



General Assembly

February Session, 2012

Raised Bill No. 413

LCO No. 2105

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Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

**AN ACT CONCERNING BONDING AUTHORITY FOR THE
CONNECTICUT CLEAN ENERGY AUTHORITY.**

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

1 Section 1. (NEW) (*Effective July 1, 2012*) (a) The Connecticut Clean
2 Energy Authority is authorized from time to time to issue its
3 negotiable bonds for any corporate purpose. In anticipation of the sale
4 of such bonds, the authority may issue negotiable bond anticipation
5 notes and may renew the same from time to time. Such notes shall be
6 paid from any revenues of the authority or other moneys available for
7 such purposes and not otherwise pledged, or from the proceeds of sale
8 of the bonds of the authority in anticipation of which they were issued.
9 The notes shall be issued in the same manner as the bonds. Such notes
10 and the resolution or resolutions authorizing the same may contain
11 any provisions, conditions or limitations which a bond resolution of
12 the authority may contain.

13 (b) Every issue of the bonds, notes or other obligations issued by the
14 authority shall be special obligations of the authority payable from any
15 revenues or moneys of the authority available for such purposes and
16 not otherwise pledged, subject to any agreements with the holders of

17 particular bonds, notes or other obligations pledging any particular
18 revenues or moneys, and subject to any agreements with any
19 individual, partnership, corporation or association or other body,
20 public or private. Notwithstanding that such bonds, notes or other
21 obligations may be payable from a special fund, they shall be deemed
22 to be for all purposes negotiable instruments, subject only to the
23 provisions of such bonds, notes or other obligations for registration.

24 (c) The bonds may be issued as serial bonds or as term bonds, or the
25 authority, in its discretion, may issue bonds of both types. The bonds
26 shall be authorized by resolution of the members of the board of
27 directors of the authority and shall bear such date or dates, mature at
28 such time or times, not exceeding thirty years from their respective
29 dates, bear interest at such rate or rates, be payable at such time or
30 times, be in such denominations, be in such form, either coupon or
31 registered, carry such registration privileges, be executed in such
32 manner, be payable in lawful money of the United States of America at
33 such place or places, and be subject to such terms of redemption, as
34 such resolution or resolutions may provide. The bonds or notes may be
35 sold at public or private sale for such price or prices as the authority
36 shall determine. The power to fix the date of sale of bonds, to receive
37 bids or proposals, to award and sell bonds, and to take all other
38 necessary action to sell and deliver bonds may be delegated to the
39 chairperson or vice-chairperson of the board, a subcommittee of the
40 board or other officers of the authority by resolution of the board. The
41 exercise of such delegated powers may be made subject to the
42 approval of a majority of the members of the board which approval
43 may be given in the manner provided in the bylaws of the authority.
44 Pending preparation of the definitive bonds, the authority may issue
45 interim receipts or certificates which shall be exchanged for such
46 definitive bonds.

47 (d) Any resolution or resolutions authorizing any bonds or any
48 issue of bonds may contain provisions, which shall be a part of the
49 contract with the holders of the bonds to be authorized, as to: (1)

50 Pledging the full faith and credit of the authority, the full faith and
51 credit of any individual, partnership, corporation or association or
52 other body, public or private, all or any part of the revenues of a
53 project or any revenue-producing contract or contracts made by the
54 authority with any individual, partnership, corporation or association
55 or other body, public or private, any federally guaranteed security and
56 moneys received therefrom purchased with bond proceeds or any
57 other property, revenues, funds or legally available moneys to secure
58 the payment of the bonds or of any particular issue of bonds, subject to
59 such agreements with bondholders as may then exist; (2) the rentals,
60 fees and other charges to be charged, and the amounts to be raised in
61 each year thereby, and the use and disposition of the revenues; (3) the
62 setting aside of reserves or sinking funds, and the regulation and
63 disposition thereof; (4) limitations on the right of the authority or its
64 agent to restrict and regulate the use of the project; (5) the purpose and
65 limitations to which the proceeds of sale of any issue of bonds then or
66 thereafter to be issued may be applied, including as authorized
67 purposes all costs and expenses necessary or incidental to the issuance
68 of bonds, to the acquisition of or commitment to acquire any federally
69 guaranteed security and to the issuance and obtaining of any federally
70 insured mortgage note, and pledging such proceeds to secure the
71 payment of the bonds or any issue of the bonds; (6) limitations on the
72 issuance of additional bonds, the terms upon which additional bonds
73 may be issued and secured and the refunding of outstanding bonds;
74 (7) the procedure, if any, by which the terms of any contract with
75 bondholders may be amended or abrogated, the amount of bonds the
76 holders of which must consent thereto, and the manner in which such
77 consent may be given; (8) limitations on the amount of moneys derived
78 from the project to be expended for operating, administrative or other
79 expenses of the authority; (9) defining the acts or omissions to act
80 which shall constitute a default in the duties of the authority to holders
81 of its obligations and providing the rights and remedies of such
82 holders in the event of a default; and (10) the mortgaging of a project
83 and the site thereof for the purpose of securing the bondholders.

84 (e) Neither the members of the board of directors of the authority
85 nor any person executing the bonds, notes or other obligations shall be
86 liable personally on the bonds, notes or other obligations or be subject
87 to any personal liability or accountability by reason of the issuance
88 thereof.

89 (f) The authority shall have power out of any funds available for
90 such purposes to purchase its bonds, notes or other obligations. The
91 authority may hold, pledge, cancel or resell such bonds, notes or other
92 obligations, subject to and in accordance with agreements with
93 bondholders. The authority may sell, transfer or assign any of its loan
94 assets to a trustee or other third party for the purposes of providing
95 security for its bonds, notes or other obligations, or for bonds, notes or
96 other obligations issued by the trustee or other third party on its
97 behalf.

98 (g) The authority is further authorized and empowered to issue
99 bonds, notes or other obligations under this section, the interest on
100 which may be includable in the gross income of the holder or holders
101 thereof under the Internal Revenue Code of 1986, or any subsequent
102 corresponding internal revenue code of the United States, as from time
103 to time amended, to the same extent and in the same manner that
104 interest on bills, notes, bonds or other obligations of the United States
105 is includable in the gross income of the holder or holders thereof under
106 any such internal revenue code. Any such bonds, notes or other
107 obligations may be issued only upon a finding by the authority that
108 such issuance is necessary, is in the public interest, and is in
109 furtherance of the purposes and powers of the authority. The state
110 hereby consents to such inclusion only for the bonds, notes or other
111 obligations of the authority so issued.

112 (h) In the discretion of the authority, any bonds issued under the
113 provisions of this section may be secured by a trust agreement by and
114 between the authority and a corporate trustee or trustees, which may
115 be any trust company or bank having the powers of a trust company

116 within or without the state. Such trust agreement or the resolution
117 providing for the issuance of such bonds or other instrument of the
118 authority may secure such bonds by a pledge or assignment of any
119 revenues to be received, any contract or proceeds of any contract, or
120 any other property, revenues, moneys or funds available to the
121 authority for such purpose. Any pledge made by the authority
122 pursuant to this subsection shall be valid and binding from the time
123 when the pledge is made. The lien of any such pledge shall be valid
124 and binding as against all parties having claims of any kind in tort,
125 contract or otherwise against the authority, irrespective of whether the
126 parties have notice of the claims. Notwithstanding any provision of the
127 Uniform Commercial Code, no instrument by which such pledge is
128 created need be recorded or filed. Any revenues or other receipts,
129 funds, moneys, income, contracts or property so pledged and
130 thereafter received by the authority shall be subject immediately to the
131 lien of the pledge without any physical delivery thereof or further act,
132 and such lien shall have priority over all other liens. Such trust
133 agreement or resolution may mortgage, assign or convey any real
134 property to secure such bonds. Such trust agreement or resolution
135 providing for the issuance of such bonds may contain such provisions
136 for protecting and enforcing the rights and remedies of the
137 bondholders as may be reasonable and proper and not in violation of
138 law, including particularly such provisions as have been specifically
139 authorized by this section to be included in any resolution or
140 resolutions of the authority authorizing bonds thereof. Any bank or
141 trust company incorporated under the laws of this state, which may
142 act as depository of the proceeds of bonds or of revenues or other
143 moneys, may furnish such indemnifying bonds or pledge such
144 securities as may be required by the authority. Any such trust
145 agreement or resolution may set forth the rights and remedies of the
146 bondholders and of the trustee or trustees, and may restrict the
147 individual right of action by bondholders. In addition to the foregoing,
148 any such trust agreement or resolution may contain such other
149 provisions as the authority may deem reasonable and proper for the

150 security of the bondholders. All expenses incurred in carrying out the
151 provisions of such trust agreement or resolution may be treated as a
152 part of the cost of the operation of a project.

153 (i) Bonds issued under the provisions of this section shall not be
154 deemed to constitute a debt or liability of the state or of any political
155 subdivision thereof other than the authority, or a pledge of the full
156 faith and credit of the state or of any such political subdivision other
157 than the authority, but shall be payable solely from the funds provided
158 for such purposes by this section. All such bonds shall contain on the
159 face thereof a statement to the effect that neither the state of
160 Connecticut nor any political subdivision thereof, other than the
161 authority, shall be obligated to pay the same or the interest thereon
162 except from revenues of the project or the portion thereof for which
163 such bonds are issued, and that neither the full faith and credit nor the
164 taxing power of the state of Connecticut or of any political subdivision
165 thereof, other than the authority, is pledged to the payment of the
166 principal of or the interest on such bonds. The issuance of bonds under
167 the provisions of this section shall not directly or indirectly or
168 contingently obligate the state or any political subdivision thereof to
169 levy or to pledge any form of taxation or to make any appropriation
170 for their payment. Nothing contained in this section shall prevent or be
171 construed to prevent the authority from pledging its full faith and
172 credit or the full faith and credit of any individual, partnership,
173 corporation or association or other body, public or private, to the
174 payment of bonds or issue of bonds authorized pursuant to this
175 section.

176 (j) The state of Connecticut does hereby pledge to and agree with
177 the holders of any bonds and notes issued under this section and with
178 those parties who may enter into contracts with the authority or its
179 successor agency pursuant to the provisions of this section that the
180 state shall not limit or alter the rights hereby vested in the authority
181 until such obligations, together with the interest thereon, are fully met
182 and discharged and such contracts are fully performed on the part of

183 the authority, provided nothing contained in this subsection shall
184 preclude such limitation or alteration if and when adequate provision
185 shall be made by law for the protection of the holders of such bonds
186 and notes of the authority or those entering into such contracts with
187 the authority. The authority is authorized to include this pledge and
188 undertaking for the state in such bonds and notes or contracts.

189 (k) (1) The authority is authorized to fix, revise, charge and collect
190 rates, rents, fees and charges for the use of and for the services
191 furnished or to be furnished by each project, and to contract with any
192 person, partnership, association or corporation, or other body, public
193 or private, in respect thereof. Such rates, rents, fees and charges shall
194 be fixed and adjusted in respect of the aggregate of rates, rents, fees
195 and charges from such project so as to provide funds sufficient with
196 other revenues or moneys available for such purposes, if any, (A) to
197 pay the cost of maintaining, repairing and operating the project and
198 each and every portion thereof, to the extent that the payment of such
199 cost has not otherwise been adequately provided for, (B) to pay the
200 principal of and the interest on outstanding bonds of the authority
201 issued in respect of such project as the same shall become due and
202 payable, and (C) to create and maintain reserves required or provided
203 for in any resolution authorizing, or trust agreement securing, such
204 bonds of the authority. Such rates, rents, fees and charges shall not be
205 subject to supervision or regulation by any department, commission,
206 board, body, bureau or agency of this state other than the authority.

207 (2) A sufficient amount of the revenues derived in respect of a
208 project, except such part of such revenues as may be necessary to pay
209 the cost of maintenance, repair and operation and to provide reserves
210 and for renewals, replacements, extensions, enlargements and
211 improvements as may be provided for in the resolution authorizing
212 the issuance of any bonds of the authority or in the trust agreement
213 securing the same, shall be set aside at such regular intervals as may be
214 provided in such resolution or trust agreement in a sinking or other
215 similar fund which is hereby pledged to, and charged with, the

216 payment of the principal of and the interest on such bonds as the same
217 shall become due, and the redemption price or the purchase price of
218 bonds retired by call or purchase as therein provided. Such pledge
219 shall be valid and binding from the time when the pledge is made. The
220 rates, rents, fees and charges and other revenues or other moneys so
221 pledged and thereafter received by the authority shall immediately be
222 subject to the lien of such pledge without any physical delivery thereof
223 or further act, and the lien of any such pledge shall be valid and
224 binding as against all parties having claims of any kind in tort, contract
225 or otherwise against the authority, irrespective of whether such parties
226 have notice thereof. Notwithstanding any provision of the Connecticut
227 Uniform Commercial Code, neither the resolution nor any trust
228 agreement nor any other agreement nor any lease by which a pledge is
229 created need be filed or recorded except in the records of the authority.
230 The use and disposition of moneys to the credit of such sinking or
231 other similar fund shall be subject to the provisions of the resolution
232 authorizing the issuance of such bonds or of such trust agreement.
233 Except as may otherwise be provided in such resolution or such trust
234 agreement, such sinking or other similar fund may be a fund for all
235 such bonds issued to finance projects for any person, partnership,
236 association or corporation, or other body, public or private, without
237 distinction or priority of one over another; provided the authority in
238 any such resolution or trust agreement may provide that such sinking
239 or other similar fund shall be the fund for a particular project for any
240 person, partnership, association or corporation, or other body, public
241 or private, and for the bonds issued to finance a particular project and
242 may, additionally, permit and provide for the issuance of bonds
243 having a subordinate lien in respect of the security authorized by this
244 subsection to other bonds of the authority, and, in such case, the
245 authority may create separate sinking or other similar funds in respect
246 of such subordinate lien bonds.

247 (l) All moneys received pursuant to the authority of this section,
248 whether as proceeds from the sale of bonds or as revenues, shall be
249 deemed to be trust funds to be held and applied solely as provided in

250 this section. Any officer with whom, or any bank or trust company
251 with which, such moneys may be deposited shall act as trustee of such
252 moneys and shall hold and apply the same for the purposes of this
253 section, subject to the resolution authorizing the bonds of any issue or
254 the trust agreement securing such bonds.

255 (m) Any holder of bonds, bond anticipation notes, other notes or
256 other obligations issued under the provisions of this section, or any of
257 the coupons appertaining thereto, and the trustee or trustees under
258 any trust agreement, except to the extent the rights given by this
259 section may be restricted by any resolution authorizing the issuance of,
260 or any such trust agreement securing, such bonds, may, either at law
261 or in equity, by suit, action, mandamus or other proceedings, protect
262 and enforce any and all rights under the laws of the state or granted by
263 this section or under such resolution or trust agreement, and may
264 enforce and compel the performance of all duties required by this
265 section or by such resolution or trust agreement to be performed by the
266 authority or by any officer, employee or agent thereof, including the
267 fixing, charging and collecting of the rates, rents, fees and charges
268 authorized by this section and required by the provisions of such
269 resolution or trust agreement to be fixed, established and collected.

270 (n) The authority shall have power to contract with the holders of
271 any of its bonds or notes as to the custody, collection, securing,
272 investment and payment of any reserve funds of the authority, or of
273 any moneys held in trust or otherwise for the payment of bonds or
274 notes, and to carry out such contracts. Any officer with whom, or any
275 bank or trust company with which, such moneys shall be deposited as
276 trustee thereof shall hold, invest, reinvest and apply such moneys for
277 the purposes thereof, subject to such provisions as this section and the
278 resolution authorizing the issue of the bonds or notes or the trust
279 agreement securing such bonds or notes may provide.

280 (o) The exercise of the powers granted by this section shall be in all
281 respects for the benefit of the people of this state, for the increase of

282 their commerce, welfare and prosperity, and for the improvement of
283 their health and living conditions, and, as the exercise of such powers
284 shall constitute the performance of an essential public function, neither
285 the authority, any affiliate of the authority or any collection or other
286 agent of the authority or any such affiliate shall be required to pay any
287 taxes or assessments upon or in respect of any revenues or property
288 received, acquired, transferred or used by the authority, any affiliate of
289 the authority or any collection or other agent of the authority or any
290 such affiliate or upon or in respect of the income from such revenues
291 or property, and any bonds or notes issued under the provisions of this
292 section, their transfer and the income therefrom, including any profit
293 made on the sale of such bonds or notes, shall at all times be free from
294 taxation of every kind by the state and by the municipalities and other
295 political subdivisions in the state, except for estate and succession
296 taxes. The interest on such bonds or notes shall be included in the
297 computation of any excise or franchise tax.

298 (p) (1) The authority is hereby authorized to provide for the
299 issuance of bonds of the authority for the purpose of refunding any
300 bonds of the authority then outstanding, including the payment of any
301 redemption premium thereon and any interest accrued or to accrue to
302 the earliest or subsequent date of redemption, purchase or maturity of
303 such bonds, and, if deemed advisable by the authority, for the
304 additional purpose of paying all or any part of the cost of constructing
305 and acquiring additions, improvements, extensions or enlargements of
306 a project or any portion thereof.

307 (2) The proceeds of any such bonds issued for the purpose of
308 refunding outstanding bonds may, in the discretion of the authority,
309 be applied to the purchase or retirement at maturity or redemption of
310 such outstanding bonds either on their earliest or any subsequent
311 redemption date or upon the purchase or at the maturity thereof and
312 may, pending such application, be placed in escrow to be applied to
313 such purchase or retirement at maturity or redemption on such date as
314 may be determined by the authority.

315 (3) Any such escrowed proceeds, pending such use, may be
316 invested and reinvested in direct obligations of, or obligations
317 unconditionally guaranteed by, the United States of America and
318 certificates of deposit or time deposits secured by direct obligations of,
319 or obligations unconditionally guaranteed by, the United States of
320 America, or obligations of a state, a territory, or a possession of the
321 United States of America, or any political subdivision of any of the
322 foregoing, within the meaning of Section 103(a) of the Internal
323 Revenue Code of 1986, or any subsequent corresponding internal
324 revenue code of the United States, as from time to time amended, the
325 full and timely payment of the principal of and interest on which are
326 secured by an irrevocable deposit of direct obligations of the United
327 States of America which, if the outstanding bonds are then rated by a
328 nationally recognized rating agency, are rated in the highest rating
329 category by such rating agency, maturing at such time or times as shall
330 be appropriate to assure the prompt payment, as to principal, interest
331 and redemption premium, if any, of the outstanding bonds to be so
332 refunded. The interest, income and profits, if any, earned or realized
333 on any such investment may also be applied to the payment of the
334 outstanding bonds to be so refunded. After the terms of the escrow
335 have been fully satisfied and carried out, any balance of such proceeds
336 and interest, income and profits, if any, earned or realized on the
337 investments thereof may be returned to the authority for use by it in
338 any lawful manner.

339 (4) The portion of the proceeds of any such bonds issued for the
340 additional purpose of paying all or any part of the cost of constructing
341 and acquiring additions, improvements, extensions or enlargements of
342 a project may be invested and reinvested as the provisions of this
343 section and the resolution authorizing the issuance of such bonds or
344 the trust agreement securing such bonds may provide. The interest,
345 income and profits, if any, earned or realized on such investment may
346 be applied to the payment of all or any part of such cost or may be
347 used by the authority in any lawful manner.

348 (5) All such bonds shall be subject to the provisions of this section in
349 the same manner and to the same extent as other bonds issued
350 pursuant to this act.

351 (q) Bonds issued by the authority under the provisions of this
352 section are hereby made securities in which all public officers and
353 public bodies of the state and its political subdivisions, all insurance
354 companies, state banks and trust companies, national banking
355 associations, savings banks, savings and loan associations, investment
356 companies, executors, administrators, trustees and other fiduciaries
357 may properly and legally invest funds, including capital in their
358 control or belonging to them. Such bonds are hereby made securities
359 which may properly and legally be deposited with and received by
360 any state or municipal officer or any agency or political subdivision of
361 the state for any purpose for which the deposit of bonds or obligations
362 of the state is now or may hereafter be authorized by law.

363 (r) In conjunction with the issuance of the bonds, notes or other
364 obligations: (1) The authority may make representations and
365 agreements for the benefit of the holders of the bonds, notes or other
366 obligations to make secondary market disclosures; (2) the authority
367 may enter into interest rate swap agreements and other agreements for
368 the purpose of moderating interest rate risk on the bonds, notes or
369 other obligations; (3) the authority may enter into such other
370 agreements and instruments to secure the bonds, notes or other
371 obligations; and (4) the authority may take such other actions as
372 necessary or appropriate for the issuance and distribution of the
373 bonds, notes or other obligations and may make representations and
374 agreements for the benefit of the holders of the bonds, notes or other
375 obligations which are necessary or appropriate to ensure exclusion of
376 the interest payable on the bonds, notes or other obligations from gross
377 income under the Internal Revenue Code of 1986, or any subsequent
378 corresponding internal revenue code of the United States, as from time
379 to time amended.

380 Sec. 2. (NEW) (*Effective July 1, 2012*) (a) The Connecticut Clean
381 Energy Authority may issue clean energy bonds secured in whole or in
382 part by the assets of, and assessment of charges and other receipts
383 deposited into, the Clean Energy Fund established pursuant to section
384 16-245n of the general statutes. The clean energy bonds shall be
385 nonrecourse to the credit or any assets of the state or the authority.

386 (b) Except as otherwise provided in this subsection, the state of
387 Connecticut does hereby pledge and agree with the owners of the
388 clean energy bonds that the state shall neither limit nor alter the
389 assessment of charges pursuant to section (b) of section 16-245n of the
390 general statutes, and all rights thereunder, until the clean energy
391 bonds, together with the interest thereon, are fully met and discharged,
392 provided nothing contained in this subsection shall preclude such
393 limitation or alteration if and when adequate provision is made by law
394 for the protection of the owners and holders of such bonds. The
395 authority as agent for the state is authorized to include this pledge and
396 undertaking for the state in the clean energy bonds.

397 (c) The clean energy bonds shall not be deemed to constitute a debt
398 or liability of the state or of any political subdivision thereof, other
399 than the authority, shall not constitute a pledge of the full faith and
400 credit of the state or any of its political subdivisions, other than the
401 authority, but shall be payable solely from the funds provided under
402 section 16-245n of the general statutes, and shall not constitute an
403 indebtedness of the state within the meaning of any constitutional or
404 statutory debt limitation or restriction and, accordingly, shall not be
405 subject to any statutory limitation on the indebtedness of the state and
406 shall not be included in computing the aggregate indebtedness of the
407 state in respect to and to the extent of any such limitation. This
408 subsection shall in no way preclude bond guarantees or enhancements
409 as provided in subsection (d) of section 16-245n of the general statutes.
410 All clean energy bonds shall contain on the face thereof a statement to
411 the following effect: "Neither the full faith and credit nor the taxing
412 power of the State of Connecticut is pledged to the payment of the

413 principal of, or interest on, this bond."

414 (d) The exercise of the powers granted by this section and section
415 16-245n of the general statutes shall be in all respects for the benefit of
416 the people of this state, for the increase of their commerce, welfare and
417 prosperity, and as the exercise of such powers shall constitute the
418 performance of an essential public function, neither the authority, any
419 affiliate of the authority, nor any collection or other agent of any of the
420 foregoing shall be required to pay any taxes or assessments upon or in
421 respect of any revenues or property received, acquired, transferred or
422 used by the authority, any affiliate of the authority or any collection or
423 other agent of any of the foregoing, or upon or in respect of the income
424 from such revenues or property, and any bonds or notes issued under
425 the provisions of this section, their transfer and the income therefrom,
426 including any profit made on the sale of such bonds or notes, shall at
427 all times be free from taxation of every kind by the state and by the
428 municipalities and other political subdivisions in the state except for
429 estate and succession taxes. The interest on such bonds and notes shall
430 be included in the computation of any excise or franchise tax.

431 (e) The proceeds of any clean energy bonds shall be used for the
432 purposes of the authority in accordance with section 16-245n of the
433 general statutes.

434 Sec. 3. (NEW) (*Effective July 1, 2012*) (a) For purposes of this section,
435 "required minimum capital reserve" means the maximum amount
436 permitted to be deposited in a special capital reserve fund by the
437 Internal Revenue Code of 1986, or any subsequent corresponding
438 internal revenue code of the United States, as amended from time to
439 time, to permit the interest on such bonds to be excluded from gross
440 income for federal tax purposes and secured by such special capital
441 reserve fund.

442 (b) In connection with the issuance of bonds or to refund bonds
443 previously issued by the Connecticut Clean Energy Authority, or in
444 connection with the issuance of bonds to effect a refinancing or other

445 restructuring with respect to one or more projects, the authority may
446 create and establish one or more reserve funds to be known as special
447 capital reserve funds, and may pay into such special capital reserve
448 funds (1) any moneys appropriated and made available by the state for
449 the purposes of such special capital reserve funds, (2) any proceeds of
450 the sale of notes or bonds, to the extent provided in the resolution of
451 the authority authorizing the issuance thereof, and (3) any other
452 moneys which may be made available to the authority for the purpose
453 of such special capital reserve funds from any other source or sources.

454 (c) The moneys held in or credited to any special capital reserve
455 fund established under this section, except as hereinafter provided,
456 shall be used for (1) the payment of the principal of and interest, when
457 due, whether at maturity or by mandatory sinking fund installments,
458 on bonds of the authority secured by such special capital reserve fund
459 as such payments become due, or (2) the purchase of such bonds of the
460 authority and the payment of any redemption premium required to be
461 paid when such bonds are redeemed prior to maturity, including in
462 any such case by way of reimbursement of a provider of bond
463 insurance or of a credit or liquidity facility that has paid such
464 redemption premiums. Notwithstanding the provisions of
465 subdivisions (1) and (2) of this subsection, the authority shall have
466 power to provide that moneys in any such special capital reserve fund
467 shall not be withdrawn therefrom at any time in such amount as
468 would reduce the amount of such moneys to less than the maximum
469 amount of principal and interest becoming due by reasons of maturity
470 or a required sinking fund installment in the then current or any
471 succeeding calendar year on the bonds of the authority then
472 outstanding, or less than the required minimum capital reserve, except
473 for the purpose of paying such principal of, redemption premium and
474 interest on such bonds of the authority secured by such special capital
475 reserve becoming due and for the payment of which other moneys of
476 the authority are not available. The authority may provide that it shall
477 not issue bonds secured by a special capital reserve fund at any time if
478 the required minimum capital reserve on the bonds outstanding and

479 the bonds then to be issued and secured by the same special capital
480 reserve fund at the time of issuance exceeds the moneys in the special
481 capital reserve fund, unless the authority, at the time of the issuance of
482 such bonds, deposits in such special capital reserve fund from the
483 proceeds of the bonds so to be issued, or from other sources, an
484 amount which, together with the amount then in such special capital
485 reserve fund, will be not less than the required minimum capital
486 reserve.

487 (d) On or before December first, annually, there is deemed to be
488 appropriated from the General Fund such sums, if any, as shall be
489 certified by the chairperson or vice-chairperson of the authority to the
490 Secretary of the Office of Policy and Management and the State
491 Treasurer, as necessary to restore each such special capital reserve
492 fund to the amount equal to the required minimum capital reserve of
493 such fund, and such amounts shall be allotted and paid to the
494 authority. For the purpose of evaluation of any such special capital
495 reserve fund, obligations acquired as an investment for any such
496 special capital reserve fund shall be valued at market. Nothing
497 contained in this section shall preclude the authority from establishing
498 and creating other debt service reserve funds in connection with the
499 issuance of bonds or notes of the authority which are not special
500 capital reserve funds. Subject to any agreement or agreements with
501 holders of outstanding notes and bonds of the authority, any amount
502 or amounts allotted and paid to the authority pursuant to this
503 subsection shall be repaid to the state from moneys of the authority at
504 such time as such moneys are not required for any other of the
505 authority's corporate purposes, and in any event shall be repaid to the
506 state on the date one year after all bonds and notes of the authority
507 theretofore issued on the date or dates such amount or amounts are
508 allotted and paid to the authority or thereafter issued, together with
509 interest on such bonds and notes, with interest on any unpaid
510 installments of interest and all costs and expenses in connection with
511 any action or proceeding by or on behalf of the holders thereof, are
512 fully met and discharged.

513 (e) No bonds secured by a special capital reserve fund shall be
514 issued to pay project costs unless the authority is of the opinion and
515 determines that the revenues from the project shall be sufficient to (1)
516 pay the principal of and interest on the bonds issued to finance the
517 project, (2) establish, increase and maintain any reserves deemed by
518 the authority to be advisable to secure the payment of the principal of
519 and interest on such bonds, (3) pay the cost of maintaining the project
520 in good repair and keeping it properly insured, and (4) pay such other
521 costs of the project as may be required.

522 (f) Notwithstanding the provisions of this section, no bonds secured
523 by a special capital reserve fund shall be issued by the authority until
524 and unless such issuance has been approved by the Secretary of the
525 Office of Policy and Management or his or her deputy. Any such
526 approval by the secretary pursuant to this subsection shall be in
527 addition to (1) the otherwise required opinion of sufficiency by the
528 authority set forth in subsection (e) of this section, and (2) the approval
529 of the State Treasurer and the documentation by the authority
530 otherwise required under subsection (a) of section 1-124 of the general
531 statutes, as amended by this act. Such approval may provide for the
532 waiver or modification of such other requirements of this section as the
533 secretary determines to be necessary or appropriate in order to
534 effectuate such issuance, subject to all applicable tax covenants of the
535 authority and the state.

536 (g) Notwithstanding any other provision contained in this section,
537 the aggregate amount of bonds secured by such special capital reserve
538 fund authorized to be created and established by this section shall not
539 exceed one hundred million dollars.

540 Sec. 4. Subdivision (2) of subsection (a) of section 32-141 of the
541 general statutes is repealed and the following is substituted in lieu
542 thereof (*Effective July 1, 2012*):

543 (2) The total amount of private activity bonds which may be issued
544 by state issuers in the calendar year commencing January 1, 2007, and

545 each calendar year thereafter, under the state ceiling in effect for each
546 such year, shall be allocated as follows: (A) Sixty per cent to the
547 Connecticut Housing Finance Authority; (B) twelve and one-half per
548 cent to the Connecticut Development Authority; and (C) twenty-seven
549 and one-half per cent to municipalities and political subdivisions,
550 departments, agencies, authorities and other bodies of municipalities,
551 [and] the Connecticut Higher Education Supplemental Loan Authority
552 and the Connecticut Clean Energy Authority, then to the Connecticut
553 Student Loan Foundation and then for contingencies. At least ten per
554 cent of bonds allocated under subparagraph (A) of this subdivision
555 shall be used for multifamily residential housing in the calendar year
556 commencing January 1, 2008. In each calendar year commencing
557 January 1, 2009, fifteen per cent of such bonds shall be used for
558 multifamily residential housing.

559 Sec. 5. Section 16-245n of the 2012 supplement to the general statutes
560 is repealed and the following is substituted in lieu thereof (*Effective July*
561 *1, 2012*):

562 (a) For purposes of this section, "clean energy" means solar
563 photovoltaic energy, solar thermal, geothermal energy, wind, ocean
564 thermal energy, wave or tidal energy, fuel cells, landfill gas,
565 hydropower that meets the low-impact standards of the Low-Impact
566 Hydropower Institute, hydrogen production and hydrogen conversion
567 technologies, low emission advanced biomass conversion technologies,
568 alternative fuels, used for electricity generation including ethanol,
569 biodiesel or other fuel produced in Connecticut and derived from
570 agricultural produce, food waste or waste vegetable oil, provided the
571 Commissioner of Energy and Environmental Protection determines
572 that such fuels provide net reductions in greenhouse gas emissions
573 and fossil fuel consumption, usable electricity from combined heat and
574 power systems with waste heat recovery systems, thermal storage
575 systems, other energy resources and emerging technologies which
576 have significant potential for commercialization and which do not
577 involve the combustion of coal, petroleum or petroleum products,

578 municipal solid waste or nuclear fission, financing of energy efficiency
579 projects, and projects that seek to deploy electric, electric hybrid,
580 natural gas or alternative fuel vehicles and associated infrastructure
581 and any related storage, distribution, manufacturing technologies or
582 facilities.

583 (b) On and after July 1, 2004, the Public Utilities Regulatory
584 Authority shall assess or cause to be assessed a charge of not less than
585 one mill per kilowatt hour charged to each end use customer of electric
586 services in this state which shall be deposited into the Clean Energy
587 Fund established under subsection (c) of this section. Notwithstanding
588 the provisions of this section, receipts from such charges shall be
589 disbursed to the resources of the General Fund during the period from
590 July 1, 2003, to June 30, 2005, unless the authority shall, on or before
591 October 30, 2003, issue a financing order for each affected distribution
592 company in accordance with sections 16-245e to 16-245k, inclusive, to
593 sustain funding of renewable energy investment programs by
594 substituting an equivalent amount, as determined by the authority in
595 such financing order, of proceeds of rate reduction bonds for
596 disbursement to the resources of the General Fund during the period
597 from July 1, 2003, to June 30, 2005. The authority may authorize in such
598 financing order the issuance of rate reduction bonds that substitute for
599 disbursement to the General Fund for receipts of both charges under
600 this subsection and subsection (a) of section 16-245m and also may in
601 its discretion authorize the issuance of rate reduction bonds under this
602 subsection and subsection (a) of section 16-245m that relate to more
603 than one electric distribution company. The authority shall, in such
604 financing order or other appropriate order, offset any increase in the
605 competitive transition assessment necessary to pay principal,
606 premium, if any, interest and expenses of the issuance of such rate
607 reduction bonds by making an equivalent reduction to the charges
608 imposed under this subsection, provided any failure to offset all or any
609 portion of such increase in the competitive transition assessment shall
610 not affect the need to implement the full amount of such increase as
611 required by this subsection and sections 16-245e to 16-245k, inclusive.

612 Such financing order shall also provide if the rate reduction bonds are
613 not issued, any unrecovered funds expended and committed by the
614 electric distribution companies for renewable resource investment
615 through deposits into the Clean Energy Fund, provided such
616 expenditures were approved by the authority following August 20,
617 2003, and prior to the date of determination that the rate reduction
618 bonds cannot be issued, shall be recovered by the companies from
619 their respective competitive transition assessment or systems benefits
620 charge, except that such expenditures shall not exceed one million
621 dollars per month. All receipts from the remaining charges imposed
622 under this subsection, after reduction of such charges to offset the
623 increase in the competitive transition assessment as provided in this
624 subsection, shall be disbursed to the Clean Energy Fund commencing
625 as of July 1, 2003. Any increase in the competitive transition
626 assessment or decrease in the renewable energy investment
627 component of an electric distribution company's rates resulting from
628 the issuance of or obligations under rate reduction bonds shall be
629 included as rate adjustments on customer bills.

630 (c) There is hereby created a Clean Energy Fund which shall be
631 within the Connecticut Clean Energy [Finance and Investment]
632 Authority. The fund may receive any amount required by law to be
633 deposited into the fund and may receive any federal funds as may
634 become available to the state for clean energy investments. Upon
635 authorization of the Connecticut Clean Energy [Finance and
636 Investment] Authority established pursuant to subsection (d) of this
637 section, any amount in said fund may be used for expenditures that
638 promote investment in clean energy in accordance with a
639 comprehensive plan developed by it to foster the growth, development
640 and commercialization of clean energy sources, related enterprises and
641 stimulate demand for clean energy and deployment of clean energy
642 sources that serve end use customers in this state and for the further
643 purpose of supporting operational demonstration projects for
644 advanced technologies that reduce energy use from traditional
645 sources. Such expenditures may include, but not be limited to,

646 providing low-cost financing and credit enhancement mechanisms for
647 clean energy projects and technologies, reimbursement of the
648 operating expenses, including administrative expenses incurred by the
649 authority and the corporation, and capital costs incurred by the
650 authority in connection with the operation of the fund, the
651 implementation of the plan developed pursuant to subsection (d) of
652 this section or the other permitted activities of the authority,
653 disbursements from the fund to develop and carry out the plan
654 developed pursuant to subsection (d) of this section, grants, direct or
655 equity investments, contracts or other actions which support research,
656 development, manufacture, commercialization, deployment and
657 installation of clean energy technologies, and actions which expand the
658 expertise of individuals, businesses and lending institutions with
659 regard to clean energy technologies.

660 (d) (1) (A) There is established the Connecticut Clean Energy
661 [Finance and Investment] Authority, which [shall be deemed a quasi-
662 public agency for purposes of chapters 5, 10 and 12 and within
663 Connecticut Innovations, Incorporated, for administrative purposes
664 only] is hereby established and created as a body politic and corporate,
665 constituting a public instrumentality and political subdivision of the
666 state of Connecticut established and created for the performance of an
667 essential public and governmental function. The authority shall not be
668 construed to be a department, institution or agency of the state and
669 shall be within Connecticut Innovations, Incorporated, for
670 administration purposes only.

671 (B) The authority shall [(A)] (i) develop separate programs to
672 finance and otherwise support clean energy investment in residential,
673 municipal, small business and larger commercial projects and such
674 others as the authority may determine; [(B)] (ii) support financing or
675 other expenditures that promote investment in clean energy sources in
676 accordance with a comprehensive plan developed by it to foster the
677 growth, development and commercialization of clean energy sources
678 and related enterprises; and [(C)] (iii) stimulate demand for clean

679 energy and the deployment of clean energy sources within the state
680 that serve end-use customers in the state.

681 (C) Said authority shall constitute a successor agency to the
682 [corporation] Clean Energy Finance and Investment Authority and to
683 Connecticut Innovations, Incorporated for the purposes of
684 administrating the Clean Energy Fund in accordance with section 4-
685 38d. Said authority shall have all the privileges, immunities, tax
686 exemptions and other exemptions of [the] said corporation. Said
687 authority shall be subject to suit and liability solely from the assets,
688 revenues and resources of the authority and without recourse to the
689 general funds, revenues, resources or other assets of [the] said
690 corporation. Said authority may provide financial assistance in the
691 form of grants, loans, loan guarantees or debt and equity investments,
692 as approved in accordance with written procedures adopted pursuant
693 to section 1-121. Said authority may assume or take title to any real
694 property, convey or dispose of its assets and pledge its revenues to
695 secure any borrowing, convey or dispose of its assets and pledge its
696 revenues to secure any borrowing, for the purpose of developing,
697 acquiring, constructing, refinancing, rehabilitating or improving its
698 assets or supporting its programs, provided each such borrowing or
699 mortgage, unless otherwise provided by the [board or the] authority,
700 shall be a special obligation of the authority, which obligation may be
701 in the form of bonds, bond anticipation notes or other obligations
702 which evidence an indebtedness to the extent permitted under this
703 chapter to fund, refinance and refund the same and provide for the
704 rights of holders thereof, and to secure the same by pledge of revenues,
705 notes and mortgages of others, and which shall be payable solely from
706 the assets, revenues and other resources of the authority and [in no
707 event shall] such bonds may be secured by a special capital reserve
708 fund [of any kind which is in any way] contributed to by the state. The
709 authority shall have the purposes as provided by resolution of the
710 authority's board of directors, which purposes shall be consistent with
711 this section. No further action is required for the establishment of the
712 authority, except the adoption of a resolution for the authority.

713 (2) (A) The authority may seek to qualify as a Community
714 Development Financial Institution under Section 4702 of the United
715 States Code. If approved as a Community Development Financial
716 Institution, the authority would be treated as a qualified community
717 development entity for purposes of Section 45D and Section 1400N(m)
718 of the Internal Revenue Code.

719 (B) Before making any loan, loan guarantee, or such other form of
720 financing support or risk management for a clean energy project, the
721 authority shall develop standards to govern the administration of the
722 authority through rules, policies and procedures that specify borrower
723 eligibility, terms and conditions of support, and other relevant criteria,
724 standards or procedures.

725 (C) Funding sources specifically authorized include, but are not
726 limited to:

727 (i) Funds repurposed from existing programs providing financing
728 support for clean energy projects, provided any transfer of funds from
729 such existing programs shall be subject to approval by the General
730 Assembly and shall be used for expenses of financing, grants and
731 loans;

732 (ii) Any federal funds that can be used for the purposes specified in
733 subsection (c) of this section;

734 (iii) Charitable gifts, grants, contributions as well as loans from
735 individuals, corporations, university endowments and philanthropic
736 foundations;

737 (iv) Earnings and interest derived from financing support activities
738 for clean energy projects backed by the authority;

739 (v) If and to the extent that the authority qualifies as a Community
740 Development Financial Institution under Section 4702 of the United
741 States Code, funding from the Community Development Financial
742 Institution Fund administered by the United States Department of

743 Treasury, as well as loans from and investments by depository
744 institutions seeking to comply with their obligations under the United
745 States Community Reinvestment Act of 1977; and

746 (vi) The authority may enter into contracts with private sources to
747 raise capital. The average rate of return on such debt [or equity] shall
748 be set by the authority's board of directors.

749 (D) The authority may provide financing support under this
750 subsection if the authority determines that the amount to be financed
751 by the authority and other nonequity financing sources do not exceed
752 eighty per cent of the cost to develop and deploy a clean energy project
753 or up to one hundred per cent of the cost of financing an energy
754 efficiency project.

755 (E) The authority may assess reasonable fees on its financing
756 activities to cover its reasonable costs and expenses, as determined by
757 the board.

758 (F) The authority shall make information regarding the rates, terms
759 and conditions for all of its financing support transactions available to
760 the public for inspection, including formal annual reviews by both a
761 private auditor conducted pursuant to subdivision (2) of subsection (f)
762 of this section and the Comptroller, and providing details to the public
763 on the Internet, provided public disclosure shall be restricted for
764 patentable ideas, trade secrets, proprietary or confidential commercial
765 or financial information, disclosure of which may cause commercial
766 harm to a nongovernmental recipient of such financing support and
767 for other information exempt from public records disclosure pursuant
768 to section 1-210.

769 (3) No director, officer, employee or agent of the authority, while
770 acting within the scope of his or her authority, shall be subject to any
771 personal liability resulting from exercising or carrying out any of the
772 authority's purposes or powers.

773 (e) The powers of the Connecticut Clean Energy [Finance and
774 Investment] Authority shall be vested in and exercised by a board of
775 directors, which shall consist of eleven voting and two nonvoting
776 members each with knowledge and expertise in matters related to the
777 purpose and activities of the authority appointed as follows: The
778 Treasurer or the Treasurer's designee, the Commissioner of Energy
779 and Environmental Protection or the commissioner's designee and the
780 Commissioner of Economic and Community Development or the
781 commissioner's designee, each serving ex officio, one member who
782 shall represent a residential or low-income group appointed by the
783 speaker of the House of Representatives for a term of four years, one
784 member who shall have experience in investment fund management
785 appointed by the minority leader of the House of Representatives for a
786 term of three years, one member who shall represent an environmental
787 organization appointed by the president pro tempore of the Senate for
788 a term of four years, and one member who shall have experience in the
789 finance or deployment of renewable energy appointed by the minority
790 leader of the Senate for a term of four years. Thereafter, such members
791 of the General Assembly shall appoint members of the board to
792 succeed such appointees whose terms expire and each member so
793 appointed shall hold office for a period of four years from the first day
794 of July in the year of his or her appointment. The Governor shall
795 appoint four members to the board as follows: Two for two years who
796 shall have experience in the finance of renewable energy; one for four
797 years who shall be a representative of a labor organization; and one
798 who shall have experience in research and development or
799 manufacturing of clean energy. Thereafter, the Governor shall appoint
800 members of the board to succeed such appointees whose terms expire
801 and each member so appointed shall hold office for a period of four
802 years from the first day of July in the year of his or her appointment.
803 The president of the authority and a member of the board of
804 Connecticut Innovations, Incorporated, appointed by the chairperson
805 of the corporation shall serve on the board in an ex-officio, nonvoting
806 capacity. The Governor shall appoint the chairperson of the board. The

807 board shall elect from its members a vice chairperson and such other
808 officers as it deems necessary and shall adopt such bylaws and
809 procedures it deems necessary to carry out its functions. The board
810 may establish committees and subcommittees as necessary to conduct
811 its business.

812 (f) (1) The board shall issue annually a report to the Department of
813 Energy and Environmental Protection reviewing the activities of the
814 Connecticut Clean Energy [Finance and Investment] Authority in
815 detail and shall provide a copy of such report, in accordance with the
816 provisions of section 11-4a, to the joint standing committees of the
817 General Assembly having cognizance of matters relating to energy and
818 commerce. The report shall include a description of the programs and
819 activities undertaken during the reporting period jointly or in
820 collaboration with the Energy Conservation and Load Management
821 Funds established pursuant to section 16-245m, as amended by this
822 act.

823 (2) The Clean Energy Fund shall be audited annually. Such audits
824 shall be conducted with generally accepted auditing standards by
825 independent certified public accountants certified by the State Board of
826 Accountancy. Such accountants may be the accountants for the
827 corporation.

828 (3) Any entity that receives financing for a clean energy project from
829 the fund shall provide the board an annual statement, certified as
830 correct by the chief financial officer of the recipient of such financing,
831 setting forth all sources and uses of funds in such detail as may be
832 required by the authority of such project. The authority shall maintain
833 any such audits for not less than five years. Residential projects for
834 buildings with one to four dwelling units are exempt from this and
835 any other annual auditing requirements, except that residential
836 projects may be required to grant their utility companies' permission to
837 release their usage data to the authority.

838 (g) There shall be a joint committee of the Energy Conservation

839 Management Board and the Connecticut Clean Energy [Finance and
840 Investment] Authority board of directors, as provided in subdivision
841 (2) of subsection (d) of section 16-245m, as amended by this act.

842 Sec. 6. Subsection (l) of section 1-79 of the general statutes is
843 repealed and the following is substituted in lieu thereof (*Effective from*
844 *passage*):

845 (l) "Quasi-public agency" means the Connecticut Development
846 Authority, Connecticut Innovations, Incorporated, Connecticut Health
847 and Education Facilities Authority, Connecticut Higher Education
848 Supplemental Loan Authority, Connecticut Housing Finance
849 Authority, Connecticut Housing Authority, Connecticut Resources
850 Recovery Authority, Lower Fairfield County Convention Center
851 Authority, Capital City Economic Development Authority,
852 Connecticut Lottery Corporation, Connecticut Airport Authority,
853 Health Information Technology Exchange of Connecticut, [and]
854 Connecticut Health Insurance Exchange and Connecticut Clean Energy
855 Authority.

856 Sec. 7. Subdivision (1) of section 1-120 of the general statutes is
857 repealed and the following is substituted in lieu thereof (*Effective from*
858 *passage*):

859 (1) "Quasi-public agency" means the Connecticut Development
860 Authority, Connecticut Innovations, Incorporated, Connecticut Health
861 and Educational Facilities Authority, Connecticut Higher Education
862 Supplemental Loan Authority, Connecticut Housing Finance
863 Authority, Connecticut Housing Authority, Connecticut Resources
864 Recovery Authority, Capital City Economic Development Authority,
865 Connecticut Lottery Corporation, Connecticut Airport Authority,
866 Health Information Technology Exchange of Connecticut, [and]
867 Connecticut Health Insurance Exchange and Connecticut Clean Energy
868 Authority.

869 Sec. 8. Section 1-124 of the general statutes is repealed and the

870 following is substituted in lieu thereof (*Effective from passage*):

871 (a) The Connecticut Development Authority, the Connecticut
872 Health and Educational Facilities Authority, the Connecticut Higher
873 Education Supplemental Loan Authority, the Connecticut Housing
874 Finance Authority, the Connecticut Housing Authority, the
875 Connecticut Resources Recovery Authority, the Health Information
876 Technology Exchange of Connecticut, the Connecticut Airport
877 Authority, the Capital City Economic Development Authority, [and]
878 the Connecticut Health Insurance Exchange and the Connecticut Clean
879 Energy Authority shall not borrow any money or issue any bonds or
880 notes which are guaranteed by the state of Connecticut or for which
881 there is a capital reserve fund of any kind which is in any way
882 contributed to or guaranteed by the state of Connecticut until and
883 unless such borrowing or issuance is approved by the State Treasurer
884 or the Deputy State Treasurer appointed pursuant to section 3-12. The
885 approval of the State Treasurer or said deputy shall be based on
886 documentation provided by the authority that it has sufficient
887 revenues to (1) pay the principal of and interest on the bonds and notes
888 issued, (2) establish, increase and maintain any reserves deemed by the
889 authority to be advisable to secure the payment of the principal of and
890 interest on such bonds and notes, (3) pay the cost of maintaining,
891 servicing and properly insuring the purpose for which the proceeds of
892 the bonds and notes have been issued, if applicable, and (4) pay such
893 other costs as may be required.

894 (b) To the extent the Connecticut Development Authority,
895 Connecticut Innovations, Incorporated, Connecticut Higher Education
896 Supplemental Loan Authority, Connecticut Housing Finance
897 Authority, Connecticut Housing Authority, Connecticut Resources
898 Recovery Authority, Connecticut Health and Educational Facilities
899 Authority, the Health Information Technology Exchange of
900 Connecticut, the Connecticut Airport Authority, the Capital City
901 Economic Development Authority, [or] the Connecticut Health
902 Insurance Exchange or the Connecticut Clean Energy Authority is

903 permitted by statute and determines to exercise any power to
904 moderate interest rate fluctuations or enter into any investment or
905 program of investment or contract respecting interest rates, currency,
906 cash flow or other similar agreement, including, but not limited to,
907 interest rate or currency swap agreements, the effect of which is to
908 subject a capital reserve fund which is in any way contributed to or
909 guaranteed by the state of Connecticut, to potential liability, such
910 determination shall not be effective until and unless the State
911 Treasurer or his or her deputy appointed pursuant to section 3-12 has
912 approved such agreement or agreements. The approval of the State
913 Treasurer or his or her deputy shall be based on documentation
914 provided by the authority that it has sufficient revenues to meet the
915 financial obligations associated with the agreement or agreements.

916 Sec. 9. Section 1-125 of the general statutes is repealed and the
917 following is substituted in lieu thereof (*Effective from passage*):

918 The directors, officers and employees of the Connecticut
919 Development Authority, Connecticut Innovations, Incorporated,
920 Connecticut Higher Education Supplemental Loan Authority,
921 Connecticut Housing Finance Authority, Connecticut Housing
922 Authority, Connecticut Resources Recovery Authority, including ad
923 hoc members of the Connecticut Resources Recovery Authority,
924 Connecticut Health and Educational Facilities Authority, Capital City
925 Economic Development Authority, the Health Information Technology
926 Exchange of Connecticut, Connecticut Airport Authority, Connecticut
927 Lottery Corporation, [and] Connecticut Health Insurance Exchange
928 and the Connecticut Clean Energy Authority and any person executing
929 the bonds or notes of the agency shall not be liable personally on such
930 bonds or notes or be subject to any personal liability or accountability
931 by reason of the issuance thereof, nor shall any director or employee of
932 the agency, including ad hoc members of the Connecticut Resources
933 Recovery Authority, be personally liable for damage or injury, not
934 wanton, reckless, wilful or malicious, caused in the performance of his
935 or her duties and within the scope of his or her employment or

936 appointment as such director, officer or employee, including ad hoc
937 members of the Connecticut Resources Recovery Authority. The
938 agency shall protect, save harmless and indemnify its directors,
939 officers or employees, including ad hoc members of the Connecticut
940 Resources Recovery Authority, from financial loss and expense,
941 including legal fees and costs, if any, arising out of any claim, demand,
942 suit or judgment by reason of alleged negligence or alleged
943 deprivation of any person's civil rights or any other act or omission
944 resulting in damage or injury, if the director, officer or employee,
945 including ad hoc members of the Connecticut Resources Recovery
946 Authority, is found to have been acting in the discharge of his or her
947 duties or within the scope of his or her employment and such act or
948 omission is found not to have been wanton, reckless, wilful or
949 malicious.

950 Sec. 10. Section 7-233z of the 2012 supplement to the general statutes
951 is repealed and the following is substituted in lieu thereof (*Effective*
952 *from passage*):

953 (a) A municipal electric energy cooperative, created pursuant to this
954 chapter, shall submit a comprehensive report on the activities of the
955 municipal electric utilities with regard to promotion of renewable
956 energy resources. Such report shall identify the standards and
957 activities of municipal electric utilities in the promotion,
958 encouragement and expansion of the deployment and use of
959 renewable energy sources within the service areas of the municipal
960 electric utilities for the prior calendar year. The cooperative shall
961 submit the report to the Connecticut Clean Energy [Finance and
962 Investment] Authority not later than ninety days after the end of each
963 calendar year that describes the activities undertaken pursuant to this
964 subsection during the previous calendar year for the promotion and
965 development of renewable energy sources for all electric customer
966 classes.

967 (b) Such cooperative shall develop standards for the promotion of

968 renewable resources that apply to each municipal electric utility. On or
969 before January 1, 2008, and annually thereafter, such cooperative shall
970 submit such standards to the Connecticut Clean Energy [Finance and
971 Investment] Authority.

972 Sec. 11. Subdivision (2) of subsection (j) of section 16-244c of the
973 2012 supplement to the general statutes is repealed and the following
974 is substituted in lieu thereof (*Effective from passage*):

975 (2) Notwithstanding the provisions of subsection (d) of this section
976 regarding an alternative transitional standard offer option or an
977 alternative standard service option, an electric distribution company
978 providing transitional standard offer service, standard service,
979 supplier of last resort service or back-up electric generation service in
980 accordance with this section shall, not later than July 1, 2008, file with
981 the Public Utilities Regulatory Authority for its approval one or more
982 long-term power purchase contracts from Class I renewable energy
983 source projects with a preference for projects located in Connecticut
984 that receive funding from the Clean Energy Fund and that are not less
985 than one megawatt in size, at a price that is either, at the determination
986 of the project owner, (A) not more than the total of the comparable
987 wholesale market price for generation plus five and one-half cents per
988 kilowatt hour, or (B) fifty per cent of the wholesale market electricity
989 cost at the point at which transmission lines intersect with each other
990 or interface with the distribution system, plus the project cost of fuel
991 indexed to natural gas futures contracts on the New York Mercantile
992 Exchange at the natural gas pipeline interchange located in Vermillion
993 Parish, Louisiana that serves as the delivery point for such futures
994 contracts, plus the fuel delivery charge for transporting fuel to the
995 project, plus five and one-half cents per kilowatt hour. In its approval
996 of such contracts, the authority shall give preference to purchase
997 contracts from those projects that would provide a financial benefit to
998 ratepayers and would enhance the reliability of the electric
999 transmission system of the state. Such projects shall be located in this
1000 state. The owner of a fuel cell project principally manufactured in this

1001 state shall be allocated all available air emissions credits and tax credits
1002 attributable to the project and no less than fifty per cent of the energy
1003 credits in the Class I renewable energy credits program established in
1004 section 16-245a attributable to the project. On and after October 1, 2007,
1005 and until September 30, 2008, such contracts shall be comprised of not
1006 less than a total, apportioned among each electric distribution
1007 company, of one hundred twenty-five megawatts; and on and after
1008 October 1, 2008, such contracts shall be comprised of not less than a
1009 total, apportioned among each electrical distribution company, of one
1010 hundred fifty megawatts. The Public Utilities Regulatory Authority
1011 shall not issue any order that results in the extension of any in-service
1012 date or contractual arrangement made as a part of Project 100 or
1013 Project 150 beyond the termination date previously approved by the
1014 authority established by the contract, provided any party to such
1015 contract may provide a notice of termination in accordance with the
1016 terms of, and to the extent permitted under, its contract. The cost of
1017 such contracts and the administrative costs for the procurement of
1018 such contracts directly incurred shall be eligible for inclusion in the
1019 adjustment to the transitional standard offer as provided in this section
1020 and any subsequent rates for standard service, provided such contracts
1021 are for a period of time sufficient to provide financing for such
1022 projects, but not less than ten years, and are for projects which began
1023 operation on or after July 1, 2003. Except as provided in this
1024 subdivision, the amount from Class I renewable energy sources
1025 contracted under such contracts shall be applied to reduce the
1026 applicable Class I renewable energy source portfolio standards. For
1027 purposes of this subdivision, the department's determination of the
1028 comparable wholesale market price for generation shall be based upon
1029 a reasonable estimate. On or before September 1, 2011, the authority, in
1030 consultation with the Office of Consumer Counsel and the Connecticut
1031 Clean Energy [Finance and Investment] Authority, shall study the
1032 operation of such renewable energy contracts and report its findings
1033 and recommendations to the joint standing committee of the General
1034 Assembly having cognizance of matters relating to energy.

1035 Sec. 12. Subdivisions (2) and (3) of subsection (d) of section 16-245m
1036 of the 2012 supplement to the general statutes are repealed and the
1037 following is substituted in lieu thereof (*Effective from passage*):

1038 (2) There shall be a joint committee of the Energy Conservation
1039 Management Board and the board of directors of the Connecticut
1040 Clean Energy [Finance and Investment] Authority. The board and the
1041 advisory committee shall each appoint members to such joint
1042 committee. The joint committee shall examine opportunities to
1043 coordinate the programs and activities funded by the Clean Energy
1044 Fund pursuant to section 16-245n, as amended by this act, with the
1045 programs and activities contained in the plan developed under this
1046 subsection to reduce the long-term cost, environmental impacts and
1047 security risks of energy in the state. Such joint committee shall hold its
1048 first meeting on or before August 1, 2005.

1049 (3) Programs included in the plan developed under subdivision (1)
1050 of this subsection shall be screened through cost-effectiveness testing
1051 that compares the value and payback period of program benefits to
1052 program costs to ensure that programs are designed to obtain energy
1053 savings and system benefits, including mitigation of federally
1054 mandated congestion charges, whose value is greater than the costs of
1055 the programs. Program cost-effectiveness shall be reviewed annually,
1056 or otherwise as is practicable, and shall incorporate the results of the
1057 evaluation process set forth in subdivision (4) of this subsection. If a
1058 program is determined to fail the cost-effectiveness test as part of the
1059 review process, it shall either be modified to meet the test or shall be
1060 terminated. On or before March 1, 2005, and on or before March first
1061 annually thereafter, the board shall provide a report, in accordance
1062 with the provisions of section 11-4a, to the joint standing committees of
1063 the General Assembly having cognizance of matters relating to energy
1064 and the environment that documents (A) expenditures and fund
1065 balances and evaluates the cost-effectiveness of such programs
1066 conducted in the preceding year, and (B) the extent to and manner in
1067 which the programs of such board collaborated and cooperated with

1068 programs, established under section 7-233y, of municipal electric
1069 energy cooperatives. To maximize the reduction of federally mandated
1070 congestion charges, programs in the plan may allow for
1071 disproportionate allocations between the amount of contributions to
1072 the Energy Conservation and Load Management Funds by a certain
1073 rate class and the programs that benefit such a rate class. Before
1074 conducting such evaluation, the board shall consult with the board of
1075 directors of the Connecticut Clean Energy [Finance and Investment]
1076 Authority. The report shall include a description of the activities
1077 undertaken during the reporting period jointly or in collaboration with
1078 the Clean Energy Fund established pursuant to subsection (c) of
1079 section 16-245n, as amended by this act.

1080 Sec. 13. Subsection (f) of section 16-245m of the 2012 supplement to
1081 the general statutes is repealed and the following is substituted in lieu
1082 thereof (*Effective from passage*):

1083 (f) No later than December 31, 2006, and no later than December
1084 thirty-first every five years thereafter, the Energy Conservation
1085 Management Board shall, after consulting with the Connecticut Clean
1086 Energy [Finance and Investment] Authority, conduct an evaluation of
1087 the performance of the programs and activities of the fund and submit
1088 a report, in accordance with the provisions of section 11-4a, of the
1089 evaluation to the joint standing committee of the General Assembly
1090 having cognizance of matters relating to energy.

1091 Sec. 14. Section 16-245ee of the 2012 supplement to the general
1092 statutes is repealed and the following is substituted in lieu thereof
1093 (*Effective from passage*):

1094 Before approving any plan for energy conservation and load
1095 management and renewable energy projects issued to it by the Energy
1096 Conservation and Management Board, the board of directors of the
1097 Connecticut Clean Energy [Finance and Investment] Authority or an
1098 electric distribution company, the Department of Energy and
1099 Environmental Protection shall determine that an equitable amount of

1100 the funds administered by each such board are to be deployed among
1101 small and large customers with a maximum average monthly peak
1102 demand of one hundred kilowatts in census tracts in which the median
1103 income is not more than sixty per cent of the state median income. The
1104 department shall determine such equitable share and such projects
1105 may include a mentoring component for such communities. On and
1106 after January 1, 2012, and annually thereafter, the department shall
1107 report, in accordance with the provisions of section 11-4a, to the joint
1108 standing committee of the General Assembly having cognizance of
1109 matters relating to energy regarding the distribution of funds to such
1110 communities.

1111 Sec. 15. Section 16-245ff of the 2012 supplement to the general
1112 statutes is repealed and the following is substituted in lieu thereof
1113 (*Effective from passage*):

1114 (a) The Connecticut Clean Energy [Finance and Investment]
1115 Authority established pursuant to section 16-245n, as amended by this
1116 act, shall structure and implement a residential solar investment
1117 program established pursuant to this section, which shall result in a
1118 minimum of thirty megawatts of new residential solar photovoltaic
1119 installations located in this state on or before December 31, 2022, the
1120 annual procurement of which shall be determined by the authority and
1121 the cost of which shall not exceed one-third of the total surcharge
1122 collected annually pursuant to said section 16-245n.

1123 (b) The Connecticut Clean Energy [Finance and Investment]
1124 Authority shall offer direct financial incentives, in the form of
1125 performance-based incentives or expected performance-based
1126 buydowns, for the purchase or lease of qualifying residential solar
1127 photovoltaic systems. For the purposes of this section, "performance-
1128 based incentives" means incentives paid out on a per kilowatt-hour
1129 basis, and "expected performance-based buydowns" means incentives
1130 paid out as a one-time upfront incentive based on expected system
1131 performance. The authority shall consider willingness to pay studies

1132 and verified solar photovoltaic system characteristics, such as
1133 operational efficiency, size, location, shading and orientation, when
1134 determining the type and amount of incentive. Notwithstanding the
1135 provisions of subdivision (1) of subsection (j) of section 16-244c, the
1136 amount of renewable energy produced from Class I renewable energy
1137 sources receiving tariff payments or included in utility rates under this
1138 section shall be applied to reduce the electric distribution company's
1139 Class I renewable energy source portfolio standard. Customers who
1140 receive expected performance-based buydowns under this section
1141 shall not be eligible for a credit pursuant to section 16-243b.

1142 (c) Beginning with the comprehensive plan covering the period
1143 from July 1, 2011, to June 30, 2013, the Connecticut Clean Energy
1144 [Finance and Investment] Authority shall develop and publish in each
1145 such plan a proposed schedule for the offering of performance-based
1146 incentives or expected performance-based buydowns over the
1147 duration of any such solar incentive program. Such schedule shall: (1)
1148 Provide for a series of solar capacity blocks the combined total of
1149 which shall be a minimum of thirty megawatts and projected incentive
1150 levels for each such block; (2) provide incentives that are sufficient to
1151 meet reasonable payback expectations of the residential consumer,
1152 taking into consideration the estimated cost of residential solar
1153 installations, the value of the energy offset by the system and the
1154 availability and estimated value of other incentives, including, but not
1155 limited to, federal and state tax incentives and revenues from the sale
1156 of solar renewable energy credits; (3) provide incentives that decline
1157 over time and will foster the sustained, orderly development of a state-
1158 based solar industry; (4) automatically adjust to the next block once the
1159 board has issued reservations for financial incentives provided
1160 pursuant to this section from the board fully committing the target
1161 solar capacity and available incentives in that block; and (5) provide
1162 comparable economic incentives for the purchase or lease of qualifying
1163 residential solar photovoltaic systems. The authority may retain the
1164 services of a third-party entity with expertise in the area of solar
1165 energy program design to assist in the development of the incentive

1166 schedule or schedules. The Department of Energy and Environmental
1167 Protection shall review and approve such schedule. Nothing in this
1168 subsection shall restrict the authority from modifying the approved
1169 incentive schedule before the issuance of its next comprehensive plan
1170 to account for changes in federal or state law or regulation or
1171 developments in the solar market when such changes would affect the
1172 expected return on investment for a typical residential solar
1173 photovoltaic system by twenty per cent or more.

1174 (d) The Connecticut Clean Energy [Finance and Investment]
1175 Authority shall establish and periodically update program guidelines,
1176 including, but not limited to, requirements for systems and program
1177 participants related to: (1) Eligibility criteria; (2) standards for
1178 deployment of energy efficient equipment or building practices as a
1179 condition for receiving incentive funding; (3) procedures to provide
1180 reasonable assurance that such reservations are made and incentives
1181 are paid out only to qualifying residential solar photovoltaic systems
1182 demonstrating a high likelihood of being installed and operated as
1183 indicated in application materials; and (4) reasonable protocols for the
1184 measurement and verification of energy production.

1185 (e) The Connecticut Clean Energy [Finance and Investment]
1186 Authority shall maintain on its web site the schedule of incentives,
1187 solar capacity remaining in the current block and available funding
1188 and incentive estimators.

1189 (f) Funding for the residential performance-based incentive
1190 program and expected performance-based buydowns shall be
1191 apportioned from the moneys collected under the surcharge specified
1192 in section 16-245n, as amended by this act, provided such
1193 apportionment shall not exceed one-third of the total surcharge
1194 collected annually, and supplemented by federal funding as may
1195 become available.

1196 (g) The Connecticut Clean Energy [Finance and Investment]
1197 Authority shall identify barriers to the development of a permanent

1198 Connecticut-based solar workforce and shall make provision for
1199 comprehensive training, accreditation and certification programs
1200 through institutions and individuals accredited and certified to
1201 national standards.

1202 (h) On or before January 1, 2014, and every two years thereafter for
1203 the duration of the program, the Connecticut Clean Energy [Finance
1204 and Investment] Authority shall report to the joint standing committee
1205 of the General Assembly having cognizance of matters relating to
1206 energy on progress toward the goals identified in subsection (a) of this
1207 section.

1208 Sec. 16. Section 16-245hh of the 2012 supplement to the general
1209 statutes is repealed and the following is substituted in lieu thereof
1210 (*Effective from passage*):

1211 The Connecticut Clean Energy [Finance and Investment] Authority
1212 created pursuant to section 16-245n, as amended by this act, in
1213 consultation with the Department of Energy and Environmental
1214 Protection, shall establish a program to be known as the
1215 "condominium renewable energy grant program". Under such
1216 program, the board shall provide grants to residential condominium
1217 associations and residential condominium owners, within available
1218 funds, for purchasing clean energy sources, including solar energy,
1219 geothermal energy and fuel cells or other energy-efficient hydrogen-
1220 fueled energy.

1221 Sec. 17. Subsection (b) of section 16a-40d of the 2012 supplement to
1222 the general statutes is repealed and the following is substituted in lieu
1223 thereof (*Effective from passage*):

1224 (b) As of July 1, 2010, proceeds of the sale of said bonds which have
1225 been authorized as provided in subsection (a) of this section, but have
1226 not been allocated by the State Bond Commission, and the additional
1227 amount of five million dollars authorized by this section on July 1,
1228 2010, shall be deposited in the Green Connecticut Loan Guaranty Fund

1229 established pursuant to section 16a-40e, and shall be used by the
1230 Connecticut Clean Energy [Finance and Investment] Authority for
1231 purposes of the Green Connecticut Loan Guaranty Fund program
1232 established pursuant to section 16a-40f, as amended by this act,
1233 provided not more than eighteen million dollars shall be deposited in
1234 the Green Connecticut Loan Guaranty Fund. Such additional amounts
1235 may be deposited in the Green Connecticut Loan Guaranty Fund as
1236 the State Bond Commission may, from time to time, authorize.

1237 Sec. 18. Section 16a-40e of the 2012 supplement to the general
1238 statutes is repealed and the following is substituted in lieu thereof
1239 (*Effective from passage*):

1240 The Connecticut Clean Energy [Finance and Investment] Authority
1241 shall establish a "Green Connecticut Loan Guaranty Fund". Such fund
1242 shall be used for the purposes of guaranteeing loans authorized under
1243 section 16a-40f, as amended by this act, and may be used for expenses
1244 incurred by said authority in the implementation of the program under
1245 said section.

1246 Sec. 19. Subsection (a) of section 16a-40f of the 2012 supplement to
1247 the general statutes is repealed and the following is substituted in lieu
1248 thereof (*Effective from passage*):

1249 (a) For the purposes of this section:

1250 (1) "Participating qualified nonprofit organizations" means
1251 individuals, nonprofit organizations and small businesses;

1252 (2) "Small business" means a business entity employing not more
1253 than fifty full-time employees;

1254 (3) "Eligible energy conservation project" means an energy
1255 conservation project meeting the criteria identified, as provided in
1256 subsection (d) of this section;

1257 (4) "Participating lending institution" means any bank, trust

1258 company, savings bank, savings and loan association or credit union,
1259 whether chartered by the United States of America or this state, or any
1260 insurance company authorized to do business in this state that
1261 participates in the Green Connecticut Loan Guaranty Fund program;
1262 and

1263 (5) "Authority" means the Connecticut Clean Energy [Finance and
1264 Investment] Authority.

1265 Sec. 20. Subsection (d) of section 16a-40f of the 2012 supplement to
1266 the general statutes is repealed and the following is substituted in lieu
1267 thereof (*Effective from passage*):

1268 (d) In consultation with the Energy Conservation Management
1269 Board and the Connecticut Health and Educational Facilities
1270 Authority, the Connecticut Clean Energy [Finance and Investment]
1271 Authority shall identify types of projects that qualify as eligible energy
1272 conservation projects, including, but not limited to, the purchase and
1273 installation of insulation, alternative energy devices, energy
1274 conservation materials, replacement furnaces and boilers, and
1275 technologically advanced energy-conserving equipment. The
1276 authority, in consultation with said entities, shall establish priorities
1277 for financing eligible energy conservation projects based on need and
1278 quality determinants. The authority shall adopt procedures, in
1279 accordance with the provisions of section 1-121, to implement the
1280 provisions of this section.

1281 Sec. 21. Subsection (c) of section 16a-40l of the 2012 supplement to
1282 the general statutes is repealed and the following is substituted in lieu
1283 thereof (*Effective from passage*):

1284 (c) "Eligible entity" means (1) any residential, commercial,
1285 institutional or industrial customer of an electric distribution company
1286 or natural gas company, as defined in section 16-1, who employs or
1287 installs an eligible in-state energy savings technology, (2) an energy
1288 service company certified as a Connecticut electric efficiency partner

1289 by the Department of Energy and Environmental Protection, or (3) an
 1290 installer certified by the Connecticut Clean Energy [Finance and
 1291 Investment] Authority.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2012</i>	New section
Sec. 2	<i>July 1, 2012</i>	New section
Sec. 3	<i>July 1, 2012</i>	New section
Sec. 4	<i>July 1, 2012</i>	32-141(a)(2)
Sec. 5	<i>July 1, 2012</i>	16-245n
Sec. 6	<i>from passage</i>	1-79(l)
Sec. 7	<i>from passage</i>	1-120(1)
Sec. 8	<i>from passage</i>	1-124
Sec. 9	<i>from passage</i>	1-125
Sec. 10	<i>from passage</i>	7-233z
Sec. 11	<i>from passage</i>	16-244c(j)(2)
Sec. 12	<i>from passage</i>	16-245m(d)(2) and (3)
Sec. 13	<i>from passage</i>	16-245m(f)
Sec. 14	<i>from passage</i>	16-245ee
Sec. 15	<i>from passage</i>	16-245ff
Sec. 16	<i>from passage</i>	16-245hh
Sec. 17	<i>from passage</i>	16a-40d(b)
Sec. 18	<i>from passage</i>	16a-40e
Sec. 19	<i>from passage</i>	16a-40f(a)
Sec. 20	<i>from passage</i>	16a-40f(d)
Sec. 21	<i>from passage</i>	16a-40l(c)

Statement of Purpose:

To authorize the Connecticut Clean Energy Authority to issue it's own bonds and clean energy bonds, to establish special capital reserve funds, and to be subject to the same statutory provisions as other quasi-public entities.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]