



General Assembly

**Amendment**

February Session, 2010

LCO No. 4919

**\*SB0049304919SD0\***

Offered by:

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To: Senate Bill No. 493

File No.

Cal. No.

**"AN ACT REDUCING ELECTRICITY COSTS AND PROMOTING RENEWABLE ENERGY."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 16-1b of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2011*):

5 The Connecticut Energy and Technology Authority authorized  
6 under section 16-2, as amended by this act, shall be organized into two  
7 divisions as follows:

8 (1) There shall be a [Department] Division of Public Utility Control.  
9 The [department] division head shall be the [chairperson of the Public  
10 Utilities Control Authority] executive director of the division who shall  
11 report to the Connecticut Energy and Technology Authority; and

12 (2) There shall be a Division of Research, Energy and Technology,

13 consisting of the bureaus of power procurement, conservation and  
14 renewal energy, and research.

15 Sec. 2. Section 16-2 of the general statutes is repealed and the  
16 following is substituted in lieu thereof (*Effective July 1, 2011*):

17 (a) There shall [continue to] be a [Public Utilities Control]  
18 Connecticut Energy and Technology Authority, which shall constitute  
19 a successor authority to the Public Utilities Control Authority and shall  
20 consist of five electors of this state, appointed by the Governor with the  
21 advice and consent of both houses of the General Assembly. Not more  
22 than three members of said authority in office at any one time shall be  
23 members of any one political party. On or before July 1, 1983, and  
24 quadrennially thereafter, the Governor shall appoint three members to  
25 the authority and on or before July 1, 1985, and quadrennially  
26 thereafter, the Governor shall appoint two members. All such  
27 members shall serve for a term of four years. The procedure prescribed  
28 by section 4-7 shall apply to such appointments, except that the  
29 Governor shall submit each nomination on or before May first, and  
30 both houses shall confirm or reject it before adjournment sine die. The  
31 commissioners shall be sworn to the faithful performance of their  
32 duties.

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

36 (c) Any matter coming before the authority may be assigned by the  
37 chairperson to a panel of three commissioners, not more than two of  
38 whom shall be members of the same political party. Except as  
39 otherwise provided by statute or regulation, the panel shall determine  
40 whether a public hearing shall be held on the matter, and may  
41 designate one or two of its members to conduct such hearing or  
42 appoint an examiner to ascertain the facts and report thereon to the  
43 panel. The decision of the panel, if unanimous, shall be the decision of  
44 the authority. If the decision of the panel is not unanimous, the matter

45 shall be referred to the entire authority for decision.

46 (d) The commissioners of the authority shall serve full time and  
47 shall make full public disclosure of their assets, liabilities and income  
48 at the time of their appointment, and thereafter each member of the  
49 authority shall make such disclosure on or before July thirtieth of each  
50 year of such member's term, and shall file such disclosure with the  
51 office of the Secretary of the State. Each commissioner shall receive  
52 annually a salary equal to that established for management pay plan  
53 salary group seventy-five by the Commissioner of Administrative  
54 Services, except that the chairperson shall receive annually a salary  
55 equal to that established for management pay plan salary group  
56 seventy-seven.

57 (e) To insure the highest standard of public utility regulation, on  
58 and after October 1, 2007, any newly appointed commissioner of the  
59 authority shall have education or training and three or more years of  
60 experience in one or more of the following fields: Economics,  
61 engineering, law, accounting, finance, utility regulation, public or  
62 government administration, consumer advocacy, business  
63 management, and environmental management. On and after July 1,  
64 1997, at least three of these fields shall be represented on the authority  
65 by individual commissioners at all times. Any time a commissioner is  
66 newly appointed, the chairperson shall identify at least one of the  
67 commissioners [shall have] as having experience in utility customer  
68 advocacy.

69 (f) The chairperson of the authority, with the consent of two or more  
70 other members of the authority, shall appoint an executive director,  
71 who shall be the chief administrative officer of the [Department]  
72 Division of Public Utility Control. The executive director shall be  
73 supervised by the chairperson of the authority, serve for a term of four  
74 years and annually receive a salary equal to that established for  
75 management pay plan salary group seventy-two by the Commissioner  
76 of Administrative Services. The executive director (1) shall conduct  
77 comprehensive planning with respect to the functions of the

78 department; (2) shall coordinate the activities of the [department]  
79 division; (3) shall cause the administrative organization of the  
80 [department] division to be examined with a view to promoting  
81 economy and efficiency; (4) shall, in concurrence with the chairperson  
82 of the authority, organize the department into such divisions, bureaus  
83 or other units as he deems necessary for the efficient conduct of the  
84 business of the [department] division and may from time to time  
85 abolish, transfer or consolidate within the [department] division, any  
86 other division, bureau or other units as may be necessary for the  
87 efficient conduct of the business of the department, provided such  
88 organization shall include any division, bureau or other unit which is  
89 specifically required by the general statutes; (5) shall, for any  
90 proceeding on a proposed rate amendment in which staff of the  
91 [department] division are to be made a party pursuant to section 16-  
92 19j, determine which staff shall appear and participate in the  
93 proceedings and which shall serve the members of the authority; (6)  
94 may enter into such contractual agreements, in accordance with  
95 established procedures, as may be necessary for the discharge of his  
96 duties; and (7) may, subject to the provisions of section 4-32, and  
97 unless otherwise provided by law, receive any money, revenue or  
98 services from the federal government, corporations, associations or  
99 individuals, including payments from the sale of printed matter or any  
100 other material or services. The executive director shall require the staff  
101 of the [department] division to have expertise in public utility  
102 engineering and accounting, finance, economics, computers and rate  
103 design. Subject to the provisions of chapter 67 and within available  
104 funds in any fiscal year, the executive director may appoint a secretary,  
105 and may employ such accountants, clerical assistants, engineers,  
106 inspectors, experts, consultants and agents as the [department]  
107 division may require.

108 (g) No member of the authority or employee of the [department]  
109 division shall, while serving as such, have any interest, financial or  
110 otherwise, direct or indirect, or engage in any business, employment,  
111 transaction or professional activity, or incur any obligation of any

112 nature, which is in substantial conflict with the proper discharge of his  
113 duties or employment in the public interest and of his responsibilities  
114 as prescribed in the laws of this state, as defined in section 1-85;  
115 provided, no such substantial conflict shall be deemed to exist solely  
116 by virtue of the fact that a member of the authority or employee of the  
117 [department] division, or any business in which such a person has an  
118 interest, receives utility service from one or more Connecticut utilities  
119 under the normal rates and conditions of service.

120 (h) No member of the authority or employee of the [department]  
121 division shall accept other employment which will either impair his  
122 independence of judgment as to his official duties or employment or  
123 require him, or induce him, to disclose confidential information  
124 acquired by him in the course of and by reason of his official duties.

125 (i) No member of the authority or employee of the [department]  
126 division shall wilfully and knowingly disclose, for pecuniary gain, to  
127 any other person, confidential information acquired by him in the  
128 course of and by reason of his official duties or employment or use any  
129 such information for the purpose of pecuniary gain.

130 (j) No member of the authority or employee of the [department]  
131 division shall agree to accept, or be in partnership or association with  
132 any person, or a member of a professional corporation or in  
133 membership with any union or professional association which  
134 partnership, association, professional corporation, union or  
135 professional association agrees to accept any employment, fee or other  
136 thing of value, or portion thereof, in consideration of his appearing,  
137 agreeing to appear, or taking any other action on behalf of another  
138 person before the authority, the Connecticut Siting Council, the Office  
139 of Policy and Management or the Commissioner of Environmental  
140 Protection.

141 (k) No commissioner of the authority shall, for a period of one year  
142 following the termination of his or her service as a commissioner,  
143 accept employment: (1) By a public service company or by any person,

144 firm or corporation engaged in lobbying activities with regard to  
145 governmental regulation of public service companies; (2) by a certified  
146 telecommunications provider or by any person, firm or corporation  
147 engaged in lobbying activities with regard to governmental regulation  
148 of persons, firms or corporations so certified; or (3) by an electric  
149 supplier or by any person, firm or corporation engaged in lobbying  
150 activities with regard to governmental regulation of electric suppliers.  
151 No such commissioner who is also an attorney shall in any capacity,  
152 appear or participate in any matter, or accept any compensation  
153 regarding a matter, before the authority, for a period of one year  
154 following the termination of his or her service as a commissioner.

155       Sec. 3. (NEW) (*Effective July 1, 2011*) (a) The Division of Research,  
156 Energy and Technology shall, in accordance with the comprehensive  
157 plan approved pursuant to section 16a-3a of the general statutes, as  
158 amended by this act, (1) increase the state's energy independence and  
159 security by promoting conservation and efficiency and the use of  
160 diverse indigenous and regional electric resources; (2) encourage the  
161 use of renewable energy resources and new electric technologies,  
162 particularly technologies that support economic development in the  
163 state and promote environmental sustainability; (3) minimize costs of  
164 electric services to state consumers while maintaining reliable service;  
165 (4) discourage undue price volatility of electric service; and (5)  
166 encourage competition, if in the interests of state consumers.

167       (b) The Connecticut Energy and Technology Authority (1) shall  
168 conduct comprehensive planning with respect to the functions of the  
169 division; (2) shall coordinate the activities of the division; (3) shall  
170 cause the administrative organization of the division to be examined  
171 with a view to promoting economy and efficiency; (4) may enter into  
172 such contractual agreements, in accordance with established  
173 procedures, as may be necessary for the discharge of the division's  
174 duties; and (5) may, subject to the provisions of section 4-32 of the  
175 general statutes, and unless otherwise provided by law, receive any  
176 money, revenue or services from the federal government, corporations,  
177 associations or individuals, including payments from the sale of

178 printed matter or any other material or services. Within available  
179 funds in any fiscal year, the authority may appoint a secretary and  
180 may employ such accountants, clerical assistants, engineers,  
181 inspectors, experts, consultants and agents as the division may require.

182 (c) The Connecticut Academy of Science and Engineering shall  
183 conduct a study on how best to implement a research office regarding  
184 electricity and other energy and technology matters within the division  
185 and shall report the findings of such study to the joint standing  
186 committee of the General Assembly having cognizance of matters  
187 relating to energy on or before November 1, 2011.

188 (d) The bureau of power procurement shall report directly to the  
189 authority commissioners and shall (1) be responsible for overseeing the  
190 procurement of electricity for the standard offer, (2) be a liaison to the  
191 New England Power Pool, the regional independent system operator  
192 and the Federal Energy Regulatory Commission, (3) recommend to the  
193 authority procurement expectations, and (4) report quarterly to the  
194 authority commissioners on how current purchasing is meeting the  
195 established expectations and if any adjustments should be made.

196 (e) The bureau of conservation and renewable energy shall report  
197 directly to the authority commissioners and shall (1) be responsible for  
198 the overall implementation of the authority's conservation and  
199 renewable energy goals, (2) provide expertise to the authority on  
200 conservation and renewable energy dockets and authority decisions,  
201 (3) develop, in consultation with the Energy Conservation  
202 Management Board and the electric distribution companies, an electric  
203 conservation plan, which shall include a review of electric  
204 conservation programs and recommendations for meeting the  
205 conservation goals established pursuant to section 16a-3a of the  
206 general statutes, as amended by this act, (4) report annually to the  
207 authority on (A) the Energy Conservation Management Board's  
208 performance and how such board allocated its funds, and (B) an  
209 evaluation of other state conservation programs and recommendations  
210 for improving their efficiency.

211 Sec. 4. (*Effective from passage*) (a) There is established a working  
212 group that shall consist of the following: The Secretary of the Office of  
213 Policy and Management, the Consumer Counsel, the chairperson of  
214 the Public Utility Control Authority, the Attorney General, the  
215 executive director of Connecticut Innovations, Incorporated, or their  
216 designees, and the chairpersons and ranking members of the joint  
217 standing committee of the General Assembly having cognizance of  
218 matters relating to energy.

219 (b) The purpose of the working group established pursuant to  
220 subsection (a) of this section shall be to develop plans for the  
221 implementation of organizational and structural changes in state  
222 government related to the establishment of the Connecticut Energy  
223 and Technology Authority and the Division of Public Utility Control  
224 and the Division of Research, Energy and Technology pursuant to  
225 section 1 of this act, as well as to provide recommendations for the  
226 most efficient and effective way to meet the goals of sections 2 and 3 of  
227 this act. On or before January 1, 2011, the working group shall issue a  
228 report of its findings, including, but not limited to, drafts of legislation  
229 necessary for such implementation to the General Assembly.

230 Sec. 5. Section 16a-48 of the general statutes is repealed and the  
231 following is substituted in lieu thereof (*Effective July 1, 2010*):

232 (a) As used in this section:

233 (1) "Office" means the Office of Policy and Management;

234 (2) "Fluorescent lamp ballast" or "ballast" means a device designed  
235 to operate fluorescent lamps by providing a starting voltage and  
236 current and limiting the current during normal operation, but does not  
237 include such devices that have a dimming capability or are intended  
238 for use in ambient temperatures of zero degrees Fahrenheit or less or  
239 have a power factor of less than sixty-one hundredths for a single  
240 F40T12 lamp;

241 (3) "F40T12 lamp" means a tubular fluorescent lamp that is a



242 nominal forty-watt lamp, with a forty-eight-inch tube length and one  
243 and one-half inches in diameter;

244 (4) "F96T12 lamp" means a tubular fluorescent lamp that is a  
245 nominal seventy-five-watt lamp with a ninety-six-inch tube length and  
246 one and one-half inches in diameter;

247 (5) "Luminaire" means a complete lighting unit consisting of a  
248 fluorescent lamp, or lamps, together with parts designed to distribute  
249 the light, to position and protect such lamps, and to connect such  
250 lamps to the power supply;

251 (6) "New product" means a product that is sold, offered for sale, or  
252 installed for the first time and specifically includes floor models and  
253 demonstration units;

254 (7) "Secretary" means the Secretary of the Office of Policy and  
255 Management;

256 (8) "State Building Code" means the building code adopted  
257 pursuant to section 29-252;

258 (9) "Torchiere lighting fixture" means a portable electric lighting  
259 fixture with a reflector bowl giving light directed upward so as to give  
260 indirect illumination;

261 (10) "Unit heater" means a self-contained, vented fan-type  
262 commercial space heater that uses natural gas or propane that is  
263 designed to be installed without ducts within the heated space. "Unit  
264 heater" does not include a product regulated by federal standards  
265 pursuant to 42 USC 6291, as amended from time to time, a product that  
266 is a direct vent, forced flue heater with a sealed combustion burner, or  
267 any oil fired heating system;

268 (11) "Transformer" means a device consisting of two or more coils of  
269 insulated wire that transfers alternating current by electromagnetic  
270 induction from one coil to another in order to change the original  
271 voltage or current value;

272 (12) "Low-voltage dry-type transformer" means a transformer that:  
273 (A) Has an input voltage of six hundred volts or less; (B) is between  
274 fourteen kilovolt-amperes and two thousand five hundred one  
275 kilovolt-amperes in size; (C) is air-cooled; and (D) does not use oil as a  
276 coolant. "Low-voltage dry-type transformer" does not include such  
277 transformers excluded from the low-voltage dry-type distribution  
278 transformer definition contained in the California Code of Regulations,  
279 Title 20: Division 2, Chapter 4, Article 4: Appliance Efficiency  
280 Regulations;

281 (13) "Pass-through cabinet" means a refrigerator or freezer with  
282 hinged or sliding doors on both the front and rear of the refrigerator or  
283 freezer;

284 (14) "Reach-in cabinet" means a refrigerator, freezer, or combination  
285 thereof, with hinged or sliding doors or lids;

286 (15) "Roll-in" or "roll-through cabinet" means a refrigerator or  
287 freezer with hinged or sliding doors that allows wheeled racks of  
288 product to be rolled into or through the refrigerator or freezer;

289 (16) "Commercial refrigerators and freezers" means reach-in  
290 cabinets, pass-through cabinets, roll-in cabinets and roll-through  
291 cabinets that have less than eighty-five feet of capacity, which are  
292 designed for the refrigerated or frozen storage of food and food  
293 products;

294 (17) "Traffic signal module" means a standard eight-inch or twelve-  
295 inch round traffic signal indicator consisting of a light source, lens and  
296 all parts necessary for operation and communication of movement  
297 messages to drivers through red, amber and green colors;

298 (18) "Illuminated exit sign" means an internally illuminated sign that  
299 is designed to be permanently fixed in place and used to identify an  
300 exit by means of a light source that illuminates the sign or letters from  
301 within where the background of the exit sign is not transparent;

302 (19) "Packaged air-conditioning equipment" means air-conditioning  
303 equipment that is built as a package and shipped as a whole to end-  
304 user sites;

305 (20) "Large packaged air-conditioning equipment" means air-cooled  
306 packaged air-conditioning equipment having not less than two  
307 hundred forty thousand BTUs per hour of capacity;

308 (21) "Commercial clothes washer" means a soft mount front-loading  
309 or soft mount top-loading clothes washer that is designed for use in  
310 (A) applications where the occupants of more than one household will  
311 be using it, such as in multifamily housing common areas and coin  
312 laundries; or (B) other commercial applications, if the clothes container  
313 compartment is no greater than three and one-half cubic feet for  
314 horizontal-axis clothes washers or no greater than four cubic feet for  
315 vertical-axis clothes washers;

316 (22) "Energy efficiency ratio" means a measure of the relative  
317 efficiency of a heating or cooling appliance that is equal to the unit's  
318 output in BTUs per hour divided by its consumption of energy,  
319 measured in watts;

320 (23) "Electricity ratio" means the ratio of furnace electricity use to  
321 total furnace energy use;

322 (24) "Boiler" means a space heater that is a self-contained appliance  
323 for supplying steam or hot water primarily intended for space-heating.  
324 "Boiler" does not include hot water supply boilers;

325 (25) "Central furnace" means a self-contained space heater designed  
326 to supply heated air through ducts of more than ten inches in length;

327 (26) "Residential furnace or boiler" means a product that utilizes  
328 only single-phase electric current or single-phase electric current or DC  
329 current in conjunction with natural gas, propane or home heating oil  
330 and that (A) is designed to be the principal heating source for the  
331 living space of a residence; (B) is not contained within the same cabinet

332 as a central air conditioner with a rated cooling capacity of not less  
333 than sixty-five thousand BTUs per hour; (C) is an electric central  
334 furnace, electric boiler, forced-air central furnace, gravity central  
335 furnace or low pressure steam or hot water boiler; and (D) has a heat  
336 input rate of less than three hundred thousand BTUs per hour for an  
337 electric boiler and low pressure steam or hot water boiler and less than  
338 two hundred twenty-five thousand BTUs per hour for a forced-air  
339 central furnace, gravity central furnace and electric central furnace;

340 (27) "Furnace air handler" means the section of the furnace that  
341 includes the fan, blower and housing, generally upstream of the  
342 burners and heat exchanger. The furnace air handler may include a  
343 filter and a cooling coil;

344 (28) "High-intensity discharge lamp" means a lamp in which light is  
345 produced by the passage of an electric current through a vapor or gas,  
346 the light-producing arc is stabilized by bulb wall temperature and the  
347 arc tube has a bulb wall loading in excess of three watts per square  
348 centimeter;

349 (29) "Metal halide lamp" means a high intensity discharge lamp in  
350 which the major portion of the light is produced by radiation of metal  
351 halides and their products of dissociation, possibly in combination  
352 with metallic vapors;

353 (30) "Metal halide lamp fixture" means a light fixture designed to be  
354 operated with a metal halide lamp and a ballast for a metal halide  
355 lamp;

356 (31) "Probe start metal halide ballast" means a ballast used to  
357 operate metal halide lamps that does not contain an ignitor and that  
358 instead starts lamps by using a third starting electrode probe in the arc  
359 tube;

360 (32) "Single voltage external AC to DC power supply" means a  
361 device that (A) is designed to convert line voltage AC input into lower  
362 voltage DC output; (B) is able to convert to only one DC output voltage

363 at a time; (C) is sold with, or intended to be used with, a separate end-  
364 use product that constitutes the primary power load; (D) is contained  
365 within a separate physical enclosure from the end-use product; (E) is  
366 connected to the end-use product in a removable or hard-wired male  
367 and female electrical connection, cable, cord or other wiring; (F) does  
368 not have batteries or battery packs, including those that are removable  
369 or that physically attach directly to the power supply unit; (G) does not  
370 have a battery chemistry or type selector switch and indicator light or a  
371 battery chemistry or type selector switch and a state of charge meter;  
372 and (H) has a nameplate output power less than or equal to two  
373 hundred fifty watts;

374 (33) "State regulated incandescent reflector lamp" means a lamp that  
375 is not colored or designed for rough or vibration service applications,  
376 has an inner reflective coating on the outer bulb to direct the light, has  
377 an E26 medium screw base, a rated voltage or voltage range that lies at  
378 least partially within one hundred fifteen to one hundred thirty volts,  
379 and that falls into one of the following categories: (A) A bulged  
380 reflector or elliptical reflector or a blown PAR bulb shape and that has  
381 a diameter that equals or exceeds two and one-quarter inches, or (B) a  
382 reflector, parabolic aluminized reflector, bulged reflector or similar  
383 bulb shape and that has a diameter of two and one-quarter to two and  
384 three-quarters inches. "State regulated incandescent reflector lamp"  
385 does not include ER30, BR30, BR40 and ER40 lamps of not more than  
386 fifty watts, BR30, BR40 and ER40 lamps of sixty-five watts and R20  
387 lamps of not more than forty-five watts;

388 (34) "Bottle-type water dispenser" means a water dispenser that uses  
389 a bottle or reservoir as the source of potable water;

390 (35) "Commercial hot food holding cabinet" means a heated, fully-  
391 enclosed compartment with one or more solid or partial glass doors  
392 that is designed to maintain the temperature of hot food that has been  
393 cooked in a separate appliance. "Commercial hot food holding cabinet"  
394 does not include heated glass merchandizing cabinets, drawer  
395 warmers or cook-and-hold appliances;

396 (36) "Pool heater" means an appliance designed for heating  
397 nonpotable water contained at atmospheric pressure for swimming  
398 pools, spas, hot tubs and similar applications, including natural gas,  
399 heat pump, oil and electric resistance pool heaters;

400 (37) "Portable electric spa" means a factory-built electric spa or hot  
401 tub supplied with equipment for heating and circulating water;

402 (38) "Residential pool pump" means a pump used to circulate and  
403 filter pool water to maintain clarity and sanitation;

404 (39) "Walk-in refrigerator" means a space refrigerated to  
405 temperatures at or above thirty-two degrees Fahrenheit that has a total  
406 chilled storage area of less than three thousand square feet, can be  
407 walked into and is designed for the refrigerated storage of food and  
408 food products. "Walk-in refrigerator" does not include refrigerated  
409 warehouses and products designed and marketed exclusively for  
410 medical, scientific or research purposes;

411 (40) "Walk-in freezer" means a space refrigerated to temperatures  
412 below thirty-two degrees Fahrenheit that has a total chilled storage  
413 area of less than three thousand square feet, can be walked into and is  
414 designed for the frozen storage of food and food products. "Walk-in  
415 freezer" does not include refrigerated warehouses and products  
416 designed and marketed exclusively for medical, scientific or research  
417 purposes;

418 (41) "Central air conditioner" means a central air conditioning model  
419 that consists of one or more factory-made assemblies, which normally  
420 include an evaporator or cooling coil, compressor and condenser.  
421 Central air conditioning models may provide the function of air  
422 cooling, air cleaning, dehumidifying or humidifying; [.]

423 (42) "Combination television" means a system in which a television  
424 or television monitor and an additional device or devices, including,  
425 but not limited to, a digital versatile disk player or video cassette  
426 recorder, are combined into a single unit in which the additional

427 devices are included in the television casing;

428 (43) "Compact audio player" means an integrated audio system  
429 encased in a single housing that includes an amplifier and radio tuner  
430 with attached or separable speakers and can reproduce audio from one  
431 or more of the following media: Magnetic tape, compact disk, digital  
432 versatile disk or flash memory. "Compact audio player" does not mean  
433 a product that can be independently powered by internal batteries, has  
434 a powered external satellite antenna or can provide a video output  
435 signal;

436 (44) "Component television" means a television composed of two or  
437 more separate components, such as a separate display device and  
438 tuner, marketed and sold as a television under one model or system  
439 designation, which may have more than one power cord;

440 (45) "Computer monitor" means an analog or digital device  
441 designed primarily for the display of computer generated signals and  
442 that is not marketed for use as a television;

443 (46) "Digital versatile disc" means a laser-encoded plastic medium  
444 capable of storing a large amount of digital audio, video and computer  
445 data;

446 (47) "Digital versatile disc player" means a commercially available  
447 electronic product encased in a single housing that includes an integral  
448 power supply and for which the sole purpose is the decoding of  
449 digitized video signals;

450 (48) "Digital versatile disc recorder" means a commercially available  
451 electronic product encased in a single housing that includes an integral  
452 power supply and for which the sole purpose is the production or  
453 recording of digitized audio, video and computer signals on a digital  
454 versatile disk. "Digital versatile disk recorder" does not include a  
455 model that has an electronic programming guide function;

456 (49) "Television" means an analog or digital device designed

457 primarily for the display and reception of a terrestrial, satellite, cable,  
458 internet protocol television or other broadcast or recorded  
459 transmission of analog or digital video and audio signals. "Television"  
460 includes combination televisions, television monitors, component  
461 televisions and any unit that is marketed to consumers as a television  
462 but does not include a computer monitor;

463 (50) "Television monitor" means a television that does not have an  
464 internal tuner/receiver or playback device.

465 (b) The provisions of this section apply to the testing, certification  
466 and enforcement of efficiency standards for the following types of new  
467 products sold, offered for sale or installed in the state: (1) Commercial  
468 clothes washers; (2) commercial refrigerators and freezers; (3)  
469 illuminated exit signs; (4) large packaged air-conditioning equipment;  
470 (5) low voltage dry-type distribution transformers; (6) torchiere  
471 lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)  
472 residential furnaces and boilers; (10) residential pool pumps; (11) metal  
473 halide lamp fixtures; (12) single voltage external AC to DC power  
474 supplies; (13) state regulated incandescent reflector lamps; (14) bottle-  
475 type water dispensers; (15) commercial hot food holding cabinets; (16)  
476 portable electric spas; (17) walk-in refrigerators and walk-in freezers;  
477 (18) pool heaters; [and] (19) compact audio players; (20) televisions;  
478 (21) digital versatile disc players; (22) digital versatile disc recorders;  
479 and (23) any other products as may be designated by the office in  
480 accordance with subdivision (3) of subsection (d) of this section.

481 (c) The provisions of this section do not apply to (1) new products  
482 manufactured in the state and sold outside the state, (2) new products  
483 manufactured outside the state and sold at wholesale inside the state  
484 for final retail sale and installation outside the state, (3) products  
485 installed in mobile manufactured homes at the time of construction, or  
486 (4) products designed expressly for installation and use in recreational  
487 vehicles.

488 (d) (1) The office, in consultation with the Department of Public



489 Utility Control, shall adopt regulations, in accordance with the  
490 provisions of chapter 54, to implement the provisions of this section  
491 and to establish minimum energy efficiency standards for the types of  
492 new products set forth in subsection (b) of this section. The regulations  
493 shall provide for the following minimum energy efficiency standards:

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

497 (B) Commercial refrigerators and freezers shall meet the August 1,  
498 2004, requirements shown in Table A-6 of said California regulation;

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

502 (D) Large packaged air-conditioning equipment having not more  
503 than seven hundred sixty thousand BTUs per hour of capacity shall  
504 meet a minimum energy efficiency ratio of 10.0 for units using both  
505 electric heat and air conditioning or units solely using electric air  
506 conditioning, and 9.8 for units using both natural gas heat and electric  
507 air conditioning;

508 (E) Large packaged air-conditioning equipment having not less than  
509 seven hundred sixty-one thousand BTUs per hour of capacity shall  
510 meet a minimum energy efficiency ratio of 9.7 for units using both  
511 electric heat and air conditioning or units solely using electric air  
512 conditioning, and 9.5 for units using both natural gas heat and electric  
513 air conditioning;

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

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

519 that total more than one hundred ninety watts;

520 (H) Traffic signal modules shall meet the product specification of  
521 the "Energy Star Program Requirements for Traffic Signals" developed  
522 by the United States Environmental Protection Agency that took effect  
523 in February, 2001, except where the department, in consultation with  
524 the Commissioner of Transportation, determines that such  
525 specification would compromise safe signal operation;

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

528 (J) On or after January 1, 2009, residential furnaces and boilers  
529 purchased by the state shall meet or exceed the following annual fuel  
530 utilization efficiency: (i) For gas and propane furnaces, ninety per cent  
531 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per  
532 cent annual fuel utilization efficiency, (iii) for gas and propane hot  
533 water boilers, eighty-four per cent annual fuel utilization efficiency,  
534 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel  
535 utilization efficiency, (v) for gas and propane steam boilers, eighty-two  
536 per cent annual fuel utilization efficiency, (vi) for oil-fired steam  
537 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)  
538 for furnaces with furnace air handlers, an electricity ratio of not more  
539 than 2.0, except air handlers for oil furnaces with a capacity of less than  
540 ninety-four thousand BTUs per hour shall have an electricity ratio of  
541 2.3 or less;

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

546 (L) Single-voltage external AC to DC power supplies manufactured  
547 on or after January 1, 2008, shall meet the energy efficiency standards  
548 of table U-1 of section 1605.3 of the January 2006 California Code of  
549 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance  
550 Efficiency Regulations. This standard applies to single voltage AC to

551 DC power supplies that are sold individually and to those that are sold  
552 as a component of or in conjunction with another product. This  
553 standard shall not apply to single voltage external AC to DC power  
554 supplies sold with products subject to certification by the United States  
555 Food and Drug Administration. A single-voltage external AC to DC  
556 power supply that is made available by a manufacturer directly to a  
557 consumer or to a service or repair facility after and separate from the  
558 original sale of the product requiring the power supply as a service  
559 part or spare part shall not be required to meet the standards in said  
560 table U-1 until five years after the effective dates indicated in the table;

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

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

573 (O) On or after January 1, 2009, pool heaters shall meet the  
574 efficiency requirements of sections 1605.1 and 1605.3 of the January  
575 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,  
576 Article 4: Appliance Efficiency Regulations; [.]

577 (P) On or after January 1, 2013, compact audio players, digital  
578 versatile disc players and digital versatile disc recorders shall meet the  
579 requirements shown in Table V-1 of Section 1605.3 of the November  
580 2009 amendments to the California Code of Regulations, Title 20,  
581 Division 2, Chapter 4, Article 4;

582 (Q) On or after January 1, 2013, televisions manufactured on or after

583 the effective date of this section shall meet the requirements shown in  
584 Table V-2 of Section 1605.3 of the November 2009 amendments to the  
585 California Code of Regulations, Title 20, Division 2, Chapter 4, Article  
586 4;

587 (R) In addition to the requirements of subparagraph (Q) of this  
588 subdivision, televisions manufactured on or after January 1, 2013, shall  
589 meet the efficiency requirements of Sections 1605.3(v)(3)(A),  
590 1605.3(v)(3)(B) and 1605.3(v)(3)(C) of the November 2009 amendments  
591 to the California Code of Regulations, Title 20, Division 2, Chapter 4,  
592 Article 4.

593 (2) Such efficiency standards, where in conflict with the State  
594 Building Code, shall take precedence over the standards contained in  
595 the Building Code. Not later than July 1, 2007, and biennially  
596 thereafter, the office, in consultation with the Department of Public  
597 Utility Control, shall review and increase the level of such efficiency  
598 standards by adopting regulations in accordance with the provisions  
599 of chapter 54 upon a determination that increased efficiency standards  
600 would serve to promote energy conservation in the state and would be  
601 cost-effective for consumers who purchase and use such new products,  
602 provided no such increased efficiency standards shall become effective  
603 within one year following the adoption of any amended regulations  
604 providing for such increased efficiency standards.

605 (3) (A) The office, in consultation with the Department of Public  
606 Utility Control, shall adopt regulations, in accordance with the  
607 provisions of chapter 54, to designate additional products to be subject  
608 to the provisions of this section and to establish efficiency standards  
609 for such products upon a determination that such efficiency standards  
610 [(A)] (i) would serve to promote energy conservation in the state, [(B)]  
611 (ii) would be cost-effective for consumers who purchase and use such  
612 new products, and [(C)] (iii) that multiple products are available which  
613 meet such standards, provided no such efficiency standards shall  
614 become effective within one year following their adoption pursuant to  
615 this subdivision.

616 (B) The office, in consultation with the Multi-State Appliance  
617 Standards Collaborative, shall identify additional appliance and  
618 equipment efficiency standards. Not later than six months after  
619 adoption of an efficiency standard by a cooperative member state  
620 regarding a product for which no equivalent Connecticut or federal  
621 standard currently exists, the office shall adopt regulations in  
622 accordance with the provisions of chapter 54 adopting such efficiency  
623 standard unless the office makes a specific finding that such standard  
624 does not meet the criteria in subparagraph (A) of this subdivision.

625 (e) On or after July 1, 2006, except for commercial clothes washers,  
626 for which the date shall be July 1, 2007, commercial refrigerators and  
627 freezers, for which the date shall be July 1, 2008, and large packaged  
628 air-conditioning equipment, for which the date shall be July 1, 2009, no  
629 new product of a type set forth in subsection (b) of this section or  
630 designated by the office may be sold, offered for sale, or installed in  
631 the state unless the energy efficiency of the new product meets or  
632 exceeds the efficiency standards set forth in such regulations adopted  
633 pursuant to subsection (d) of this section.

634 (f) The office, in consultation with the Department of Public Utility  
635 Control, shall adopt procedures for testing the energy efficiency of the  
636 new products set forth in subsection (b) of this section or designated  
637 by the department if such procedures are not provided for in the State  
638 Building Code. The office shall use United States Department of  
639 Energy approved test methods, or in the absence of such test methods,  
640 other appropriate nationally recognized test methods. The  
641 manufacturers of such products shall cause samples of such products  
642 to be tested in accordance with the test procedures adopted pursuant  
643 to this subsection or those specified in the State Building Code.

644 (g) Manufacturers of new products set forth in subsection (b) of this  
645 section or designated by the office shall certify to the secretary that  
646 such products are in compliance with the provisions of this section,  
647 except that certification is not required for single voltage external AC  
648 to DC power supplies and walk-in refrigerators and walk-in freezers.

649 All single voltage external AC to DC power supplies shall be labeled as  
650 described in the January 2006 California Code of Regulations, Title 20,  
651 Section 1607 (9). The office, in consultation with the Department of  
652 Public Utility Control, shall promulgate regulations governing the  
653 certification of such products. The secretary shall publish an annual list  
654 of such products.

655 (h) The Attorney General may institute proceedings to enforce the  
656 provisions of this section. Any person who violates any provision of  
657 this section shall be subject to a civil penalty of not more than two  
658 hundred fifty dollars. Each violation of this section shall constitute a  
659 separate offense, and each day that such violation continues shall  
660 constitute a separate offense.

661 Sec. 6. Subdivision (44) of subsection (a) of section 16-1 of the 2010  
662 supplement to the general statutes is repealed and the following is  
663 substituted in lieu thereof (*Effective July 1, 2010*):

664 (44) "Class III source" means the electricity output from combined  
665 heat and power systems with an operating efficiency level of no less  
666 than fifty per cent, determined quarterly on a rolling annual average  
667 basis, that are part of customer-side distributed resources developed at  
668 commercial and industrial facilities in this state on or after January 1,  
669 2006, a waste heat recovery system installed on or after April 1, 2007,  
670 that produces electrical or thermal energy by capturing preexisting  
671 waste heat or pressure from industrial or commercial processes, or the  
672 electricity savings created in this state from conservation and load  
673 management programs begun on or after January 1, 2006;

674 Sec. 7. Subdivision (3) of subsection (d) of section 16-245m of the  
675 general statutes is repealed and the following is substituted in lieu  
676 thereof (*Effective July 1, 2010*):

677 (3) Programs included in the plan developed under subdivision (1)  
678 of this subsection shall be screened through cost-effectiveness testing  
679 which compares the value and payback period of program benefits to  
680 program costs to ensure that programs are designed to obtain energy

681 savings and system benefits, including mitigation of federally  
682 mandated congestion charges, whose value is greater than the costs of  
683 the programs. Cost-effectiveness testing shall utilize available  
684 information obtained from real-time monitoring systems to ensure  
685 accurate validation and verification of energy use. Such testing shall  
686 include an analysis of the effects of investments on increasing the  
687 state's load factor. Program cost-effectiveness shall be reviewed  
688 annually, or otherwise as is practicable. If a program is determined to  
689 fail the cost-effectiveness test as part of the review process, it shall  
690 either be modified to meet the test or shall be terminated. On or before  
691 March 1, 2005, and on or before March first annually thereafter, the  
692 board shall provide a report, in accordance with the provisions of  
693 section 11-4a, to the joint standing committees of the General  
694 Assembly having cognizance of matters relating to energy and the  
695 environment (A) that documents expenditures and fund balances and  
696 evaluates the cost-effectiveness of such programs conducted in the  
697 preceding year, [and] (B) that documents the extent to and manner in  
698 which the programs of such board collaborated and cooperated with  
699 programs, established under section 7-233y, of municipal electric  
700 energy cooperatives, and (C) that documents the extent to which  
701 programs of such board have reduced electric bills for ratepayers. To  
702 maximize the reduction of federally mandated congestion charges,  
703 programs in the plan may allow for disproportionate allocations  
704 between the amount of contributions to the Energy Conservation and  
705 Load Management Funds by a certain rate class and the programs that  
706 benefit such a rate class. Before conducting such evaluation, the board  
707 shall consult with the Renewable Energy Investments Board. The  
708 report shall include a description of the activities undertaken during  
709 the reporting period jointly or in collaboration with the Renewable  
710 Energy Investment Fund established pursuant to subsection (c) of  
711 section 16-245n.

712 Sec. 8. Subsection (f) of section 16-245n of the general statutes is  
713 repealed and the following is substituted in lieu thereof (*Effective July*  
714 *1, 2010*):

715 (f) The board shall issue annually a report to the Department of  
716 Public Utility Control reviewing the activities of the Renewable Energy  
717 Investment Fund in detail, including the condominium renewable  
718 energy grant program established pursuant to section 29 of this act,  
719 and shall provide a copy of such report, in accordance with the  
720 provisions of section 11-4a, to the joint standing committees of the  
721 General Assembly having cognizance of matters relating to energy and  
722 commerce and the Office of Consumer Counsel. The report shall  
723 include a description of the programs and activities undertaken during  
724 the reporting period jointly or in collaboration with the Energy  
725 Conservation and Load Management Funds established pursuant to  
726 section 16-245m, as amended by this act.

727 Sec. 9. Section 16a-3a of the 2010 supplement to the general statutes  
728 is repealed and the following is substituted in lieu thereof (*Effective July*  
729 *1, 2010*):

730 (a) The electric distribution companies, in consultation with the  
731 Connecticut Energy Advisory Board, established pursuant to section  
732 16a-3, shall review the state's energy and capacity resource assessment  
733 and develop a comprehensive plan for the procurement of energy  
734 resources, including, but not limited to, conventional and renewable  
735 generating facilities, energy efficiency, load management, demand  
736 response, combined heat and power facilities, distributed generation  
737 and other emerging energy technologies to meet the projected  
738 requirements of their customers in a manner that minimizes the cost of  
739 such resources to customers over time and maximizes consumer  
740 benefits consistent with the state's environmental goals and standards.  
741 Such plan shall seek to lower the cost of electricity.

742 (b) On or before January 1, 2008, and biennially thereafter, the  
743 companies shall submit to the Connecticut Energy Advisory Board an  
744 assessment of (1) the energy and capacity requirements of customers  
745 for the next three, five and ten years, (2) the manner of how best to  
746 eliminate growth in electric demand, (3) how best to level electric  
747 demand in the state by reducing peak demand and shifting demand to



748 off-peak periods, (4) the impact of current and projected  
749 environmental standards, including, but not limited to, those related to  
750 greenhouse gas emissions and the federal Clean Air Act goals and how  
751 different resources could help achieve those standards and goals, (5)  
752 energy security and economic risks associated with potential energy  
753 resources, and (6) the estimated lifetime cost and availability of  
754 potential energy resources.

755 (c) Resource needs shall first be met through all available energy  
756 efficiency and demand reduction resources that are cost-effective,  
757 reliable and feasible. The projected customer cost impact of any  
758 demand-side resources considered pursuant to this subsection shall be  
759 reviewed on an equitable bases with nondemand-side resources. The  
760 procurement plan shall specify (1) the total amount of energy and  
761 capacity resources needed to meet the requirements of all customers,  
762 (2) the extent to which demand-side measures, including efficiency,  
763 conservation, demand response and load management can cost-  
764 effectively meet these needs, (3) needs for generating capacity and  
765 transmission and distribution improvements, (4) how the development  
766 of such resources will reduce and stabilize the costs of electricity to  
767 consumers, and (5) the manner in which each of the proposed  
768 resources should be procured, including the optimal contract periods  
769 for various resources.

770 (d) The procurement plan shall consider: (1) Approaches to  
771 maximizing the impact of demand-side measures; (2) the extent to  
772 which generation needs can be met by renewable and combined heat  
773 and power facilities; (3) the optimization of the use of generation sites  
774 and generation portfolio existing within the state; (4) fuel types,  
775 diversity, availability, firmness of supply and security and  
776 environmental impacts thereof, including impacts on meeting the  
777 state's greenhouse gas emission goals; (5) reliability, peak load and  
778 energy forecasts, system contingencies and existing resource  
779 availabilities; (6) import limitations and the appropriate reliance on  
780 such imports; and (7) the impact of the procurement plan on the costs  
781 of electric customers. Such plan shall include options for lowering the

782 cost of electricity.

783 (e) The board, in consultation with the regional independent system  
784 operator, shall review and approve or review, modify and approve the  
785 proposed procurement plan as submitted not later than one hundred  
786 twenty days after receipt. For calendar years 2009 and thereafter, the  
787 board shall conduct such review not later than sixty days after receipt.  
788 For the purpose of reviewing the plan, the Commissioners of  
789 Transportation and Agriculture and the chairperson of the Public  
790 Utilities Control Authority, or their respective designees, shall not  
791 participate as members of the board. The electric distribution  
792 companies shall provide any additional information requested by the  
793 board that is relevant to the consideration of the procurement plan. In  
794 the course of conducting such review, the board shall conduct a public  
795 hearing, may retain the services of a third-party entity with experience  
796 in the area of energy procurement and may consult with the regional  
797 independent system operator. The board shall submit the reviewed  
798 procurement plan, together with a statement of any unresolved issues,  
799 to the Department of Public Utility Control. The department shall  
800 consider the procurement plan in an uncontested proceeding and shall  
801 conduct a hearing and provide an opportunity for interested parties to  
802 submit comments regarding the procurement plan. Not later than one  
803 hundred twenty days after submission of the procurement plan, the  
804 department shall approve, or modify and approve, the procurement  
805 plan.

806 (f) On or before September 30, 2009, and every two years thereafter,  
807 the Department of Public Utility Control shall report to the joint  
808 standing committees of the General Assembly having cognizance of  
809 matters relating to energy and the environment regarding goals  
810 established and progress toward implementation of the procurement  
811 plan established pursuant to this section, as well as any  
812 recommendations for the process.

813 (g) All electric distribution companies' costs associated with the  
814 development of the resource assessment and the development of the

815 procurement plan shall be recoverable through the systems benefits  
816 charge.

817 Sec. 10. (NEW) (*Effective from passage*) (a) The plan developed,  
818 pursuant to section 16a-3a of the general statutes, as amended by this  
819 act, to be adopted in 2010 shall indicate options to reduce the price of  
820 electricity by at least fifteen per cent less than the price as of the  
821 effective date of this section by July 1, 2012, and maintain at least such  
822 decrease for another five years. Such options may include the  
823 procurement of new sources of generation. In reviewing new sources  
824 of generation, the plan shall determine whether the private wholesale  
825 market can supply such additional sources or whether state financial  
826 assistance, long-term purchasing of electricity contracts or other  
827 interventions are needed to achieve the goal.

828 (b) If on and after July 1, 2010, the 2010 plan contains an option to  
829 procure new sources of generation, the Department of Public Utility  
830 Control shall pursue the most cost-effective approach. If the  
831 department seeks new sources of generation, it shall issue a notice of  
832 interest for generation without any financial assistance, including, but  
833 not limited to, long- term contract financing or ratepayer guarantees. If  
834 the department fails to receive any responsive proposal, it shall issue a  
835 request for proposals that may include such financial assistance.

836 Sec. 11. (NEW) (*Effective July 1, 2010*) (a) On or before June 30, 2011,  
837 the Department of Public Utility Control shall conduct a proceeding  
838 regarding development of low-income discounted rates for service  
839 provided by electric distribution companies, as defined in section 16-1  
840 of the general statutes, as amended by this act, to low-income  
841 customers with an annual income that does not exceed sixty per cent of  
842 median income. Such proceeding shall include, but not be limited to, a  
843 review, for individuals who receive means-tested assistance  
844 administered by the state or federal governments, of the current and  
845 future availability of rate discounts through the electricity purchasing  
846 pool operated by the Office of Policy and Management pursuant to  
847 section 16a-14e of the general statutes, energy assistance benefits

848 available through any plan adopted pursuant to section 16a-41a of the  
849 general statutes, state funded or administered programs, conservation  
850 assistance available pursuant to section 16-245m of the general  
851 statutes, as amended by this act, assistance funded or administered by  
852 the Department of Social Services or the Department of Public Utility  
853 Control, or matching payment program benefits available pursuant to  
854 subsection (b) of section 16-262c of the general statutes. Such  
855 proceeding shall also include an analysis of the cost of imposing a  
856 utility termination moratorium in households with a child age two or  
857 younger. The Division of Public Utility Control shall (1) coordinate  
858 resources and programs, to the extent practicable; (2) develop rates  
859 that take into account the indigency of persons of poverty status and  
860 allow such persons' households to meet the costs of essential energy  
861 needs; (3) encourage the households to agree to have a home energy  
862 audit as a prerequisite to qualification; and (4) prepare an analysis of  
863 the benefits and anticipated costs of such low-income discounted rates.

864 (b) The department shall determine which, if any, of its programs  
865 shall be modified, terminated or have their funding reduced because  
866 such program beneficiaries would benefit more by the establishment of  
867 a low-income or discount rate. The department shall establish a rate  
868 reduction that is equal to the anticipated funds transferred from the  
869 programs modified, terminated or reduced by the department  
870 pursuant to this section and the reduced cost of providing service to  
871 those eligible for such discounted or low-income rates, any available  
872 energy assistance and other sources of coverage for such rates,  
873 including, but not limited to, generation available through the  
874 electricity purchasing pool operated by the department. The  
875 department may issue recommendations regarding programs  
876 administered by the Department of Social Services.

877 (c) The department shall order (1) filing by each electric company of  
878 proposed rates consistent with the department's decision pursuant to  
879 subsection (a) of this section not later than sixty days after its issuance;  
880 and (2) appropriate modification of existing low-income programs.  
881 Each company shall conduct outreach to make its low-income or

882 discounted rates available to eligible customers and report to the  
883 Department of Public Utility Control at least annually regarding its  
884 outreach activities and the results of such activities.

885 (d) The cost of low-income and discounted rates and related  
886 outreach activities pursuant to this section shall be paid (1) through the  
887 normal rate-making procedures of the Department of Public Utility  
888 Control, (2) on a semiannual basis through the systems benefits charge  
889 for an electric distribution company, and (3) solely from the funds of  
890 the programs modified, terminated or reduced by the department  
891 pursuant to this section and the reduced cost of providing service to  
892 those eligible for such discounted or low-income rates, any available  
893 energy assistance and other sources of coverage for such rates,  
894 including, but not limited to, generation available through the  
895 electricity purchasing pool operated by the department.

896 (e) On or before July 1, 2012, the department shall report, in  
897 accordance with section 11-4a of the general statutes, to the joint  
898 standing committee of the General Assembly having cognizance of  
899 matters relating to energy regarding the benefits and costs of the low-  
900 income or discounted rates established pursuant to subsection (a) of  
901 this section and any recommended modifications. If the low-income  
902 rate is not less than ninety per cent of the standard service rate, the  
903 department shall include in its report steps to achieve that goal.

904 (f) The department shall adopt regulations, in accordance with the  
905 provisions of chapter 54 of the general statutes, to implement the  
906 provisions of this section.

907 Sec. 12. (NEW) (*Effective July 1, 2010*) (a) As used in this section:

908 (1) "Energy improvements" means any renovation or retrofitting of  
909 qualifying real property to reduce energy consumption or installation  
910 of a renewable energy system to service qualifying real property,  
911 provided such renovation, retrofit or installation is permanently fixed  
912 to such qualifying real property;

913 (2) "Qualifying real property" means a single-family or multifamily  
914 residential dwelling or a nonresidential commercial or industrial  
915 building, regardless of ownership, that a municipality has determined  
916 can benefit from energy improvements;

917 (3) "Property owner" means an owner of qualifying real property  
918 who desires to install energy improvements and provides free and  
919 willing consent to the contractual assessment; and

920 (4) "Sustainable energy program" means a municipal program that  
921 authorizes a municipality to enter into contractual assessments on  
922 qualifying real property with property owners to finance the purchase  
923 and installation of energy improvements to qualifying real property  
924 within its municipal boundaries.

925 (b) Any municipality, that determines it is in the public interest,  
926 may establish a sustainable energy program to facilitate the increase of  
927 energy efficiency and renewable energy. A municipality shall make  
928 such a determination after issuing public notice and providing an  
929 opportunity for public comment regarding the establishment of a  
930 sustainable energy program.

931 (c) Notwithstanding the provisions of section 7-374 of the general  
932 statutes or any other public or special act that limits or imposes  
933 conditions on municipal bond issues, any municipality that establishes  
934 a sustainable energy program under this section may issue bonds, as  
935 necessary, for the purpose of (1) financing energy improvements; (2)  
936 related energy audits; and (3) renewable energy system feasibility  
937 studies and the verification of the installation of such improvements.  
938 Such financing shall be secured by special contractual assessments on  
939 the qualifying real property.

940 (d) (1) Any municipality that establishes a sustainable energy  
941 program pursuant to this section may partner with another  
942 municipality or state agency to (A) maximize the opportunities for  
943 accessing public funds and private capital markets for long-term  
944 sustainable financing, and (B) secure state or federal funds available

945 for this purpose.

946 (2) Any municipality that establishes a sustainable energy program  
947 and issues bonds pursuant to this section may supplement the security  
948 of such bonds with any other legally available funds solely at the  
949 municipality's discretion.

950 (3) Any municipality that establishes a sustainable energy program  
951 pursuant to this section may use the services of one or more private,  
952 public or quasi-public third-party administrators to provide support  
953 for the program.

954 (e) Before establishing a program under this section, the  
955 municipality shall provide notice to the electric distribution company,  
956 as defined in section 16-1 of the general statutes, as amended by this  
957 act, that services the municipality.

958 (f) If the owner of record of qualifying real property requests  
959 financing for energy improvements under this section, the  
960 municipality implementing the sustainable energy program shall:

961 (1) Require performance of an energy audit or renewable energy  
962 system feasibility analysis on the qualifying real property before  
963 approving such financing;

964 (2) Enter into a contractual assessment on the qualifying real  
965 property with the property owner in a principal amount sufficient to  
966 pay the costs of energy improvements and any associated costs the  
967 municipality determines will benefit the qualifying real property and  
968 may cover any associated costs;

969 (3) Impose requirements and criteria to ensure that the proposed  
970 energy improvements are consistent with the purpose of the program;  
971 and

972 (4) Impose requirements and conditions on the financing to ensure  
973 timely repayment.

974 (g) Any assessment levied pursuant to this section shall have a term  
975 not to exceed the calculated payback period for the installed energy  
976 improvements, as determined by the municipality, and shall have no  
977 prepayment penalty. The municipality shall set a fixed rate of interest  
978 for the repayment of the principal assessed amount at the time the  
979 assessment is made. Such interest rate, as may be supplemented with  
980 state or federal funding as may become available, shall be sufficient to  
981 pay the financing costs of the program, including delinquencies.

982 (h) Assessments levied pursuant to this section and the interest and  
983 any penalties thereon shall constitute a lien against the qualifying real  
984 property on which they are made until they are paid. Such lien shall be  
985 levied and collected in the same manner as the general taxes of the  
986 municipality on real property, including, in the event of default or  
987 delinquency, with respect to any penalties and remedies and lien  
988 priorities.

989 (i) The area encompassing the sustainable energy program in a  
990 municipality may be the entire municipal jurisdiction of the  
991 municipality or a subset of such.

992 Sec. 13. Section 16-244c of the general statutes is repealed and the  
993 following is substituted in lieu thereof (*Effective July 1, 2010*):

994 (a) (1) On and after January 1, 2000, each electric distribution  
995 company shall make available to all customers in its service area, the  
996 provision of electric generation and distribution services through a  
997 standard offer. Under the standard offer, a customer shall receive  
998 electric services at a rate established by the Department of Public  
999 Utility Control pursuant to subdivision (2) of this subsection. Each  
1000 electric distribution company shall provide electric generation services  
1001 in accordance with such option to any customer who affirmatively  
1002 chooses to receive electric generation services pursuant to the standard  
1003 offer or does not or is unable to arrange for or maintain electric  
1004 generation services with an electric supplier. The standard offer shall  
1005 automatically terminate on January 1, 2004. While providing electric



1006 generation services under the standard offer, an electric distribution  
1007 company may provide electric generation services through any of its  
1008 generation entities or affiliates, provided such entities or affiliates are  
1009 licensed pursuant to section 16-245, as amended by this act.

1010 (2) Not later than October 1, 1999, the Department of Public Utility  
1011 Control shall establish the standard offer for each electric distribution  
1012 company, effective January 1, 2000, which shall allocate the costs of  
1013 such company among electric transmission and distribution services,  
1014 electric generation services, the competitive transition assessment and  
1015 the systems benefits charge. The department shall hold a hearing that  
1016 shall be conducted as a contested case in accordance with chapter 54 to  
1017 establish the standard offer. The standard offer shall provide that the  
1018 total rate charged under the standard offer, including electric  
1019 transmission and distribution services, the conservation and load  
1020 management program charge described in section 16-245m, the  
1021 renewable energy investment charge described in section 16-245n,  
1022 electric generation services, the competitive transition assessment and  
1023 the systems benefits charge shall be at least ten per cent less than the  
1024 base rates, as defined in section 16-244a, in effect on December 31,  
1025 1996. The standard offer shall be adjusted to the extent of any increase  
1026 or decrease in state taxes attributable to sections 12-264 and 12-265 and  
1027 any other increase or decrease in state or federal taxes resulting from a  
1028 change in state or federal law and shall continue to be adjusted during  
1029 such period pursuant to section 16-19b. Notwithstanding the  
1030 provisions of section 16-19b, the provisions of said section 16-19b shall  
1031 apply to electric distribution companies. The standard offer may be  
1032 adjusted, by an increase or decrease, to the extent approved by the  
1033 department, in the event that (A) the revenue requirements of the  
1034 company are affected as the result of changes in (i) legislative  
1035 enactments other than public act 98-28, (ii) administrative  
1036 requirements, or (iii) accounting standards occurring after July 1, 1998,  
1037 provided such accounting standards are adopted by entities  
1038 independent of the company that have authority to issue such  
1039 standards, or (B) an electric distribution company incurs extraordinary

1040 and unanticipated expenses required for the provision of safe and  
1041 reliable electric service to the extent necessary to provide such service.  
1042 Savings attributable to a reduction in taxes shall not be shifted between  
1043 customer classes.

1044 (3) The price reduction provided in subdivision (2) of this  
1045 subsection shall not apply to customers who, on or after July 1, 1998,  
1046 are purchasing electric services from an electric company or electric  
1047 distribution company, as the case may be, under a special contract or  
1048 flexible rate tariff, and the company's filed standard offer tariffs shall  
1049 reflect that such customers shall not receive the standard offer price  
1050 reduction.

1051 (b) (1) (A) On and after January 1, 2004, each electric distribution  
1052 company shall make available to all customers in its service area, the  
1053 provision of electric generation and distribution services through a  
1054 transitional standard offer. Under the transitional standard offer, a  
1055 customer shall receive electric services at a rate established by the  
1056 Department of Public Utility Control pursuant to subdivision (2) of  
1057 this subsection. Each electric distribution company shall provide  
1058 electric generation services in accordance with such option to any  
1059 customer who affirmatively chooses to receive electric generation  
1060 services pursuant to the transitional standard offer or does not or is  
1061 unable to arrange for or maintain electric generation services with an  
1062 electric supplier. The transitional standard offer shall terminate on  
1063 December 31, 2006. While providing electric generation services under  
1064 the transitional standard offer, an electric distribution company may  
1065 provide electric generation services through any of its generation  
1066 entities or affiliates, provided such entities or affiliates are licensed  
1067 pursuant to section 16-245, as amended by this act.

1068 (B) The department shall conduct a proceeding to determine  
1069 whether a practical, effective, and cost-effective process exists under  
1070 which an electric customer, when initiating electric service, may  
1071 receive information regarding selecting electric generating services  
1072 from a qualified entity. The department shall complete such

1073 proceeding on or before December 1, 2005, and shall implement the  
1074 resulting decision on or before March 1, 2006, or on such later date that  
1075 the department considers appropriate. An electric distribution  
1076 company's costs of participating in the proceeding and implementing  
1077 the results of the department's decision shall be recoverable by the  
1078 company as generation services costs through an adjustment  
1079 mechanism as approved by the department.

1080 (2) (A) Not later than December 15, 2003, the Department of Public  
1081 Utility Control shall establish the transitional standard offer for each  
1082 electric distribution company, effective January 1, 2004.

1083 (B) The department shall hold a hearing that shall be conducted as a  
1084 contested case in accordance with chapter 54 to establish the  
1085 transitional standard offer. The transitional standard offer shall  
1086 provide that the total rate charged under the transitional standard  
1087 offer, including electric transmission and distribution services, the  
1088 conservation and load management program charge described in  
1089 section 16-245m, as amended by this act, the renewable energy  
1090 investment charge described in section 16-245n, as amended by this  
1091 act, electric generation services, the competitive transition assessment  
1092 and the systems benefits charge, and excluding federally mandated  
1093 congestion costs, shall not exceed the base rates, as defined in section  
1094 16-244a, in effect on December 31, 1996, excluding any rate reduction  
1095 ordered by the department on September 26, 2002.

1096 (C) (i) Each electric distribution company shall, on or before January  
1097 1, 2004, file with the department an application for an amendment of  
1098 rates pursuant to section 16-19, which application shall include a four-  
1099 year plan for the provision of electric transmission and distribution  
1100 services. The department shall conduct a contested case proceeding  
1101 pursuant to sections 16-19 and 16-19e to approve, reject or modify the  
1102 application and plan. Upon the approval of such plan, as filed or as  
1103 modified by the department, the department shall order that such plan  
1104 shall establish the electric transmission and distribution services  
1105 component of the transitional standard offer.

1106 (ii) Notwithstanding the provisions of this subparagraph, an electric  
1107 distribution company that, on or after September 1, 2002, completed a  
1108 proceeding pursuant to sections 16-19 and 16-19e, shall not be required  
1109 to file an application for an amendment of rates as required by this  
1110 subparagraph. The department shall establish the electric transmission  
1111 and distribution services component of the transitional standard offer  
1112 for any such company equal to the electric transmission and  
1113 distribution services component of the standard offer established  
1114 pursuant to subsection (a) of this section in effect on July 1, 2003, for  
1115 such company. If such electric distribution company applies to the  
1116 department, pursuant to section 16-19, for an amendment of its rates  
1117 on or before December 31, 2006, the application of the electric  
1118 distribution company shall include a four-year plan.

1119 (D) The transitional standard offer (i) shall be adjusted to the extent  
1120 of any increase or decrease in state taxes attributable to sections 12-264  
1121 and 12-265 and any other increase or decrease in state or federal taxes  
1122 resulting from a change in state or federal law, (ii) shall be adjusted to  
1123 provide for the cost of contracts under subdivision (2) of subsection (j)  
1124 of this section and the administrative costs for the procurement of such  
1125 contracts, and (iii) shall continue to be adjusted during such period  
1126 pursuant to section 16-19b. Savings attributable to a reduction in taxes  
1127 shall not be shifted between customer classes. Notwithstanding the  
1128 provisions of section 16-19b, the provisions of section 16-19b shall  
1129 apply to electric distribution companies.

1130 (E) The transitional standard offer may be adjusted, by an increase  
1131 or decrease, to the extent approved by the department, in the event  
1132 that (i) the revenue requirements of the company are affected as the  
1133 result of changes in (I) legislative enactments other than public act 03-  
1134 135 or public act 98-28, (II) administrative requirements, or (III)  
1135 accounting standards adopted after July 1, 2003, provided such  
1136 accounting standards are adopted by entities that are independent of  
1137 the company and have authority to issue such standards, or (ii) an  
1138 electric distribution company incurs extraordinary and unanticipated  
1139 expenses required for the provision of safe and reliable electric service

1140 to the extent necessary to provide such service.

1141 (3) The price provided in subdivision (2) of this subsection shall not  
1142 apply to customers who, on or after July 1, 2003, purchase electric  
1143 services from an electric company or electric distribution company, as  
1144 the case may be, under a special contract or flexible rate tariff,  
1145 provided the company's filed transitional standard offer tariffs shall  
1146 reflect that such customers shall not receive the transitional standard  
1147 offer price during the term of said contract or tariff.

1148 (4) (A) In addition to its costs received pursuant to subsection (h) of  
1149 this section, as compensation for providing transitional standard offer  
1150 service, each electric distribution company shall receive an amount  
1151 equal to five-tenths of one mill per kilowatt hour. Revenues from such  
1152 compensation shall not be included in calculating the electric  
1153 distribution company's earnings for purposes of, or in determining  
1154 whether its rates are just and reasonable under, sections 16-19, 16-19a  
1155 and 16-19e, including an earnings sharing mechanism. In addition,  
1156 each electric distribution company may earn compensation for  
1157 mitigating the prices of the contracts for the provision of electric  
1158 generation services, as provided in subdivision (2) of this subsection.

1159 (B) The department shall conduct a contested case proceeding  
1160 pursuant to the provisions of chapter 54 to establish an incentive plan  
1161 for the procurement of long-term contracts for transitional standard  
1162 offer service by an electric distribution company. The incentive plan  
1163 shall be based upon a comparison of the actual average firm full  
1164 requirements service contract price for electricity obtained by the  
1165 electric distribution company compared to the regional average firm  
1166 full requirements service contract price for electricity, adjusted for such  
1167 variables as the department deems appropriate, including, but not  
1168 limited to, differences in locational marginal pricing. If the actual  
1169 average firm full requirements service contract price obtained by the  
1170 electric distribution company is less than the actual regional average  
1171 firm full requirements service contract price for the previous year, the  
1172 department shall split five-tenths of one mill per kilowatt hour equally

1173 between ratepayers and the company. Revenues from such incentive  
1174 plan shall not be included in calculating the electric distribution  
1175 company's earnings for purposes of, or in determining whether its  
1176 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.  
1177 The department may, as it deems necessary, retain a third party entity  
1178 with expertise in energy procurement to assist with the development  
1179 of such incentive plan.

1180 (c) (1) On and after January 1, 2007, each electric distribution  
1181 company shall provide electric generation services through standard  
1182 service to any customer who (A) does not arrange for or is not  
1183 receiving electric generation services from an electric supplier, and (B)  
1184 does not use a demand meter or has a maximum demand of less than  
1185 five hundred kilowatts.

1186 (2) Not later than October 1, 2006, and periodically as required by  
1187 subdivision (3) of this subsection, but not more often than every  
1188 calendar quarter, the Department of Public Utility Control shall  
1189 establish the standard service price for such customers pursuant to  
1190 subdivision (3) of this subsection. Each electric distribution company  
1191 shall recover the actual net costs of procuring and providing electric  
1192 generation services pursuant to this subsection, provided such  
1193 company mitigates the costs it incurs for the procurement of electric  
1194 generation services for customers who are no longer receiving service  
1195 pursuant to this subsection. On or before July 1, 2012, and biennially  
1196 thereafter, the Department of Public Utility Control shall conduct an  
1197 uncontested proceeding, which shall include a public hearing to which  
1198 the Consumer Counsel and Attorney General shall be participants, to  
1199 review the performance of the electric distribution companies or such  
1200 other entity selected by the department pursuant to this subsection.  
1201 The department shall issue a written decision regarding the review. If  
1202 the department determines that it is in the best interest of standard  
1203 service customers to seek an alternative to the electric distribution  
1204 companies' or such entity's procurement of electricity, the department  
1205 shall conduct a request for proposals for such procurement services.  
1206 Any contract entered into pursuant to this section shall be for not more

1207 than two years.

1208 (3) An electric distribution company or such other entity selected by  
1209 the department providing electric generation services pursuant to this  
1210 subsection shall [mitigate the variation of the price of the service  
1211 offered to its customers by procuring] procure electric generation  
1212 services contracts in the manner prescribed in [a plan approved by the  
1213 department. Such plan shall require the procurement of a portfolio of  
1214 service contracts sufficient to meet the projected load of the electric  
1215 distribution company. Such plan shall require that the portfolio of  
1216 service contracts be procured in an overlapping pattern of fixed  
1217 periods at such times and in such manner and duration as the  
1218 department determines to be most likely to produce just, reasonable  
1219 and reasonably stable retail rates while reflecting underlying  
1220 wholesale market prices over time. The portfolio of contracts shall be  
1221 assembled in such manner as to invite competition; guard against  
1222 favoritism, improvidence, extravagance, fraud and corruption; and  
1223 secure a reliable electricity supply while avoiding unusual, anomalous  
1224 or excessive pricing. The portfolio of contracts procured under such  
1225 plan shall be for terms of not less than six months, provided contracts  
1226 for shorter periods may be procured under such conditions as the  
1227 department shall prescribe to (A) ensure the lowest rates possible for  
1228 end-use customers; (B) ensure reliable service under extraordinary  
1229 circumstances; and (C) ensure the prudent management of the contract  
1230 portfolio] section 30 of this act. An electric distribution company may  
1231 receive a bid for an electric generation services contract from any of its  
1232 generation entities or affiliates, provided such generation entity or  
1233 affiliate submits its bid the business day preceding the first day on  
1234 which an unaffiliated electric supplier may submit its bid and further  
1235 provided the electric distribution company and the generation entity  
1236 or affiliate are in compliance with the code of conduct established in  
1237 section 16-244h.

1238 (4) [The] For standard service contracts procured prior to  
1239 department approval of the plan developed pursuant to section 30 of  
1240 this act, the department, in consultation with the Office of Consumer

1241 Counsel, [shall] may retain the services of a third-party entity with  
1242 expertise in the area of energy procurement to oversee [the initial  
1243 development of the] any request for proposals and the procurement of  
1244 contracts by an electric distribution company or such entity selected by  
1245 the department pursuant to subdivision (2) of this subsection, for the  
1246 provision of electric generation services offered pursuant to this  
1247 subsection. Costs associated with the retention of such third-party  
1248 entity shall be included in the cost of electric generation services that is  
1249 included in such price.

1250 (5) [Each] For standard service contracts procured prior to  
1251 department approval of the plan developed pursuant to section 30 of  
1252 this act, each bidder for a standard service contract shall submit its bid  
1253 to the electric distribution company or such entity selected by the  
1254 department, pursuant to subdivision (2) of this subsection, and the  
1255 third-party entity who shall jointly review the bids and submit an  
1256 overview of all bids together with a joint recommendation to the  
1257 department as to the preferred bidders. The department may, within  
1258 ten business days of submission of the overview, reject the  
1259 recommendation regarding preferred bidders. In the event that the  
1260 department rejects the preferred bids, the electric distribution  
1261 company or such entity selected by the department, pursuant to  
1262 subdivision (2) of this subsection, and the third-party entity shall rebid  
1263 the service pursuant to this subdivision. The department shall review  
1264 each bid in an uncontested proceeding that shall include a public  
1265 hearing and in which the Consumer Counsel and Attorney General  
1266 may participate.

1267 (6) After department approval of the plan developed pursuant to  
1268 section 30 of this act, if an electric distribution company or such entity  
1269 selected by the department pursuant to subdivision (2) of this  
1270 subsection seeks to enter into a purchase of energy or other market  
1271 products for standard service of greater than one year and up to three  
1272 years in duration, such company or entity shall propose the details of  
1273 such proposed purchase to the department. The department shall  
1274 review each proposed purchase in an uncontested proceeding that



1275 shall include a public hearing and in which the Consumer Counsel and  
1276 Attorney General may participate. The department, in consultation  
1277 with the Office of Consumer Counsel, may retain the services of a  
1278 third-party entity with expertise in the area of energy procurement to  
1279 assist in the development or review of the proposed purchase. The  
1280 department may approve, with or without modification, or reject the  
1281 proposed purchase as it deems appropriate. Any approval of the  
1282 proposed purchase shall include a maximum price that the electric  
1283 distribution company or such entity selected by the department  
1284 pursuant to subdivision (2) of this subsection may agree to pay for the  
1285 proposed purchase. After such approval, the electric distribution  
1286 company or such entity selected by the department pursuant to  
1287 subdivision (2) of this subsection shall procure the energy or market  
1288 products at the lowest price available to it from sellers qualified to  
1289 transact with the procuring entity, subject to the maximum price set  
1290 forth in the department's approval.

1291 (7) After department approval of the plan developed pursuant to  
1292 section 30 of this act, if an electric distribution company or such entity  
1293 selected by the department pursuant to subdivision (2) of this  
1294 subsection seeks to enter into a purchase of energy or other market  
1295 products for standard service of one year or less in duration, such  
1296 company or entity shall propose the details of such proposed purchase  
1297 to the department. The department may retain the services of a third-  
1298 party entity with expertise in the area of energy procurement to assist  
1299 in the review of the proposed purchase. The department may approve,  
1300 with or without modification, or reject the proposed purchase as the  
1301 department deems appropriate. Any approval of the proposed  
1302 purchase shall include a maximum price that the electric distribution  
1303 company or such entity selected by the department pursuant to  
1304 subdivision (2) of this subsection may agree to pay for the proposed  
1305 purchase. After such approval, the electric distribution company or  
1306 such entity selected by the department pursuant to subdivision (2) of  
1307 this subsection shall procure the energy or market products at the  
1308 lowest price available to it from sellers qualified to transact with the

1309 procuring entity, subject to the maximum price set forth in the  
1310 department's approval.

1311 (8) Any contract for standard service of greater than three years in  
1312 duration, or any contract for standard service that would directly  
1313 result in the construction of a generating facility is subject to the  
1314 review and approval of the department. The electric distribution  
1315 company or such entity selected by the department pursuant to  
1316 subdivision (2) of this subsection shall execute such contract subject to  
1317 approval of the department and shall present such contract to the  
1318 department for approval. The department shall review each contract in  
1319 an uncontested proceeding that shall include a public hearing and in  
1320 which the Consumer Counsel and Attorney General may participate.  
1321 The department, in consultation with the Office of Consumer Counsel,  
1322 may retain the services of a third-party entity with expertise in the area  
1323 of energy procurement to assist in the development or review of the  
1324 contract. The department shall issue a decision on the contract within  
1325 ninety days of submission by the electric distribution company or such  
1326 entity selected by the department pursuant to subdivision (2) of this  
1327 subsection.

1328 (d) (1) Notwithstanding the provisions of this section regarding the  
1329 electric generation services component of the transitional standard  
1330 offer or the procurement of electric generation services under standard  
1331 service, section 16-244h or 16-245o, as amended by this act, the  
1332 Department of Public Utility Control may, from time to time, direct an  
1333 electric distribution company to offer, through an electric supplier or  
1334 electric suppliers, before January 1, 2007, one or more alternative  
1335 transitional standard offer options or, on or after January 1, 2007, one  
1336 or more alternative standard service options. Such alternative options  
1337 shall include, but not be limited to, an option that consists of the  
1338 provision of electric generation services that exceed the renewable  
1339 portfolio standards established in section 16-245a and may include an  
1340 option that utilizes strategies or technologies that reduce the overall  
1341 consumption of electricity of the customer.

1342 (2) (A) The department shall develop such alternative option or  
1343 options in a contested case conducted in accordance with the  
1344 provisions of chapter 54. The department shall determine the terms  
1345 and conditions of such alternative option or options, including, but not  
1346 limited to, (i) the minimum contract terms, including pricing, length  
1347 and termination of the contract, and (ii) the minimum percentage of  
1348 electricity derived from Class I or Class II renewable energy sources, if  
1349 applicable. The electric distribution company shall, under the  
1350 supervision of the department, subsequently conduct a bidding  
1351 process in order to solicit electric suppliers to provide such alternative  
1352 option or options.

1353 (B) The department may reject some or all of the bids received  
1354 pursuant to the bidding process.

1355 (3) The department may require an electric supplier to provide  
1356 forms of assurance to satisfy the department that the contracts  
1357 resulting from the bidding process will be fulfilled.

1358 (4) An electric supplier who fails to fulfill its contractual obligations  
1359 resulting from this subdivision shall be subject to civil penalties, in  
1360 accordance with the provisions of section 16-41, or the suspension or  
1361 revocation of such supplier's license or a prohibition on the acceptance  
1362 of new customers, following a hearing that is conducted as a contested  
1363 case, in accordance with the provisions of chapter 54.

1364 (e) (1) On and after January 1, 2007, an electric distribution company  
1365 shall serve customers that are not eligible to receive standard service  
1366 pursuant to subsection (c) of this section as the supplier of last resort.  
1367 This subsection shall not apply to customers purchasing power under  
1368 contracts entered into pursuant to section 16-19hh.

1369 (2) An electric distribution company shall procure electricity at least  
1370 every calendar quarter to provide electric generation services to  
1371 customers pursuant to this subsection. The Department of Public  
1372 Utility Control shall determine a price for such customers that reflects  
1373 the full cost of providing the electricity on a monthly basis. Each

1374 electric distribution company shall recover the actual net costs of  
1375 procuring and providing electric generation services pursuant to this  
1376 subsection, provided such company mitigates the costs it incurs for the  
1377 procurement of electric generation services for customers that are no  
1378 longer receiving service pursuant to this subsection.

1379 (f) On and after January 1, 2000, and until such time the regional  
1380 independent system operator implements procedures for the provision  
1381 of back-up power to the satisfaction of the Department of Public Utility  
1382 Control, each electric distribution company shall provide electric  
1383 generation services to any customer who has entered into a service  
1384 contract with an electric supplier that fails to provide electric  
1385 generation services for reasons other than the customer's failure to pay  
1386 for such services. Between January 1, 2000, and December 31, 2006, an  
1387 electric distribution company may procure electric generation services  
1388 through a competitive bidding process or through any of its generation  
1389 entities or affiliates. On and after January 1, 2007, such company shall  
1390 procure electric generation services through a competitive bidding  
1391 process pursuant to a plan submitted by the electric distribution  
1392 company and approved by the department. Such company may  
1393 procure electric generation services through any of its generation  
1394 entities or affiliates, provided such entity or affiliate is the lowest  
1395 qualified bidder and provided further any such entity or affiliate is  
1396 licensed pursuant to section 16-245, as amended by this act.

1397 (g) An electric distribution company is not required to be licensed  
1398 pursuant to section 16-245, as amended by this act, to provide standard  
1399 offer electric generation services in accordance with subsection (a) of  
1400 this section, transitional standard offer service pursuant to subsection  
1401 (b) of this section, standard service pursuant to subsection (c) of this  
1402 section, supplier of last resort service pursuant to subsection (e) of this  
1403 section or back-up electric generation service pursuant to subsection (f)  
1404 of this section.

1405 (h) The electric distribution company shall be entitled to recover  
1406 reasonable costs incurred as a result of providing standard offer

1407 electric generation services pursuant to the provisions of subsection (a)  
1408 of this section, transitional standard offer service pursuant to  
1409 subsection (b) of this section, standard service pursuant to subsection  
1410 (c) of this section or back-up electric generation service pursuant to  
1411 subsection (f) of this section. The provisions of this section and section  
1412 16-244a shall satisfy the requirements of section 16-19a until January 1,  
1413 2007.

1414 (i) The Department of Public Utility Control shall establish, by  
1415 regulations adopted pursuant to chapter 54, procedures for when and  
1416 how a customer is notified that his electric supplier has defaulted and  
1417 of the need for the customer to choose a new electric supplier within a  
1418 reasonable period of time.

1419 (j) (1) Notwithstanding the provisions of subsection (d) of this  
1420 section regarding an alternative transitional standard offer option or  
1421 an alternative standard service option, an electric distribution  
1422 company providing transitional standard offer service, standard  
1423 service, supplier of last resort service or back-up electric generation  
1424 service in accordance with this section shall contract with its wholesale  
1425 suppliers to comply with the renewable portfolio standards. The  
1426 Department of Public Utility Control shall annually conduct a  
1427 contested case, in accordance with the provisions of chapter 54, in  
1428 order to determine whether the electric distribution company's  
1429 wholesale suppliers met the renewable portfolio standards during the  
1430 preceding year. An electric distribution company shall include a  
1431 provision in its contract with each wholesale supplier that requires the  
1432 wholesale supplier to pay the electric distribution company an amount  
1433 of five and one-half cents per kilowatt hour if the wholesale supplier  
1434 fails to comply with the renewable portfolio standards during the  
1435 subject annual period. The electric distribution company shall  
1436 promptly transfer any payment received from the wholesale supplier  
1437 for the failure to meet the renewable portfolio standards to the  
1438 Renewable Energy Investment Fund for the development of Class I  
1439 renewable energy sources. Any payment made pursuant to this section  
1440 shall not be considered revenue or income to the electric distribution

1441 company.

1442 (2) Notwithstanding the provisions of subsection (d) of this section  
1443 regarding an alternative transitional standard offer option or an  
1444 alternative standard service option, an electric distribution company  
1445 providing transitional standard offer service, standard service,  
1446 supplier of last resort service or back-up electric generation service in  
1447 accordance with this section shall, not later than July 1, [2008] 2011, file  
1448 with the Department of Public Utility Control for its approval one or  
1449 more long-term power purchase contracts from Class I renewable  
1450 energy source projects comprised of twenty-five megawatts of wind  
1451 generation, fifteen megawatts of low head hydro-electricity, and five  
1452 megawatts of other Class I renewable energy sources located in  
1453 Connecticut that receive funding from the Renewable Energy  
1454 Investment Fund, [and that are not less than one megawatt in size,] at  
1455 a price that is either, at the determination of the project owner, (A) not  
1456 more than the total of the comparable wholesale market price for  
1457 generation plus five and one-half cents per kilowatt hour, or (B) [fifty  
1458 per cent of the wholesale market electricity cost at the point at which  
1459 transmission lines intersect with each other or interface with the  
1460 distribution system, plus the project cost of fuel indexed to natural gas  
1461 futures contracts on the New York Mercantile Exchange at the natural  
1462 gas pipeline interchange located in Vermillion Parish, Louisiana that  
1463 serves as the delivery point for such futures contracts, plus the fuel  
1464 delivery charge for transporting fuel to the project, plus five] twelve  
1465 and one-half cents per kilowatt hour adjusted for inflation.  
1466 Department of Public Utility Control, in consultation with the  
1467 Renewable Energy Investments Board, shall solicit offers from such  
1468 projects not later than October 1, 2010. In its approval of such  
1469 contracts, the department shall give preference to purchase contracts  
1470 from those projects that would provide a financial benefit to ratepayers  
1471 or would enhance the reliability of the electric transmission system of  
1472 the state. Such projects shall be located in this state. The one-hundred-  
1473 fifty-megawatt limit for such projects may be exceeded only if the  
1474 contracts for wind generation, Class I renewable energy sources and

1475 alternative renewable energy sources pursuant to this section and  
1476 contracts committed as of the effective date of this section exceed such  
1477 limit. The owner of a fuel cell project principally manufactured in this  
1478 state shall be allocated all available air emissions credits and tax credits  
1479 attributable to the project and no less than fifty per cent of the energy  
1480 credits in the Class I renewable energy credits program established in  
1481 section 16-245a attributable to the project. On and after October 1, 2007,  
1482 and until September 30, 2008, such contracts shall be comprised of not  
1483 less than a total, apportioned among each electric distribution  
1484 company, of one hundred twenty-five megawatts; and on and after  
1485 October 1, 2008, such contracts shall be comprised of not less than a  
1486 total, apportioned among each electrical distribution company, of one  
1487 hundred fifty megawatts. The cost of such contracts and the  
1488 administrative costs for the procurement of such contracts directly  
1489 incurred shall be eligible for inclusion in the adjustment to the  
1490 transitional standard offer as provided in this section and any  
1491 subsequent rates for standard service, provided such contracts are for a  
1492 period of time sufficient to provide financing for such projects, but not  
1493 less than ten years, and are for projects which began operation on or  
1494 after July 1, 2003. Except as provided in this subdivision, the amount  
1495 from Class I renewable energy sources contracted under such contracts  
1496 shall be applied to reduce the applicable Class I renewable energy  
1497 source portfolio standards. For purposes of this subdivision, the  
1498 department's determination of the comparable wholesale market price  
1499 for generation shall be based upon a reasonable estimate. On or before  
1500 September 1, 2007, the department, in consultation with the Office of  
1501 Consumer Counsel and the Renewable Energy Investments [Advisory  
1502 Council] Board, shall study the operation of such renewable energy  
1503 contracts and report its findings and recommendations to the joint  
1504 standing committee of the General Assembly having cognizance of  
1505 matters relating to energy.

1506 (k) (1) As used in this section:

1507 (A) "Participating electric supplier" means an electric supplier that is  
1508 licensed by the department to provide electric service, pursuant to this

1509 subsection, to residential or small commercial customers.

1510 (B) "Residential customer" means a customer who is eligible for  
1511 standard service and who takes electric distribution-related service  
1512 from an electric distribution company pursuant to a residential tariff.

1513 (C) "Small commercial customer" means a customer who is eligible  
1514 for standard service and who takes electric distribution-related service  
1515 from an electric distribution company pursuant to a small commercial  
1516 tariff.

1517 (D) "Qualifying electric offer" means an offer to provide full  
1518 requirements commodity electric service and all other generation-  
1519 related service to a residential or small commercial customer at a fixed  
1520 price per kilowatt hour for a term of no less than one year.

1521 (2) In the manner determined by the department, residential or  
1522 small commercial service customers (A) initiating new utility service,  
1523 (B) reinitiating service following a change of residence or business  
1524 location, (C) making an inquiry regarding their utility rates, or (D)  
1525 seeking information regarding energy efficiency shall be offered the  
1526 option to learn about their ability to enroll with a participating electric  
1527 supplier. Customers expressing an interest to learn about their electric  
1528 supply options shall be informed of the qualifying electric offers then  
1529 available from participating electric suppliers. The electric distribution  
1530 companies shall describe then available qualifying electric offers  
1531 through a method reviewed and approved by the department. The  
1532 information conveyed to customers expressing an interest to learn  
1533 about their electric supply options shall include, at a minimum, the  
1534 price and term of the available electric supply option. Customers  
1535 expressing an interest in a particular qualifying electric offer shall be  
1536 immediately transferred to a call center operated by that participating  
1537 electric supplier.

1538 (3) Not later than September 1, 2007, the department shall establish  
1539 terms and conditions under which a participating electric supplier can  
1540 be included in the referral program described in subdivision (2) of this



1541 subsection. Such terms shall include, but not be limited to, requiring  
1542 participating electrical suppliers to offer time-of-use and real-time use  
1543 rates to residential customers.

1544 (4) Each calendar quarter, participating electric suppliers shall be  
1545 allowed to list qualifying offers to provide electric generation service  
1546 to residential and small commercial customers with each customer's  
1547 utility bill. The department shall determine the manner such  
1548 information is presented in customers' utility bills.

1549 (5) Any customer that receives electric generation service from a  
1550 participating electric supplier may return to standard service or may  
1551 choose another participating electric supplier at any time, including  
1552 during the qualifying electric offer, without the imposition of any  
1553 additional charges. Any customer that is receiving electric generation  
1554 service from an electric distribution company pursuant to standard  
1555 service can switch to another participating electric supplier at any time  
1556 without the imposition of additional charges.

1557 (l) Each electric distribution company shall offer to bill customers on  
1558 behalf of participating electric suppliers and to pay such suppliers in a  
1559 timely manner the amounts due such suppliers from customers for  
1560 generation services, less a percentage of such amounts that reflects  
1561 uncollectible bills and overdue payments as approved by the  
1562 Department of Public Utility Control.

1563 (m) On or before July 1, 2007, the Department of Public Utility  
1564 Control shall initiate a proceeding to examine whether electric supplier  
1565 bills rendered pursuant to section 16-245d, as amended by this act, and  
1566 any regulations adopted thereunder sufficiently enable customers to  
1567 compare pricing policies and charges among electric suppliers.

1568 (n) The Department of Public Utility Control shall conduct a  
1569 proceeding to determine the cost of services provided in subsections  
1570 (k) and (l) of this section and any other services provided by the  
1571 electric distribution companies or the department for the benefit of  
1572 participating electric suppliers and aggregators. The department shall

1573 allocate such costs between standard service and suppliers and  
1574 aggregators and shall establish an assessment equal to a pro rata share  
1575 of such cost on such suppliers and aggregators.

1576 [(n)] (o) Nothing in the provisions of this section shall preclude an  
1577 electric distribution company from entering into standard service  
1578 supply contracts or standard service supply components with electric  
1579 generating facilities.

1580 Sec. 14. Subdivision (30) of subsection (a) of section 16-1 of the  
1581 general statutes is repealed and the following is substituted in lieu  
1582 thereof (*Effective July 1, 2010*):

1583 (30) "Electric supplier" means any person [, including an electric  
1584 aggregator] or participating municipal electric utility that is licensed  
1585 by the Department of Public Utility Control in accordance with section  
1586 16-245, [that] as amended by this act, and provides electric generation  
1587 services to end use customers in the state using the transmission or  
1588 distribution facilities of an electric distribution company, regardless of  
1589 whether or not such person takes title to such generation services, but  
1590 does not include: (A) A municipal electric utility established under  
1591 chapter 101, other than a participating municipal electric utility; (B) a  
1592 municipal electric energy cooperative established under chapter 101a;  
1593 (C) an electric cooperative established under chapter 597; (D) any other  
1594 electric utility owned, leased, maintained, operated, managed or  
1595 controlled by any unit of local government under any general statute  
1596 or special act; or (E) an electric distribution company in its provision of  
1597 electric generation services in accordance with subsection (a) or, prior  
1598 to January 1, 2004, subsection (c) of section 16-244c, as amended by this  
1599 act.

1600 Sec. 15. Subdivision (31) of subsection (a) of section 16-1 of the  
1601 general statutes is repealed and the following is substituted in lieu  
1602 thereof (*Effective July 1, 2010*):

1603 (31) "Electric aggregator" means [(A) a person, municipality or  
1604 regional water authority that] any person, municipality or regional

1605 water authority or the Connecticut Resource Recovery Authority, if  
1606 such entity gathers together electric customers for the purpose of  
1607 negotiating the purchase of electric generation services from an electric  
1608 supplier, [or (B) the Connecticut Resources Recovery Authority, if it  
1609 gathers together electric customers for the purpose of negotiating the  
1610 purchase of electric generation services from an electric supplier,]  
1611 provided such [person, municipality or authority] entity is not  
1612 engaged in the purchase or resale of electric generation services, and  
1613 provided further such customers contract for electric generation  
1614 services directly with an electric supplier, and may include an electric  
1615 cooperative established pursuant to chapter 597.

1616 Sec. 16. Section 16-245d of the general statutes is repealed and the  
1617 following is substituted in lieu thereof (*Effective July 1, 2010*):

1618 (a) The Department of Public Utility Control shall, by regulations  
1619 adopted pursuant to chapter 54, develop a standard billing format that  
1620 enables customers to compare pricing policies and charges among  
1621 electric suppliers. [Not later than January 1, 2006, the] The department  
1622 shall adopt regulations, in accordance with the provisions of chapter  
1623 54, to provide that an electric supplier, until October 1, 2010, may  
1624 provide direct billing and collection services for electric generation  
1625 services and related federally mandated congestion charges that such  
1626 supplier provides to its customers [that have] with a maximum  
1627 demand of not less than one hundred kilowatts [and] that choose to  
1628 receive a bill directly from such supplier and, on and after October 1,  
1629 2010, shall provide direct billing and collection services for electric  
1630 generation services and related federally mandated congestion charges  
1631 that such suppliers provide to their customers or may choose to obtain  
1632 such billing and collection service through an electric distribution  
1633 company and pay its pro rata share in accordance with the provisions  
1634 of subsection (h) of section 16-244c, as amended by this act. Any  
1635 customer of an electric supplier, which is choosing to provide direct  
1636 billing, who paid for the cost of billing and other services to an electric  
1637 distribution company shall receive a credit on their monthly bill.

1638 (1) An electric supplier that chooses to provide billing and collection  
1639 services shall, in accordance with the billing format developed by the  
1640 department, include the following information in each customer's bill:  
1641 (A) The total amount owed by the customer, which shall be itemized to  
1642 show (i) the electric generation services component and any additional  
1643 charges imposed by the electric supplier, and (ii) federally mandated  
1644 congestion charges applicable to the generation services; (B) any  
1645 unpaid amounts from previous bills, which shall be listed separately  
1646 from current charges; (C) the rate and usage for the current month and  
1647 each of the previous twelve months in bar graph form or other visual  
1648 format; (D) the payment due date; (E) the interest rate applicable to  
1649 any unpaid amount; (F) the toll-free telephone number of the  
1650 Department of Public Utility Control for questions or complaints; and  
1651 (G) the toll-free telephone number and address of the electric supplier.  
1652 The department shall assess each supplier a pro rata share of such  
1653 costs.

1654 (2) An [electric company,] electric distribution company [or electric  
1655 supplier that provides direct billing of the electric generation service  
1656 component and related federally mandated congestion charges, as the  
1657 case may be,] shall, in accordance with the billing format developed by  
1658 the department, include the following information in each customer's  
1659 bill: [ , as appropriate: (1)] (A) The total amount owed by the customer,  
1660 which shall be itemized to show, [(A)] (i) the electric generation  
1661 services component [and any additional charges imposed by the  
1662 electric supplier, if applicable, (B)] if the customer obtains standard  
1663 service or last resort service from the electric distribution company, (ii)  
1664 the distribution charge, including all applicable taxes and the systems  
1665 benefits charge, as provided in section 16-245l, [(C)] (iii) the  
1666 transmission rate as adjusted pursuant to subsection (d) of section 16-  
1667 19b, [(D)] (iv) the competitive transition assessment, as provided in  
1668 section 16-245g, [(E)] (v) federally mandated congestion charges, and  
1669 [(F)] (vi) the conservation and renewable energy charge, consisting of  
1670 the conservation and load management program charge, as provided  
1671 in section 16-245m, as amended by this act, and the renewable energy

1672 investment charge, as provided in section 16-245n, as amended by this  
1673 act; [(2)] (B) any unpaid amounts from previous bills which shall be  
1674 listed separately from current charges; [(3)] (C) except for customers  
1675 subject to a demand charge, the rate and usage for the current month  
1676 and each of the previous twelve months in the form of a bar graph or  
1677 other visual form; [(4)] (D) the payment due date; [(5)] (E) the interest  
1678 rate applicable to any unpaid amount; [(6)] (F) the toll-free telephone  
1679 number of the electric distribution company to report power losses;  
1680 [(7)] (G) the toll-free telephone number of the Department of Public  
1681 Utility Control for questions or complaints; [(8) the toll-free telephone  
1682 number and address of the electric supplier; and (9)] and (H) if a  
1683 customer has a demand of five hundred kilowatts or less during the  
1684 preceding twelve months, a statement about the availability of  
1685 information concerning electric suppliers pursuant to section 16-245p.

1686 (b) The regulations shall provide guidelines for determining until  
1687 October 1, 2010, the billing relationship between the electric  
1688 distribution company and electric suppliers, including, but not limited  
1689 to, the allocation of partial bill payments and late payments between  
1690 the electric distribution company and the electric supplier. An electric  
1691 distribution company that provides billing services for an electric  
1692 supplier shall be entitled to recover from the electric supplier all  
1693 reasonable transaction costs to provide such billing services as well as  
1694 a reasonable rate of return, in accordance with the principles in  
1695 subsection (a) of section 16-19e.

1696 Sec. 17. Section 16-245o of the general statutes is repealed and the  
1697 following is substituted in lieu thereof (*Effective July 1, 2010*):

1698 (a) To protect a customer's right to privacy from unwanted  
1699 solicitation, each electric company or electric distribution company, as  
1700 the case may be, shall distribute to each customer a form approved by  
1701 the Department of Public Utility Control which the customer shall  
1702 submit to the customer's electric or electric distribution company in a  
1703 timely manner if the customer does not want the customer's name,  
1704 address, telephone number and rate class to be released to electric

1705 suppliers. On and after July 1, 1999, each electric or electric distribution  
1706 company, as the case may be, shall make available to all electric  
1707 suppliers customer names, addresses, telephone numbers, if known,  
1708 and rate class, unless the electric company or electric distribution  
1709 company has received a form from a customer requesting that such  
1710 information not be released. Additional information about a customer  
1711 for marketing purposes shall not be released to any electric supplier  
1712 unless a customer consents to a release by one of the following: (1) An  
1713 independent third-party telephone verification; (2) receipt of a written  
1714 confirmation received in the mail from the customer after the customer  
1715 has received an information package confirming any telephone  
1716 agreement; (3) the customer signs a document fully explaining the  
1717 nature and effect of the release; or (4) the customer's consent is  
1718 obtained through electronic means, including, but not limited to, a  
1719 computer transaction.

1720 (b) All electric suppliers shall have equal access to customer  
1721 information required to be disclosed under subsection (a) of this  
1722 section. No electric supplier shall have preferential access to historical  
1723 distribution company customer usage data.

1724 (c) No electric or electric distribution company shall include in any  
1725 bill or bill insert anything that directly or indirectly promotes a  
1726 generation entity or affiliate of the electric distribution company. No  
1727 electric supplier shall include a bill insert in an electric bill of an  
1728 electric distribution company.

1729 (d) All marketing information provided pursuant to the provisions  
1730 of this section shall be formatted electronically by the electric company  
1731 or electric distribution company, as the case may be, in a form that is  
1732 readily usable by standard commercial software packages. Updated  
1733 lists shall be made available within a reasonable time, as determined  
1734 by the department, following a request by an electric supplier. Each  
1735 electric supplier seeking the information shall pay a fee to the electric  
1736 company or electric distribution company, as the case may be, which  
1737 reflects the incremental costs of formatting, sorting and distributing

1738 this information, together with related software changes. Customers  
1739 shall be entitled to any available individual information about their  
1740 loads or usage at no cost.

1741 (e) Each electric supplier shall, prior to the initiation of electric  
1742 generation services, provide the potential customer with a written  
1743 notice describing the rates, information on air emissions and resource  
1744 mix of generation facilities operated by and under long-term contract  
1745 to the supplier, terms and conditions of the service, and a notice  
1746 describing the customer's right to cancel the service, as provided in this  
1747 section. No electric supplier shall provide electric generation services  
1748 unless the customer has signed a service contract or consents to such  
1749 services by one of the following: (1) An independent third-party  
1750 telephone verification; (2) receipt of a written confirmation received in  
1751 the mail from the customer after the customer has received an  
1752 information package confirming any telephone agreement; (3) the  
1753 customer signs a [document fully explaining the nature and effect of  
1754 the initiation of the service] contract that conforms with the provisions  
1755 of this section; or (4) the customer's consent is obtained through  
1756 electronic means, including, but not limited to, a computer transaction.  
1757 Each electric supplier shall provide each customer with a demand of  
1758 less than one hundred kilowatts, a written contract that conforms with  
1759 the provisions of this section and maintain records of such signed  
1760 service contract or consent to service for a period of not less than two  
1761 years from the date of expiration of such contract, which records shall  
1762 be provided to the division or the customer upon request. Each  
1763 contract for electric generation services shall contain all material terms  
1764 of the agreement, a clear and conspicuous statement explaining the  
1765 rates that such customer will be paying, including the circumstances  
1766 under which the rates may change, how those rates compare with the  
1767 customer's current electric generation services costs and how long  
1768 those rates are guaranteed. Such contract shall also include a clear and  
1769 conspicuous statement providing the customer's right to cancel such  
1770 contract within three days of signature or receipt in accordance with  
1771 the provisions of this subsection, describing under what

1772 circumstances, if any, the supplier may terminate the contract and  
1773 describing any penalty for early termination of such contract. Each  
1774 contract shall be signed by the customer, or otherwise agreed to in  
1775 accordance with the provisions of this subsection, and signed by a  
1776 legally authorized representative of the supplier. A customer who has  
1777 a maximum demand of five hundred kilowatts or less shall, until  
1778 midnight of the third business day after the latter of the day on which  
1779 the customer enters into a service agreement or the day on which the  
1780 customer receives the written contract from the electric supplier as  
1781 provided in this section, have the right to cancel a contract for electric  
1782 generation services entered into with an electric supplier.

1783 [(f) An electric supplier shall not advertise or disclose the price of  
1784 electricity in such a manner as to mislead a reasonable person into  
1785 believing that the electric generation services portion of the bill will be  
1786 the total bill amount for the delivery of electricity to the customer's  
1787 location. When advertising or disclosing the price for electricity, the  
1788 electric supplier shall also disclose the electric distribution company's  
1789 average current charges, including the competitive transition  
1790 assessment and the systems benefits charge, for that customer class.]

1791 (f) (1) Any third-party agent who contracts with or is otherwise  
1792 compensated by an electric supplier to sell electric generation services  
1793 shall be a legal agent of the electric supplier.

1794 (2) On or after July 1, 2010, all sales and solicitations of electric  
1795 generation services by an electric supplier, aggregator or agent of an  
1796 electric supplier or aggregator to a customer with a maximum demand  
1797 of one hundred kilowatts or less conducted and consummated entirely  
1798 by mail, door-to-door sale, telephone or other electronic means, during  
1799 a scheduled appointment at the premises of a customer or at a fair,  
1800 trade or business show, convention or exposition in addition to  
1801 complying with the provisions of subsection (e) of this section shall:

1802 (A) For any sale or solicitation, including from any person  
1803 representing such electric supplier, aggregator or agent of an electric



1804 supplier or aggregator (i) identify the person and the electric  
1805 generation services company or companies the person represents; (ii)  
1806 provide a statement that the person does not represent an electric  
1807 distribution company; (iii) explain the purpose of the solicitation; and  
1808 (iv) explain all rates, fees, variable charges and terms and conditions  
1809 for the services provided; and

1810 (B) For door-to-door sales to customers with a maximum demand of  
1811 one hundred kilowatts, which shall include the sale of electric  
1812 generation services in which the electric supplier, aggregator or agent  
1813 of an electric supplier or aggregator solicits the sale and receives the  
1814 customer's agreement or offer to purchase at a place other than the  
1815 seller's place of business, be conducted (i) in accordance with any  
1816 municipal and local ordinances regarding door-to-door solicitations,  
1817 (ii) between the hours of ten o'clock a.m. and six o'clock p.m., and (iii)  
1818 with both Spanish and English written materials available. Any  
1819 representative of an electric supplier, aggregator or agent of an electric  
1820 supplier or aggregator shall prominently display or wear a photo  
1821 identification badge stating the name of such person's employer or the  
1822 electric supplier the person represents. Each such supplier, aggregator  
1823 or agent shall conduct a criminal background check on each person  
1824 such entity employs to conduct such door-to-door sales and no one  
1825 who has been convicted of a felony or a misdemeanor involving  
1826 robbery, theft, misrepresentation or any other similar crime shall be  
1827 employed to conduct such sales.

1828 (3) No electric supplier, aggregator or agent of an electric supplier  
1829 or aggregator shall advertise or disclose the price of electricity to  
1830 mislead a reasonable person into believing that the electric generation  
1831 services portion of the bill will be the total bill amount for the delivery  
1832 of electricity to the customer's location. When advertising or disclosing  
1833 the price for electricity, the electric supplier, aggregator or agent of an  
1834 electric supplier or aggregator shall also disclose the electric  
1835 distribution company's current charges, including the competitive  
1836 transition assessment and the systems benefits charge, for that  
1837 customer class.

1838 (4) No entity, including an aggregator or agent of an electric  
1839 supplier or aggregator, who sells or offers for sale any electric  
1840 generation services for or on behalf of an electric supplier, shall engage  
1841 in any deceptive acts or practices in the marketing, sale or solicitation  
1842 of electric generation services.

1843 (5) Each electric supplier shall disclose to the Department of Public  
1844 Utility Control in a standardized format (A) the amount of additional  
1845 renewable energy credits such supplier will purchase beyond required  
1846 credits, (B) where such additional credits are being sourced from, and  
1847 (C) the types of renewable energy sources that will be purchased. Each  
1848 electric supplier shall only advertise renewable energy credits  
1849 purchased beyond those required pursuant to section 16-245a and shall  
1850 report to the department the renewable energy sources of such credits  
1851 and whenever the mix of such sources changes.

1852 (6) No contract for electric generation services by an electric supplier  
1853 shall require a residential customer to pay any fee for termination or  
1854 early cancellation of a contract in excess of (A) one hundred dollars; or  
1855 (B) twice the estimated bill for energy services for an average month,  
1856 whichever is less, provided when an electric supplier offers a contract,  
1857 it provides the residential customer an estimate of such customer's  
1858 average monthly bill.

1859 (7) An electric supplier shall not make a material change in the  
1860 terms or duration of any contract for the provision of electric  
1861 generation services by an electric supplier without the express consent  
1862 of the customer. Nothing in this subdivision shall restrict an electric  
1863 supplier from renewing a contract by clearly informing the customer in  
1864 writing, not less than thirty days nor more than sixty days before the  
1865 renewal date, of the renewal terms and of the option not to accept the  
1866 renewal offer, provided no fee pursuant to subdivision (6) of this  
1867 section shall be charged to a customer who terminates or cancels such  
1868 renewal not later than seven business days after receiving the first  
1869 billing statement for the renewed contract.

1870 (g) Each electric supplier, aggregator or agent of an electric supplier  
1871 or aggregator shall comply with the provisions of the telemarketing  
1872 regulations adopted pursuant to 15 USC 6102.

1873 (h) Any violation of this section shall be deemed an unfair or  
1874 deceptive trade practice under subsection (a) of section 42-110b. Any  
1875 contract for electric generation services that the division finds to be the  
1876 product of unfair or deceptive marketing practices or in violation of  
1877 any of the provisions of this section shall be void and unenforceable.  
1878 Any waiver of the provisions of this section by a customer of electric  
1879 generation services shall be deemed void and unenforceable by the  
1880 electric supplier.

1881 (i) Any violation or failure to comply with any provision of this  
1882 section shall be subject to (1) civil penalties by the department in  
1883 accordance with section 16-41, (2) the suspension or revocation of an  
1884 electric supplier or aggregator's license, or (3) a prohibition on  
1885 accepting new customers following a hearing that is conducted as a  
1886 contested case in accordance with chapter 54.

1887 (j) The department may adopt regulations, in accordance with the  
1888 provisions of chapter 54, to include, but not be limited to, abusive  
1889 switching practices, solicitations and renewals by electric suppliers.

1890 Sec. 18. Subsection (g) of section 16-245 of the general statutes is  
1891 repealed and the following is substituted in lieu thereof (*Effective July*  
1892 *1, 2010*):

1893 (g) As conditions of continued licensure, in addition to the  
1894 requirements of subsection (c) of this section: (1) The licensee shall  
1895 comply with the National Labor Relations Act and regulations, if  
1896 applicable; (2) the licensee shall comply with the Connecticut Unfair  
1897 Trade Practices Act and applicable regulations; (3) each generating  
1898 facility operated by or under long-term contract to the licensee shall  
1899 comply with regulations adopted by the Commissioner of  
1900 Environmental Protection, pursuant to section 22a-174j; (4) the licensee  
1901 shall comply with the portfolio standards, pursuant to section 16-245a;

1902 (5) the licensee shall be a member of the New England Power Pool or  
1903 its successor or have a contractual relationship with one or more  
1904 entities who are members of the New England Power Pool or its  
1905 successor and the licensee shall comply with the rules of the regional  
1906 independent system operator and standards and any other reliability  
1907 guidelines of the regional independent systems operator; (6) the  
1908 licensee shall agree to cooperate with the department and other electric  
1909 suppliers in the event of an emergency condition that may jeopardize  
1910 the safety and reliability of electric service; (7) the licensee shall comply  
1911 with the code of conduct established pursuant to section 16-244h; (8)  
1912 for a license to a participating municipal electric utility, the licensee  
1913 shall provide open and nondiscriminatory access to its distribution  
1914 facilities to other licensed electric suppliers; (9) the licensee or the  
1915 entity or entities with whom the licensee has a contractual relationship  
1916 to purchase power shall be in compliance with all applicable licensing  
1917 requirements of the Federal Energy Regulatory Commission; (10) each  
1918 generating facility operated by or under long-term contract to the  
1919 licensee shall be in compliance with chapter 277a and state  
1920 environmental laws and regulations; (11) the licensee shall comply  
1921 with the renewable portfolio standards established in section 16-245a;  
1922 (12) the licensee shall offer a time-of-use rate option to customers that  
1923 provides for a peak period use rate of at least a five hundred per cent  
1924 increase in the standard nonpeak use rate. Such peak period shall be  
1925 not more than four hours in any twenty-four-hour period. The  
1926 standard nonpeak use rate under this option shall be less than the  
1927 standard use rate offer by such supplier to the customer. Nothing in  
1928 this subdivision shall preclude such supplier from offering other time  
1929 of use options; and [(12)] (13) the licensee shall acknowledge that it is  
1930 subject to chapters 208, 212, 212a and 219, as applicable, and the  
1931 licensee shall pay all taxes it is subject to in this state. Also as a  
1932 condition of licensure, the department shall prohibit each licensee from  
1933 declining to provide service to customers for the reason that the  
1934 customers are located in economically distressed areas. The  
1935 department may establish additional reasonable conditions to assure  
1936 that all retail customers will continue to have access to electric

1937 generation services.

1938 Sec. 19. (NEW) (*Effective July 1, 2010*) (a) The Renewable Energy  
1939 Investments Board, shall structure and implement a residential solar  
1940 investment program pursuant to this section and shall result in a  
1941 minimum of thirty megawatts of new residential solar photovoltaic  
1942 installations located in this state on or before December 31, 2021. For  
1943 the purposes of this section and sections 28 and 29 of this act,  
1944 "residential" means dwellings with one to four units.

1945 (b) The Renewable Energy Investments Board shall offer direct  
1946 financial incentives, in the form of performance-based incentives or  
1947 expected performance-based buydowns, for the purchase or lease of  
1948 qualifying residential solar photovoltaic systems. For the purposes of  
1949 this section, "performance-based incentives" means incentives paid out  
1950 on a per kilowatt-hour basis, and "expected performance-based  
1951 buydowns" means incentives paid out as a one-time upfront incentive  
1952 based on expected system performance. The board shall consider  
1953 willingness to pay studies and verified solar photovoltaic system  
1954 characteristics, such as operational efficiency, size, location, shading  
1955 and orientation, when determining the type and amount of incentive.

1956 (c) Beginning with the comprehensive plan covering the period  
1957 from July 1, 2010, to June 30, 2012, the Renewable Energy Investments  
1958 Board shall develop and publish in each such plan a proposed  
1959 schedule for the offering of performance-based incentives or expected  
1960 performance-based buydowns over the duration of any such solar  
1961 incentive program. Such schedule shall: (1) Provide for a series of solar  
1962 capacity blocks the combined total of which shall be a minimum of  
1963 thirty megawatts and projected incentive levels for each such block; (2)  
1964 provide incentives that are sufficient to meet reasonable payback  
1965 expectations of the residential consumer, taking into consideration the  
1966 estimated cost of residential solar installations, the value of the energy  
1967 offset by the system and the availability and estimated value of other  
1968 incentives, including, but not limited to, federal and state tax  
1969 incentives and revenues from the sale of solar renewable energy

1970 credits; (3) provide incentives that decline over time and will foster the  
1971 sustained, orderly development of a state-based solar industry; (4)  
1972 automatically adjust to the next block once the board has issued  
1973 reservations for financial incentives provided pursuant to this section  
1974 from the board fully committing the target solar capacity and available  
1975 incentives in that block; and (5) provide comparable economic  
1976 incentives for the purchase or lease of qualifying residential solar  
1977 photovoltaic systems. The board may retain the services of a third-  
1978 party entity with expertise in the area of solar energy program design  
1979 to assist in the development of the incentive schedule or schedules.  
1980 The department shall review and approve such schedule. Nothing in  
1981 this subsection shall restrict the board from modifying the approved  
1982 incentive schedule before the issuance of its next comprehensive plan  
1983 to account for changes in federal or state law or regulation or  
1984 developments in the solar market when such changes would affect the  
1985 expected return on investment for a typical residential solar  
1986 photovoltaic system by twenty per cent or more.

1987 (d) The Renewable Energy Investments Board shall establish and  
1988 periodically update program guidelines, including, but not limited to,  
1989 requirements for systems and program participants related to: (1)  
1990 Eligibility criteria; (2) standards for deployment of energy efficient  
1991 equipment or building practices as a condition for receiving incentive  
1992 funding; (3) procedures to provide reasonable assurance that such  
1993 reservations are made and incentives are paid out only to qualifying  
1994 residential solar photovoltaic systems demonstrating a high likelihood  
1995 of being installed and operated as indicated in application materials;  
1996 and (4) reasonable protocols for the measurement and verification of  
1997 energy production.

1998 (e) The Renewable Energy Investments Board shall maintain on its  
1999 web site the schedule of incentives, solar capacity remaining in the  
2000 current block and available funding and incentive estimators.

2001 (f) Funding for the residential performance-based incentive  
2002 program and expected performance-based buydowns shall be

2003 apportioned from the moneys collected under the surcharge specified  
2004 in section 16-245n of the general statutes, as amended by this act,  
2005 provided such apportionment shall not exceed one-third of the total  
2006 surcharge collected annually, and supplemented by federal funding as  
2007 may become available.

2008 (g) The Renewable Energy Investments Board shall identify barriers  
2009 to the development of a permanent Connecticut-based solar workforce  
2010 and shall make provision for comprehensive training, accreditation  
2011 and certification programs through institutions and individuals  
2012 accredited and certified to national standards.

2013 (h) On or before January 1, 2013, and every two years thereafter for  
2014 the duration of the program, the Renewable Energy Investments Board  
2015 shall report to the joint standing committee of the General Assembly  
2016 having cognizance of matters relating to energy on progress toward  
2017 the goals identified in subsection (a) of this section.

2018 Sec. 20. (NEW) (*Effective July 1, 2010*) (a) Commencing on January 1,  
2019 2011, and within the period established in subsection (a) of section 21  
2020 of this act, each electric distribution company shall solicit and file with  
2021 the Department of Public Utility Control for its approval, one or more  
2022 long-term power purchase contracts with owners or developers of  
2023 customer-sited solar photovoltaic generation projects that are less than  
2024 two thousand kilowatts in size, located on the customer side of the  
2025 revenue meter and serve the distribution system of the electric  
2026 distribution company.

2027 (b) Solicitations conducted by the electric distribution company  
2028 shall be for the purchase of solar renewable energy credits produced  
2029 by eligible customer-sited solar photovoltaic generating projects over  
2030 the duration of the long-term contract. For purposes of this section, a  
2031 long-term contract is a contract for a minimum of fifteen years. The  
2032 electric distribution company may solicit proposals for a combination  
2033 of renewable energy and associated solar renewable energy credits.

2034 (c) The aggregate procurement of solar renewable energy credits by

2035 electric distribution companies pursuant to this section shall be no less  
2036 than four million three hundred fifty thousand. The production of a  
2037 megawatt hour of electricity from a Class I solar renewable energy  
2038 source first placed in service on or after the effective date of this  
2039 section shall create one solar renewable energy credit. A solar  
2040 renewable energy credit shall have an effective life covering the year in  
2041 which the credit was created and the following calendar year. The  
2042 obligation to purchase solar renewable energy credits shall be  
2043 apportioned to electric distribution companies based on their  
2044 respective distribution system loads at the commencement of the  
2045 procurement period, as determined by the department. An electric  
2046 distribution company shall not be required to enter into a contract that  
2047 provides a payment of more than six hundred fifty dollars per  
2048 megawatt hour in the initial year of the contract.

2049 (d) Notwithstanding subdivision (1) of subsection (j) of section 16-  
2050 244c of the general statutes, as amended by this act, an electric  
2051 distribution company may retire the solar renewable energy credits it  
2052 procures through long-term contracting to satisfy its obligation  
2053 pursuant to section 16-245a of the general statutes.

2054 (e) Nothing in this section shall preclude the resale or other  
2055 disposition of energy or associated solar renewable energy credits  
2056 purchased by the electric distribution company, provided the  
2057 distribution company shall net the cost of payments made to projects  
2058 under the long-term contracts against the proceeds of the sale of  
2059 energy or solar renewable energy credits and the difference shall be  
2060 credited or charged to distribution customers through a reconciling  
2061 component of electric rates as determined by the department.

2062 Sec. 21. (NEW) (*Effective July 1, 2010*) (a) Each electric distribution  
2063 company shall, not later than one hundred eighty days after the  
2064 effective date of this section, propose a ten-year solar solicitation plan  
2065 that shall include a timetable and methodology for soliciting proposals  
2066 for long-term solar renewable energy credits or energy contracts from  
2067 in-state generators and that shall end in calendar year 2021. The



2068 electric distribution company's solar solicitation plan shall be subject to  
2069 the review and approval of the department, provided contracts  
2070 comprising no less than twenty-five per cent of the electric distribution  
2071 company's obligation shall be submitted for department approval on  
2072 or before January 1, 2012, no less than fifty per cent of such obligation  
2073 shall be submitted for such approval on or before July 1, 2014, and no  
2074 less than seventy-five per cent of such obligation shall be submitted for  
2075 such approval on or before July 1, 2016.

2076 (b) The electric distribution company's approved solar solicitation  
2077 plan shall be designed to foster a diversity of solar project sizes and  
2078 participation among all eligible customer classes subject to cost-  
2079 effectiveness considerations. Separate procurement processes shall be  
2080 conducted for (1) systems up to fifty kilowatts; (2) systems greater than  
2081 fifty kilowatts but less than two hundred kilowatts; and (3) systems  
2082 between two hundred and two thousand kilowatts. The Department of  
2083 Public Utility Control shall give preference to competitive bidding for  
2084 resources of more than fifty kilowatts, unless the department  
2085 determines that an alternative methodology is in the best interests of  
2086 the electric distribution company's customers and the development of  
2087 a competitive and self-sustaining solar market. Systems up to fifty  
2088 kilowatts in size shall be eligible to receive, on an ongoing and  
2089 continuous basis, a solar renewable energy credit offer price equivalent  
2090 to the weighted average accepted bid price in the most recent  
2091 solicitation for systems greater than fifty kilowatts but less than two  
2092 hundred kilowatts, plus an additional incentive of ten per cent.  
2093 Participation in the direct incentive program under section 26 of this  
2094 act shall not disqualify an owner or operator of a qualified residential  
2095 solar energy system to be eligible for this offer price. The offer price  
2096 shall remain open at least until the electric distribution company has  
2097 satisfied its procurement requirement for solar renewable energy  
2098 credits, as specified in section 20 of this act. Once the offer price is  
2099 closed, the owner or holder of a residential solar renewable energy  
2100 credit may bid any outstanding or future credits in a competitive  
2101 solicitation conducted by the electric distribution company pursuant to

2102 this subsection.

2103 (c) Each electric distribution company shall execute its approved  
2104 ten-year solicitation plan and submit for review by the Department of  
2105 Public Utility Control and approval of its preferred solar procurement  
2106 plan comprised of any proposed contract or contracts with  
2107 independent solar developers.

2108 (d) The Department of Public Utility Control shall hold a hearing  
2109 that shall be conducted as an uncontested case, in accordance with the  
2110 provisions of chapter 54 of the general statutes, to approve, reject or  
2111 modify an application for approval of the electric distribution  
2112 company's solar procurement plan. The department shall only approve  
2113 such proposed plan if the department finds that (1) the solicitation and  
2114 evaluation conducted by the electric distribution company was the  
2115 result of a fair, open, competitive and transparent process; (2) approval  
2116 of the solar procurement plan would result in the greatest expected  
2117 ratepayer value from solar energy or solar renewable energy credits at  
2118 the lowest reasonable cost; and (3) such procurement plan satisfies  
2119 other criteria established in the approved solicitation plan. The  
2120 department shall not approve any proposal made under such plan  
2121 unless it determines that the plan and proposals encompass all  
2122 foreseeable sources of revenue or benefits and that such proposals,  
2123 together with such revenue or benefits, would result in the greatest  
2124 expected ratepayer value from solar energy or solar renewable energy  
2125 credits. The department may, in its discretion, retain the services of an  
2126 independent consultant with expertise in the area of energy  
2127 procurement. The independent consultant shall be unaffiliated with  
2128 the electric distribution company or its affiliates and shall not, directly  
2129 or indirectly, have benefited from employment or contracts with the  
2130 electric distribution company or its affiliates in the preceding five  
2131 years, except as an independent consultant. For purposes of such  
2132 audit, the electric distribution company shall provide the independent  
2133 consultant immediate and continuing access to all documents and data  
2134 reviewed, used or produced by the electric distribution company in its  
2135 bid solicitation and evaluation process. The electric distribution

2136 company shall make all its personnel, agents and contractors used in  
2137 the bid solicitation and evaluation available for interview by the  
2138 consultant. The electric distribution company shall conduct any  
2139 additional modeling requested by the independent auditor to test the  
2140 assumptions and results of the bid evaluation process. The  
2141 independent consultant shall not participate in or advise the electric  
2142 distribution company with respect to any decisions in the bid  
2143 solicitation or bid evaluation process. The department's administrative  
2144 costs in reviewing the electric distribution company's solar  
2145 procurement plan and the costs of the consultant shall be recovered  
2146 through a reconciling component of electric rates as determined by the  
2147 department.

2148 (e) The electric distribution company shall be entitled to recover its  
2149 reasonable costs of complying with its approved solar procurement  
2150 plan through a reconciling component of electric rates as determined  
2151 by the department.

2152 (f) If, by January 1, 2012, the department has not received proposed  
2153 long-term solar renewable energy credit contracts consisting of at least  
2154 twenty-five per cent of each electric distribution company's  
2155 procurement obligation or by July 1, 2014, has not received proposed  
2156 long-term solar renewable energy contracts consisting of at least fifty  
2157 per cent of each electric distribution company's procurement  
2158 obligation, or by July 1, 2016, has not received proposed long-term  
2159 solar renewable energy contracts consisting of at least seventy-five per  
2160 cent of each electric distribution company's procurement obligation,  
2161 respectively, the department shall notify the electric distribution  
2162 company of the shortfall. Unless, upon petition by the electric  
2163 distribution company, the department grants the distribution company  
2164 an extension not to exceed ninety days to correct this deficiency, the  
2165 electric distribution company shall be assessed a noncompliance fee of  
2166 five hundred dollars for each solar renewable energy credit shortfall in  
2167 the initial year of the procurement, with the per credit fee declining by  
2168 seven per cent annually over the duration of the ten-year solicitation  
2169 plan. The noncompliance fees associated with the procurement

2170 shortfall shall be collected by the distribution company, maintained in  
2171 a separate interest-bearing account and disbursed to the department  
2172 on a quarterly basis. Funds collected by the department pursuant to  
2173 this section shall be used to support the deployment of solar  
2174 photovoltaic generating systems installed in the state with priority  
2175 given to otherwise underserved market segments, including, but not  
2176 limited to, low-income housing, schools and other public buildings  
2177 and nonprofits.

2178 (g) No project that receives funding pursuant to this section shall be  
2179 eligible for funding pursuant to section 23 of this act.

2180 (h) Not later than sixty days after its approval of the distribution  
2181 company procurement plans submitted on or before January 1, 2012,  
2182 the Department of Public Utility Control shall submit a report to the  
2183 joint standing committee of the General Assembly having cognizance  
2184 of matters relating to energy. The report shall document for each  
2185 distribution company procurement plan: (1) The total number of solar  
2186 renewable energy credits bid relative to the number of solar renewable  
2187 energy credits requested by the distribution company; (2) the total  
2188 number of bidders in each market segment; (3) the number of contracts  
2189 awarded; and (4) the total weighted average price of the solar  
2190 renewable energy credits or energy so purchased. The department  
2191 shall not report individual bid information or other proprietary  
2192 information.

2193 Sec. 22. (NEW) (*Effective July 1, 2010*) (a) On or before July 1, 2011,  
2194 the Department of Public Utility Control, in consultation with the  
2195 Office of Policy and Management and the Department of Public  
2196 Works, shall, within available funding, complete, or cause to be  
2197 completed by private vendors, a comprehensive solar feasibility  
2198 survey of facilities owned or operated by the state with a load of fifty  
2199 kilowatts or more. The survey shall rank state-owned or operated  
2200 facilities based on their technical feasibility to accommodate solar  
2201 photovoltaic generating systems by considering such factors as: (1) On-  
2202 site energy consumption; (2) building orientation; (3) roof age and

2203 condition; (4) shading and the potential for obstruction to sunlight  
2204 over the life of the solar system; (5) structural load capacity; (6)  
2205 availability of ancillary facilities, such as parking lots, walkways or  
2206 maintenance areas; (7) nonenergy related amenities; and (8) other  
2207 factors that the Department of Public Utility Control deems may bear  
2208 on the technical feasibility of such solar deployment.

2209 (b) The Department of Public Utility Control, shall, within available  
2210 funding, issue one or more requests for proposals for the deployment  
2211 of solar photovoltaic generating systems at state-owned or operated  
2212 facilities. Any such request for proposals shall be structured to  
2213 maximize the state's ability to secure incentives available from the  
2214 federal government or other sources. The department may seek in any  
2215 request for proposals the services of an entity to finance, design,  
2216 construct, own or maintain such solar photovoltaic system under a  
2217 long-term solar services agreement. Any such entity chosen to provide  
2218 such services shall not be considered a public service company under  
2219 section 16-1 of the general statutes, as amended by this act.

2220 Sec. 23. (NEW) (*Effective July 1, 2010*) (a) Each electric distribution  
2221 company shall, not later than July 1, 2011, file with the Department of  
2222 Public Utility Control for its approval a tariff for production-based  
2223 payments to owners or operators of Class I solar renewable energy  
2224 source projects located in this state that are not less than one megawatt  
2225 and connected directly to the distribution system of an electric  
2226 distribution company.

2227 (b) Such tariffs shall provide production-based payments for a  
2228 period not less than fifteen years from the in-service date of the Class I  
2229 solar renewable energy source project at a price that is, at the  
2230 determination of the Department of Public Utility Control, a cost-based  
2231 payment consisting of the fully allocated cost of constructing and  
2232 operating a Class I solar renewable energy source of from one  
2233 megawatt to seven and one-half megawatts were such construction  
2234 and operation to be undertaken or procured by the electric distribution  
2235 company itself. In calculating the cost-based tariff, the department

2236 shall consider actual cost data for Class I solar energy sources  
2237 constructed and operated by the electric distribution company  
2238 pursuant to subsection (e) of this section taking into consideration all  
2239 available state and federal incentives.

2240 (c) Such tariffs shall include a per project eligibility cap of seven and  
2241 one-half megawatts and an aggregate eligibility cap of fifty megawatts,  
2242 apportioned among each electric distribution company in proportion  
2243 to distribution load.

2244 (d) The cost of such tariff payments shall be eligible for inclusion in  
2245 any subsequent rates, provided such payments are for projects  
2246 operational on or after the effective date of this section, and recovered  
2247 through a reconciling component of electric rates as determined by the  
2248 Department of Public Utility Control.

2249 (e) On and after July 1, 2011, electric distribution companies may  
2250 construct, own and operate solar electric generating facilities up to  
2251 one-third of their proportional share of the total cap amounts specified  
2252 under subsection (c) of this section, provided any such development  
2253 shall be phased in over a period of no less than three years. Such  
2254 projects shall be located on brownfields or other locations in a targeted  
2255 investment community. The Department of Public Utility Control in a  
2256 contested case, shall (1) authorize the electric distribution company to  
2257 recover in rates its costs to construct, own and operate solar electric  
2258 generating facilities, including a reasonable return on its investment  
2259 not to exceed eight per cent, if such approval would result in a  
2260 reasonable cost of meeting the solar energy requirements pursuant to  
2261 said subsection (c) of this section and that such investment will not  
2262 restrict competition or restrict growth in the state's solar energy  
2263 industry or unfairly employ in a manner which would restrict  
2264 competition in the market for solar energy systems any financial,  
2265 marketing, distributing or generating advantage that the electric  
2266 distribution company may exercise as a result of its authority to  
2267 operate as a public service company, and (2) establish a mechanism for  
2268 the electric distribution company to use a portion of such revenues to

2269 offset the development of an economic development rate to benefit  
2270 residents of such targeted investment community.

2271 (f) Notwithstanding subdivision (1) of subsection (j) of section 16-  
2272 244c of the general statutes, as amended by this act, the amount of  
2273 renewable energy produced from Class I renewable energy sources  
2274 receiving tariff payments or included in utility rates under this section  
2275 shall be applied to reduce the electric distribution company's Class I  
2276 renewable energy source portfolio standard.

2277 (g) No project that receives funding pursuant to this section shall be  
2278 eligible for funding pursuant to section 21 of this act.

2279 (h) On or before September 1, 2012, the department, in consultation  
2280 with the Office of Consumer Counsel and the Renewable Energy  
2281 Investments Board, shall study the operation of solar renewable  
2282 energy tariffs and shall report, in accordance with the provisions of  
2283 section 11-4a of the general statutes, its findings and recommendations  
2284 to the joint standing committee of the General Assembly having  
2285 cognizance of matters relating to energy.

2286 (i) The department shall suspend the tariff established pursuant to  
2287 this section upon the earlier of (1) an electric distribution company  
2288 reaching its aggregate cap pursuant to subsection (c) of this section, or  
2289 (2) three years from the effective date of the tariff.

2290 Sec. 24. (NEW) (*Effective July 1, 2010*) The Department of Public  
2291 Utility Control in consultation with the Renewable Energy Investment  
2292 Fund and the Conservation and Load Management Fund, shall  
2293 develop coordinated programs to create a self-sustaining market for  
2294 solar thermal systems for electricity, natural gas and fuel oil customers.

2295 Sec. 25. (NEW) (*Effective July 1, 2010*) The Department of Public  
2296 Utility Control shall provide an additional incentive of up to five per  
2297 cent of the then-applicable incentive provided pursuant to sections 19  
2298 and 24 of this act for the use of major system components  
2299 manufactured or assembled in Connecticut, and another additional

2300 incentive of up to five per cent of the then applicable incentive  
2301 provided pursuant to sections 19 and 24 of this act for the use of major  
2302 system components manufactured or assembled in a distressed  
2303 municipality, as defined in section 32-9p of the general statutes, or a  
2304 targeted investment community, as defined in section 32-222 of the  
2305 general statutes.

2306       Sec. 26. (NEW) (*Effective July 1, 2010*) (a) For the two-year period  
2307 starting January 1, 2011, and ending June 30, 2013, the aggregate net  
2308 annual cost recovered from electric ratepayers pursuant to sections 19  
2309 to 25, inclusive, of this act and subsection (i) of section 16-245n of the  
2310 general statutes shall not exceed one-half of one per cent of total retail  
2311 electricity sales revenues of each electric distribution company. For the  
2312 two-year period starting July 1, 2013, and ending June 30, 2015, the  
2313 aggregate net annual cost recovered for electric ratepayers pursuant to  
2314 sections 19 to 25, inclusive, of this act and subsection (i) of section 16-  
2315 245n of the general statutes shall not exceed three-fourths of one per  
2316 cent of total retail electricity sales revenues of each electric distribution  
2317 company. For each twelve-month period starting July 1, 2015, and  
2318 every July first thereafter for the duration of the solar programs  
2319 established pursuant to sections 19 to 25, inclusive, of this act and  
2320 subsection (i) of section 16-245n of the general statutes the aggregate  
2321 net cost of such programs recovered for electric ratepayers shall not  
2322 exceed one per cent of total retail electricity sales revenues of each  
2323 electric distribution company.

2324       (b) The Department of Public Utility Control shall net out the  
2325 incentives paid by the Renewable Energy Investment Fund pursuant to  
2326 section 16-245n of the general statutes, as amended by this act, for solar  
2327 deployment programs against the aggregate annual costs identified in  
2328 this section.

2329       (c) The Department of Public Utility Control shall report to the joint  
2330 standing committee of the General Assembly having cognizance of  
2331 matters relating to energy when the annual cost cap is within twenty  
2332 per cent of being exceeded. If the department projects that the annual



2333 cost cap will be exceeded, the department shall take measures to  
2334 ensure such cap will not be exceeded. Such measures may include: (1)  
2335 Delay or modify the development of solar electric generating facilities  
2336 by electric distribution companies pursuant to subsection (e) of section  
2337 23 of this act; (2) temporarily suspend the availability of production-  
2338 based incentives to customers not already eligible to receive such  
2339 incentives under section 23 of this act; and (3) extend the scheduled  
2340 electric distribution company solar renewable energy credit  
2341 procurement plans under subsection (i) of section 16-245n of the  
2342 general statutes. If the department determines that cost mitigation  
2343 measures are required, it shall reduce proportionally the annual  
2344 funding for the programs identified in subdivisions (1) to (3), inclusive,  
2345 of this subsection and only to the extent required to bring projected  
2346 annual costs below the cost cap.

2347 (d) On or before January 1, 2014, the Department of Public Utility  
2348 Control shall report to the joint standing committee of the General  
2349 Assembly having cognizance of matters relating to energy on the cost  
2350 and charges involved in the implementation of this program, including  
2351 a cost-benefit analysis.

2352 Sec. 27. (NEW) (*Effective July 1, 2010*) (a) The Renewable Energy  
2353 Investments Board shall establish and administer a fuel cell pilot  
2354 program to install fuel cells in state buildings using five million dollars  
2355 of the funds collected pursuant to section 16-245n of the general  
2356 statutes, as amended by this act. As part of the pilot program  
2357 established pursuant to this subsection, the board shall identify state  
2358 buildings in which installing fuel cells would provide the greatest  
2359 public benefit and cause the greatest reduction in total energy  
2360 consumption, consider the reliability and environmental characteristics  
2361 of a fuel cell and require state buildings to undergo energy efficiency  
2362 upgrades before receiving fuel cells pursuant to this subsection.

2363 (b) On or before December 31, 2012, the board and the Connecticut  
2364 Center for Advanced Technology shall jointly report, in accordance  
2365 with section 11-4a of the general statutes, to the joint standing

2366 committee of the General Assembly having cognizance of matters  
2367 relating to energy regarding the extent to which the pilot program  
2368 established pursuant to subsection (a) of this section reduced the cost  
2369 of producing fuel cells by twenty-five per cent and the total cost of  
2370 energy from fuel cells compared to other Class I renewable energy  
2371 sources and whether projects reduced the state's cost of power and  
2372 providing recommendations regarding whether providing an  
2373 additional five million dollars in funding would make fuel cells  
2374 competitive with other Class I renewable energy sources.

2375       Sec. 28. (NEW) (*Effective July 1, 2010*) The Department of Public  
2376 Utility Control shall require each electric distribution company to  
2377 notify its customers on an ongoing basis regarding the availability of  
2378 time-of-use meters, if applicable.

2379       Sec. 29. (NEW) (*Effective October 1, 2010*) The Renewable Energy  
2380 Investments Board created pursuant to section 16-245n, as amended by  
2381 this act, of the general statutes, in consultation with the Department of  
2382 Public Utility Control, may establish a program to be known as the  
2383 "condominium renewable energy grant program". Under such  
2384 program, the board may provide grants to residential condominium  
2385 associations and residential condominium owners, within available  
2386 funds, for purchasing renewable energy sources, including solar  
2387 energy, geothermal energy and fuel cells or other energy-efficient  
2388 hydrogen-fueled energy.

2389       Sec. 30. (NEW) (*Effective July 1, 2010*) (a) On or before January 1,  
2390 2011, and annually thereafter, the procurement officer of the  
2391 Department of Public Utility Control in consultation with each electric  
2392 distribution company or other such entity selected pursuant to  
2393 subdivision (2) of subsection (c) of section 16-244c of the general  
2394 statutes, as amended by this act, shall develop a plan for the  
2395 procurement of electric generation services and related wholesale  
2396 electricity market products that will enable the company to manage a  
2397 portfolio of contracts to reduce the average cost of standard service,  
2398 over time, compared to the average cost of standard service obtained

2399 through contracts procured through the procurement plan and process  
2400 approved pursuant to section 16-244c of the general statutes, as  
2401 amended by this act, prior to the effective date of this section while  
2402 seeking to limit standard service cost volatility. Each procurement plan  
2403 shall provide for the competitive solicitation for load-following electric  
2404 service and may include a provision for the company to use other  
2405 contracts, including, but not limited to, contracts for generation or  
2406 other electricity market products and financial contracts, and may  
2407 provide for the use of varying lengths of contracts. If such plan  
2408 includes the purchase of full requirements contracts, it shall include an  
2409 explanation of why such purchases are in the best interests of standard  
2410 service customers. The plan, developed in 2011, shall ensure that the  
2411 percentage of full requirements contracts will be changed  
2412 incrementally over time as to ensure stability of market while reducing  
2413 standard service prices. The department may increase its purchase of  
2414 contracts that are not full requirements if it determines such purchases  
2415 will reduce standard service rates for the plan, developed in 2012, and  
2416 subsequent plans. The department shall review each proposed  
2417 procurement plan in an uncontested proceeding and may retain an  
2418 independent consultant to assist in the review.

2419 (b) The procurement plan shall include proposed parameters for use  
2420 of the contracts, the proposed review procedure by the division to  
2421 assure compliance with the plan, how the procurement plan will  
2422 further the interest of customers compared with the procurement plan  
2423 previously approved by the department pursuant to section 16-244c of  
2424 the general statutes and the proposed means of transitioning from the  
2425 previously approved procurement plan. The department shall  
2426 approve, modify or reject the proposed procurement plan not later  
2427 than July 1, 2011, and annually thereafter. An electric distribution  
2428 company shall recover all costs incurred in connection with the  
2429 development and implementation of its approved procurement plan,  
2430 including costs of contracts entered into in accordance with the plan.

2431 (c) The procurement officer shall, not less than quarterly, meet with  
2432 the Public Utilities Control Authority to report on the implementation

2433 of the plan and recommend any necessary adjustments to the plan to  
2434 address market conditions or to otherwise reduce the costs of standard  
2435 service. Such quarterly reports shall be public documents.

2436 (d) If the costs of procurement exceed the revenues generated by the  
2437 standard service, such deficit shall be borne solely by the standard  
2438 service customer. Such surplus shall inure solely to the benefit of  
2439 standard service customers.

2440 Sec. 31. (NEW) (*Effective July 1, 2010*) (a) As used in this section:

2441 (1) "Eligible entity" means (A) any residential, commercial,  
2442 institutional or industrial customer of an electric distribution company  
2443 or natural gas company, as defined in section 16-1 of the general  
2444 statutes, as amended by this act, who employs or installs an eligible in-  
2445 state energy savings technology, (B) an energy service company  
2446 certified as a Connecticut electric efficiency partner by the Department  
2447 of Public Utility Control, or (C) an installer certified by the Renewable  
2448 Energy Investments Fund; and

2449 (2) "Energy savings infrastructure" means tangible equipment,  
2450 installation, labor, cost of engineering, permits, application fees and  
2451 other reasonable costs incurred by eligible entities for operating  
2452 eligible in-state energy savings technologies designed to reduce  
2453 electricity consumption, natural gas consumption, heating oil  
2454 consumption or promote combined heat and power systems.

2455 (b) The Department of Public Utility Control shall establish an  
2456 energy savings infrastructure pilot program consisting of financial  
2457 incentives for the installation of combined heat and power systems,  
2458 energy efficient heating oil burners, boilers and furnaces and natural  
2459 gas boilers and furnaces by eligible entities. On or before June 30, 2013,  
2460 the department shall evaluate the efficacy of the program established  
2461 pursuant to this section.

2462 (c) (1) On or before October 1, 2010, the department shall begin  
2463 accepting applications for financial incentives for combined heat and

2464 power systems of not more than one megawatt of power. To qualify  
2465 for such financial incentives, such combined heat and power system  
2466 shall reduce energy costs at an amount equal to or greater than the  
2467 amount of the installation cost of the system within ten years of the  
2468 installation. The department shall review the current market  
2469 conditions for such systems, including any existing federal or state  
2470 financial incentives, and determine the appropriate financial incentives  
2471 under this program necessary to encourage installation of such  
2472 systems. These financial incentives may include providing private  
2473 financial institutions with loan loss protection or grants to lower  
2474 borrowing costs. Financial incentives pursuant to this subdivision shall  
2475 not exceed two hundred dollars per kilowatt. A project accepted for  
2476 such incentives shall qualify for a waiver of (A) the backup power rate  
2477 under section 16-243o of the general statutes, and (B) the requirement  
2478 to provide baseload electricity under section 16-243i of the general  
2479 statutes. Any purchase of natural gas for any combined heat and  
2480 power system installed pursuant to this subdivision shall not include a  
2481 distribution charge pursuant to section 16-243l of the general statutes.

2482 (2) On or before December 31, 2010, the department shall begin  
2483 accepting applications for financial incentives for the installation of  
2484 more efficient fuel oil and natural gas boilers and furnaces that replace  
2485 existing boilers or furnaces that are not less than seven years old with  
2486 an efficiency rating of not more than seventy-five per cent. A  
2487 qualifying fuel oil furnace shall have an efficiency rating of not less  
2488 than eighty-six per cent. A qualifying fuel oil boiler shall have an  
2489 efficiency rating of not less than eighty-six per cent with thermal purge  
2490 or temperature reset controls. A qualifying natural gas boiler shall  
2491 have an annual fuel utilization efficiency rating of not less than ninety  
2492 per cent and a qualifying natural gas furnace shall have an annual fuel  
2493 utilization efficiency rating of not less than ninety-five per cent. The  
2494 department shall review the current market conditions for such  
2495 systems and equipment upgrades, including, but not limited to, any  
2496 existing federal or state financial incentives, and establish the  
2497 appropriate financial incentives under this program necessary to

2498 encourage such upgrades. Financial incentives shall provide private  
2499 financial institutions with loan loss protection or grants to lower  
2500 borrowing costs and, if the department deems it necessary, grants to  
2501 the lending financial institution to lower borrowing costs and allow for  
2502 a ten-year loan. Such financial incentive package shall ensure that the  
2503 annual loan payment by the applicant shall be at not more than the  
2504 projected annual energy savings less one hundred dollars. Any loan  
2505 provided as a financial incentive pursuant to this subdivision shall  
2506 include the cost of any related incentives, as determined by the  
2507 department. The department shall arrange with an electric distribution  
2508 or gas company to provide for payment of any loan made as financial  
2509 assistance under this subdivision through the loan recipient's monthly  
2510 electric or gas bill, as applicable.

2511 (d) Eligible entities seeking a loan under the loan program  
2512 established in this section shall (1) contract with Connecticut-based  
2513 licensed contractors, installers or tradesmen for the installation of an  
2514 eligible in-state energy savings technology; (2) provide evidence of the  
2515 cost of purchase and installation of the eligible in-state energy savings  
2516 technology; and (3) periodically provide evidence of the operation and  
2517 functionality of the eligible in-state energy savings technology to  
2518 ensure that such technology is operating as intended during the term  
2519 of the loan.

2520 (e) The department shall develop a prescriptive one-page loan  
2521 application. Such application shall include, but not be limited to: (1)  
2522 Detailed information, specifications and documentation of the eligible  
2523 in-state energy technology's installed costs and projected energy  
2524 savings, and (2) for requests for loans in excess of one hundred  
2525 thousand dollars, certification by a licensed professional engineer,  
2526 licensed contractor, installer or tradesman with a state license held in  
2527 good standing.

2528 (f) On or before October 1, 2010, the department shall establish a  
2529 plan that includes procedures and parameters for its energy savings  
2530 infrastructure pilot program established pursuant to this section.

2531 (g) On or before October 1, 2013, the department shall, in  
2532 accordance with the provisions of section 11-4a of the general statutes,  
2533 report to the joint standing committee of the General Assembly having  
2534 cognizance of matters relating to energy with regard to the projects  
2535 assisted by the energy savings infrastructure pilot program established  
2536 pursuant to this section, the amount of public funding, the energy  
2537 savings from the technologies installed and any recommendations for  
2538 changes to the program, including, but not limited to, incentives that  
2539 encourage consumers to install more efficient fuel oil and natural gas  
2540 boilers and furnaces prior to failure or gross inefficiency of their  
2541 current heating system.

2542 Sec. 32. Subsection (b) of section 16-32f of the general statutes is  
2543 repealed and the following is substituted in lieu thereof (*Effective July*  
2544 *1, 2010*):

2545 (b) Not later than October 1, 2005, and annually thereafter, a gas  
2546 company, as defined in section 16-1, as amended by this act, shall  
2547 submit to the Department of Public Utility Control a gas conservation  
2548 plan, in accordance with the provisions of this section, to implement  
2549 cost-effective energy conservation programs and market  
2550 transformation initiatives. All supply and conservation and load  
2551 management options shall be evaluated and selected within an  
2552 integrated supply and demand planning framework. Such plan shall  
2553 be funded during each state fiscal year by the revenue from the tax  
2554 imposed by section 12-264 on the gross receipts of sales of all public  
2555 services companies that is in excess of the revenue estimate for said tax  
2556 that is approved by the General Assembly in the appropriations act for  
2557 such fiscal year, provided (1) the amount of such excess revenue that  
2558 shall be allocated to fund such plan in any state fiscal year shall not  
2559 exceed ten million dollars, and (2) in the fiscal years commencing July  
2560 1, 2010, July 1, 2011, and July 1, 2012, fifty per cent of such excess  
2561 revenue shall be allocated to the natural gas projects within the energy  
2562 savings infrastructure pilot program pursuant to subdivision (2) of  
2563 section 31 of this act. Before the accounts for the General Fund have  
2564 been closed for each fiscal year, such excess revenue shall be deposited

2565 by the Comptroller in an account held by the Energy Conservation  
2566 Management Board, established pursuant to section 16-245m. Services  
2567 provided under the plan shall be available to all gas company  
2568 customers. Each gas company shall apply to the Energy Conservation  
2569 Management Board for reimbursement for expenditures pursuant to  
2570 the plan. The department shall, in an uncontested proceeding during  
2571 which the department may hold a public hearing, approve, modify or  
2572 reject the plan.

2573 Sec. 33. Subsection (e) of section 16-243v of the general statutes is  
2574 repealed and the following is substituted in lieu thereof (*Effective July*  
2575 *1, 2010*):

2576 (e) Beginning February 1, 2010, a certified Connecticut electric  
2577 efficiency partner may only receive funding if selected in a request for  
2578 proposal developed, issued and evaluated by the department. In  
2579 evaluating a proposal, the department shall take into consideration the  
2580 potential to reduce customers' electric demand including peak electric  
2581 demand, and associated electric charges tied to electric demand and  
2582 peak electric demand growth, including, but not limited to, federally  
2583 mandated congestion charges and other electric costs, and shall utilize  
2584 a cost benefit test established pursuant to subsection (c) of this section  
2585 to rank responses for selection. The department shall determine the  
2586 portion of the total cost of each project that shall be paid by the  
2587 customer participating in this program and the portion of the total cost  
2588 of each project that shall be paid by all electric ratepayers and collected  
2589 pursuant to the provisions of this subsection. In making such  
2590 determination, the department shall (1) ensure that all ratepayer  
2591 investments maintain a minimum two-to-one payback ratio, and (2)  
2592 specify that participating Connecticut electric efficiency partners shall  
2593 maintain the technology for a period sufficient to achieve such  
2594 investment payback ratio. The annual ratepayer contribution shall not  
2595 exceed sixty million dollars. Not less than seventy-five per cent of such  
2596 annual ratepayer investment shall be used for the technologies  
2597 themselves and for the fiscal years commencing July 1, 2010, July 1,  
2598 2011, and July 1, 2012, five million dollars of such annual ratepayer



2599 investment shall be used for combined heat and power projects and  
2600 five million dollars of such annual ratepayer investment shall be used  
2601 for fuel oil burner, boiler and furnace replacement projects, under the  
2602 energy savings infrastructure pilot program established pursuant to  
2603 section 31 of this act. No Connecticut electric efficiency partner shall  
2604 receive funding pursuant to this subsection if such partner has  
2605 received or is receiving funding from the Energy Conservation and  
2606 Load Management Funds for such technology. The department may  
2607 conduct additional requests for proposals from time to time as it  
2608 deems appropriate. The department shall specify the manner in which  
2609 a Connecticut electric efficiency partner shall address measures of  
2610 effectiveness and shall include performance milestones.

2611       Sec. 34. (NEW) (*Effective July 1, 2010*) The Department of Public  
2612 Utility Control shall require the Energy Conservation Management  
2613 Board, the Renewable Energy Investments Board and electric  
2614 distribution companies, as defined in section 16-1 of the general  
2615 statutes, as amended by this act, to establish a program to provide  
2616 financial assistance for energy conservation and load management  
2617 projects to electric distribution company customers in underserved  
2618 communities. The aggregate financial assistance such program shall  
2619 provide shall be in an amount equal to at least three per cent of the  
2620 moneys collected for the Energy Conservation and Load Management  
2621 and at least three per cent of the moneys collected for the Renewable  
2622 Energy Investment Funds pursuant to sections 16-245m and 16-245n of  
2623 the general statutes, as amended by this act. Such funds shall be  
2624 provided for programs directly benefiting residential or small business  
2625 electric customers in underserved communities. The moneys for the  
2626 program shall be derived (1) initially from, if available, the federal  
2627 American Recovery and Reinvestment Act of 2009, and (2) for  
2628 conservation projects from the Energy Conservation and Load  
2629 Management and renewable energy projects from Renewable Energy  
2630 Investment Funds. Such program shall include a job training  
2631 component for existing or potential minority business enterprises, as  
2632 defined in section 4a-60g of the general statutes. For the purposes of

2633 this section, "underserved communities" means municipalities meeting  
2634 the criteria set forth in subsection (a) of section 32-70 of the general  
2635 statutes. The department shall report, in accordance with the  
2636 provisions of section 11-4a of the general statutes, to the joint standing  
2637 committee of the General Assembly having cognizance of matters  
2638 relating to energy on or before February 1, 2011, and annually  
2639 thereafter, regarding the program established pursuant to this section.

2640 Sec. 35. (NEW) (*Effective July 1, 2010*) On or before September 1,  
2641 2010, the Department of Public Utility Control shall initiate a request  
2642 for proposals to award one bilateral purchasing contract for electricity  
2643 from an existing generator, provided such contract shall be for a term  
2644 of not less than five years and not more than fifteen years, shall reduce  
2645 electricity rates by pricing such electricity on a cost-of-service basis and  
2646 shall (1) provide electricity at lower rates for Connecticut consumers,  
2647 or (2) based on the department's determination, be used in  
2648 combination with other initiatives to lower or stabilize electric rates.

2649 Sec. 36. (NEW) (*Effective July 1, 2010*) On or before September 1,  
2650 2010, the Department of Public Utility Control shall review any  
2651 proposed commercial transmission line project (1) in which a  
2652 Connecticut electric distribution company may have a financial  
2653 interest, or (2) that may be constructed in whole or in part in this state  
2654 to determine whether to obtain electricity from such transmission lines  
2655 at a rate that will lower electricity rates for Connecticut consumers.

2656 Sec. 37. Section 4-5 of the 2010 supplement to the general statutes is  
2657 repealed and the following is substituted in lieu thereof (*Effective July*  
2658 *1, 2011*):

2659 As used in sections 4-6, 4-7 and 4-8, the term "department head"  
2660 means Secretary of the Office of Policy and Management,  
2661 Commissioner of Administrative Services, Commissioner of Revenue  
2662 Services, Banking Commissioner, Commissioner of Children and  
2663 Families, Commissioner of Consumer Protection, Commissioner of  
2664 Correction, Commissioner of Economic and Community Development,

2665 State Board of Education, Commissioner of Emergency Management  
2666 and Homeland Security, Commissioner of Environmental Protection,  
2667 Commissioner of Agriculture, Commissioner of Public Health,  
2668 Insurance Commissioner, Labor Commissioner, Liquor Control  
2669 Commission, Commissioner of Mental Health and Addiction Services,  
2670 Commissioner of Public Safety, Commissioner of Social Services,  
2671 Commissioner of Developmental Services, Commissioner of Motor  
2672 Vehicles, Commissioner of Transportation, Commissioner of Public  
2673 Works, Commissioner of Veterans' Affairs, Chief Information Officer,  
2674 the chairperson of the [Public Utilities Control] Connecticut Energy  
2675 and Technology Authority, the executive director of the Board of  
2676 Education and Services for the Blind, the executive director of the  
2677 Connecticut Commission on Culture and Tourism, and the executive  
2678 director of the Office of Military Affairs. As used in sections 4-6 and 4-  
2679 7, "department head" also means the Commissioner of Education.

2680 Sec. 38. Section 4-38c of the general statutes is repealed and the  
2681 following is substituted in lieu thereof (*Effective July 1, 2011*):

2682 There shall be within the executive branch of state government the  
2683 following departments: Office of Policy and Management, Department  
2684 of Administrative Services, Department of Revenue Services,  
2685 Department of Banking, Department of Agriculture, Department of  
2686 Children and Families, Department of Consumer Protection,  
2687 Department of Correction, Department of Economic and Community  
2688 Development, State Board of Education, Department of Emergency  
2689 Management and Homeland Security, Department of Environmental  
2690 Protection, Department of Public Health, Board of Governors of  
2691 Higher Education, Insurance Department, Labor Department,  
2692 Department of Mental Health and Addiction Services, Department of  
2693 Developmental Services, Department of Public Safety, Department of  
2694 Social Services, Department of Transportation, Department of Motor  
2695 Vehicles, Department of Veterans' Affairs, Department of Public  
2696 Works and [Department of Public Utility Control] Connecticut Energy  
2697 and Technology Authority.

2698       Sec. 39. (*Effective from passage*) On or before August 1, 2010, the  
 2699 Department of Public Utility Control shall initiate a proceeding to  
 2700 identify the impact on Connecticut ratepayers and the New England  
 2701 and state wholesale electric power market of the operation of the  
 2702 regional independent system operator, as defined in section 16-1 of the  
 2703 general statutes, as amended by this act, and of Market Rule 1 as  
 2704 promulgated by said regional independent system operator. Such  
 2705 proceeding shall include, but not be limited to, (1) a review of the  
 2706 accountability of said independent system operator to Connecticut  
 2707 ratepayers and energy policymakers, (2) consideration of strategies  
 2708 and mechanisms that may mitigate any adverse impacts Market Rule 1  
 2709 may have on wholesale generation prices in Connecticut and New  
 2710 England and may reduce Connecticut's reliance on the wholesale  
 2711 power market, including, but not limited to, long-term contracts, and  
 2712 (3) consideration of the costs and benefits associated with participating  
 2713 in said independent system operator and any potential benefits of  
 2714 joining another independent system operator or operating outside of  
 2715 the existing independent operator systems. On or before January 1,  
 2716 2011, the department shall report, in accordance with the provisions of  
 2717 section 11-4a of the general statutes, its findings to the joint standing  
 2718 committee of the General Assembly having cognizance of matters  
 2719 relating to energy.

2720       Sec. 40. Section 16-261a of the general statutes is repealed. (*Effective*  
 2721 *July 1, 2010*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	16-1b
Sec. 2	<i>July 1, 2011</i>	16-2
Sec. 3	<i>July 1, 2011</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>July 1, 2010</i>	16a-48
Sec. 6	<i>July 1, 2010</i>	16-1(a)(44)
Sec. 7	<i>July 1, 2010</i>	16-245m(d)(3)
Sec. 8	<i>July 1, 2010</i>	16-245n(f)

Sec. 9	<i>July 1, 2010</i>	16a-3a
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>July 1, 2010</i>	New section
Sec. 12	<i>July 1, 2010</i>	New section
Sec. 13	<i>July 1, 2010</i>	16-244c
Sec. 14	<i>July 1, 2010</i>	16-1(a)(30)
Sec. 15	<i>July 1, 2010</i>	16-1(a)(31)
Sec. 16	<i>July 1, 2010</i>	16-245d
Sec. 17	<i>July 1, 2010</i>	16-245o
Sec. 18	<i>July 1, 2010</i>	16-245(g)
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>	New section
Sec. 24	<i>July 1, 2010</i>	New section
Sec. 25	<i>July 1, 2010</i>	New section
Sec. 26	<i>July 1, 2010</i>	New section
Sec. 27	<i>July 1, 2010</i>	New section
Sec. 28	<i>July 1, 2010</i>	New section
Sec. 29	<i>October 1, 2010</i>	New section
Sec. 30	<i>July 1, 2010</i>	New section
Sec. 31	<i>July 1, 2010</i>	New section
Sec. 32	<i>July 1, 2010</i>	16-32f(b)
Sec. 33	<i>July 1, 2010</i>	16-243v(e)
Sec. 34	<i>July 1, 2010</i>	New section
Sec. 35	<i>July 1, 2010</i>	New section
Sec. 36	<i>July 1, 2010</i>	New section
Sec. 37	<i>July 1, 2011</i>	4-5
Sec. 38	<i>July 1, 2011</i>	4-38c
Sec. 39	<i>from passage</i>	New section
Sec. 40	<i>July 1, 2010</i>	Repealer section