 19, issued on May 17, 2000,
743 and provided further such costs result from either the execution of
744 agreements reached through collective bargaining for union
745 employees or from the company's or entity's or affiliate's programs
746 and policies for nonunion employees, and (B) by an electric
747 distribution company or an exempt wholesale generator arising from
748 the retraining of a former employee of an unaffiliated exempt
749 wholesale generator, which employee was involuntarily dislocated on
750 or after January 1, 2004, from such wholesale generator, except for
751 cause. "Displaced worker protection costs" includes costs incurred or
752 projected for severance, retraining, early retirement, outplacement,
753 coverage for surviving spouse insurance benefits and related expenses.
754 "Displaced worker protection costs" does not include those costs
755 included in determining a tax credit pursuant to section 12-217bb.

756 (b) The amount of the systems benefits charge shall be determined
757 by the department in a general and equitable manner and shall be
758 imposed on all end use customers of each electric distribution
759 company at a rate that is applied equally to all customers of the same
760 class in accordance with methods of allocation in effect on July 1, 1998,
761 provided the system benefits charge shall not be imposed on
762 customers receiving services under a special contract which is in effect
763 on July 1, 1998, until such special contracts expire. The system benefits
764 charge shall be imposed beginning on January 1, 2000, on all customers
765 receiving services under a special contract which are entered into or
766 renewed after July 1, 1998. The systems benefits charge shall have a
767 generally applicable manner of determination that may be measured
768 on the basis of percentages of total costs of retail sales of generation
769 services. The systems benefits charge shall be payable on an equal
770 basis on the same payment terms and shall be eligible or subject to
771 prepayment on an equal basis. Any exemption of the systems benefits

772 charge by customers under a special contract shall not result in an
773 increase in rates to any customer.

774 Sec. 18. (NEW) (*Effective October 1, 2010*) Notwithstanding any
775 provision of the general statutes, each full-time employee or
776 permanent part-time employee of the Office of Policy and
777 Management whose primary duties involve electricity policies and
778 programs shall be transferred to the Division of Electricity Policy and
779 Procurement, in accordance with the provisions of this section and
780 sections 4-38d, 4-38e and 4-39 of the general statutes.

781 Sec. 19. (NEW) (*Effective July 1, 2010*) (a) The Division of Electricity
782 Policy and Procurement shall appoint and convene an Energy
783 Conservation Management Board, which shall be within the division
784 for administrative purposes only and shall include: (1) A
785 representative of an environmental group knowledgeable in energy
786 conservation programs; (2) the Consumer Counsel or the Consumer
787 Counsel's designee; (3) the Attorney General or the Attorney General's
788 designee; (4) the Commissioner of Environmental Protection or the
789 commissioner's designee; (5) the Commissioner of Social Services or
790 the commissioner's designee; (6) a representative of a state-wide
791 manufacturing association; (7) a representative of a chamber of
792 commerce; (8) a representative of a state-wide business association; (9)
793 a representative of a state-wide retail organization; (10) a
794 representative of a municipal electric energy cooperative created
795 pursuant to chapter 101a of the general statutes; (11) two
796 representatives, one each selected by the electric distribution
797 companies, as defined in section 16-1 of the general statutes; (12) two
798 representatives selected by the gas companies, as defined in section 16-
799 1 of the general statutes; (13) a representative of residential customers;
800 (14) a fuel oil dealer selected by the Independent Connecticut
801 Petroleum Association; (15) a Connecticut propane dealer selected by
802 the Propane Gas Association of New England; and (16) a
803 representative of the Renewable Energy Investment Fund selected by
804 such fund. The members of the Energy Conservation Management
805 Board on June 30, 2010, shall continue to serve on the board

806 established pursuant to this section until the expiration of their current
807 term. Members shall serve for a period of five years from the date of
808 appointment and may be reappointed. Representatives of the gas
809 companies, electric distribution companies, municipal electric energy
810 cooperative, fuel oil dealers, propane dealers and the Renewable
811 Energy Investment Fund shall not vote on matters unrelated to their
812 industry.

813 (b) The Energy Conservation Management Board shall:

814 (1) Advise the municipal electric energy cooperatives regarding
815 programs developed pursuant to section 21 of this act and section 7-
816 233y of the general statutes, as amended by this act;

817 (2) Advise the natural gas companies regarding programs
818 developed pursuant to section 21 of this act and section 16-32f of the
819 general statutes, as amended by this act;

820 (3) Advise the electric distribution companies regarding programs
821 developed pursuant to section 21 of this act and section 16-245m of the
822 general statutes, as amended by this act;

823 (4) Collaborate with the Department of Social Services regarding
824 coordination of energy and weatherization assistance administered or
825 funded by said department with conservation assistance available
826 under the plan developed pursuant to section 21 of this act and
827 sections 7-233y, 16-32f and 16-245m of the general statutes, as
828 amended by this act;

829 (5) Collaborate, in accordance with the provisions of subsection (d)
830 of this section, with the Renewable Energy Investment Fund to
831 examine opportunities to coordinate with the programs and activities
832 funded by said fund pursuant to section 16-245n of the general
833 statutes, as amended by this act, and with programs and activities
834 developed pursuant to section 21 of this act and sections 7-233y, 16-32f
835 and 16-245m of the general statutes, as amended by this act;

836 (6) Oversee the administrator retained pursuant to subsection (c) of
837 this section and the development and implementation of conservation
838 assistance regarding deliverable fuels pursuant to section 21 of this act;

839 (7) Facilitate, to the extent practicable, the coordination and
840 integration of energy, conservation and renewable resources programs
841 to simplify consumer access to integrated services of all available
842 resources, minimize expenses in the administration of each program
843 and reduce environmental impacts and security risks of energy in this
844 state;

845 (8) Conduct an annual public hearing regarding conservation plans
846 and the implementation of such plans. All public comments shall be
847 summarized for the purposes of consideration in the board's
848 deliberations on future conservation plans;

849 (9) Retain and direct expert consultants regarding the board's duties
850 pursuant to section 21 of this act and sections 16-32f and 16-245m of
851 the general statutes, as amended by this act;

852 (10) Evaluate programs contained in the comprehensive
853 conservation plan and pursuant to sections 16-32f and 16-245m of the
854 general statutes, as amended by this act; and

855 (11) Consolidate annual reports to the joint standing committees of
856 the General Assembly having cognizance of matters relating to energy,
857 the environment and commerce, documenting conservation and
858 renewable resources program operations, pursuant to section 22 of this
859 act and sections 7-233y, 16-32f, 16-245m and 16-245n of the general
860 statutes, as amended by this act.

861 (c) On or before January 1, 2011, to the extent funding is available,
862 after issuing a request for proposals, the Energy Conservation
863 Management Board shall select an administrator qualified to develop
864 recommendations for conservation of deliverable fuel and for
865 administering and implementing conservation and energy efficiency
866 programs for deliverable fuel customers. The board may enter into a

867 contract with the administrator for a period not to exceed three years.
868 The costs for such administrator shall be paid from the fuel oil
869 conservation account established pursuant to subsection (b) of section
870 20 of this act or any other funds as may become available for this
871 purpose.

872 (d) There shall be a joint committee of the Energy Conservation
873 Management Board and the Renewable Energy Investments Board.
874 Each board shall appoint members to such joint committee. The joint
875 committee shall examine opportunities to coordinate the programs and
876 activities funded by the Renewable Energy Investment Fund pursuant
877 to section 16-245n of the general statutes, as amended by this act, with
878 the programs and activities contained in the comprehensive
879 conservation plan approved pursuant to section 21 of this act to reduce
880 the long-term cost, environmental impacts and security risks of energy
881 in the state.

882 (e) As used in this section, sections 20 and 21 of this act and section
883 16a-41a of the general statutes, as amended by this act, "deliverable
884 fuel" includes fuel oil, propane, wood, coal and kerosene used for
885 space heating or to heat hot water, and as used in this section "fuel oil"
886 means the product designated by the American Society for Testing and
887 Materials as "Specifications for Heating Oil D396-69", commonly
888 known as number 2 heating oil, and grade number 4, grade number 5
889 and grade number 6 fuel oil, provided such heating and fuel oils are
890 used for purposes other than generating power to propel motor
891 vehicles or for generating electricity.

892 Sec. 20. (NEW) (*Effective July 1, 2010*) (a) There is established, within
893 the Energy Conservation and Load Management Fund established
894 pursuant to subsection (b) of section 16-245m of the general statutes, as
895 amended by this act, a natural gas subaccount. The Energy
896 Conservation Management Board may receive any amount required
897 by law to be deposited into the subaccount and may receive any
898 federal or other funds as may become available for conservation and
899 load management and renewable resources. Any balance remaining in

900 such subaccount at the end of any fiscal year shall be carried forward
901 in the fiscal year next succeeding. Disbursement from such subaccount
902 shall be in accordance with the comprehensive conservation plan
903 approved by the Department of Public Utility Control pursuant to
904 section 21 of this act.

905 (b) Each fiscal year, an amount equal to the annual revenue from the
906 tax imposed by section 12-264 of the general statutes on the gross
907 receipts of sales of all public services companies that is in excess of the
908 revenue estimate for said tax that is approved by the General
909 Assembly in the appropriations act for that fiscal year shall be
910 deposited by the Comptroller in the natural gas subaccount, provided
911 the amount of such excess revenue shall not exceed ten million dollars.
912 Such amount shall be used for natural gas programs contained in the
913 comprehensive conservation plan, natural gas allocations of joint
914 programs and such administrative expenses as provided in such plan.

915 (c) There is established a fuel oil conservation account, which shall
916 be a separate, nonlapsing account within the Restricted Grant Fund
917 and shall be funded by annual revenue from the tax imposed by
918 section 12-587 of the general statutes on the sale of petroleum products
919 gross earnings that is in excess of said revenue collected during fiscal
920 year 2006, provided the amount of such revenue that shall be allocated
921 to said account in the fiscal year commencing July 1, 2010, shall not
922 exceed five million dollars. Such amount shall be used for deliverable
923 fuel programs in accordance with the comprehensive conservation
924 plan approved pursuant to section 21 of this act. The Energy
925 Conservation Management Board shall notify the State Comptroller of
926 an approved amount to be drawn from such account for the purposes
927 of this act. Not later than two business days following notification by
928 the board, the State Comptroller shall draw an order on the State
929 Treasurer for payment of any such requested amount from the fund.

930 Sec. 21. (NEW) (*Effective July 1, 2010*) (a) On October 1, 2010, and
931 annually thereafter, (1) the deliverable fuels administrator regarding
932 deliverable fuels; (2) the natural gas companies regarding natural gas;

933 and (3) the electric distribution companies regarding electricity shall
934 submit their recommendations for energy conservation to the
935 Department of Public Utility Control, which shall include plans to
936 integrate and coordinate conservation and renewable energy resources
937 pursuant to subsection (b) of this section. Upon receipt of the
938 recommendations, the department, in an uncontested proceeding, shall
939 hold a public hearing and, after such hearing, approve, modify or
940 reject the recommendations and consolidate the approved or modified
941 recommendations into a comprehensive conservation plan.

942 (b) Not less than sixty days before the submission of such
943 recommendations, the deliverable fuels administrator, the gas
944 companies and the electric distribution companies shall submit the
945 recommendations to the Energy Conservation Management Board for
946 review and comment. In its review of these recommendations, the
947 board shall examine opportunities to offer integrated efficiency and
948 renewable programs that save more than one fuel resource, or
949 otherwise coordinate programs targeted at saving more than one fuel
950 resource to ensure available conservation and renewable resources are
951 integrated, to the extent practicable, to simplify consumer access to
952 integrated services of all available resources, to minimize expenses in
953 the administration of each program and to reduce environmental
954 impacts and security risks of energy in the state. The board shall
955 consult with the Connecticut Electric Authority regarding electricity
956 programs to ensure that such programs are consistent with the goals of
957 the procurement plan approved pursuant to section 16a-3a of the
958 general statutes. The electric distribution companies shall review each
959 program contained in the plan and the Energy Conservation
960 Management Board shall either accept or reject such plan prior to
961 submission to the department for approval.

962 (c) The comprehensive conservation plan approved by the
963 department shall contain specific goals for reducing energy use in this
964 state that are consistent with the procurement plan approved pursuant
965 to section 16a-3a of the general statutes and shall contain a description
966 of each program that is proposed to meet such goals, the amount of

967 funds in the Energy Conservation and Load Management Fund
968 established pursuant to subsection (b) of section 16-245m of the general
969 statutes, as amended by this act, and, if applicable, other sources to be
970 used for each program and an estimate of the systemic savings that
971 will be achieved if such goals are met. Programs included in the plan
972 shall be reviewed using cost-effectiveness testing that compares the
973 value and payback period of program benefits to program costs to
974 ensure that the programs contained in the comprehensive conservation
975 plan will reduce customer bills for energy and obtain energy savings
976 and system benefits, including mitigation of federally mandated
977 congestion charges. The value of the program benefits shall be greater
978 than the costs of the program. Any costs for joint programs shall be
979 allocated equitably among the conservation programs. The plan shall
980 give preference to electric efficiency and load management projects
981 funded pursuant to section 16-245m of the general statutes, as
982 amended by this act, that maximize the reduction of federally
983 mandated congestion charges. The plan shall also provide for
984 reimbursement for services provided by the deliverable fuels
985 administrator and disbursements from the Energy Conservation and
986 Load Management Fund established pursuant to section 16-245m of
987 the general statutes, as amended by this act, to develop and carry out
988 the comprehensive conservation plan, including the retention of expert
989 consultants and the board's reasonable administrative costs. No
990 consultant shall be employed by, or have any contractual relationship
991 with, an electric distribution company, gas company or deliverable
992 fuel company or the administrator. The total cost of such board
993 consultants and the board's administrative costs shall not exceed five
994 per cent of the total cost of the plan. Program cost-effectiveness shall
995 be reviewed annually, or otherwise as is practicable. If a program is
996 determined to fail the cost-effectiveness test as part of the review
997 process, it shall be modified to meet the test or terminated.

998 (d) Programs included in the comprehensive conservation plan may
999 include, but not be limited to: (1) Conservation programs, including
1000 programs that benefit low-income persons; (2) commercialization of

1001 products or processes that are more energy-efficient than those
1002 generally available; (3) development of markets for such products and
1003 processes; (4) support for energy use assessment, real-time monitoring
1004 systems, engineering studies and services related to new construction
1005 or major building renovations; (5) program planning and evaluation;
1006 (6) joint fuel conservation initiatives and programs targeted at saving
1007 more than one fuel resource; (7) promotion of practices to optimize
1008 efficiency; (8) assistance in meeting state climate change and
1009 environmental and public health goals; (9) promotion of sustainable
1010 economic development and employment; (10) public education
1011 regarding conservation; and (11) demand-side technology programs
1012 recommended by the procurement plan approved by the Department
1013 of Public Utility Control pursuant to section 16a-3a of the general
1014 statutes. Support may be by direct funding, manufacturers' rebates,
1015 sale price and loan subsidies, leases and promotional and educational
1016 activities.

1017 Sec. 22. (NEW) (*Effective July 1, 2010*) On or before March 1, 2010,
1018 and annually thereafter, the Energy Conservation Management Board
1019 shall provide a consolidated report documenting conservation and
1020 renewable resource program operation and activities developed
1021 pursuant to section 21 of this act and sections 7-233y, 16-32f, 16-245m
1022 and 16-245n of the general statutes, as amended by this act, in
1023 accordance with the provisions of section 11-4a of the general statutes,
1024 to the joint standing committees of the General Assembly having
1025 cognizance of matters relating to energy, the environment and
1026 commerce. The report shall document: (1) Expenditures and funding
1027 for such programs; (2) program integration, including the extent to and
1028 manner in which said board collaborated and cooperated with
1029 municipal electric energy cooperative programs established pursuant
1030 to section 7-233y of the general statutes, as amended by this act, the
1031 Department of Social Services programs, and the joint or collaborative
1032 activities with the Renewable Energy Investment Fund established
1033 pursuant to section 16-245n of the general statutes, as amended by this
1034 act; (3) evaluation of the cost-effectiveness of conservation programs

1035 and activities conducted in the preceding year, including any increased
1036 cost-effectiveness, including reduced administrative expenses,
1037 achieved by offering programs that save more than one fuel resource
1038 and integrating programs; (4) the extent to which plan goals and
1039 systemic savings were achieved for reducing energy use in the state;
1040 and (5) in detail, the activities of the Renewable Energy Investment
1041 Fund. Any costs for the consolidated annual report shall be allocated
1042 equitably among the entities with responsibility for such report.

1043 Sec. 23. Section 7-233y of the general statutes is repealed and the
1044 following is substituted in lieu thereof (*Effective July 1, 2010*):

1045 (a) Each municipal electric utility created pursuant to chapter 101 or
1046 by special act shall, for investment in renewable energy sources and
1047 for conservation and load management programs pursuant to this
1048 section, accrue from each kilowatt hour of its metered firm electric
1049 retail sales, exclusive of such sales to United States government naval
1050 facilities in this state, no less than the following amounts during the
1051 following periods, in a manner conforming to the requirement of this
1052 section: (1) 1.0 mills on and after January 1, 2006; (2) 1.3 mills on and
1053 after January 1, 2007; (3) 1.6 mills on and after January 1, 2008; (4) 1.9
1054 mills on and after January 1, 2009; (5) 2.2 mills on and after January 1,
1055 2010; and (6) 2.5 mills on and after January 1, 2011.

1056 (b) There is hereby created a municipal energy conservation and
1057 load management fund in each municipal electric energy cooperative
1058 created pursuant to this chapter, which fund shall be a separate and
1059 dedicated fund to be held and administered by such cooperative. The
1060 fund may receive an amount required by law to be deposited into the
1061 fund and may receive any federal or other funds as may become
1062 available for conservation and load management and renewable
1063 resources. Each municipal electric utility created pursuant to chapter
1064 101 or by special act that is a member or participant in such a
1065 municipal electric energy cooperative shall accrue and deposit such
1066 amounts as specified in subsection (a) of this section into such fund.
1067 Any balance remaining in the fund at the end of any fiscal year shall be

1068 carried forward in the fiscal year next succeeding. Disbursements from
1069 the fund shall be made pursuant to the comprehensive electric
1070 conservation and load management plan prepared by the cooperative
1071 in accordance with subsection (c) of this section.

1072 (c) Such cooperative shall, annually, adopt a comprehensive plan for
1073 the expenditure of such funds by the cooperative on behalf of such
1074 municipal electric utilities for the purpose of carrying out electric
1075 conservation, investments in renewable energy sources, energy
1076 efficiency and electric load management programs funded by the
1077 charge accrued pursuant to subsection (a) of this section. The
1078 cooperative shall expend or cause to be expended the amounts held in
1079 such fund in conformity with the adopted plan. The plan may direct
1080 the expenditure of funds on facilities or measures located in any one or
1081 more of the service areas of the municipal electric utilities who are
1082 members or participants in such cooperative and may provide for the
1083 establishment of goals and standards for measuring the cost
1084 effectiveness of expenditures made from such fund, for the
1085 minimization of federally mandated congestion charges and for
1086 achieving appropriate geographic coverage and scope in each such
1087 service area. Such plan shall be consistent with the comprehensive
1088 plan of the Energy Conservation Management Board established under
1089 section [16-245m] 3 of this act. Such cooperative, annually, shall submit
1090 its plan to such board for review and provide documentation and
1091 information for the consolidated report prepared by the Energy
1092 Conservation Management Board pursuant to section 22 of this act.

1093 Sec. 24. Section 16-32f of the general statutes is repealed and the
1094 following is substituted in lieu thereof (*Effective July 1, 2010*):

1095 (a) On or before October first of each even-numbered year, a gas
1096 company, as defined in section 16-1, shall furnish a report to the
1097 Department of Public Utility Control containing a five-year forecast of
1098 loads and resources. The report shall describe the facilities and supply
1099 sources that, in the judgment of such gas company, will be required to
1100 meet gas demands during the forecast period. The report shall be

1101 made available to the public and shall be furnished to the Energy
1102 Conservation Management Board, the chief executive officer of each
1103 municipality in the service area of such gas company, the regional
1104 planning agency which encompasses each such municipality, the
1105 Attorney General, the president pro tempore of the Senate, the speaker
1106 of the House of Representatives, the joint standing [committee]
1107 committees of the General Assembly having cognizance of matters
1108 relating to [public utilities] energy, the environment and commerce,
1109 any other member of the General Assembly making a request to the
1110 department for the report and such other state and municipal entities
1111 as the department may designate by regulation. The report shall
1112 include: (1) A tabulation of estimated peak loads and resources for
1113 each year; (2) data on gas use and peak loads for the five preceding
1114 calendar years; (3) a list of present and projected gas supply sources;
1115 (4) specific measures to control load growth and promote conservation;
1116 and (5) such other information as the department may require by
1117 regulation. A full description of the methodology used to arrive at the
1118 forecast of loads and resources shall also be furnished to the
1119 department. The department shall hold a public hearing on such
1120 reports upon the request of any person. On or before August first of
1121 each odd-numbered year, the department may request a gas company
1122 to furnish to the department an updated report. A gas company shall
1123 furnish any such updated report not later than sixty days following the
1124 request of the department.

1125 (b) [Not later than October 1, 2005, and annually thereafter] On or
1126 before October first of each year, a gas company, as defined in section
1127 16-1, shall submit to the Energy Conservation Management Board and
1128 the Department of Public Utility Control a gas conservation plan, in
1129 accordance with the provisions of [this section, to implement cost-
1130 effective energy conservation programs and market transformation
1131 initiatives. All supply and conservation and load management options
1132 shall be evaluated and selected within an integrated supply and
1133 demand planning framework. Such plan shall be funded during each
1134 state fiscal year by the revenue from the tax imposed by section 12-264

1135 on the gross receipts of sales of all public services companies that is in
1136 excess of the revenue estimate for said tax that is approved by the
1137 General Assembly in the appropriations act for such fiscal year,
1138 provided the amount of such excess revenue that shall be allocated to
1139 fund such plan in any state fiscal year shall not exceed ten million
1140 dollars. Before the accounts for the General Fund have been closed for
1141 each fiscal year, such excess revenue shall be deposited by the
1142 Comptroller in an account held by the Energy Conservation
1143 Management Board, established pursuant to section 16-245m. Services
1144 provided under the plan shall be available to all gas company
1145 customers. Each gas company shall apply to the Energy Conservation
1146 Management Board for reimbursement for expenditures pursuant to
1147 the plan. The department shall, in an uncontested proceeding during
1148 which the department may hold a public hearing, approve, modify or
1149 reject the plan] section 21 of this act.

1150 [(c) (1) The Energy Conservation Management Board shall advise
1151 and assist each such gas company in the development and
1152 implementation of the plan submitted under subsection (b) of this
1153 section. Each program contained in the plan shall be reviewed by each
1154 such gas company and shall be either accepted, modified or rejected by
1155 the Energy Conservation Management Board before submission of the
1156 plan to the department for approval. The Energy Conservation
1157 Management Board shall, as part of its review, examine opportunities
1158 to offer joint programs providing similar efficiency measures that save
1159 more than one fuel resource or to otherwise coordinate programs
1160 targeted at saving more than one fuel resource. Any costs for joint
1161 programs shall be allocated equitably among the conservation
1162 programs.

1163 (2) Programs included in the plan shall be screened through cost-
1164 effectiveness testing that compares the value and payback period of
1165 program benefits to program costs to ensure that the programs are
1166 designed to obtain gas savings whose value is greater than the costs of
1167 the program. Program cost-effectiveness shall be reviewed annually by
1168 the department, or otherwise as is practicable. If the department

1169 determines that a program fails the cost-effectiveness test as part of the
1170 review process, the program shall either be modified to meet the test
1171 or be terminated. On or before January 1, 2007, and annually
1172 thereafter, the board shall provide a report, in accordance with the
1173 provisions of section 11-4a, to the joint standing committees of the
1174 General Assembly having cognizance of matters relating to energy and
1175 the environment, that documents expenditures and funding for such
1176 programs and evaluates the cost-effectiveness of such programs
1177 conducted in the preceding year, including any increased cost-
1178 effectiveness owing to offering programs that save more than one fuel
1179 resource.

1180 (3) Programs included in the plan may include, but are not limited
1181 to: (A) Conservation and load management programs, including
1182 programs that benefit low-income individuals; (B) research,
1183 development and commercialization of products or processes that are
1184 more energy-efficient than those generally available; (C) development
1185 of markets for such products and processes; (D) support for energy use
1186 assessment, engineering studies and services related to new
1187 construction or major building renovations; (E) the design,
1188 manufacture, commercialization and purchase of energy-efficient
1189 appliances, air conditioning and heating devices; (F) program planning
1190 and evaluation; (G) joint fuel conservation initiatives and programs
1191 targeted at saving more than one fuel resource; and (H) public
1192 education regarding conservation. Such support may be by direct
1193 funding, manufacturers' rebates, sale price and loan subsidies, leases
1194 and promotional and educational activities. The plan shall also provide
1195 for expenditures by the Energy Conservation Management Board for
1196 the retention of expert consultants and reasonable administrative costs,
1197 provided such consultants shall not be employed by, or have any
1198 contractual relationship with, a gas company. Such costs shall not
1199 exceed five per cent of the total cost of the plan.]

1200 (c) Annually, each gas company shall provide documentation and
1201 information for the consolidated report provided by the Energy
1202 Conservation Management Board pursuant to section 22 of this act.

1203 Sec. 25. Section 16-245m of the general statutes is repealed and the
1204 following is substituted in lieu thereof (*Effective July 1, 2010*):

1205 (a) [(1)] On and after January 1, 2000, the Department of Public
1206 Utility Control shall assess or cause to be assessed a charge of three
1207 mills per kilowatt hour of electricity sold to each end use customer of
1208 an electric distribution company to be used to implement the program
1209 as provided in this section for conservation and load management
1210 programs but not for the amortization of costs incurred prior to July 1,
1211 1997, for such conservation and load management programs.

1212 [(2)] Notwithstanding the provisions of this section, receipts from
1213 such charge shall be disbursed to the resources of the General Fund
1214 during the period from July 1, 2003, to June 30, 2005, unless the
1215 department shall, on or before October 30, 2003, issue a financing order
1216 for each affected electric distribution company in accordance with
1217 sections 16-245e to 16-245k, inclusive, to sustain funding of
1218 conservation and load management programs by substituting an
1219 equivalent amount, as determined by the department in such financing
1220 order, of proceeds of rate reduction bonds for disbursement to the
1221 resources of the General Fund during the period from July 1, 2003, to
1222 June 30, 2005. The department may authorize in such financing order
1223 the issuance of rate reduction bonds that substitute for disbursement to
1224 the General Fund for receipts of both the charge under this subsection
1225 and under subsection (b) of section 16-245n and also may, in its
1226 discretion, authorize the issuance of rate reduction bonds under this
1227 subsection and subsection (b) of section 16-245n that relate to more
1228 than one electric distribution company. The department shall, in such
1229 financing order or other appropriate order, offset any increase in the
1230 competitive transition assessment necessary to pay principal,
1231 premium, if any, interest and expenses of the issuance of such rate
1232 reduction bonds by making an equivalent reduction to the charge
1233 imposed under this subsection, provided any failure to offset all or any
1234 portion of such increase in the competitive transition assessment shall
1235 not affect the need to implement the full amount of such increase as
1236 required by this subsection and by sections 16-245e to 16-245k,

1237 inclusive. Such financing order shall also provide if the rate reduction
1238 bonds are not issued, any unrecovered funds expended and committed
1239 by the electric distribution companies for conservation and load
1240 management programs, provided such expenditures were approved
1241 by the department after August 20, 2003, and prior to the date of
1242 determination that the rate reduction bonds cannot be issued, shall be
1243 recovered by the companies from their respective competitive
1244 transition assessment or systems benefits charge but such expenditures
1245 shall not exceed four million dollars per month. All receipts from the
1246 remaining charge imposed under this subsection, after reduction of
1247 such charge to offset the increase in the competitive transition
1248 assessment as provided in this subsection, shall be disbursed to the
1249 Energy Conservation and Load Management Fund commencing as of
1250 July 1, 2003. Any increase in the competitive transition assessment or
1251 decrease in the conservation and load management component of an
1252 electric distribution company's rates resulting from the issuance of or
1253 obligations under rate reduction bonds shall be included as rate
1254 adjustments on customer bills.]

1255 (b) The electric distribution company shall establish an Energy
1256 Conservation and Load Management Fund which shall be held
1257 separate and apart from all other funds or accounts. The fund may
1258 receive any amount required by law to be deposited into the fund and
1259 may receive any federal or other funds as may become available for
1260 conservation and load management and renewable resources. Receipts
1261 from the charge imposed under subsection (a) of this section shall be
1262 deposited into the fund. Any balance remaining in the fund at the end
1263 of any fiscal year shall be carried forward in the fiscal year next
1264 succeeding. Disbursements from the fund or its subaccount by electric
1265 distribution companies to carry out the plan developed under
1266 [subsection (d) of this] section 3 of this act shall be authorized by the
1267 Department of Public Utility Control upon its approval of such plan.

1268 [(c) The Department of Public Utility Control shall appoint and
1269 convene an Energy Conservation Management Board which shall
1270 include representatives of: (1) An environmental group knowledgeable

1271 in energy conservation program collaboratives; (2) the Office of
1272 Consumer Counsel; (3) the Attorney General; (4) the Department of
1273 Environmental Protection; (5) the electric distribution companies in
1274 whose territories the activities take place for such programs; (6) a state-
1275 wide manufacturing association; (7) a chamber of commerce; (8) a
1276 state-wide business association; (9) a state-wide retail organization;
1277 (10) a representative of a municipal electric energy cooperative created
1278 pursuant to chapter 101a; (11) two representatives selected by the gas
1279 companies in this state; and (12) residential customers. Such members
1280 shall serve for a period of five years and may be reappointed.
1281 Representatives of the gas companies shall not vote on matters
1282 unrelated to gas conservation. Representatives of the electric
1283 distribution companies and the municipal electric energy cooperative
1284 shall not vote on matters unrelated to electricity conservation.]

1285 (c) On or before October first of each year, each electric distribution
1286 company shall submit to the Energy Conservation Management Board
1287 and the Division of Electricity Policy and Procurement a conservation
1288 plan in accordance with the provisions of section 21 of this act.

1289 [(d) (1) The Energy Conservation Management Board shall advise
1290 and assist the electric distribution companies in the development and
1291 implementation of a comprehensive plan, which plan shall be
1292 approved by the Department of Public Utility Control, to implement
1293 cost-effective energy conservation programs and market
1294 transformation initiatives. Each program contained in the plan shall be
1295 reviewed by the electric distribution company and either accepted or
1296 rejected by the Energy Conservation Management Board prior to
1297 submission to the department for approval. The Energy Conservation
1298 Management Board shall, as part of its review, examine opportunities
1299 to offer joint programs providing similar efficiency measures that save
1300 more than one fuel resource or otherwise to coordinate programs
1301 targeted at saving more than one fuel resource. Any costs for joint
1302 programs shall be allocated equitably among the conservation
1303 programs. The Energy Conservation Management Board shall give
1304 preference to projects that maximize the reduction of federally

1305 mandated congestion charges. The Department of Public Utility
1306 Control shall, in an uncontested proceeding during which the
1307 department may hold a public hearing, approve, modify or reject the
1308 comprehensive plan prepared pursuant to this subsection.

1309 (2) There shall be a joint committee of the Energy Conservation
1310 Management Board and the Renewable Energy Investments Board.
1311 The board and the advisory committee shall each appoint members to
1312 such joint committee. The joint committee shall examine opportunities
1313 to coordinate the programs and activities funded by the Renewable
1314 Energy Investment Fund pursuant to section 16-245n with the
1315 programs and activities contained in the plan developed under this
1316 subsection to reduce the long-term cost, environmental impacts and
1317 security risks of energy in the state. Such joint committee shall hold its
1318 first meeting on or before August 1, 2005.

1319 (3) Programs included in the plan developed under subdivision (1)
1320 of this subsection shall be screened through cost-effectiveness testing
1321 which compares the value and payback period of program benefits to
1322 program costs to ensure that programs are designed to obtain energy
1323 savings and system benefits, including mitigation of federally
1324 mandated congestion charges, whose value is greater than the costs of
1325 the programs. Cost-effectiveness testing shall utilize available
1326 information obtained from real-time monitoring systems to ensure
1327 accurate validation and verification of energy use. Such testing shall
1328 include an analysis of the effects of investments on increasing the
1329 state's load factor. Program cost-effectiveness shall be reviewed
1330 annually, or otherwise as is practicable. If a program is determined to
1331 fail the cost-effectiveness test as part of the review process, it shall
1332 either be modified to meet the test or shall be terminated. On or before
1333 March 1, 2005, and on or before March first annually thereafter, the
1334 board shall provide a report, in accordance with the provisions of
1335 section 11-4a, to the joint standing committees of the General
1336 Assembly having cognizance of matters relating to energy and the
1337 environment (A) that documents expenditures and fund balances and
1338 evaluates the cost-effectiveness of such programs conducted in the

1339 preceding year, and (B) that documents the extent to and manner in
1340 which the programs of such board collaborated and cooperated with
1341 programs, established under section 7-233y, of municipal electric
1342 energy cooperatives. To maximize the reduction of federally mandated
1343 congestion charges, programs in the plan may allow for
1344 disproportionate allocations between the amount of contributions to
1345 the Energy Conservation and Load Management Funds by a certain
1346 rate class and the programs that benefit such a rate class. Before
1347 conducting such evaluation, the board shall consult with the
1348 Renewable Energy Investments Board. The report shall include a
1349 description of the activities undertaken during the reporting period
1350 jointly or in collaboration with the Renewable Energy Investment
1351 Fund established pursuant to subsection (c) of section 16-245n.

1352 (4) Programs included in the plan developed under subdivision (1)
1353 of this subsection may include, but not be limited to: (A) Conservation
1354 and load management programs, including programs that benefit low-
1355 income individuals; (B) research, development and commercialization
1356 of products or processes which are more energy-efficient than those
1357 generally available; (C) development of markets for such products and
1358 processes; (D) support for energy use assessment, real-time monitoring
1359 systems, engineering studies and services related to new construction
1360 or major building renovation; (E) the design, manufacture,
1361 commercialization and purchase of energy-efficient appliances and
1362 heating, air conditioning and lighting devices; (F) program planning
1363 and evaluation; (G) indoor air quality programs relating to energy
1364 conservation; (H) joint fuel conservation initiatives programs targeted
1365 at reducing consumption of more than one fuel resource; (I) public
1366 education regarding conservation; and (J) the demand-side technology
1367 programs recommended by the procurement plan approved by the
1368 Department of Public Utility Control pursuant to section 16a-3a. Such
1369 support may be by direct funding, manufacturers' rebates, sale price
1370 and loan subsidies, leases and promotional and educational activities.
1371 The plan shall also provide for expenditures by the Energy
1372 Conservation Management Board for the retention of expert

1373 consultants and reasonable administrative costs provided such
1374 consultants shall not be employed by, or have any contractual
1375 relationship with, an electric distribution company. Such costs shall
1376 not exceed five per cent of the total revenue collected from the
1377 assessment.]

1378 (d) Each electric distribution company shall annually provide
1379 documentation and information for the consolidated report provided
1380 by the Energy Conservation Management Board pursuant to section 22
1381 of this act.

1382 (e) Notwithstanding the provisions of subsections (a) to (d),
1383 inclusive, of this section, the Department of Public Utility Control shall
1384 authorize the disbursement of a total of one million dollars in each
1385 month, commencing with July, 2003, and ending with July, 2005, from
1386 the Energy Conservation and Load Management Funds established
1387 pursuant to said subsections. The amount disbursed from each Energy
1388 Conservation and Load Management Fund shall be proportionately
1389 based on the receipts received by each fund. Such disbursements shall
1390 be deposited in the General Fund.

1391 (f) No later than December 31, 2006, and no later than December
1392 thirty-first every five years thereafter, the Energy Conservation
1393 Management Board shall, after consulting with the Renewable Energy
1394 Investments Board, conduct an evaluation of the performance of the
1395 programs and activities of the fund and submit a report, in accordance
1396 with the provisions of section 11-4a, of the evaluation to the joint
1397 standing committee of the General Assembly having cognizance of
1398 matters relating to energy.

1399 (g) Repealed by P.A. 06-186, S. 91, effective July 1, 2006.

1400 Sec. 26. Section 16-245n of the general statutes is repealed and the
1401 following is substituted in lieu thereof (*Effective July 1, 2010*):

1402 (a) For purposes of this section, "renewable energy" means solar
1403 photovoltaic energy, solar thermal, geothermal energy, wind, ocean

1404 thermal energy, wave or tidal energy, fuel cells, landfill gas,
1405 hydropower that meets the low-impact standards of the Low-Impact
1406 Hydropower Institute, hydrogen production and hydrogen conversion
1407 technologies, low emission advanced biomass conversion technologies,
1408 alternative fuels, used for electricity generation including ethanol,
1409 biodiesel or other fuel produced in Connecticut and derived from
1410 agricultural produce, food waste or waste vegetable oil, provided the
1411 Commissioner of Environmental Protection determines that such fuels
1412 provide net reductions in greenhouse gas emissions and fossil fuel
1413 consumption, usable electricity from combined heat and power
1414 systems with waste heat recovery systems, thermal storage systems
1415 and other energy resources and emerging technologies which have
1416 significant potential for commercialization and which do not involve
1417 the combustion of coal, petroleum or petroleum products, municipal
1418 solid waste or nuclear fission.

1419 (b) On and after July 1, 2004, the Department of Public Utility
1420 Control shall assess or cause to be assessed a charge of not less than
1421 one mill per kilowatt hour charged to each end use customer of electric
1422 services in this state which shall be deposited into the Renewable
1423 Energy Investment Fund established under subsection (c) of this
1424 section. Notwithstanding the provisions of this section, receipts from
1425 such charges shall be disbursed to the resources of the General Fund
1426 during the period from July 1, 2003, to June 30, 2005, unless the
1427 department shall, on or before October 30, 2003, issue a financing order
1428 for each affected distribution company in accordance with sections 16-
1429 245e to 16-245k, inclusive, to sustain funding of renewable energy
1430 investment programs by substituting an equivalent amount, as
1431 determined by the department in such financing order, of proceeds of
1432 rate reduction bonds for disbursement to the resources of the General
1433 Fund during the period from July 1, 2003, to June 30, 2005. The
1434 department may authorize in such financing order the issuance of rate
1435 reduction bonds that substitute for disbursement to the General Fund
1436 for receipts of both charges under this subsection and subsection (a) of
1437 section 16-245m, as amended by this act, and also may in its discretion

1438 authorize the issuance of rate reduction bonds under this subsection
1439 and subsection (a) of section 16-245m, as amended by this act, that
1440 relate to more than one electric distribution company. The department
1441 shall, in such financing order or other appropriate order, offset any
1442 increase in the competitive transition assessment necessary to pay
1443 principal, premium, if any, interest and expenses of the issuance of
1444 such rate reduction bonds by making an equivalent reduction to the
1445 charges imposed under this subsection, provided any failure to offset
1446 all or any portion of such increase in the competitive transition
1447 assessment shall not affect the need to implement the full amount of
1448 such increase as required by this subsection and sections 16-245e to 16-
1449 245k, inclusive. Such financing order shall also provide if the rate
1450 reduction bonds are not issued, any unrecovered funds expended and
1451 committed by the electric distribution companies for renewable
1452 resource investment through deposits into the Renewable Energy
1453 Investment Fund, provided such expenditures were approved by the
1454 department following August 20, 2003, and prior to the date of
1455 determination that the rate reduction bonds cannot be issued, shall be
1456 recovered by the companies from their respective competitive
1457 transition assessment or systems benefits charge except that such
1458 expenditures shall not exceed one million dollars per month. All
1459 receipts from the remaining charges imposed under this subsection,
1460 after reduction of such charges to offset the increase in the competitive
1461 transition assessment as provided in this subsection, shall be disbursed
1462 to the Renewable Energy Investment Fund commencing as of July 1,
1463 2003. Any increase in the competitive transition assessment or decrease
1464 in the renewable energy investment component of an electric
1465 distribution company's rates resulting from the issuance of or
1466 obligations under rate reduction bonds shall be included as rate
1467 adjustments on customer bills.

1468 (c) There is hereby created a Renewable Energy Investment Fund
1469 which shall be within Connecticut Innovations, Incorporated for
1470 administrative purposes only. The fund may receive any amount
1471 required by law to be deposited into the fund and may receive any

1472 federal or other funds as may become available to the state for
1473 renewable energy investments. Upon authorization of the Renewable
1474 Energy Investments Board established pursuant to subsection (d) of
1475 this section, Connecticut Innovations, Incorporated, may use any
1476 amount in said fund for expenditures that (1) promote investment in
1477 renewable energy sources in accordance with a comprehensive plan
1478 developed by it to foster the growth, development and
1479 commercialization of renewable energy sources [,] and related
1480 enterprises, [and] (2) stimulate demand for renewable energy and
1481 deployment of renewable energy sources that serve end use customers
1482 in this state, [and for the further purpose of supporting] (3) support
1483 operational demonstration projects for advanced technologies that
1484 reduce energy use from traditional sources, and (4) ensure available
1485 conservation and renewable resources programs are integrated, to the
1486 extent practicable, to simplify consumer access to integrated services of
1487 all available resources, minimize expenses in the administration of
1488 each program and reduce environmental impacts and security risks of
1489 energy in the state. Such expenditures may include, but not be limited
1490 to, reimbursement for services provided by the administrator of the
1491 fund including a management fee, disbursements from the fund to
1492 develop and carry out the plan developed pursuant to subsection (d)
1493 of this section, grants, direct or equity investments, contracts or other
1494 actions which support research, development, manufacture,
1495 commercialization, deployment and installation of renewable energy
1496 technologies, and actions which expand the expertise of individuals,
1497 businesses and lending institutions with regard to renewable energy
1498 technologies.

1499 (d) There is hereby created a Renewable Energy Investments Board
1500 to act on matters related to the Renewable Energy Investment Fund,
1501 including, but not limited to, development of a comprehensive plan
1502 and expenditure of funds. The Renewable Energy Investments Board
1503 shall, in such plan, give preference to projects that maximize the
1504 reduction of federally mandated congestion charges. The Renewable
1505 Energy Investments Board shall make a draft of the comprehensive

1506 plan available for public comment for not less than thirty days. The
1507 board shall conduct three public hearings in three different regions of
1508 the state on the draft comprehensive plan and shall include a
1509 summarization of all public comments received at said public hearings
1510 in the final comprehensive plan approved by the board. The board
1511 shall provide a copy of the comprehensive plan, in accordance with the
1512 provisions of section 11-4a, to the joint standing committees of the
1513 General Assembly having cognizance of matters relating to energy, the
1514 environment and commerce and to the Energy Conservation
1515 Management Board. The Department of Public Utility Control shall, in
1516 an uncontested proceeding, during which the department may hold a
1517 public hearing, approve, modify or reject the comprehensive plan
1518 prepared pursuant to this subsection.

1519 (e) The Renewable Energy Investments Board shall include not
1520 more than [fifteen] sixteen individuals with knowledge and experience
1521 in matters related to the purpose and activities of the Renewable
1522 Energy Investment Fund. The board shall consist of the following
1523 members: (1) One person with expertise regarding renewable energy
1524 resources appointed by the speaker of the House of Representatives;
1525 (2) one person representing a state or regional organization primarily
1526 concerned with environmental protection appointed by the president
1527 pro tempore of the Senate; (3) one person with experience in business
1528 or commercial investments appointed by the majority leader of the
1529 House of Representatives; (4) one person representing a state or
1530 regional organization primarily concerned with environmental
1531 protection appointed by the majority leader of the Senate; (5) one
1532 person with experience in business or commercial investments
1533 appointed by the minority leader of the House of Representatives; (6)
1534 the Commissioner of Emergency Management and Homeland Security
1535 or the commissioner's designee; (7) one person with expertise
1536 regarding renewable energy resources appointed by the Governor; (8)
1537 two persons with experience in business or commercial investments
1538 appointed by the board of directors of Connecticut Innovations,
1539 Incorporated; (9) a representative of a state-wide business association,

1540 manufacturing association or chamber of commerce appointed by the
1541 minority leader of the Senate; (10) the Consumer Counsel; (11) the
1542 Secretary of the Office of Policy and Management or the secretary's
1543 designee; (12) the Commissioner of Environmental Protection or the
1544 commissioner's designee; (13) a representative of organized labor
1545 appointed by the Governor; [and] (14) a representative of residential
1546 customers or low-income customers appointed by the Governor; and
1547 (15) a representative of the Energy Conservation Management Board
1548 selected by said board. On a biennial basis, the board shall elect a
1549 chairperson and vice-chairperson from among its members and shall
1550 adopt such bylaws and procedures it deems necessary to carry out its
1551 functions. The board may establish committees and subcommittees as
1552 necessary to conduct its business.

1553 (f) The board shall [issue annually a report to the Department of
1554 Public Utility Control reviewing the activities of the Renewable Energy
1555 Investment Fund in detail and shall provide a copy of such report, in
1556 accordance with the provisions of section 11-4a, to the joint standing
1557 committees of the General Assembly having cognizance of matters
1558 relating to energy and commerce and the Office of Consumer Counsel.
1559 The report shall include a description of the programs and activities
1560 undertaken during the reporting period jointly or in collaboration with
1561 the Energy Conservation and Load Management Funds established
1562 pursuant to section 16-245m] annually provide documentation and
1563 information for the consolidated report provided by the Energy
1564 Conservation Management Board pursuant to section 22 of this act.

1565 [(g) There shall be a joint committee of the Energy Conservation
1566 Management Board and the Renewable Energy Investments Board, as
1567 provided in subdivision (2) of subsection (d) of section 16-245m.]

1568 [(h)] (g) No later than December 31, 2006, and no later than
1569 December thirty-first every five years thereafter, the board shall, after
1570 consulting with the Energy Conservation Management Board, conduct
1571 an evaluation of the performance of the programs and activities of the
1572 fund and submit a report, in accordance with the provisions of section

1573 11-4a, of the evaluation to the joint standing committees of the General
1574 Assembly having cognizance of matters relating to energy and
1575 commerce.

1576 Sec. 27. Subsection (k) of section 16-244c of the general statutes is
1577 repealed and the following is substituted in lieu thereof (*Effective from*
1578 *passage*):

1579 (k) (1) As used in this section:

1580 (A) "Participating electric supplier" means an electric supplier that is
1581 licensed by the department to provide electric service, pursuant to this
1582 subsection, to residential or small commercial customers.

1583 (B) "Residential customer" means a customer who is eligible for
1584 standard service and who takes electric distribution-related service
1585 from an electric distribution company pursuant to a residential tariff.

1586 (C) "Small commercial customer" means a customer who is eligible
1587 for standard service and who takes electric distribution-related service
1588 from an electric distribution company pursuant to a small commercial
1589 tariff.

1590 (D) "Qualifying electric offer" means an offer to provide full
1591 requirements commodity electric service and all other generation-
1592 related service to a residential or small commercial customer at a fixed
1593 price per kilowatt hour for a term of no less than [one year] six months.

1594 (2) In the manner determined by the department, residential or
1595 small commercial service customers (A) initiating new utility service,
1596 (B) reinitiating service following a change of residence or business
1597 location, (C) making an inquiry regarding their utility rates, or (D)
1598 seeking information regarding energy efficiency shall be offered the
1599 option to learn about their ability to enroll with a participating electric
1600 supplier. Customers expressing an interest to learn about their electric
1601 supply options shall be informed of the qualifying electric offers then
1602 available from participating electric suppliers. The electric distribution

1603 companies shall describe then available qualifying electric offers
1604 through a method reviewed and approved by the department. The
1605 information conveyed to customers expressing an interest to learn
1606 about their electric supply options shall include, at a minimum, the
1607 price and term of the available electric supply option. Customers
1608 expressing an interest in a particular qualifying electric offer shall be
1609 immediately transferred to a call center operated by that participating
1610 electric supplier.

1611 (3) Not later than September 1, 2007, the department shall establish
1612 terms and conditions under which a participating electric supplier can
1613 be included in the referral program described in subdivision (2) of this
1614 subsection. Such terms shall include, but not be limited to, requiring
1615 participating electrical suppliers to offer time-of-use and real-time use
1616 rates to residential customers.

1617 (4) Each calendar quarter, participating electric suppliers shall be
1618 allowed to list qualifying offers to provide electric generation service
1619 to residential and small commercial customers with each customer's
1620 utility bill. The department shall determine the manner such
1621 information is presented in customers' utility bills.

1622 (5) Any customer that receives electric generation service from a
1623 participating electric supplier may not return to standard service or
1624 [may] choose another participating electric supplier [at any time,
1625 including during the qualifying electric offer] for a period of one year,
1626 without the imposition of any additional charges, unless such supplier
1627 no longer provides electric generation service. Any customer that is
1628 receiving electric generation service from an electric distribution
1629 company pursuant to standard service can switch to another
1630 participating electric supplier at any time without the imposition of
1631 additional charges.

1632 Sec. 28. Subdivision (10) of subsection (c) of section 7-148 of the
1633 general statutes is repealed and the following is substituted in lieu
1634 thereof (*Effective July 1, 2010*):

1635 (10) (A) Make all lawful regulations and ordinances in furtherance
1636 of any general powers as enumerated in this section, and prescribe
1637 penalties for the violation of the same not to exceed two hundred fifty
1638 dollars, unless otherwise specifically provided by the general statutes.
1639 Such regulations and ordinances may be enforced by citations issued
1640 by designated municipal officers or employees, provided the
1641 regulations and ordinances have been designated specifically by the
1642 municipality for enforcement by citation in the same manner in which
1643 they were adopted and the designated municipal officers or employees
1644 issue a written warning providing notice of the specific violation
1645 before issuing the citation;

1646 (B) Adopt a code of ethical conduct;

1647 (C) Establish and maintain free legal aid bureaus;

1648 (D) Perform data processing and related administrative computer
1649 services for a fee for another municipality;

1650 (E) Adopt the model ordinance concerning a municipal freedom of
1651 information advisory board created under subsection (f) of section 1-
1652 205 and establish a municipal freedom of information advisory board
1653 as provided by said ordinance and said section;

1654 (F) Enter into energy efficiency performance contracts.

1655 Sec. 29. Subsection (d) of section 16a-41a of the 2010 supplement to
1656 the general statutes is repealed and the following is substituted in lieu
1657 thereof (*Effective from passage*):

1658 (d) If funding allows, the Commissioner of Social Services, in
1659 consultation with the Secretary of the Office of Policy and
1660 Management, shall require that, each community action agency
1661 administering a fuel assistance program [begin accepting] accept
1662 applications [for the program not later than September first of each]
1663 year round.

1664 Sec. 30. (NEW) (*Effective July 1, 2010*) Notwithstanding any other

1665 provision of the general statutes, an electric distribution company may
1666 construct, purchase, own or operate a generation facility for Class I or
1667 Class II renewable energy sources, as defined in section 16-1 of the
1668 general statutes and as determined by the Department of Public Utility
1669 Control. An electric distribution company constructing or purchasing
1670 such generation facility shall recover the costs of such investment and
1671 operation, including a return on investment, in a nonbypassable
1672 charge as determined by the department in an annual proceeding held
1673 pursuant to sections 16-19, 16-19b and 16-19e of the general statutes, as
1674 amended by this act.

1675 Sec. 31. Section 16a-3a of the 2010 supplement to the general statutes
1676 is repealed and the following is substituted in lieu thereof (*Effective July*
1677 *1, 2010*):

1678 (a) The [electric distribution companies] Division of Electricity
1679 Policy and Procurement, in consultation with the Connecticut Energy
1680 Advisory Board, established pursuant to section 16a-3, shall review the
1681 state's energy and capacity resource assessment and develop a
1682 comprehensive plan for the most cost-effective procurement of energy
1683 resources, including, but not limited to, conventional and renewable
1684 generating facilities, energy efficiency, load management, demand
1685 response, combined heat and power facilities, distributed generation
1686 and other emerging energy technologies to meet the projected
1687 requirements of their customers in a manner that minimizes the cost of
1688 such resources to customers over time and maximizes consumer
1689 benefits consistent with the state's environmental goals and standards.

1690 (b) On or before January 1, 2008, and biennially thereafter, the
1691 [companies] Division of Electricity Policy and Procurement shall
1692 submit to the Connecticut Energy Advisory Board an assessment of (1)
1693 the energy and capacity requirements of customers for the next three,
1694 five and ten years, (2) the manner of how best to eliminate growth in
1695 electric demand, (3) how best to level electric demand in the state by
1696 reducing peak demand and shifting demand to off-peak periods, (4)
1697 the impact of current and projected environmental standards,

1698 including, but not limited to, those related to greenhouse gas emissions
1699 and the federal Clean Air Act goals and how different resources could
1700 help achieve those standards and goals, (5) energy security and
1701 economic risks associated with potential energy resources, and (6) the
1702 estimated lifetime cost and availability of potential energy resources.

1703 (c) Resource needs shall first be met through all available energy
1704 efficiency and demand reduction resources that are cost-effective,
1705 reliable and feasible. The projected customer cost impact of any
1706 demand-side resources considered pursuant to this subsection shall be
1707 reviewed on an equitable bases with nondemand-side resources. The
1708 procurement plan shall specify (1) the total amount of energy and
1709 capacity resources needed to meet the requirements of all customers,
1710 (2) the extent to which demand-side measures, including efficiency,
1711 conservation, demand response and load management can cost-
1712 effectively meet these needs, (3) needs for generating capacity and
1713 transmission and distribution improvements, (4) how the development
1714 of such resources will reduce and stabilize the costs of electricity to
1715 consumers, and (5) the manner in which each of the proposed
1716 resources should be procured, including the optimal contract periods
1717 for various resources.

1718 (d) The procurement plan shall consider: (1) Approaches to
1719 maximizing the impact of demand-side measures; (2) the extent to
1720 which generation needs can be met by renewable and combined heat
1721 and power facilities; (3) the optimization of the use of generation sites
1722 and generation portfolio existing within the state; (4) fuel types,
1723 diversity, availability, firmness of supply and security and
1724 environmental impacts thereof, including impacts on meeting the
1725 state's greenhouse gas emission goals; (5) reliability, peak load and
1726 energy forecasts, system contingencies and existing resource
1727 availabilities; (6) import limitations and the appropriate reliance on
1728 such imports; and (7) the impact of the procurement plan on the costs
1729 of electric customers.

1730 (e) The board, in consultation with the regional independent system

1731 operator, shall review and approve or review, modify and approve the
1732 proposed procurement plan as submitted not later than one hundred
1733 twenty days after receipt. For calendar years 2009 and thereafter, the
1734 board shall conduct such review not later than sixty days after receipt.
1735 For the purpose of reviewing the plan, the Commissioners of
1736 Transportation and Agriculture and the chairperson of the Public
1737 Utilities Control Authority, or their respective designees, shall not
1738 participate as members of the board. The electric distribution
1739 companies shall provide any additional information requested by the
1740 board that is relevant to the consideration of the procurement plan. In
1741 the course of conducting such review, the board shall conduct a public
1742 hearing, may retain the services of a third-party entity with experience
1743 in the area of energy procurement and may consult with the regional
1744 independent system operator. The board shall submit the reviewed
1745 procurement plan, together with a statement of any unresolved issues,
1746 to the Department of Public Utility Control. The department shall
1747 consider the procurement plan in an uncontested proceeding and shall
1748 conduct a hearing and provide an opportunity for interested parties to
1749 submit comments regarding the procurement plan. Not later than one
1750 hundred twenty days after submission of the procurement plan, the
1751 department shall approve, or modify and approve, the procurement
1752 plan.

1753 (f) On or before September 30, 2009, and every two years thereafter,
1754 the Department of Public Utility Control shall report to the joint
1755 standing committees of the General Assembly having cognizance of
1756 matters relating to energy and the environment regarding goals
1757 established and progress toward implementation of the procurement
1758 plan established pursuant to this section, as well as any
1759 recommendations for the process.

1760 (g) All [electric distribution companies'] Division of Electricity
1761 Policy and Procurement's costs associated with the development of the
1762 resource assessment and the development of the procurement plan
1763 shall be recoverable through the systems benefits charge.

1764 Sec. 32. Subsections (e) and (f) of section 16-245m of the general
 1765 statutes are repealed. (Effective July 1, 2010)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16-19hh
Sec. 3	<i>October 1, 2010</i>	New section
Sec. 4	<i>October 1, 2010</i>	16a-3b
Sec. 5	<i>October 1, 2010</i>	16a-3c
Sec. 6	<i>October 1, 2010</i>	New section
Sec. 7	<i>October 1, 2010</i>	New section
Sec. 8	<i>October 1, 2010</i>	New section
Sec. 9	<i>October 1, 2010</i>	16-4
Sec. 10	<i>October 1, 2010</i>	16a-3
Sec. 11	<i>October 1, 2010</i>	4-65a(a)
Sec. 12	<i>October 1, 2010</i>	4a-57(e)(2)
Sec. 13	<i>October 1, 2010</i>	16-19e(c)
Sec. 14	<i>October 1, 2010</i>	16a-48(d)
Sec. 15	<i>October 1, 2010</i>	16-246e
Sec. 16	<i>from passage</i>	16-2
Sec. 17	<i>October 1, 2010</i>	16-245l
Sec. 18	<i>October 1, 2010</i>	New section
Sec. 19	<i>July 1, 2010</i>	New section
Sec. 20	<i>July 1, 2010</i>	New section
Sec. 21	<i>July 1, 2010</i>	New section
Sec. 22	<i>July 1, 2010</i>	New section
Sec. 23	<i>July 1, 2010</i>	7-233y
Sec. 24	<i>July 1, 2010</i>	16-32f
Sec. 25	<i>July 1, 2010</i>	16-245m
Sec. 26	<i>July 1, 2010</i>	16-245n
Sec. 27	<i>from passage</i>	16-244c(k)
Sec. 28	<i>July 1, 2010</i>	7-148(c)(10)
Sec. 29	<i>from passage</i>	16a-41a(d)
Sec. 30	<i>July 1, 2010</i>	New section
Sec. 31	<i>July 1, 2010</i>	16a-3a
Sec. 32	<i>July 1, 2010</i>	Repealer section

ET *Joint Favorable Subst.*

APP *Joint Favorable*