



General Assembly

**Substitute Bill No. 415**

February Session, 2012

\* SB00415PD 050412 \*

**AN ACT CONCERNING THE OPERATIONS OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION, THE ESTABLISHMENT OF A COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM, WATER CONSERVATION AND THE OPERATIONS OF THE CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY.**

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

1 Section 1. Subdivision (52) of subsection (a) of section 16-1 of the  
2 2012 supplement to the general statutes is repealed and the following  
3 is substituted in lieu thereof (*Effective from passage*):

4 (52) "Commissioner of Energy and Environmental Protection"  
5 means the Commissioner of Energy and Environmental Protection  
6 appointed pursuant to title 4, or the commissioner's designee.

7 Sec. 2. Section 16-2 of the 2012 supplement to the general statutes is  
8 repealed and the following is substituted in lieu thereof (*Effective from*  
9 *passage*):

10 (a) There shall continue to be a Public Utilities Regulatory Authority  
11 within the Department of Energy and Environmental Protection,  
12 which shall consist of three electors of this state, appointed by the  
13 Governor with the advice and consent of both houses of the General  
14 Assembly. Not more than two members of said authority in office at  
15 any one time shall be members of any one political party. On or before

16 July 1, 2011, the Governor shall appoint three members to the  
17 authority. The first director appointed by the Governor on or before  
18 July 1, 2011, who is of the same political party as that of the Governor  
19 shall serve a term of five years. The second director appointed by the  
20 Governor on or before July 1, 2011, who is of the same political party  
21 as that of the Governor shall serve a term of four years. The first  
22 director appointed by the Governor on or before July 1, 2011, who is of  
23 a different political party as that of the Governor shall serve a term of  
24 three years. Any director appointed on or after January 1, 2014, shall  
25 serve a term of four years. The procedure prescribed by section 4-7  
26 shall apply to such appointments, except that the Governor shall  
27 submit each nomination on or before May first, and both houses shall  
28 confirm or reject it before adjournment sine die. The directors shall be  
29 sworn to the faithful performance of their duties. The term of any  
30 commissioner serving on June 30, 2011, shall be terminated.

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

35 (c) Any matter coming before the authority may be assigned by the  
36 chairperson to a panel of one or more directors. Except as otherwise  
37 provided by statute or regulation, the panel shall determine whether a  
38 public hearing shall be held on the matter, and may designate one or  
39 two of its members to conduct such hearing or [request the  
40 appointment of] may assign a hearing officer to ascertain the facts and  
41 report thereon to the panel. The decision of the panel, if unanimous,  
42 shall be the decision of the authority. If the decision of the panel is not  
43 unanimous, the matter shall be approved by a majority vote of the  
44 [panel] directors of the authority.

45 (d) The directors of the authority shall serve full time and shall  
46 make full public disclosure of their assets, liabilities and income at the  
47 time of their appointment, and thereafter each member of the authority  
48 shall make such disclosure on or before July thirtieth of each year of

49 such member's term, and shall file such disclosure with the office of  
50 the Secretary of the State. Each director shall receive annually a salary  
51 equal to that established for management pay plan salary group  
52 seventy-five by the Commissioner of Administrative Services, except  
53 that the chairperson shall receive annually a salary equal to that  
54 established for management pay plan salary group seventy-seven.

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

66 (f) The chairperson of the authority, with the approval of the  
67 Commissioner of Energy and Environmental Protection, shall  
68 prescribe the duties of the staff assigned to the authority in order to (1)  
69 conduct comprehensive planning with respect to the functions of the  
70 authority; (2) coordinate the activities of the authority; (3) cause the  
71 administrative organization of the authority to be examined with a  
72 view to promoting economy and efficiency; (4) organize the authority  
73 into such divisions, bureaus or other units as necessary for the efficient  
74 conduct of the business of the authority and may from time to time  
75 make recommendations to the commissioner regarding staff and  
76 resources; (5) for any proceeding on a proposed rate amendment in  
77 which staff of the authority are to be made a party pursuant to section  
78 16-19j, determine which staff shall appear and participate in the  
79 proceedings and which shall serve the members of the authority; (6)  
80 enter into such contractual agreements, in accordance with established  
81 procedures, as may be necessary for the discharge of the authority's  
82 duties; (7) subject to the provisions of section 4-32, and unless

83 otherwise provided by law, receive any money, revenue or services  
84 from the federal government, corporations, associations or individuals,  
85 including payments from the sale of printed matter or any other  
86 material or services; and (8) require the staff of the authority to have  
87 expertise in public utility engineering and accounting, finance,  
88 economics, computers and rate design.

89 (g) No director of the authority or employee of the Department of  
90 Energy and Environmental Protection assigned to work with the  
91 authority shall [ , while serving as such or during such assignment,]  
92 have any interest, financial or otherwise, direct or indirect, or engage  
93 in any business, employment, transaction or professional activity, or  
94 incur any obligation of any nature, which is in substantial conflict with  
95 the proper discharge of his or her duties or employment in the public  
96 interest and of his or her responsibilities as prescribed in the laws of  
97 this state, as defined in section 1-85, concerning any matter within the  
98 jurisdiction of the authority; provided, no such substantial conflict  
99 shall be deemed to exist solely by virtue of the fact that a director of  
100 the authority or employee of the department assigned to work with the  
101 authority, or any business in which such a person has an interest,  
102 receives utility service from one or more Connecticut utilities under  
103 the normal rates and conditions of service.

104 (h) No member of the authority or employee of the department  
105 assigned to work with the authority, during such assignment, shall  
106 accept other employment which will either impair his or her  
107 independence of judgment as to his or her official duties or  
108 employment or require him or her, or induce him or her, to disclose  
109 confidential information acquired by him or her in the course of and  
110 by reason of his or her official duties.

111 (i) No director of the authority or employee of the department  
112 assigned to work with the authority, during such assignment, shall  
113 wilfully and knowingly disclose, for pecuniary gain, to any other  
114 person, confidential information acquired by him or her in the course  
115 of and by reason of his or her official duties or employment or use any

116 such information for the purpose of pecuniary gain.

117 (j) No director of the authority or employee of the department  
118 assigned to work with the authority, during such assignment, shall  
119 agree to accept, or be in partnership or association with any person, or  
120 a member of a professional corporation or in membership with any  
121 union or professional association which partnership, association,  
122 professional corporation, union or professional association agrees to  
123 accept any employment, fee or other thing of value, or portion thereof,  
124 in consideration of his or her appearing, agreeing to appear, or taking  
125 any other action on behalf of another person before the authority, the  
126 Connecticut Siting Council, the Office of Policy and Management or  
127 the Commissioner of Energy and Environmental Protection.

128 (k) No director of the authority shall, for a period of one year  
129 following the termination of his or her service as a director, accept  
130 employment: (1) By a public service company or by any person, firm or  
131 corporation engaged in lobbying activities with regard to  
132 governmental regulation of public service companies; (2) by a certified  
133 telecommunications provider or by any person, firm or corporation  
134 engaged in lobbying activities with regard to governmental regulation  
135 of persons, firms or corporations so certified; or (3) by an electric  
136 supplier or by any person, firm or corporation engaged in lobbying  
137 activities with regard to governmental regulation of electric suppliers.  
138 No such director who is also an attorney shall in any capacity, appear  
139 or participate in any matter, or accept any compensation regarding a  
140 matter, before the authority, for a period of one year following the  
141 termination of his or her service as a director.

142 (l) The Public Utilities Regulatory Authority shall include a  
143 procurement manager whose duties shall include, but not be limited  
144 to, overseeing the procurement of electricity for standard service and  
145 who shall have experience in energy markets and procuring energy on  
146 a commercial scale.

147 Sec. 3. Section 16-3 of the 2012 supplement to the general statutes is

148 repealed and the following is substituted in lieu thereof (*Effective from*  
149 *passage*):

150 If any director vacancy occurs in said Public Utilities Regulatory  
151 Authority at any time when the General Assembly is not in session, the  
152 Governor shall appoint a director to fill such vacancy until such  
153 vacancy is filled at the next session of the General Assembly. [Any  
154 other vacancy shall be filled, for the unexpired portion of the term, in  
155 the manner provided in section 16-2.]

156 Sec. 4. Section 16-6b of the 2012 supplement to the general statutes is  
157 repealed and the following is substituted in lieu thereof (*Effective from*  
158 *passage*):

159 The Public Utilities Regulatory Authority, in consultation with the  
160 [Department] Commissioner of Energy and Environmental Protection,  
161 may, in accordance with chapter 54, adopt such regulations with  
162 respect to: [rates] (1) Rates and charges, services, accounting practices,  
163 safety and the conduct of operations generally of public service  
164 companies subject to its jurisdiction as it deems reasonable and  
165 necessary; [. The department in consultation with the authority may, in  
166 accordance with chapter 54, adopt such regulations with respect to] (2)  
167 services, accounting practices, safety and the conduct of operations  
168 generally of electric suppliers subject to its jurisdiction as it deems  
169 reasonable and necessary; [. After consultation with the Secretary of  
170 the Office of Policy and Management, the department may also adopt  
171 regulations, in accordance with chapter 54,] and (3) establishing  
172 standards, in accordance with the department's policies, for systems  
173 utilizing cogeneration technology and renewable fuel resources.

174 Sec. 5. Section 16-7 of the 2012 supplement to the general statutes is  
175 repealed and the following is substituted in lieu thereof (*Effective from*  
176 *passage*):

177 The directors [and any employees of the department assigned to] of  
178 the Public Utilities Regulatory Authority, or their designees, while  
179 engaged in the performance of their duties may, at all reasonable

180 times, enter any premises, buildings, cars or other places belonging to  
181 or controlled by any public service company or electric supplier, and  
182 any person obstructing or in any way causing to be obstructed or  
183 hindered any member or employee of the department in the  
184 performance of his or her duties shall be fined not more than two  
185 hundred dollars or imprisoned not more than six months or both.

186 Sec. 6. Section 16-8 of the 2012 supplement to the general statutes is  
187 repealed and the following is substituted in lieu thereof (*Effective from*  
188 *passage*):

189 (a) The Public Utilities Regulatory Authority may, in its discretion,  
190 delegate its powers, in specific cases, to one or more of its directors or  
191 to a hearing officer to ascertain the facts and report thereon to the  
192 authority. The authority, or any director thereof, in the performance of  
193 its duties or in connection with any hearing, or at the request of any  
194 person, corporation, company, town, borough or association, may  
195 summon and examine, under oath, such witnesses, and may direct the  
196 production of, and examine or cause to be produced and examined,  
197 such books, records, vouchers, memoranda, documents, letters,  
198 contracts or other papers in relation to the affairs of any public service  
199 company as it may find advisable, and shall have the same powers in  
200 reference thereto as are vested in magistrates taking depositions. If any  
201 witness objects to testifying or to producing any book or paper on the  
202 ground that such testimony, book or paper may tend to incriminate  
203 him, and the authority directs such witness to testify or to produce  
204 such book or paper, and he complies, or if he is compelled so to do by  
205 order of court, he shall not be prosecuted for any matter concerning  
206 which he or she has so testified. The fees of witnesses summoned by  
207 the [department] authority to appear before it under the provisions of  
208 this section, and the fees for summoning witnesses shall be the same as  
209 in the Superior Court. All such fees, together with any other expenses  
210 authorized by statute, the method of payment of which is not  
211 otherwise provided, shall, when taxed by the authority, be paid by the  
212 state, through the business office of the authority, in the same manner  
213 as court expenses. The authority may designate in specific cases a

214 hearing officer who may be a member of its technical staff or a member  
215 of the Connecticut Bar engaged for that purpose under a contract  
216 approved by the Secretary of the Office of Policy and Management to  
217 hold a hearing and make report thereon to the authority. A hearing  
218 officer so designated shall have the same powers as the authority, or  
219 any director thereof, to conduct a hearing, except that only a director of  
220 the authority shall have the power to grant immunity from  
221 prosecution to any witness who objects to testifying or to producing  
222 any book or paper on the ground that such testimony, book or paper  
223 may tend to incriminate him or her.

224 (b) (1) The authority may [, within available appropriations,]  
225 employ professional personnel to perform management audits. The  
226 authority shall promptly establish such procedures as it deems  
227 necessary or desirable to provide for management audits to be  
228 performed on a regular or irregular schedule on all or any portion of  
229 the operating procedures and any other internal workings of any  
230 public service company, including the relationship between any public  
231 service company and a related holding company or subsidiary,  
232 consistent with the provisions of section 16-8c, provided no such audit  
233 shall be performed on a community antenna television company,  
234 except with regard to any noncable communications services which  
235 the company may provide, or when (A) such an audit is necessary for  
236 the authority to perform its regulatory functions under the  
237 Communications Act of 1934, 47 USC 151, et seq., as amended from  
238 time to time, other federal law or state law, (B) the cost of such an audit  
239 is warranted by a reasonably foreseeable financial, safety or service  
240 benefit to subscribers of the company which is the subject of such an  
241 audit, and (C) such an audit is restricted to examination of the  
242 operating procedures that affect operations within the state.

243 (2) In any case where the authority determines that an audit is  
244 necessary or desirable, it may (A) order the audit to be performed by  
245 one of the management audit teams, (B) require the affected company  
246 to perform the audit utilizing the company's own internal  
247 management audit staff as supervised by designated members of the

248 authority's staff, or (C) require that the audit be performed under the  
249 supervision of designated members of the authority's staff by an  
250 independent management consulting firm selected by the authority, in  
251 consultation with the affected company. If the affected company has  
252 more than seventy-five thousand customers, such independent  
253 management consulting firm shall be of nationally recognized stature.  
254 All reasonable and proper expenses of the audits, including, but not  
255 limited to, the costs associated with the audit firm's testimony at a  
256 public hearing or other proceeding, shall be borne by the affected  
257 companies and shall be paid by such companies at such times and in  
258 such manner as the authority directs.

259 (3) For purposes of this section, a complete audit shall consist of (A)  
260 a diagnostic review of all functions of the audited company, which  
261 shall include, but not be limited to, documentation of the operations of  
262 the company, assessment of the company's system of internal controls,  
263 and identification of any areas of the company which may require  
264 subsequent audits, and (B) the performance of subsequent focused  
265 audits identified in the diagnostic review and determined necessary by  
266 the authority. All audits performed pursuant to this section shall be  
267 performed in accordance with generally accepted management audit  
268 standards. The [department] authority shall adopt regulations in  
269 accordance with the provisions of chapter 54 setting forth such  
270 generally accepted management audit standards. Each audit of a  
271 community antenna television company shall be consistent with the  
272 provisions of the Communications Act of 1934, 47 USC 151, et seq., as  
273 amended from time to time, and of any other applicable federal law.  
274 The authority shall certify whether a portion of an audit conforms to  
275 the provisions of this section and constitutes a portion of a complete  
276 audit.

277 (4) A complete audit of each portion of each gas, electric or electric  
278 distribution company having more than seventy-five thousand  
279 customers shall begin no less frequently than every six years, so that a  
280 complete audit of such a company's operations shall be performed  
281 every six years. Such an audit of each such company having more than

282 seventy-five thousand customers shall be updated as required by the  
283 authority.

284 (5) The results of an audit performed pursuant to this section shall  
285 be filed with the authority and shall be open to public inspection.  
286 Upon completion and review of the audit, if the person or firm  
287 performing or supervising the audit determines that any of the  
288 operating procedures or any other internal workings of the affected  
289 public service company are inefficient, improvident, unreasonable,  
290 negligent or in abuse of discretion, the authority may, after notice and  
291 opportunity for a hearing, order the affected public service company to  
292 adopt such new or altered practices and procedures as the authority  
293 shall find necessary to promote efficient and adequate service to meet  
294 the public convenience and necessity. The authority shall annually  
295 submit a report of audits performed pursuant to this section to the  
296 joint standing committee of the General Assembly having cognizance  
297 of matters relating to public utilities which report shall include the  
298 status of audits begun but not yet completed and a summary of the  
299 results of audits completed. Any such report may be submitted  
300 electronically.

301 (6) All reasonable and proper costs and expenses, as determined by  
302 the authority, of complying with any order of the authority pursuant  
303 to this subsection shall be recognized by the authority for all purposes  
304 as proper business expenses of the affected company.

305 (7) After notice and hearing, the authority may modify the scope  
306 and schedule of a management audit of a telephone company which is  
307 subject to an alternative form of regulation so that such audit is  
308 consistent with that alternative form of regulation.

309 (c) Nothing in this section shall be deemed to interfere or conflict  
310 with any powers of the authority or its staff provided elsewhere in the  
311 general statutes, including, but not limited to, the provisions of this  
312 section and sections 16-7, as amended by this act, 16-28 and 16-32, to  
313 conduct an audit, investigation or review of the books, records, plant

314 and equipment of any regulated public service company.

315 Sec. 7. Subsection (b) of section 16-19e of the 2012 supplement to the  
316 general statutes is repealed and the following is substituted in lieu  
317 thereof (*Effective from passage*):

318 (b) The Public Utilities Regulatory Authority shall promptly  
319 undertake a separate, general investigation of, and shall hold at least  
320 one public hearing on new pricing principles and rate structures for  
321 electric companies and for gas companies to consider, without  
322 limitation, long run incremental cost of marginal cost pricing, peak  
323 load or time of day pricing and proposals for optimizing the utilization  
324 of energy and restraining its wasteful use and encouraging energy  
325 conservation, and any other matter with respect to pricing principles  
326 and rate structures as the authority shall deem appropriate. The  
327 authority shall determine whether existing or future rate structures  
328 place an undue burden upon those persons of poverty status and shall  
329 make such adjustment in the rate structure as is necessary or desirable  
330 to take account of their indigency. The authority shall require the  
331 utilization of such new principles and structures to the extent that the  
332 authority determines that their implementation is in the public interest  
333 and necessary or desirable to accomplish the purposes of this  
334 provision without being unfair or discriminatory or unduly  
335 burdensome or disruptive to any group or class of customers, and  
336 determines that such principles and structures are capable of yielding  
337 required revenues. In reviewing the rates and rate structures of electric  
338 and gas companies, the authority shall take into consideration  
339 [appropriate energy policies, including those of the state as expressed  
340 in subsection (c) of this section] the goals of the Department of Energy  
341 and Environmental Protection, as described in section 22a-2d, as  
342 amended by this act, the comprehensive energy plan prepared  
343 pursuant to section 16a-3d, as amended by this act, and the integrated  
344 resources plan developed pursuant to section 16a-3a, as amended by  
345 this act. The authority shall issue its initial findings on such  
346 investigation by December 1, 1976, and its final findings and order by  
347 June 1, 1977; provided that after such final findings and order are

348 issued, the authority shall at least once every two years undertake such  
349 further investigations as it deems appropriate with respect to new  
350 developments or desirable modifications in pricing principles and rate  
351 structures and, after holding at least one public hearing thereon, shall  
352 issue its findings and order thereon.

353 Sec. 8. Subsection (d) of section 16-19e of the 2012 supplement to the  
354 general statutes is repealed and the following is substituted in lieu  
355 thereof (*Effective from passage*):

356 (d) The Commissioner of Energy and Environmental Protection, the  
357 Commissioner of Economic and Community Development, and the  
358 Connecticut Siting Council may be made parties to each proceeding on  
359 a rate amendment proposed by a gas, electric or electric distribution  
360 company [based upon an alleged need for increased revenues to  
361 finance an expansion of capital equipment and facilities,] and shall  
362 participate in such proceedings to the extent necessary.

363 Sec. 9. Subsection (a) of section 16-49 of the 2012 supplement to the  
364 general statutes is repealed and the following is substituted in lieu  
365 thereof (*Effective from passage*):

366 (a) As used in this section:

367 (1) "Company" means (A) any public service company other than a  
368 telephone company, that had more than one hundred thousand dollars  
369 of gross revenues in the state in the calendar year preceding the  
370 assessment year under this section, except any such company not  
371 providing service to retail customers in the state, (B) any telephone  
372 company that had more than one hundred thousand dollars of gross  
373 revenues in the state from telecommunications services in the calendar  
374 year preceding the assessment year under this section, except any such  
375 company not providing service to retail customers in the state, (C) any  
376 certified telecommunications provider that had more than one  
377 hundred thousand dollars of gross revenues in the state from  
378 telecommunications services in the calendar year preceding the  
379 assessment year under this section, except any such certified

380 telecommunications provider not providing service to retail customers  
381 in the state, (D) any electric supplier that had more than one hundred  
382 thousand dollars of gross revenues in the state in the calendar year  
383 preceding the assessment year under this section, except any such  
384 supplier not providing electric generation services to retail customers  
385 in the state, or (E) any certified competitive video service provider  
386 issued a certificate of video franchise authority by the [Department of  
387 Energy and Environmental Protection] Public Utilities Regulatory  
388 Authority in accordance with section 16-331e that had more than one  
389 hundred thousand dollars of gross revenues in the state in the calendar  
390 year preceding the assessment year under this section, except any such  
391 certified competitive video service provider not providing service to  
392 retail customers in the state;

393 (2) "Telecommunications services" means (A) in the case of  
394 telecommunications services provided by a telephone company, any  
395 service provided pursuant to a tariff approved by the authority other  
396 than wholesale services and resold access and interconnections  
397 services, and (B) in the case of telecommunications services provided  
398 by a certified telecommunications provider other than a telephone  
399 company, any service provided pursuant to a tariff approved by the  
400 authority and pursuant to a certificate of public convenience and  
401 necessity; and

402 (3) "Fiscal year" means the period beginning July first and ending  
403 June thirtieth.

404 Sec. 10. Subsection (d) of section 16-245m of the 2012 supplement to  
405 the general statutes is repealed and the following is substituted in lieu  
406 thereof (*Effective from passage*):

407 (d) (1) Not later than October 1, 2012, and every two years  
408 thereafter, the electric distribution companies and gas companies shall  
409 submit to the commissioner a plan to implement cost-effective energy  
410 conservation programs and market transformation initiatives. The  
411 Energy Conservation Management Board shall advise and assist [the

412 electric distribution] such companies in the development and  
413 implementation of [a comprehensive] such plan. [, which plan shall be  
414 approved by the Department of Energy and Environmental Protection,  
415 to implement cost-effective energy conservation programs and market  
416 transformation initiatives.] Such plan shall include steps that would be  
417 needed to achieve the goal of weatherization of eighty per cent of the  
418 state's residential units by 2030. Each program contained in the plan  
419 shall be reviewed by [the electric distribution company] such  
420 companies and either accepted or rejected by the Energy Conservation  
421 Management Board prior to submission to the [department]  
422 commissioner for approval. The Energy Conservation Management  
423 Board shall, as part of its review, examine opportunities to offer joint  
424 programs providing similar efficiency measures that save more than  
425 one fuel resource or otherwise to coordinate programs targeted at  
426 saving more than one fuel resource. Any costs for joint programs shall  
427 be allocated equitably among the conservation programs. The Energy  
428 Conservation Management Board shall give preference to projects that  
429 maximize the reduction of federally mandated congestion charges. The  
430 [Department of Energy and Environmental Protection] commissioner  
431 shall, in an uncontested proceeding during which the [department]  
432 commissioner may hold a public hearing, approve, modify or reject the  
433 [comprehensive] plan prepared pursuant to this subsection.

434 (2) There shall be a joint committee of the Energy Conservation  
435 Management Board and the board of directors of the Connecticut  
436 Clean Energy [Finance and Investment] Authority. The [board and the  
437 advisory committee] boards shall each appoint members to such joint  
438 committee. The joint committee shall examine opportunities to  
439 coordinate the programs and activities funded by the Clean Energy  
440 Fund pursuant to section 16-245n, as amended by this act, with the  
441 programs and activities contained in the plan developed under this  
442 subsection to reduce the long-term cost, environmental impacts and  
443 security risks of energy in the state. Such joint committee shall hold its  
444 first meeting on or before August 1, 2005.

445 (3) Programs included in the plan developed under subdivision (1)

446 of this subsection shall be screened through cost-effectiveness testing  
447 that compares the value and payback period of program benefits for  
448 any energy savings to program costs to ensure that programs are  
449 designed to obtain energy savings and system benefits, including  
450 mitigation of federally mandated congestion charges, whose value is  
451 greater than the costs of the programs. Program cost-effectiveness shall  
452 be reviewed annually, or otherwise as is practicable, and shall  
453 incorporate the results of the evaluation process set forth in  
454 subdivision (4) of this subsection. If a program is determined to fail the  
455 cost-effectiveness test as part of the review process, it shall either be  
456 modified to meet the test or shall be terminated. On or before March 1,  
457 2005, and on or before March first annually thereafter, the board shall  
458 provide a report, in accordance with the provisions of section 11-4a, to  
459 the joint standing committees of the General Assembly having  
460 cognizance of matters relating to energy and the environment that  
461 documents (A) expenditures and fund balances and evaluates the cost-  
462 effectiveness of such programs conducted in the preceding year, and  
463 (B) the extent to and manner in which the programs of such board  
464 collaborated and cooperated with programs, established under section  
465 7-233y, of municipal electric energy cooperatives. To maximize the  
466 reduction of federally mandated congestion charges, programs in the  
467 plan may allow for disproportionate allocations between the amount  
468 of contributions to the Energy Conservation and Load Management  
469 Funds by a certain rate class and the programs that benefit such a rate  
470 class. Before conducting such evaluation, the board shall consult with  
471 the board of directors of the Connecticut Clean Energy [Finance and  
472 Investment] Authority. The report shall include a description of the  
473 activities undertaken during the reporting period, [jointly or in  
474 collaboration with the Clean Energy Fund established pursuant to  
475 subsection (c) of section 16-245n.]

476 (4) The Department of Energy and Environmental Protection shall  
477 adopt an independent, comprehensive program evaluation,  
478 measurement and verification process to ensure the Energy  
479 Conservation Management Board's programs are administered

480 appropriately and efficiently, comply with statutory requirements,  
481 programs and measures are cost effective, evaluation reports are  
482 accurate and issued in a timely manner, evaluation results are  
483 appropriately and accurately taken into account in program  
484 development and implementation, and information necessary to meet  
485 any third-party evaluation requirements is provided. An annual  
486 schedule and budget for evaluations as determined by the board shall  
487 be included in the plan filed with the department pursuant to  
488 subdivision (1) of this subsection. The electric distribution and gas  
489 company representatives and the representative of a municipal electric  
490 energy cooperative may not vote on board plans, budgets,  
491 recommendations, actions or decisions regarding such process or its  
492 program evaluations and their implementation. Program and measure  
493 evaluation, measurement and verification shall be conducted on an  
494 ongoing basis, with emphasis on impact and process evaluations,  
495 programs or measures that have not been studied, and those that  
496 account for a relatively high percentage of program spending.  
497 Evaluations shall use statistically valid monitoring and data collection  
498 techniques appropriate for the programs or measures being evaluated.  
499 All evaluations shall contain a description of any problems  
500 encountered in the process of the evaluation, including, but not limited  
501 to, data collection issues, and recommendations regarding addressing  
502 those problems in future evaluations. The board shall contract with  
503 one or more consultants not affiliated with the board members to act as  
504 an evaluation administrator, advising the board regarding  
505 development of a schedule and plans for evaluations and overseeing  
506 the program evaluation, measurement and verification process on  
507 behalf of the board. Consistent with board processes and approvals  
508 and department decisions regarding evaluation, such evaluation  
509 administrator shall implement the evaluation process by preparing  
510 requests for proposals and selecting evaluation contractors to perform  
511 program and measure evaluations and by facilitating communications  
512 between evaluation contractors and program administrators to ensure  
513 accurate and independent evaluations. In the evaluation  
514 administrator's discretion and at his or her request, the electric

515 distribution and gas companies shall communicate with the evaluation  
516 administrator for purposes of data collection, vendor contract  
517 administration, and providing necessary factual information during  
518 the course of evaluations. The evaluation administrator shall bring  
519 unresolved administrative issues or problems that arise during the  
520 course of an evaluation to the board for resolution, but shall have sole  
521 authority regarding substantive and implementation decisions  
522 regarding any evaluation. Board members, including electric  
523 distribution and gas company representatives, may not communicate  
524 with an evaluation contractor about an ongoing evaluation except with  
525 the express permission of the evaluation administrator, which may  
526 only be granted if the administrator believes the communication will  
527 not compromise the independence of the evaluation. The evaluation  
528 administrator shall file evaluation reports with the board and with the  
529 department in its most recent uncontested proceeding pursuant to  
530 subdivision (1) of this subsection and the board shall post a copy of  
531 each report on its Internet web site. The board and its members,  
532 including electric distribution and gas company representatives, may  
533 file written comments regarding any evaluation with the department  
534 or for posting on the board's Internet web site. Within fourteen days of  
535 the filing of any evaluation report, the department, members of the  
536 board or other interested persons may request in writing, and the  
537 department shall conduct, a transcribed technical meeting to review  
538 the methodology, results and recommendations of any evaluation.  
539 Participants in any such transcribed technical meeting shall include the  
540 evaluation administrator, the evaluation contractor and the Office of  
541 Consumer Counsel at its discretion. On or before November 1, 2011,  
542 and annually thereafter, the board shall report to the joint standing  
543 committee of the General Assembly having cognizance of matters  
544 relating to energy, with the results and recommendations of completed  
545 program evaluations.

546 (5) Programs included in the plan developed under subdivision (1)  
547 of this subsection may include, but not be limited to: (A) Conservation  
548 and load management programs, including programs that benefit low-

549 income individuals; (B) research, development and commercialization  
550 of products or processes which are more energy-efficient than those  
551 generally available; (C) development of markets for such products and  
552 processes; (D) support for energy use assessment, real-time monitoring  
553 systems, engineering studies and services related to new construction  
554 or major building renovation; (E) the design, manufacture,  
555 commercialization and purchase of energy-efficient appliances and  
556 heating, air conditioning and lighting devices; (F) program planning  
557 and evaluation; (G) indoor air quality programs relating to energy  
558 conservation; (H) joint fuel conservation initiatives programs targeted  
559 at reducing consumption of more than one fuel resource; (I) public  
560 education regarding conservation; and (J) demand-side technology  
561 programs recommended by the integrated resources plan [approved]  
562 adopted by the [Department] Commissioner of Energy and  
563 Environmental Protection pursuant to section 16a-3a, as amended by  
564 this act. [The board shall periodically review contractors to determine  
565 whether they are qualified to conduct work related to such programs.  
566 Such support] Support for such programs may be by direct funding,  
567 manufacturers' rebates, sale price and loan subsidies, leases and  
568 promotional and educational activities. The Energy Conservation  
569 Management Board shall periodically review contractors to determine  
570 whether they are qualified to conduct work related to such programs.  
571 The plan shall also provide for expenditures by the [Energy  
572 Conservation Management Board] board for the retention of expert  
573 consultants and reasonable administrative costs provided such  
574 consultants shall not be employed by, or have any contractual  
575 relationship with, an electric distribution company. Such costs shall  
576 not exceed five per cent of the total revenue collected from the  
577 assessment.

578 Sec. 11. Subsection (f) of section 16-245m of the 2012 supplement to  
579 the general statutes is repealed and the following is substituted in lieu  
580 thereof (*Effective from passage*):

581 (f) No later than December 31, 2006, and no later than December  
582 thirty-first every five years thereafter, the Energy Conservation

583 Management Board shall, after consulting with the Connecticut Clean  
584 Energy [Finance and Investment] Authority, conduct an evaluation of  
585 the performance of the programs and activities [of the fund] specified  
586 in the plan approved by the commissioner pursuant to subsection (d)  
587 of this section and submit a report, in accordance with the provisions  
588 of section 11-4a, of the evaluation to the joint standing committee of  
589 the General Assembly having cognizance of matters relating to energy.

590 Sec. 12. Subsection (a) of section 16-245y of the 2012 supplement to  
591 the general statutes is repealed and the following is substituted in lieu  
592 thereof (*Effective from passage*):

593 (a) Not later than October 1, 1999, and annually thereafter, each  
594 electric company and electric distribution company, as defined in  
595 section 16-1, as amended by this act, shall report to the Public Utilities  
596 Regulatory Authority its system average interruption duration index  
597 (SAIDI) and its system average interruption frequency index (SAIFI)  
598 for the preceding twelve months. For purposes of this section: (1)  
599 Interruptions shall not include outages attributable to major storms,  
600 scheduled outages and outages caused by customer equipment, each  
601 as determined by the [department] authority; (2) SAIDI shall be  
602 calculated as the sum of customer interruptions in the preceding  
603 twelve-month period, in minutes, divided by the average number of  
604 customers served during that period; and (3) SAIFI shall be calculated  
605 as the total number of customers interrupted in the preceding twelve-  
606 month period, divided by the average number of customers served  
607 during that period. Not later than January 1, 2000, and annually  
608 thereafter, the authority shall report on the SAIDI and SAIFI data for  
609 each electric company and electric distribution, and all state-wide  
610 SAIDI and SAIFI data to the joint standing committee of the General  
611 Assembly having cognizance of matters relating to energy.

612 Sec. 13. Subsection (c) of section 16-245y of the 2012 supplement to  
613 the general statutes is repealed and the following is substituted in lieu  
614 thereof (*Effective from passage*):

615 (c) Not later than January 1, 2011, and annually thereafter, the  
616 [Department of Energy and Environmental Protection] Public Utilities  
617 Regulatory Authority shall report to the joint standing committee of  
618 the General Assembly having cognizance of matters relating to energy  
619 the number of applicants for licensure pursuant to section 16-245, as  
620 amended by this act, during the preceding twelve months, the number  
621 of applicants licensed by the [department] authority and the average  
622 period of time taken to process a license application. Any such report  
623 may be submitted electronically.

624 Sec. 14. Subsection (b) of section 16a-3 of the 2012 supplement to the  
625 general statutes is repealed and the following is substituted in lieu  
626 thereof (*Effective from passage*):

627 (b) The board shall (1) report to the General Assembly on the status  
628 of programs administered by the Department of Energy and  
629 Environmental Protection pursuant to title 16 or 16a, (2) consult with  
630 the Commissioner of Energy and Environmental Protection regarding  
631 the integrated [resource] resources plan developed pursuant to section  
632 16a-3a, as amended by this act, and the comprehensive energy plan  
633 prepared pursuant to section 16a-3d, as amended by this act, and (3)  
634 review, within available resources, requests from the General  
635 Assembly.

636 Sec. 15. Section 16a-3b of the 2012 supplement to the general statutes  
637 is repealed and the following is substituted in lieu thereof (*Effective*  
638 *from passage*):

639 (a) The Public Utilities Regulatory Authority shall oversee the  
640 implementation of the integrated resources plan approved by the  
641 Commissioner of Energy and Environmental Protection pursuant to  
642 section 16a-3a, as amended by this act, and the procurement plan  
643 approved by the authority pursuant to section 16-244m, as amended  
644 by this act. The electric distribution companies shall implement the  
645 demand-side measures, including, but not limited to, energy  
646 efficiency, load management, demand response, combined heat and

647 power facilities, distributed generation and other emerging energy  
648 technologies, specified in [said] the integrated resources plan through  
649 the comprehensive conservation and load management plan prepared  
650 pursuant to section 16-245m, as amended by this act, for review by the  
651 Energy Conservation Management Board. The electric distribution  
652 companies shall submit proposals to appropriate regulatory agencies  
653 to address transmission and distribution upgrades as specified in  
654 [said] the integrated resources plan.

655 (b) If the integrated resources plan specifies the construction of a  
656 generating facility, the authority shall develop and issue a request for  
657 proposals, shall publish such request for proposals in one or more  
658 newspapers or periodicals, as selected by the authority, and shall post  
659 such request for proposals on its web site. Pursuant to a nondisclosure  
660 agreement, the authority shall make available to the commissioner, the  
661 Office of Consumer Counsel and the Attorney General all confidential  
662 bid information it receives pursuant to this subsection, provided the  
663 bids and any analysis of such bids shall not be subject to disclosure  
664 under the Freedom of Information Act. Three months after the  
665 authority issues a final decision, it shall make available all financial bid  
666 information, provided such information regarding the bidders not  
667 selected be presented in a manner that conceals the identities of such  
668 bidders.

669 (1) On and after July 1, 2008, an electric distribution company may  
670 submit proposals in response to a request for proposals on the same  
671 basis as other respondents to the solicitation. A proposal submitted by  
672 an electric distribution company shall include its full projected costs  
673 such that any project costs recovered from or defrayed by ratepayers  
674 are included in the projected costs. An electric distribution company  
675 submitting any such bid shall demonstrate to the satisfaction of the  
676 authority that its bid is not supported in any form of cross  
677 subsidization by affiliated entities. If the authority approves such  
678 electric distribution company's proposal, the costs and revenues of  
679 such proposal shall not be included in calculating such company's  
680 earning for purposes of, or in determining whether its rates are just

681 and reasonable under, sections 16-19, 16-19a and 16-19e, as amended  
682 by this act. An electric distribution company shall not recover more  
683 than the full costs identified in any approved proposal. Affiliates of the  
684 electric distribution company may submit proposals pursuant to  
685 section 16-244h, regulations adopted pursuant to section 16-244h and  
686 other requirements the authority may impose.

687 (2) If the authority selects a nonelectric distribution company  
688 proposal, an electric distribution company shall, within thirty days of  
689 the selection of a proposal by the authority, negotiate in good faith the  
690 final terms of a contract with a generating facility and shall apply to  
691 the authority for approval of such contract. Upon authority approval,  
692 the electric distribution company shall enter into such contract.

693 (3) The authority shall determine the appropriate manner of cost  
694 recovery for proposals selected pursuant to this section.

695 (4) The authority may retain the services of a third-party entity with  
696 expertise in the area of energy procurement to oversee the  
697 development of the request for proposals and to assist the authority in  
698 its approval of proposals pursuant to this section. The reasonable and  
699 proper expenses for retaining such third-party entity shall be  
700 recoverable through the generation services charge.

701 (c) The electric distribution companies shall issue requests for  
702 proposals to acquire any other resource needs not identified in  
703 subsection (a) or (b) of this section but specified in the integrated  
704 resources plan approved by the Commissioner of Energy and  
705 Environmental Protection pursuant to section 16a-3a, as amended by  
706 this act. Such requests for proposals shall be subject to approval by the  
707 authority.

708 Sec. 16. Subsection (a) of section 16a-3c of the 2012 supplement to  
709 the general statutes is repealed and the following is substituted in lieu  
710 thereof (*Effective from passage*):

711 (a) On and after July 1, 2011, if the Public Utilities Regulatory

712 Authority does not receive and approve proposals [pursuant to the  
713 requests for proposals processes, pursuant to section 16a-3b,] sufficient  
714 to reach the goal set by the integrated resources plan approved  
715 pursuant to section 16a-3a, as amended by this act, the authority may  
716 order an electric distribution company to submit for the authority's  
717 review in a contested case proceeding, in accordance with chapter 54, a  
718 proposal to build and operate an electric generation facility in the state.  
719 An electric distribution company shall be eligible to recover its  
720 prudently incurred costs consistent with the principles set forth in  
721 section 16-19e, as amended by this act, for any generation project  
722 approved pursuant to this section.

723 Sec. 17. Subsection (b) of section 16a-7b of the 2012 supplement to  
724 the general statutes is repealed and the following is substituted in lieu  
725 thereof (*Effective from passage*):

726 (b) No municipality other than a municipality operating a plant  
727 pursuant to chapter 101 or any special act and acting for purposes  
728 thereto may take an action to condemn, in whole or in part, or restrict  
729 the operation of any existing and currently operating energy facility, if  
730 such facility is first determined by the Public Utilities Regulatory  
731 Authority, following a contested case proceeding, held in accordance  
732 with the provisions of chapter 54, to comprise a critical, unique and  
733 unmovable component of the state's energy infrastructure, unless the  
734 municipality first receives written approval from the [department, the  
735 Connecticut Energy Advisory Board] Commissioner of Energy and  
736 Environmental Protection and the Connecticut Siting Council that such  
737 taking would not have a detrimental impact on the state's or region's  
738 ability to provide a particular energy resource to its citizens.

739 Sec. 18. Section 16a-3d of the 2012 supplement to the general  
740 statutes is repealed and the following is substituted in lieu thereof  
741 (*Effective from passage*):

742 (a) On or before July 1, 2012, and every three years thereafter, the  
743 Commissioner of Energy and Environmental Protection, in

744 consultation with the Connecticut Energy Advisory Board, shall  
745 prepare a comprehensive energy plan. Such plan shall reflect the  
746 legislative findings and policy stated in section 16a-35k and shall  
747 incorporate (1) an assessment and plan for all energy needs in the  
748 state, including, but not limited to, electricity, heating, cooling, and  
749 transportation, (2) the findings of the integrated resources plan, (3) the  
750 findings of the plan for energy efficiency adopted pursuant to section  
751 16-245m, as amended by this act, and (4) the findings of the plan for  
752 renewable energy adopted pursuant to section 16-245n, as amended by  
753 this act. Such plan shall further include, but not be limited to, (A) an  
754 assessment of current energy supplies, demand and costs, (B)  
755 identification and evaluation of the factors likely to affect future  
756 energy supplies, demand and costs, (C) a statement of progress made  
757 toward achieving the goals and milestones set in the preceding  
758 comprehensive energy plan, (D) a statement of energy policies and  
759 long-range energy planning objectives and strategies appropriate to  
760 achieve, among other things, a sound economy, the least-cost mix of  
761 energy supply sources and measures that reduce demand for energy,  
762 giving due regard to such factors as consumer price impacts, security  
763 and diversity of fuel supplies and energy generating methods,  
764 protection of public health and safety, environmental goals and  
765 standards, conservation of energy and energy resources and the ability  
766 of the state to compete economically, (E) recommendations for  
767 administrative and legislative actions to implement such policies,  
768 objectives and strategies, (F) an assessment of the potential costs  
769 savings and benefits to ratepayers, including, but not limited to,  
770 carbon dioxide emissions reductions or voluntary joint ventures to  
771 repower some or all of the state's coal-fired and oil-fired generation  
772 facilities built before 1990, and (G) the benefits, costs, obstacles and  
773 solutions related to the expansion and use and availability of natural  
774 gas in Connecticut. If the department finds that such expansion is in  
775 the public interest, it shall develop a plan to increase the use and  
776 availability of natural gas for transportation purposes.

777 (b) In adopting the comprehensive energy plan, the Commissioner

778 of Energy and Environmental Protection [, or the commissioner's  
779 designee,] shall conduct a proceeding [and such proceeding] that shall  
780 not be considered a contested case under chapter 54, provided a  
781 hearing pursuant to chapter 54 shall be held. The commissioner shall  
782 give not less than fifteen days' notice of such proceeding by electronic  
783 publication on the department's Internet web site. Notice of such  
784 hearing may also be published in one or more newspapers having a  
785 state-wide circulation if deemed necessary by the commissioner. Such  
786 notice shall state the date, time, and place of the meeting, the  
787 procedures for submitting comments to the commissioner, the subject  
788 matter of the meeting, the statutory authority for the proposed plan  
789 and the location where a copy of the proposed plan may be obtained  
790 or examined in addition to posting the proposed plan on the  
791 department's Internet web site. The Public Utilities Regulatory  
792 Authority shall comment on the plan's impact on [ratepayers and any  
793 other person may comment on the proposed plan] rates. The  
794 commissioner shall provide a time period of not less than forty-five  
795 days from the date the notice is published on the department's Internet  
796 web site for public review and comment and, during such time period,  
797 any person may provide comments concerning the proposed plan to  
798 the commissioner. The commissioner shall consider fully, after all  
799 public meetings, all written and oral comments concerning the  
800 proposed plan and shall finalize the plan. The commissioner shall post  
801 on the department's Internet web site, and notify by electronic mail  
802 each person who requests such notice, [. The commissioner shall make  
803 available] the electronic text of the final plan or an Internet web site  
804 where the final plan is posted, and a report summarizing [(1)] all  
805 public comments [,] and [(2)] the changes made to the final plan in  
806 response to such comments and the reasons [therefore] therefor.

807 (c) The commissioner shall submit the final plan electronically to the  
808 joint standing committees of the General Assembly having cognizance  
809 of matters relating to energy and the environment.

810 (d) The commissioner may, in consultation with the Connecticut  
811 Energy Advisory Board, modify the comprehensive energy plan in

812 accordance with the procedures outlined in subsections (b) and (c) of  
813 this section. [The commissioner may approve or reject such plan with  
814 comments.]

815 [(e) The decisions of the Public Utilities Regulatory Authority shall  
816 be guided by the goals of the Department of Energy and  
817 Environmental Protection, as listed in section 22a-2d, and by the goals  
818 of the comprehensive energy plan and the integrated resources plan  
819 approved pursuant to section 16a-3a and shall be based on the  
820 evidence in the record of each proceeding.]

821 [(f)] (e) All [electric distribution companies'] reasonable costs  
822 associated with the development of the [resource assessment]  
823 comprehensive energy plan approved by the commissioner shall be  
824 recoverable through [the systems benefits charge] an assessment  
825 pursuant to section 16-49, as amended by this act.

826 Sec. 19. Section 16a-3a of the 2012 supplement to the general statutes  
827 is repealed and the following is substituted in lieu thereof (*Effective*  
828 *from passage*):

829 (a) The [Department] Commissioner of Energy and Environmental  
830 Protection, in consultation with the Connecticut Energy Advisory  
831 Board and the electric distribution companies, shall review the state's  
832 energy and capacity resource assessment and [develop] adopt an  
833 integrated resources plan for the procurement of energy resources,  
834 including, but not limited to, conventional and renewable generating  
835 facilities, energy efficiency, load management, demand response,  
836 combined heat and power facilities, distributed generation and other  
837 emerging energy technologies to meet the projected requirements of  
838 their customers in a manner that minimizes the cost of such resources  
839 to customers over time and maximizes consumer benefits consistent  
840 with the state's environmental goals and standards. Such integrated  
841 resources plan shall seek to lower the cost of electricity.

842 (b) On or before January 1, 2012, and biennially thereafter, the  
843 [Department] Commissioner of Energy and Environmental Protection,

844 in consultation with the Connecticut Energy Advisory Board and the  
845 electric distribution companies, shall prepare an assessment of (1) the  
846 energy and capacity requirements of customers for the next three, five  
847 and ten years, (2) the manner of how best to eliminate growth in  
848 electric demand, (3) how best to level electric demand in the state by  
849 reducing peak demand and shifting demand to off-peak periods, (4)  
850 the impact of current and projected environmental standards,  
851 including, but not limited to, those related to greenhouse gas emissions  
852 and the federal Clean Air Act goals and how different resources could  
853 help achieve those standards and goals, (5) energy security and  
854 economic risks associated with potential energy resources, and (6) the  
855 estimated lifetime cost and availability of potential energy resources.

856 (c) Resource needs shall first be met through all available energy  
857 efficiency and demand reduction resources that are cost-effective,  
858 reliable and feasible. The projected customer cost impact of any  
859 demand-side resources considered pursuant to this subsection shall be  
860 reviewed on an equitable basis with nondemand-side resources. The  
861 integrated resources plan shall specify (1) the total amount of energy  
862 and capacity resources needed to meet the requirements of all  
863 customers, (2) the extent to which demand-side measures, including  
864 efficiency, conservation, demand response and load management can  
865 cost-effectively meet these needs in a manner that ensures equity in  
866 benefits and cost reduction to all classes and subclasses of consumers,  
867 (3) needs for generating capacity and transmission and distribution  
868 improvements, (4) how the development of such resources will reduce  
869 and stabilize the costs of electricity to each class and subclass of  
870 consumers, and (5) the manner in which each of the proposed  
871 resources should be procured, including the optimal contract periods  
872 for various resources.

873 (d) The integrated resources plan shall consider: (1) Approaches to  
874 maximizing the impact of demand-side measures; (2) the extent to  
875 which generation needs can be met by renewable and combined heat  
876 and power facilities; (3) the optimization of the use of generation sites  
877 and generation portfolio existing within the state; (4) fuel types,

878 diversity, availability, firmness of supply and security and  
879 environmental impacts thereof, including impacts on meeting the  
880 state's greenhouse gas emission goals; (5) reliability, peak load and  
881 energy forecasts, system contingencies and existing resource  
882 availabilities; (6) import limitations and the appropriate reliance on  
883 such imports; (7) the impact of the procurement plan on the costs of  
884 electric customers; and (8) the effects on participants and  
885 nonparticipants. Such plan shall include options for lowering the rates  
886 and cost of electricity. [The Department of Energy and Environmental  
887 Protection shall hold a public hearing on such integrated resources  
888 plan pursuant to chapter 54. The commissioner may approve or reject  
889 such plan with comments.]

890 (e) [The procurement manager of the Public Utilities Regulatory  
891 Authority, in consultation with the electric distribution companies, the  
892 regional independent system operator, and the Connecticut Energy  
893 Advisory Board, shall develop a procurement plan and hold public  
894 hearings on the proposed plan. Such hearings shall not constitute a  
895 contested case and shall be held in accordance with chapter 54. The  
896 Public Utilities Regulatory Authority shall give not less than fifteen  
897 days' notice of such proceeding by electronic publication on the  
898 department's Internet web site.] In adopting the integrated resources  
899 plan, the commissioner shall conduct an uncontested proceeding that  
900 shall include not less than one public hearing. Not less than fifteen  
901 days before any such hearing, the commissioner shall publish notice of  
902 such hearing and post the text of the proposed integrated resources  
903 plan on the department's Internet web site. Notice of such hearing may  
904 also be published in one or more newspapers having a state-wide  
905 circulation if deemed necessary by the commissioner. Such notice shall  
906 state the date, time, and place of the hearing, the subject matter of the  
907 hearing, the manner and time period during which comments may be  
908 submitted to the commissioner, the statutory authority for the  
909 proposed integrated resources plan and the location where a copy of  
910 the [proposed integrated resources] plan may be obtained or  
911 examined. [in addition to posting the plan on the department's Internet

912 web site.] The commissioner shall provide a time period of not less  
913 than [forty-five] sixty days from the date the notice is published on the  
914 department's Internet web site for public review and comment. The  
915 commissioner shall consider fully, after all public meetings, all written  
916 and oral comments concerning the proposed integrated resources plan  
917 and shall finalize the plan. The commissioner shall post on the  
918 department's Internet web site<sub>2</sub> and notify by electronic mail each  
919 person who requests such notice<sub>2</sub> [. The commissioner shall make  
920 available] the electronic text of the final integrated resources plan [or  
921 an Internet web site where the final integrated resources plan is  
922 posted.] and a report summarizing (1) all public comments, and (2) the  
923 changes made to the final [integrated resources] plan in response to  
924 such comments and the reasons therefor. The commissioner shall  
925 submit the final integrated resources plan by electronic means, or as  
926 requested, to the joint standing committees of the General Assembly  
927 having cognizance of matters relating to energy and the environment.  
928 [The department's Bureau of Energy shall, after the public hearing,  
929 make recommendations to the Commissioner of Energy and  
930 Environmental Protection regarding plan modifications. Said  
931 commissioner shall approve or reject the plan with comments.] The  
932 commissioner may modify the integrated resources plan to correct  
933 clerical errors at any time without following the procedures outlined in  
934 this subsection.

935 (f) [On or before March 1, 2012] Not later than two years after the  
936 adoption of the comprehensive energy plan, adopted pursuant to  
937 section 16a-3d, as amended by this act, and the integrated resources  
938 plan, adopted pursuant to this section, and every two years thereafter,  
939 the [Department] Commissioner of Energy and Environmental  
940 Protection shall report to the joint standing committees of the General  
941 Assembly having cognizance of matters relating to energy and the  
942 environment regarding goals established and progress toward  
943 implementation of [the integrated resources plan established pursuant  
944 to this section] said plans, as well as any recommendations [for the  
945 process] concerning said plans. Any such report may be submitted

946 electronically.

947 (g) All reasonable costs associated with the development of the  
948 resource assessment, [and the development of] the integrated  
949 resources plan, adopted pursuant to this section, and the procurement  
950 plan, adopted pursuant to section 16-244m, as amended by this act,  
951 shall be recoverable through the assessment in section 16-49, as  
952 amended by this act.

953 [(h) The decisions of the Public Utilities Regulatory Authority shall  
954 be guided by the goals of the Department of Energy and  
955 Environmental Protection, as described in section 22a-2d, and with the  
956 goals of the integrated resources plan approved pursuant to this  
957 section and the comprehensive energy plan developed pursuant to  
958 section 16a-3d and shall be based on the evidence in the record of each  
959 proceeding.]

960 Sec. 20. Subdivision (5) of subsection (c) of section 16-244c of the  
961 2012 supplement to the general statutes is repealed and the following  
962 is substituted in lieu thereof (*Effective from passage*):

963 (5) For standard service contracts procured prior to [department]  
964 the authority's approval of the procurement plan developed pursuant  
965 to section 16-244m, as amended by this act, each bidder for a standard  
966 service contract shall submit its bid to the electric distribution  
967 company and the third-party entity who shall jointly review the bids  
968 and submit an overview of all bids together with a joint  
969 recommendation to the [department] authority as to the preferred  
970 bidders. The [department] authority may, within ten business days of  
971 submission of the overview, reject the recommendation regarding  
972 preferred bidders. In the event that the [department] authority rejects  
973 the preferred bids, the electric distribution company and the third-  
974 party entity shall rebid the service pursuant to this subdivision. The  
975 [department] authority shall review each bid in an uncontested  
976 proceeding that shall include a public hearing and in which any  
977 interested person, including, but not limited to, the Consumer

978 Counsel, [and] the Commissioner of Energy and Environmental  
979 Protection or the Attorney General, may participate.

980 Sec. 21. Subdivision (2) of subsection (j) of section 16-244c of the  
981 2012 supplement to the general statutes is repealed and the following  
982 is substituted in lieu thereof (*Effective from passage*):

983 (2) Notwithstanding the provisions of subsection (d) of this section  
984 regarding an alternative transitional standard offer option or an  
985 alternative standard service option, an electric distribution company  
986 providing transitional standard offer service, standard service,  
987 supplier of last resort service or back-up electric generation service in  
988 accordance with this section shall, not later than July 1, 2008, file with  
989 the Public Utilities Regulatory Authority for its approval one or more  
990 long-term power purchase contracts from Class I renewable energy  
991 source projects with a preference for projects located in Connecticut  
992 that receive funding from the Clean Energy Fund and that are not less  
993 than one megawatt in size, at a price that is either, at the determination  
994 of the project owner, (A) not more than the total of the comparable  
995 wholesale market price for generation plus five and one-half cents per  
996 kilowatt hour, or (B) fifty per cent of the wholesale market electricity  
997 cost at the point at which transmission lines intersect with each other  
998 or interface with the distribution system, plus the project cost of fuel  
999 indexed to natural gas futures contracts on the New York Mercantile  
1000 Exchange at the natural gas pipeline interchange located in Vermillion  
1001 Parish, Louisiana that serves as the delivery point for such futures  
1002 contracts, plus the fuel delivery charge for transporting fuel to the  
1003 project, plus five and one-half cents per kilowatt hour. In its approval  
1004 of such contracts, the authority shall give preference to purchase  
1005 contracts from those projects that would provide a financial benefit to  
1006 ratepayers and would enhance the reliability of the electric  
1007 transmission system of the state. Such projects shall be located in this  
1008 state. The owner of a fuel cell project principally manufactured in this  
1009 state shall be allocated all available air emissions credits and tax credits  
1010 attributable to the project and no less than fifty per cent of the energy  
1011 credits in the Class I renewable energy credits program established in

1012 section 16-245a attributable to the project. On and after October 1, 2007,  
1013 and until September 30, 2008, such contracts shall be comprised of not  
1014 less than a total, apportioned among each electric distribution  
1015 company, of one hundred twenty-five megawatts; and on and after  
1016 October 1, 2008, such contracts shall be comprised of not less than a  
1017 total, apportioned among each electrical distribution company, of one  
1018 hundred fifty megawatts. The Public Utilities Regulatory Authority  
1019 shall not issue any order that results in the extension of any in-service  
1020 date or contractual arrangement made as a part of Project 100 or  
1021 Project 150 beyond the termination date previously approved by the  
1022 authority established by the contract, provided any party to such  
1023 contract may provide a notice of termination in accordance with the  
1024 terms of, and to the extent permitted under, its contract. The cost of  
1025 such contracts and the administrative costs for the procurement of  
1026 such contracts directly incurred shall be eligible for inclusion in the  
1027 adjustment to the transitional standard offer as provided in this section  
1028 and any subsequent rates for standard service, provided such contracts  
1029 are for a period of time sufficient to provide financing for such  
1030 projects, but not less than ten years, and are for projects which began  
1031 operation on or after July 1, 2003. Except as provided in this  
1032 subdivision, the amount from Class I renewable energy sources  
1033 contracted under such contracts shall be applied to reduce the  
1034 applicable Class I renewable energy source portfolio standards. For  
1035 purposes of this subdivision, the department's determination of the  
1036 comparable wholesale market price for generation shall be based upon  
1037 a reasonable estimate. On or before September 1, 2011, the authority, in  
1038 consultation with the Office of Consumer Counsel and the Connecticut  
1039 Clean Energy [Finance and Investment] Authority, shall study the  
1040 operation of such renewable energy contracts and report its findings  
1041 and recommendations to the joint standing committee of the General  
1042 Assembly having cognizance of matters relating to energy.

1043       Sec. 22. Subsection (a) of section 16-244m of the 2012 supplement to  
1044 the general statutes is repealed and the following is substituted in lieu  
1045 thereof (*Effective from passage*):

1046 (a) On or before January 1, 2012, and annually thereafter, the  
1047 procurement manager of the [Department of Energy and  
1048 Environmental Protection] Public Utilities Regulatory Authority, in  
1049 consultation with each electric distribution company, the  
1050 Commissioner of Energy and Environmental Protection and [with]  
1051 others at the procurement manager's discretion, including, but not  
1052 limited to, a municipal energy cooperative established pursuant to  
1053 chapter 101a, other than entities, individuals and companies or their  
1054 affiliates potentially involved in bidding on standard service, shall  
1055 develop a plan for the procurement of electric generation services and  
1056 related wholesale electricity market products that will enable each  
1057 electric distribution company to manage a portfolio of contracts to  
1058 reduce the average cost of standard service while maintaining  
1059 standard service cost volatility within reasonable levels. Each  
1060 procurement plan shall provide for the competitive solicitation for  
1061 load-following electric service and may include a provision for the use  
1062 of other contracts, including, but not limited to, contracts for  
1063 generation or other electricity market products and financial contracts,  
1064 and may provide for the use of varying lengths of contracts. If such  
1065 plan includes the purchase of full requirements contracts, it shall  
1066 include an explanation of why such purchases are in the best interests  
1067 of standard service customers.

1068 Sec. 23. Subsection (d) of section 16-244m of the 2012 supplement to  
1069 the general statutes is repealed and the following is substituted in lieu  
1070 thereof (*Effective from passage*):

1071 (d) (1) The [Department of Energy and Environmental Protection]  
1072 Public Utilities Regulatory Authority shall conduct an uncontested  
1073 proceeding to approve, with any amendments it determines necessary,  
1074 a procurement plan submitted pursuant to subsection (a) of this  
1075 section.

1076 (2) The [Department of Energy and Environmental Protection]  
1077 Public Utilities Regulatory Authority shall report annually in  
1078 accordance with the provisions of section 11-4a to the joint standing

1079 committee of the General Assembly having cognizance of matters  
1080 relating to energy regarding the procurement plan and its  
1081 implementation. Any such report may be submitted electronically.

1082 Sec. 24. Section 16-244n of the 2012 supplement to the general  
1083 statutes is repealed and the following is substituted in lieu thereof  
1084 (*Effective from passage*):

1085 Upon the request of an electric distribution company, the  
1086 [Department of Energy and Environmental Protection] Public Utilities  
1087 Regulatory Authority shall initiate a docket to consider the buydown  
1088 of an electric distribution company's current standard service contract  
1089 to reduce ratepayer bills and conduct a cost benefit analysis of such a  
1090 buydown. If the [department] authority, as a result of such docket,  
1091 determines such a buydown is in the best interest of ratepayers, the  
1092 company shall proceed with such buydown.

1093 Sec. 25. Section 16-245n of the 2012 supplement to the general  
1094 statutes is repealed and the following is substituted in lieu thereof  
1095 (*Effective from passage*):

1096 (a) For purposes of this section, "clean energy" means solar  
1097 photovoltaic energy, solar thermal, geothermal energy, wind, ocean  
1098 thermal energy, wave or tidal energy, fuel cells, landfill gas,  
1099 hydropower that meets the low-impact standards of the Low-Impact  
1100 Hydropower Institute, hydrogen production and hydrogen conversion  
1101 technologies, low emission advanced biomass conversion technologies,  
1102 alternative fuels, used for electricity generation including ethanol,  
1103 biodiesel or other fuel produced in Connecticut and derived from  
1104 agricultural produce, food waste or waste vegetable oil, provided the  
1105 Commissioner of Energy and Environmental Protection determines  
1106 that such fuels provide net reductions in greenhouse gas emissions  
1107 and fossil fuel consumption, usable electricity from combined heat and  
1108 power systems with waste heat recovery systems, thermal storage  
1109 systems, other energy resources and emerging technologies which  
1110 have significant potential for commercialization and which do not

1111 involve the combustion of coal, petroleum or petroleum products,  
1112 municipal solid waste or nuclear fission, financing of energy efficiency  
1113 projects, and projects that seek to deploy electric, electric hybrid,  
1114 natural gas or alternative fuel vehicles and associated infrastructure  
1115 and any related storage, distribution, manufacturing technologies or  
1116 facilities.

1117 (b) On and after July 1, 2004, the Public Utilities Regulatory  
1118 Authority shall assess or cause to be assessed a charge of not less than  
1119 one mill per kilowatt hour charged to each end use customer of electric  
1120 services in this state which shall be deposited into the Clean Energy  
1121 Fund established under subsection (c) of this section. Notwithstanding  
1122 the provisions of this section, receipts from such charges shall be  
1123 disbursed to the resources of the General Fund during the period from  
1124 July 1, 2003, to June 30, 2005, unless the authority shall, on or before  
1125 October 30, 2003, issue a financing order for each affected distribution  
1126 company in accordance with sections 16-245e to 16-245k, inclusive, to  
1127 sustain funding of renewable energy investment programs by  
1128 substituting an equivalent amount, as determined by the authority in  
1129 such financing order, of proceeds of rate reduction bonds for  
1130 disbursement to the resources of the General Fund during the period  
1131 from July 1, 2003, to June 30, 2005. The authority may authorize in such  
1132 financing order the issuance of rate reduction bonds that substitute for  
1133 disbursement to the General Fund for receipts of both charges under  
1134 this subsection and subsection (a) of section 16-245m and also may in  
1135 its discretion authorize the issuance of rate reduction bonds under this  
1136 subsection and subsection (a) of section 16-245m that relate to more  
1137 than one electric distribution company. The authority shall, in such  
1138 financing order or other appropriate order, offset any increase in the  
1139 competitive transition assessment necessary to pay principal,  
1140 premium, if any, interest and expenses of the issuance of such rate  
1141 reduction bonds by making an equivalent reduction to the charges  
1142 imposed under this subsection, provided any failure to offset all or any  
1143 portion of such increase in the competitive transition assessment shall  
1144 not affect the need to implement the full amount of such increase as

1145 required by this subsection and sections 16-245e to 16-245k, inclusive.  
1146 Such financing order shall also provide if the rate reduction bonds are  
1147 not issued, any unrecovered funds expended and committed by the  
1148 electric distribution companies for renewable resource investment  
1149 through deposits into the Clean Energy Fund, provided such  
1150 expenditures were approved by the authority following August 20,  
1151 2003, and prior to the date of determination that the rate reduction  
1152 bonds cannot be issued, shall be recovered by the companies from  
1153 their respective competitive transition assessment or systems benefits  
1154 charge, except that such expenditures shall not exceed one million  
1155 dollars per month. All receipts from the remaining charges imposed  
1156 under this subsection, after reduction of such charges to offset the  
1157 increase in the competitive transition assessment as provided in this  
1158 subsection, shall be disbursed to the Clean Energy Fund commencing  
1159 as of July 1, 2003. Any increase in the competitive transition  
1160 assessment or decrease in the renewable energy investment  
1161 component of an electric distribution company's rates resulting from  
1162 the issuance of or obligations under rate reduction bonds shall be  
1163 included as rate adjustments on customer bills.

1164 (c) There is hereby created a Clean Energy Fund which shall be  
1165 within the Connecticut Clean Energy [Finance and Investment]  
1166 Authority. The fund may receive any amount required by law to be  
1167 deposited into the fund and may receive any federal funds as may  
1168 become available to the state for clean energy investments. Upon  
1169 authorization of the Connecticut Clean Energy [Finance and  
1170 Investment] Authority established pursuant to subsection (d) of this  
1171 section, any amount in said fund may be used for expenditures that  
1172 promote investment in clean energy in accordance with a  
1173 comprehensive plan developed by it to foster the growth, development  
1174 and commercialization of clean energy sources, related enterprises and  
1175 stimulate demand for clean energy and deployment of clean energy  
1176 sources that serve end use customers in this state and for the further  
1177 purpose of supporting operational demonstration projects for  
1178 advanced technologies that reduce energy use from traditional

1179 sources. Such expenditures may include, but not be limited to,  
1180 providing low-cost financing and credit enhancement mechanisms for  
1181 clean energy projects and technologies, reimbursement of the  
1182 operating expenses, including administrative expenses incurred by the  
1183 authority and [the corporation] Connecticut Innovations, Incorporated,  
1184 and capital costs incurred by the authority in connection with the  
1185 operation of the fund, the implementation of the plan developed  
1186 pursuant to subsection (d) of this section or the other permitted  
1187 activities of the authority, disbursements from the fund to develop and  
1188 carry out the plan developed pursuant to subsection (d) of this section,  
1189 grants, direct or equity investments, contracts or other actions which  
1190 support research, development, manufacture, commercialization,  
1191 deployment and installation of clean energy technologies, and actions  
1192 which expand the expertise of individuals, businesses and lending  
1193 institutions with regard to clean energy technologies.

1194 (d) (1) (A) There is established the Connecticut Clean Energy  
1195 [Finance and Investment] Authority, which [shall be deemed a quasi-  
1196 public agency for purposes of chapters 5, 10 and 12 and within  
1197 Connecticut Innovations, Incorporated, for administrative purposes  
1198 only] is hereby established and created as a body politic and corporate,  
1199 constituting a public instrumentality and political subdivision of the  
1200 state of Connecticut established and created for the performance of an  
1201 essential public and governmental function. The authority shall not be  
1202 construed to be a department, institution or agency of the state.

1203 (B) The authority shall [(A)] (i) develop separate programs to  
1204 finance and otherwise support clean energy investment in residential,  
1205 municipal, small business and larger commercial projects and such  
1206 others as the authority may determine; [(B)] (ii) support financing or  
1207 other expenditures that promote investment in clean energy sources in  
1208 accordance with a comprehensive plan developed by it to foster the  
1209 growth, development and commercialization of clean energy sources  
1210 and related enterprises; and [(C)] (iii) stimulate demand for clean  
1211 energy and the deployment of clean energy sources within the state  
1212 that serve end-use customers in the state.

1213 [Said authority] (C) For the period beginning July 1, 2011, but prior  
1214 to the effective date of this section, the Clean Energy Finance and  
1215 Investment Authority shall constitute a successor agency to [the  
1216 corporation] Connecticut Innovations, Incorporated for the purposes of  
1217 [administrating] administering the Clean Energy Fund in accordance  
1218 with section 4-38d. [Said authority] On and after the effective date of  
1219 this section, the Connecticut Clean Energy Authority shall constitute a  
1220 successor agency to the Clean Energy Finance and Investment  
1221 Authority for the purposes of administering the Clean Energy Fund in  
1222 accordance with section 4-38d. The Connecticut Clean Energy  
1223 Authority shall have all the privileges, immunities, tax exemptions and  
1224 other exemptions of the [corporation] Clean Energy Finance and  
1225 Investment Authority. [Said authority] The Connecticut Clean Energy  
1226 Authority shall be subject to suit and liability solely from the assets,  
1227 revenues and resources of the authority and without recourse to the  
1228 general funds, revenues, resources or other assets of the [corporation]  
1229 Clean Energy Finance and Investment Authority. [Said authority] The  
1230 Connecticut Clean Energy Authority may assume or take title to any  
1231 real property, convey or dispose of its assets and pledge its revenues to  
1232 secure any borrowing, convey or dispose of its assets and pledge its  
1233 revenues to secure any borrowing, for the purpose of developing,  
1234 acquiring, constructing, refinancing, rehabilitating or improving its  
1235 assets or supporting its programs, provided each such borrowing or  
1236 mortgage, unless otherwise provided by the board or the authority,  
1237 shall be a special obligation of the authority, which obligation may be  
1238 in the form of bonds, bond anticipation notes or other obligations  
1239 which evidence an indebtedness to the extent permitted under this  
1240 chapter to fund, refinance and refund the same and provide for the  
1241 rights of holders thereof, and to secure the same by pledge of revenues,  
1242 notes and mortgages of others, and which shall be payable solely from  
1243 the assets, revenues and other resources of the authority and [in no  
1244 event shall] such bonds may be secured by a special capital reserve  
1245 fund [of any kind which is in any way] contributed to by the state. The  
1246 authority shall have the purposes as provided by resolution of the  
1247 authority's board of directors, which purposes shall be consistent with

1248 this section. No further action is required for the establishment of the  
1249 authority, except the adoption of a resolution for the authority.

1250 (2) (A) The authority may seek to qualify as a Community  
1251 Development Financial Institution under Section 4702 of the United  
1252 States Code. If approved as a Community Development Financial  
1253 Institution, the authority would be treated as a qualified community  
1254 development entity for purposes of Section 45D and Section 1400N(m)  
1255 of the Internal Revenue Code.

1256 (B) Before making any loan, loan guarantee, or such other form of  
1257 financing support or risk management for a clean energy project, the  
1258 authority shall develop standards to govern the administration of the  
1259 authority through rules, policies and procedures that specify borrower  
1260 eligibility, terms and conditions of support, and other relevant criteria,  
1261 standards or procedures.

1262 (C) Funding sources specifically authorized include, but are not  
1263 limited to:

1264 (i) Funds repurposed from existing programs providing financing  
1265 support for clean energy projects, provided any transfer of funds from  
1266 such existing programs shall be subject to approval by the General  
1267 Assembly and shall be used for expenses of financing, grants and  
1268 loans;

1269 (ii) Any federal funds that can be used for the purposes specified in  
1270 subsection (c) of this section;

1271 (iii) Charitable gifts, grants, contributions as well as loans from  
1272 individuals, corporations, university endowments and philanthropic  
1273 foundations;

1274 (iv) Earnings and interest derived from financing support activities  
1275 for clean energy projects backed by the authority;

1276 (v) If and to the extent that the authority qualifies as a Community  
1277 Development Financial Institution under Section 4702 of the United

1278 States Code, funding from the Community Development Financial  
1279 Institution Fund administered by the United States Department of  
1280 Treasury, as well as loans from and investments by depository  
1281 institutions seeking to comply with their obligations under the United  
1282 States Community Reinvestment Act of 1977; and

1283 (vi) The authority may enter into contracts with private sources to  
1284 raise capital. The average rate of return on such debt or equity shall be  
1285 set by the authority's board of directors.

1286 (D) The authority may provide financing support under this  
1287 subsection if the authority determines that the amount to be financed  
1288 by the authority and other nonequity financing sources do not exceed  
1289 eighty per cent of the cost to develop and deploy a clean energy project  
1290 or up to one hundred per cent of the cost of financing an energy  
1291 efficiency project.

1292 (E) The authority may assess reasonable fees on its financing  
1293 activities to cover its reasonable costs and expenses, as determined by  
1294 the board.

1295 (F) The authority shall make information regarding the rates, terms  
1296 and conditions for all of its financing support transactions available to  
1297 the public for inspection, including formal annual reviews by both a  
1298 private auditor conducted pursuant to subdivision (2) of subsection (f)  
1299 of this section and the Comptroller, and providing details to the public  
1300 on the Internet, provided public disclosure shall be restricted for  
1301 patentable ideas, trade secrets, proprietary or confidential commercial  
1302 or financial information, disclosure of which may cause commercial  
1303 harm to a nongovernmental recipient of such financing support and  
1304 for other information exempt from public records disclosure pursuant  
1305 to section 1-210.

1306 (3) No director, officer, employee or agent of the authority, while  
1307 acting within the scope of his or her authority, shall be subject to any  
1308 personal liability resulting from exercising or carrying out any of the  
1309 authority's purposes or powers.

1310 (e) The powers of the Connecticut Clean Energy [Finance and  
1311 Investment] Authority shall be vested in and exercised by a board of  
1312 directors, which shall consist of eleven voting and two nonvoting  
1313 members each with knowledge and expertise in matters related to the  
1314 purpose and activities of the authority appointed as follows: The  
1315 Treasurer or the Treasurer's designee, the Commissioner of Energy  
1316 and Environmental Protection or the commissioner's designee and the  
1317 Commissioner of Economic and Community Development or the  
1318 commissioner's designee, each serving ex officio, one member who  
1319 shall represent a residential or low-income group appointed by the  
1320 speaker of the House of Representatives for a term of four years, one  
1321 member who shall have experience in investment fund management  
1322 appointed by the minority leader of the House of Representatives for a  
1323 term of three years, one member who shall represent an environmental  
1324 organization appointed by the president pro tempore of the Senate for  
1325 a term of four years, and one member who shall have experience in the  
1326 finance or deployment of renewable energy appointed by the minority  
1327 leader of the Senate for a term of four years. Thereafter, such members  
1328 of the General Assembly shall appoint members of the board to  
1329 succeed such appointees whose terms expire and each member so  
1330 appointed shall hold office for a period of four years from the first day  
1331 of July in the year of his or her appointment. The Governor shall  
1332 appoint four members to the board as follows: Two for two years who  
1333 shall have experience in the finance of renewable energy; one for four  
1334 years who shall be a representative of a labor organization; and one  
1335 who shall have experience in research and development or  
1336 manufacturing of clean energy. Thereafter, the Governor shall appoint  
1337 members of the board to succeed such appointees whose terms expire  
1338 and each member so appointed shall hold office for a period of four  
1339 years from the first day of July in the year of his or her appointment.  
1340 The president of the authority shall be elected by the members of the  
1341 board. The president of the authority and a member of the board of  
1342 Connecticut Innovations, Incorporated, appointed by the chairperson  
1343 of the corporation shall serve on the board in an ex-officio, nonvoting  
1344 capacity. The Governor shall appoint the chairperson of the board. The

1345 board shall elect from its members a vice chairperson and such other  
1346 officers as it deems necessary and shall adopt such bylaws and  
1347 procedures it deems necessary to carry out its functions. The board  
1348 may establish committees and subcommittees as necessary to conduct  
1349 its business.

1350 (f) (1) The board shall issue annually a report to the Department of  
1351 Energy and Environmental Protection reviewing the activities of the  
1352 Connecticut Clean Energy [Finance and Investment] Authority in  
1353 detail and shall provide a copy of such report, in accordance with the  
1354 provisions of section 11-4a, to the joint standing committees of the  
1355 General Assembly having cognizance of matters relating to energy and  
1356 commerce. The report shall include a description of the programs and  
1357 activities undertaken during the reporting period jointly or in  
1358 collaboration with the Energy Conservation and Load Management  
1359 Funds established pursuant to section 16-245m, as amended by this  
1360 act.

1361 (2) The Clean Energy Fund shall be audited annually. Such audits  
1362 shall be conducted with generally accepted auditing standards by  
1363 independent certified public accountants certified by the State Board of  
1364 Accountancy. Such accountants may be the accountants for the  
1365 corporation.

1366 (3) Any entity that receives financing for a clean energy project from  
1367 the fund shall provide the board an annual statement, certified as  
1368 correct by the chief financial officer of the recipient of such financing,  
1369 setting forth all sources and uses of funds in such detail as may be  
1370 required by the authority of such project. The authority shall maintain  
1371 any such audits for not less than five years. Residential projects for  
1372 buildings with one to four dwelling units are exempt from this and  
1373 any other annual auditing requirements, except that residential  
1374 projects may be required to grant their utility companies' permission to  
1375 release their usage data to the authority.

1376 (g) There shall be a joint committee of the Energy Conservation

1377 Management Board and the Connecticut Clean Energy [Finance and  
1378 Investment] Authority board of directors, as provided in subdivision  
1379 (2) of subsection (d) of section 16-245m, as amended by this act.

1380 Sec. 26. Section 7-233z of the 2012 supplement to the general statutes  
1381 is repealed and the following is substituted in lieu thereof (*Effective*  
1382 *from passage*):

1383 (a) A municipal electric energy cooperative, created pursuant to this  
1384 chapter, shall submit a comprehensive report on the activities of the  
1385 municipal electric utilities with regard to promotion of renewable  
1386 energy resources. Such report shall identify the standards and  
1387 activities of municipal electric utilities in the promotion,  
1388 encouragement and expansion of the deployment and use of  
1389 renewable energy sources within the service areas of the municipal  
1390 electric utilities for the prior calendar year. The cooperative shall  
1391 submit the report to the Connecticut Clean Energy [Finance and  
1392 Investment] Authority not later than ninety days after the end of each  
1393 calendar year that describes the activities undertaken pursuant to this  
1394 subsection during the previous calendar year for the promotion and  
1395 development of renewable energy sources for all electric customer  
1396 classes.

1397 (b) Such cooperative shall develop standards for the promotion of  
1398 renewable resources that apply to each municipal electric utility. On or  
1399 before January 1, 2008, and annually thereafter, such cooperative shall  
1400 submit such standards to the Connecticut Clean Energy [Finance and  
1401 Investment] Authority.

1402 Sec. 27. Section 16-245ee of the 2012 supplement to the general  
1403 statutes is repealed and the following is substituted in lieu thereof  
1404 (*Effective from passage*):

1405 Before approving any plan for energy conservation and load  
1406 management and [renewable] clean energy projects issued to it by the  
1407 Energy Conservation and Management Board, the board of directors of  
1408 the Connecticut Clean Energy [Finance and Investment] Authority or

1409 an electric distribution company, the [Department] Commissioner of  
1410 Energy and Environmental Protection shall determine that an  
1411 equitable amount of the funds administered by each such board are to  
1412 be deployed among small and large customers with a maximum  
1413 average monthly peak demand of one hundred kilowatts in census  
1414 tracts in which the median income is not more than sixty per cent of  
1415 the state median income. The [department] commissioner shall  
1416 determine such equitable share and such projects may include a  
1417 mentoring component for such communities. On and after January 1,  
1418 2012, and annually thereafter, the [department] commissioner shall  
1419 report, in accordance with the provisions of section 11-4a, to the joint  
1420 standing committee of the General Assembly having cognizance of  
1421 matters relating to energy regarding the distribution of funds to such  
1422 communities. Any such report may be submitted electronically.

1423 Sec. 28. Subsection (d) of section 16a-48 of the 2012 supplement to  
1424 the general statutes is repealed and the following is substituted in lieu  
1425 thereof (*Effective from passage*):

1426 (d) (1) The [department] commissioner shall adopt regulations, in  
1427 accordance with the provisions of chapter 54, to implement the  
1428 provisions of this section and to establish minimum energy efficiency  
1429 standards for the types of new products set forth in subsection (b) of  
1430 this section. The regulations shall provide for the following minimum  
1431 energy efficiency standards:

1432 (A) Commercial clothes washers shall meet the requirements shown  
1433 in Table P-3 of section 1605.3 of the California Code of Regulations,  
1434 Title 20: Division 2, Chapter 4, Article 4;

1435 (B) Commercial refrigerators and freezers shall meet the August 1,  
1436 2004, requirements shown in Table A-6 of said California regulation;

1437 (C) Illuminated exit signs shall meet the version 2.0 product  
1438 specification of the "Energy Star Program Requirements for Exit Signs"  
1439 developed by the United States Environmental Protection Agency;

1440 (D) Large packaged air-conditioning equipment having not more  
1441 than seven hundred sixty thousand BTUs per hour of capacity shall  
1442 meet a minimum energy efficiency ratio of 10.0 for units using both  
1443 electric heat and air conditioning or units solely using electric air  
1444 conditioning, and 9.8 for units using both natural gas heat and electric  
1445 air conditioning;

1446 (E) Large packaged air-conditioning equipment having not less than  
1447 seven hundred sixty-one thousand BTUs per hour of capacity shall  
1448 meet a minimum energy efficiency ratio of 9.7 for units using both  
1449 electric heat and air conditioning or units solely using electric air  
1450 conditioning, and 9.5 for units using both natural gas heat and electric  
1451 air conditioning;

1452 (F) Low voltage dry-type distribution transformers shall meet or  
1453 exceed the energy efficiency values shown in Table 4-2 of the National  
1454 Electrical Manufacturers Association Standard TP-1-2002;

1455 (G) Torchiere lighting fixtures shall not consume more than one  
1456 hundred ninety watts and shall not be capable of operating with lamps  
1457 that total more than one hundred ninety watts;

1458 (H) Traffic signal modules shall meet the product specification of  
1459 the "Energy Star Program Requirements for Traffic Signals" developed  
1460 by the United States Environmental Protection Agency that took effect  
1461 in February, 2001, except where the department, in consultation with  
1462 the Commissioner of Transportation, determines that such  
1463 specification would compromise safe signal operation;

1464 (I) Unit heaters shall not have pilot lights and shall have either  
1465 power venting or an automatic flue damper;

1466 (J) On or after January 1, 2009, residential furnaces and boilers  
1467 purchased by the state shall meet or exceed the following annual fuel  
1468 utilization efficiency: (i) For gas and propane furnaces, ninety per cent  
1469 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per  
1470 cent annual fuel utilization efficiency, (iii) for gas and propane hot

1471 water boilers, eighty-four per cent annual fuel utilization efficiency,  
1472 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel  
1473 utilization efficiency, (v) for gas and propane steam boilers, eighty-two  
1474 per cent annual fuel utilization efficiency, (vi) for oil-fired steam  
1475 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)  
1476 for furnaces with furnace air handlers, an electricity ratio of not more  
1477 than 2.0, except air handlers for oil furnaces with a capacity of less than  
1478 ninety-four thousand BTUs per hour shall have an electricity ratio of  
1479 2.3 or less;

1480 (K) On or after January 1, 2010, metal halide lamp fixtures designed  
1481 to be operated with lamps rated greater than or equal to one hundred  
1482 fifty watts but less than or equal to five hundred watts shall not  
1483 contain a probe-start metal halide lamp ballast;

1484 (L) Single-voltage external AC to DC power supplies manufactured  
1485 on or after January 1, 2008, shall meet the energy efficiency standards  
1486 of table U-1 of section 1605.3 of the January 2006 California Code of  
1487 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance  
1488 Efficiency Regulations. This standard applies to single voltage AC to  
1489 DC power supplies that are sold individually and to those that are sold  
1490 as a component of or in conjunction with another product. This  
1491 standard shall not apply to single-voltage external AC to DC power  
1492 supplies sold with products subject to certification by the United States  
1493 Food and Drug Administration. A single-voltage external AC to DC  
1494 power supply that is made available by a manufacturer directly to a  
1495 consumer or to a service or repair facility after and separate from the  
1496 original sale of the product requiring the power supply as a service  
1497 part or spare part shall not be required to meet the standards in said  
1498 table U-1 until five years after the effective dates indicated in the table;

1499 (M) On or after January 1, 2009, state regulated incandescent  
1500 reflector lamps shall be manufactured to meet the minimum average  
1501 lamp efficacy requirements for federally regulated incandescent  
1502 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall  
1503 indicate the date of manufacture;

1504 (N) On or after January 1, 2009, bottle-type water dispensers,  
1505 commercial hot food holding cabinets, portable electric spas, walk-in  
1506 refrigerators and walk-in freezers shall meet the efficiency  
1507 requirements of section 1605.3 of the January 2006 California Code of  
1508 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance  
1509 Efficiency Regulations. On or after January 1, 2010, residential pool  
1510 pumps shall meet said efficiency requirements;

1511 (O) On or after January 1, 2009, pool heaters shall meet the  
1512 efficiency requirements of sections 1605.1 and 1605.3 of the January  
1513 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,  
1514 Article 4: Appliance Efficiency Regulations;

1515 (P) By January 1, 2014, compact audio players, digital versatile disc  
1516 players and digital versatile disc recorders shall meet the requirements  
1517 shown in Table V-1 of Section 1605.3 of the November 2009  
1518 amendments to the California Code of Regulations, Title 20, Division 2,  
1519 Chapter 4, Article 4, unless the commissioner, in accordance with  
1520 subparagraph (B) of subdivision (3) of this subsection, determines that  
1521 such standards are unwarranted and may accept, reject or modify  
1522 according to subparagraph (A) of subdivision (3) of this subsection;

1523 (Q) On or after January 1, 2014, televisions manufactured on or after  
1524 July 1, 2011, shall meet the requirements shown in Table V-2 of Section  
1525 1605.3 of the November 2009 amendments to the California Code of  
1526 Regulations, Title 20, Division 2, Chapter 4, Article 4, unless the  
1527 commissioner, in accordance with subparagraph (B) of subdivision (3)  
1528 of this subsection, determines that such standards are unwarranted  
1529 and may accept, reject or modify according to subparagraph (A) of  
1530 subdivision (3) of this subsection; and

1531 (R) In addition to the requirements of subparagraph (Q) of this  
1532 subdivision, televisions manufactured on or after January 1, 2014, shall  
1533 meet the efficiency requirements of Sections 1605.3(v)(3)(A),  
1534 1605.3(v)(3)(B) and 1605.3(v)(3)(C) of the November 2009 amendments  
1535 to the California Code of Regulations, Title 20, Division 2, Chapter 4,

1536 Article 4, unless the commissioner, in accordance with subparagraph  
1537 (B) of subdivision (3) of this subsection, determines that such  
1538 standards are unwarranted and may accept, reject or modify according  
1539 to subparagraph (A) of subdivision (3) of this subsection.

1540 (2) Such efficiency standards, where in conflict with the State  
1541 Building Code, shall take precedence over the standards contained in  
1542 the Building Code. Not later than July 1, 2007, and biennially  
1543 thereafter, the [department] commissioner shall review and increase  
1544 the level of such efficiency standards by adopting regulations in  
1545 accordance with the provisions of chapter 54 upon a determination  
1546 that increased efficiency standards would serve to promote energy  
1547 conservation in the state and would be cost-effective for consumers  
1548 who purchase and use such new products, provided no such increased  
1549 efficiency standards shall become effective within one year following  
1550 the adoption of any amended regulations providing for such increased  
1551 efficiency standards.

1552 (3) (A) The [department] commissioner shall adopt regulations, in  
1553 accordance with the provisions of chapter 54, to designate additional  
1554 products to be subject to the provisions of this section and to establish  
1555 efficiency standards for such products upon a determination that such  
1556 efficiency standards (i) would serve to promote energy conservation in  
1557 the state, (ii) would be cost-effective for consumers who purchase and  
1558 use such new products, and (iii) would not impose an unreasonable  
1559 burden on Connecticut businesses.

1560 (B) The [department] commissioner, in consultation with the Multi-  
1561 State Appliance Standards Collaborative, shall identify additional  
1562 appliance and equipment efficiency standards. The commissioner shall  
1563 review all California standards and may review standards from other  
1564 states in such collaborative. The commissioner shall issue notice of  
1565 such review in the Connecticut Law Journal, allow for public comment  
1566 and may hold a public hearing within six months of adoption of an  
1567 efficiency standard by a cooperative member state regarding a product  
1568 for which no equivalent Connecticut or federal standard currently

1569 exists. The [department] commissioner shall adopt regulations in  
1570 accordance with the provisions of chapter 54 adopting such efficiency  
1571 standard unless the [department] commissioner makes a specific  
1572 finding that such standard does not meet the criteria in subparagraph  
1573 (A) of this subdivision.

1574 Sec. 29. Subsection (e) of section 16a-48 of the 2012 supplement to  
1575 the general statutes is repealed and the following is substituted in lieu  
1576 thereof (*Effective from passage*):

1577 (e) On or after July 1, 2006, except for commercial clothes washers,  
1578 for which the date shall be July 1, 2007, commercial refrigerators and  
1579 freezers, for which the date shall be July 1, 2008, and large packaged  
1580 air-conditioning equipment, for which the date shall be July 1, 2009, no  
1581 new product of a type set forth in subsection (b) of this section or  
1582 designated by the [department] commissioner may be sold, offered for  
1583 sale, or installed in the state unless the energy efficiency of the new  
1584 product meets or exceeds the efficiency standards set forth in such  
1585 regulations adopted pursuant to subsection (d) of this section.

1586 Sec. 30. Subsection (f) of section 16a-48 of the 2012 supplement to  
1587 the general statutes is repealed and the following is substituted in lieu  
1588 thereof (*Effective from passage*):

1589 (f) The [department] commissioner shall adopt procedures for  
1590 testing the energy efficiency of the new products set forth in subsection  
1591 (b) of this section or designated by the department if such procedures  
1592 are not provided for in the State Building Code. The [department]  
1593 commissioner shall use United States Department of Energy approved  
1594 test methods, or in the absence of such test methods, other appropriate  
1595 nationally recognized test methods. The manufacturers of such  
1596 products shall cause samples of such products to be tested in  
1597 accordance with the test procedures adopted pursuant to this  
1598 subsection or those specified in the State Building Code.

1599 Sec. 31. Subsection (g) of section 16a-48 of the 2012 supplement to  
1600 the general statutes is repealed and the following is substituted in lieu

1601 thereof (*Effective from passage*):

1602 (g) Manufacturers of new products set forth in subsection (b) of this  
1603 section or designated by the [department] commissioner shall certify to  
1604 the commissioner that such products are in compliance with the  
1605 provisions of this section, except that certification is not required for  
1606 single voltage external AC to DC power supplies and walk-in  
1607 refrigerators and walk-in freezers. All single voltage external AC to DC  
1608 power supplies shall be labeled as described in the January 2006  
1609 California Code of Regulations, Title 20, Section 1607 (9). The  
1610 [department] commissioner shall promulgate regulations governing  
1611 the certification of such products. The commissioner shall publish an  
1612 annual list of such products.

1613 Sec. 32. Subsection (g) of section 16-245 of the 2012 supplement to  
1614 the general statutes is repealed and the following is substituted in lieu  
1615 thereof (*Effective from passage*):

1616 (g) As conditions of continued licensure, in addition to the  
1617 requirements of subsection (c) of this section: (1) The licensee shall  
1618 comply with the National Labor Relations Act and regulations, if  
1619 applicable; (2) the licensee shall comply with the Connecticut Unfair  
1620 Trade Practices Act and applicable regulations; (3) each generating  
1621 facility operated by or under long-term contract to the licensee shall  
1622 comply with regulations adopted by the Commissioner of Energy and  
1623 Environmental Protection, pursuant to section 22a-174j; (4) the licensee  
1624 shall comply with the portfolio standards, pursuant to section 16-245a;  
1625 (5) the licensee shall be a member of the New England Power Pool or  
1626 its successor or have a contractual relationship with one or more  
1627 entities who are members of the New England Power Pool or its  
1628 successor and the licensee shall comply with the rules of the regional  
1629 independent system operator and standards and any other reliability  
1630 guidelines of the regional independent systems operator; (6) the  
1631 licensee shall agree to cooperate with the authority and other electric  
1632 suppliers in the event of an emergency condition that may jeopardize  
1633 the safety and reliability of electric service; (7) the licensee shall comply

1634 with the code of conduct established pursuant to section 16-244h; (8)  
1635 for a license to a participating municipal electric utility, the licensee  
1636 shall provide open and nondiscriminatory access to its distribution  
1637 facilities to other licensed electric suppliers; (9) the licensee or the  
1638 entity or entities with whom the licensee has a contractual relationship  
1639 to purchase power shall be in compliance with all applicable licensing  
1640 requirements of the Federal Energy Regulatory Commission; (10) each  
1641 generating facility operated by or under long-term contract to the  
1642 licensee shall be in compliance with chapter 277a and state  
1643 environmental laws and regulations; (11) the licensee shall comply  
1644 with the renewable portfolio standards established in section 16-245a;  
1645 (12) on and after July 1, 2012, the licensee shall offer a time-of-use price  
1646 option to customers. Such option shall include a two-part price that is  
1647 designed to achieve an overall minimization of customer bills by  
1648 encouraging the reduction of consumption during the most energy  
1649 intense hours of the day. The licensee shall file its time-of-use rates  
1650 with the Public Utilities Regulatory Authority; and (13) the licensee  
1651 shall acknowledge that it is subject to chapters 208, 212, 212a and 219,  
1652 as applicable, and the licensee shall pay all taxes it is subject to in this  
1653 state. Also as a condition of licensure, the authority shall prohibit each  
1654 licensee from declining to provide service to customers for the reason  
1655 that the customers are located in economically distressed areas. The  
1656 authority may establish additional reasonable conditions to assure that  
1657 all retail customers will continue to have access to electric generation  
1658 services.

1659 Sec. 33. Subsection (a) of section 103 of public act 11-80 is repealed  
1660 and the following is substituted in lieu thereof (*Effective from passage*):

1661 (a) The Connecticut Clean Energy [Finance and Investment]  
1662 Authority shall on or before March 1, 2012, establish a three-year pilot  
1663 program to promote the development of new combined heat and  
1664 power projects in Connecticut that are below [two] five megawatts in  
1665 capacity size. The program established pursuant to this section shall  
1666 not exceed fifty megawatts. The authority shall set one or more  
1667 standardized grant amounts, loan amounts and power purchase

1668 agreements for such projects to limit the administrative burden of  
1669 project approvals for the authority and the project proponent,  
1670 including, but not limited to, a per kilowatt cost of up to three hundred  
1671 fifty dollars. Such standardized provisions shall seek to minimize costs  
1672 for the general class of ratepayers, ensuring that the project developer  
1673 has a significant share of the financial burden and risk, while ensuring  
1674 the development of projects that benefit Connecticut's economy,  
1675 ratepayers, and environment. The authority may in its discretion  
1676 decline to support a proposed project if the benefits of such project to  
1677 Connecticut's ratepayers, economy and environment, including  
1678 emissions reductions, are too meager to justify ratepayer or taxpayer  
1679 investment.

1680 Sec. 34. Section 16-245ff of the 2012 supplement to the general  
1681 statutes is repealed and the following is substituted in lieu thereof  
1682 (*Effective from passage*):

1683 (a) The Connecticut Clean Energy [Finance and Investment]  
1684 Authority established pursuant to section 16-245n, as amended by this  
1685 act, shall structure and implement a residential solar investment  
1686 program established pursuant to this section, which shall result in a  
1687 minimum of thirty megawatts of new residential solar photovoltaic  
1688 installations located in this state on or before December 31, 2022, the  
1689 annual procurement of which shall be determined by the authority and  
1690 the cost of which shall not exceed one-third of the total surcharge  
1691 collected annually pursuant to said section 16-245n.

1692 (b) The Connecticut Clean Energy [Finance and Investment]  
1693 Authority shall offer direct financial incentives, in the form of  
1694 performance-based incentives or expected performance-based  
1695 buydowns, for the purchase or lease of qualifying residential solar  
1696 photovoltaic systems. For the purposes of this section, "performance-  
1697 based incentives" means incentives paid out on a per kilowatt-hour  
1698 basis, and "expected performance-based buydowns" means incentives  
1699 paid out as a one-time upfront incentive based on expected system  
1700 performance. The authority shall consider willingness to pay studies

1701 and verified solar photovoltaic system characteristics, such as  
1702 operational efficiency, size, location, shading and orientation, when  
1703 determining the type and amount of incentive. Notwithstanding the  
1704 provisions of subdivision (1) of subsection (j) of section 16-244c, the  
1705 amount of renewable energy produced from Class I renewable energy  
1706 sources [receiving tariff payments or] included in utility rates under  
1707 this section shall be applied to reduce the electric distribution  
1708 company's Class I renewable energy source portfolio standard.  
1709 Customers who receive expected performance-based buydowns under  
1710 this section shall not be eligible for a credit pursuant to section [16-  
1711 243b] 16-243h.

1712 (c) Beginning with the comprehensive plan covering the period  
1713 from July 1, 2011, to June 30, 2013, the Connecticut Clean Energy  
1714 [Finance and Investment] Authority shall develop and publish in each  
1715 such plan a proposed schedule for the offering of performance-based  
1716 incentives or expected performance-based buydowns over the  
1717 duration of any such solar incentive program. Such schedule shall: (1)  
1718 Provide for a series of solar capacity blocks the combined total of  
1719 which shall be a minimum of thirty megawatts and projected incentive  
1720 levels for each such block; (2) provide incentives that are sufficient to  
1721 meet reasonable payback expectations of the residential consumer,  
1722 taking into consideration the estimated cost of residential solar  
1723 installations, the value of the energy offset by the system and the  
1724 availability and estimated value of other incentives, including, but not  
1725 limited to, federal and state tax incentives and revenues from the sale  
1726 of solar renewable energy credits; (3) provide incentives that decline  
1727 over time and will foster the sustained, orderly development of a state-  
1728 based solar industry; (4) automatically adjust to the next block once the  
1729 board of directors of the Connecticut Clean Energy Authority has  
1730 issued reservations for financial incentives, provided, pursuant to this  
1731 section, [from] that the board has fully [committing] committed the  
1732 target solar capacity and available incentives in that block; and (5)  
1733 provide comparable economic incentives for the purchase or lease of  
1734 qualifying residential solar photovoltaic systems. The authority may

1735 retain the services of a third-party entity with expertise in the area of  
1736 solar energy program design to assist in the development of the  
1737 incentive schedule or schedules. The [Department] Commissioner of  
1738 Energy and Environmental Protection shall review and approve such  
1739 schedule. Nothing in this subsection shall restrict the authority from  
1740 modifying the approved incentive schedule before the issuance of its  
1741 next comprehensive plan to account for changes in federal or state law  
1742 or regulation or developments in the solar market when such changes  
1743 would affect the expected return on investment for a typical residential  
1744 solar photovoltaic system by twenty per cent or more.

1745 (d) The Connecticut Clean Energy [Finance and Investment]  
1746 Authority shall establish and periodically update program guidelines,  
1747 including, but not limited to, requirements for systems and program  
1748 participants related to: (1) Eligibility criteria; (2) standards for  
1749 deployment of energy efficient equipment or building practices as a  
1750 condition for receiving incentive funding; (3) procedures to provide  
1751 reasonable assurance that such reservations are made and incentives  
1752 are paid out only to qualifying residential solar photovoltaic systems  
1753 demonstrating a high likelihood of being installed and operated as  
1754 indicated in application materials; and (4) reasonable protocols for the  
1755 measurement and verification of energy production.

1756 (e) The Connecticut Clean Energy [Finance and Investment]  
1757 Authority shall maintain on its web site the schedule of incentives,  
1758 solar capacity remaining in the current block and available funding  
1759 and incentive estimators.

1760 (f) Funding for the residential performance-based incentive  
1761 program and expected performance-based buydowns shall be  
1762 apportioned from the moneys collected under the surcharge specified  
1763 in section 16-245n, as amended by this act, provided such  
1764 apportionment shall not exceed one-third of the total surcharge  
1765 collected annually, and supplemented by federal funding as may  
1766 become available.

1767 (g) The Connecticut Clean Energy [Finance and Investment]  
1768 Authority shall identify barriers to the development of a permanent  
1769 Connecticut-based solar workforce and shall make provision for  
1770 comprehensive training, accreditation and certification programs  
1771 through institutions and individuals accredited and certified to  
1772 national standards.

1773 (h) On or before January 1, 2014, and every two years thereafter for  
1774 the duration of the program, the Connecticut Clean Energy [Finance  
1775 and Investment] Authority shall report to the joint standing committee  
1776 of the General Assembly having cognizance of matters relating to  
1777 energy on progress toward the goals identified in subsection (a) of this  
1778 section.

1779 Sec. 35. Subsection (b) of section 16-244r of the 2012 supplement to  
1780 the general statutes is repealed and the following is substituted in lieu  
1781 thereof (*Effective from passage*):

1782 (b) Solicitations conducted by the electric distribution company  
1783 shall be for the purchase of renewable energy credits produced by  
1784 eligible customer-sited generating projects over the duration of the  
1785 long-term contract. For purposes of this section, a long-term contract is  
1786 a contract for fifteen years. The electric distribution company shall be  
1787 entitled to recover the reasonable costs and fees incurred in connection  
1788 with soliciting and filing long-term contracts with the authority  
1789 pursuant to this section through a reconciling component of electric  
1790 rates as determined by the authority, until such company's next  
1791 scheduled rate case.

1792 Sec. 36. Section 16-244s of the 2012 supplement to the general  
1793 statutes is repealed and the following is substituted in lieu thereof  
1794 (*Effective from passage*):

1795 (a) To procure the long-term contracts described in section 16-244r,  
1796 as amended by this act, each electric distribution company shall, not  
1797 later than one hundred eighty days after July 1, 2011, propose a six-  
1798 year solicitation plan that shall include (1) a timetable and

1799 methodology for soliciting proposals for the long-term purchase of  
1800 renewable energy credits from in-state generators of Class I  
1801 technologies that emit no pollutants and are not more than one  
1802 megawatt in size, and (2) declining annual incentives during each of  
1803 the six years of the program. The electric distribution company's  
1804 solicitation plan shall be subject to the review and approval of the  
1805 Public Utilities Regulatory Authority.

1806 (b) The electric distribution company's approved solicitation plan  
1807 shall be designed to foster a diversity of project sizes and participation  
1808 among all eligible customer classes subject to cost-effectiveness  
1809 considerations. Separate procurement processes shall be conducted for  
1810 (1) systems up to one hundred kilowatts; (2) systems greater than one  
1811 hundred kilowatts but less than two hundred fifty kilowatts; and (3)  
1812 systems between two hundred fifty and one thousand kilowatts. The  
1813 Public Utilities Regulatory Authority shall give preference to  
1814 competitive bidding for resources of more than one hundred kilowatts,  
1815 with bids ranked in order on the basis of lowest net present value of  
1816 required renewable energy credit price, unless the authority  
1817 determines that an alternative methodology is in the best interests of  
1818 the electric distribution company's customers and the development of  
1819 a competitive and self-sustaining market. Systems up to one hundred  
1820 kilowatts in size shall be eligible to receive, on an ongoing and  
1821 continuous basis, a renewable energy credit offer price equivalent to  
1822 the weighted average accepted bid price in the most recent solicitation  
1823 for systems greater than one hundred kilowatts but less than two  
1824 hundred fifty kilowatts, plus an additional incentive of ten per cent.  
1825 The electric distribution company shall be entitled to recover the  
1826 reasonable costs and fees incurred in connection with the preparation  
1827 of a solicitation plan pursuant to this section through a reconciling  
1828 component of electric rates as determined by the authority.

1829 (c) Each electric distribution company shall execute its approved  
1830 six-year solicitation plan and submit to the Public Utilities Regulatory  
1831 Authority for review and approval of its preferred procurement plan  
1832 comprised of any proposed contract or contracts with independent

1833 developers. If an electric distribution company's solicitation does not  
1834 result in proposed contracts totaling the annual expenditure pursuant  
1835 to subsection (a) of section 16-244r and the Public Utilities Regulatory  
1836 Authority has reduced the cap price by more than three per cent  
1837 pursuant to subsection (c) of section 16-244r, the authority shall, within  
1838 ninety days, issue a request for proposals for additional contracts. The  
1839 authority shall approve contract proposals submitted in response to  
1840 such request on a least-cost basis, provided an electric distribution  
1841 company shall not be required to enter into a contract that provides for  
1842 a payment in any year of the contract that exceeds the renewable  
1843 energy price cap for the prior year, [by] less [than] three per cent.

1844 (d) The Public Utilities Regulatory Authority shall hold a hearing  
1845 that shall be conducted as an uncontested case, in accordance with the  
1846 provisions of chapter 54, to approve, reject or modify an [application  
1847 for approval of the] electric distribution company's procurement plan.  
1848 The authority shall only [approve such proposed plan] issue an  
1849 approval for a plan or modification of a plan if the authority finds that  
1850 (1) the solicitation and evaluation conducted by the electric  
1851 distribution company was the result of a fair, open, competitive and  
1852 transparent process; (2) approval of the procurement plan would result  
1853 in the greatest expected ratepayer value from energy from Class I or  
1854 renewable energy credits at the lowest reasonable cost; and (3) such  
1855 procurement plan or any modification satisfies other criteria  
1856 established in the approved solicitation plan. The authority shall not  
1857 approve any proposal made under such plan unless it determines that  
1858 the plan and proposals encompass all foreseeable sources of revenue  
1859 or benefits and that such proposals, together with such revenue or  
1860 benefits, would result in the greatest expected ratepayer value from  
1861 energy technologies that emit no pollutants or renewable energy  
1862 credits. The authority may, in its discretion, retain the services of an  
1863 independent consultant with expertise in the area of energy  
1864 procurement to assist in such determination. The independent  
1865 consultant shall be unaffiliated with the electric distribution company  
1866 or its affiliates and shall not, directly or indirectly, have benefited from

1867 employment or contracts with the electric distribution company or its  
1868 affiliates in the preceding five years, except as an independent  
1869 consultant. The electric distribution company shall provide the  
1870 independent consultant immediate and continuing access to all  
1871 documents and data reviewed, used or produced by the electric  
1872 distribution company in its bid solicitation and evaluation process. The  
1873 electric distribution company shall make all its personnel, agents and  
1874 contractors used in the bid solicitation and evaluation available for  
1875 interview by the consultant. The electric distribution company shall  
1876 conduct any additional modeling requested by the independent  
1877 consultant to test the assumptions and results of the bid evaluation  
1878 process. The independent consultant shall not participate in or advise  
1879 the electric distribution company with respect to any decisions in the  
1880 bid solicitation or bid evaluation process. The authority's  
1881 administrative costs in reviewing the electric distribution company's  
1882 procurement plan and the costs of the consultant shall be recovered  
1883 through a reconciling component of electric rates as determined by the  
1884 authority.

1885 (e) The electric distribution company shall be entitled to recover its  
1886 reasonable costs and fees prudently incurred of complying with its  
1887 approved procurement plan through a reconciling component of  
1888 electric rates as determined by the authority. Nothing in this section  
1889 shall preclude the resale or other disposition of energy or associated  
1890 renewable energy credits purchased by the electric distribution  
1891 company, provided the distribution company shall net the cost of  
1892 payments made to projects under the long-term contracts against the  
1893 proceeds of the sale of energy or renewable energy credits and the  
1894 difference shall be credited or charged to distribution customers  
1895 through a reconciling component of electric rates as determined by the  
1896 authority that is nonbypassable when switching electric suppliers.

1897 (f) Failure by the electric distribution company to execute its  
1898 approved solicitation plan shall result in a noncompliance fee. Unless,  
1899 upon petition by the electric distribution company, the authority  
1900 grants the distribution company an extension not to exceed ninety

1901 days to correct this deficiency, the electric distribution company shall  
1902 be assessed a noncompliance fee one hundred twenty-five per cent of  
1903 the difference between the annual distribution company expenditures  
1904 required pursuant to subsection (c) of section 16-244r and the  
1905 contractually committed expenditure for renewable energy credits  
1906 from eligible zero emissions customer-sited generating projects in that  
1907 year. The noncompliance fees associated with the procurement  
1908 shortfall shall be collected by the distribution company, maintained in  
1909 a separate interest-bearing account and disbursed to the department  
1910 on a quarterly basis. Funds collected by the authority pursuant to this  
1911 section shall be used to support the deployment of Class I zero  
1912 emissions generating systems installed in the state with priority given  
1913 to otherwise underserved market segments, including, but not limited  
1914 to, low-income housing, schools and other public buildings and  
1915 nonprofits. The authority may waive a noncompliance fee assessed  
1916 pursuant to this section if the authority determines that meeting the  
1917 requirements of this subsection would be commercially infeasible.

1918 (g) Not later than sixty days after its approval of the distribution  
1919 company procurement plans submitted on or before January 1, 2013,  
1920 the Public Utilities Regulatory Authority shall submit a report to the  
1921 joint standing committee of the General Assembly having cognizance  
1922 of matters relating to energy. The report shall document for each  
1923 distribution company procurement plan: (1) The total number of  
1924 renewable energy credits bid relative to the number of renewable  
1925 energy credits requested by the distribution company; (2) the total  
1926 number of bidders in each market segment; (3) the number and value  
1927 of contracts awarded; (4) the total weighted average price of the  
1928 renewable energy credits or energy so purchased; and (5) the extent to  
1929 which the costs of the technology has been reduced. The authority  
1930 shall not report individual bid information or other proprietary  
1931 information.

1932 Sec. 37. Subsection (a) of section 16-244t of the 2012 supplement to  
1933 the general statutes is repealed and the following is substituted in lieu  
1934 thereof (*Effective from passage*):

1935 (a) Commencing on January 1, 2012, and within one hundred eighty  
1936 days, each electric distribution company shall solicit and file with the  
1937 Public Utilities Regulatory Authority for its approval one or more  
1938 fifteen-year power purchase contracts with owners or developers of  
1939 generation projects that are less than two megawatts in size, located on  
1940 the customer side of the revenue meter, serve the distribution system  
1941 of the electric distribution company, and use Class I technologies [that  
1942 have no emissions of no more than 0.07 pounds per megawatt-hour of  
1943 nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide,  
1944 0.02 pounds per megawatt-hour of volatile organic compounds, and  
1945 one grain per one hundred standard cubic feet.] The authority may  
1946 give a preference to contracts for technologies manufactured,  
1947 researched or developed in the state.

1948 Sec. 38. Subsection (b) of section 16-244t of the 2012 supplement to  
1949 the general statutes is repealed and the following is substituted in lieu  
1950 thereof (*Effective from passage*):

1951 (b) Solicitations conducted by the electric distribution company  
1952 shall be for the purchase of renewable energy credits produced by  
1953 eligible customer-sited generating projects over the duration of the  
1954 contract. The electric distribution company shall be entitled to recover  
1955 the reasonable costs and fees incurred in connection with soliciting and  
1956 filing power purchase contracts with the authority pursuant to this  
1957 section through a reconciling component of electric rates as  
1958 determined by the authority, until such company's next scheduled rate  
1959 case.

1960 Sec. 39. Section 16-245hh of the 2012 supplement to the general  
1961 statutes is repealed and the following is substituted in lieu thereof  
1962 (*Effective from passage*):

1963 The Connecticut Clean Energy [Finance and Investment] Authority  
1964 created pursuant to section 16-245n, as amended by this act, in  
1965 consultation with the [Department] Commissioner of Energy and  
1966 Environmental Protection, shall establish a program to be known as

1967 the "condominium renewable energy grant program". Under such  
1968 program, the board of directors of the authority shall provide grants to  
1969 residential condominium associations and residential condominium  
1970 owners, within available funds, for purchasing clean energy sources,  
1971 including solar energy, geothermal energy and fuel cells or other  
1972 energy-efficient hydrogen-fueled energy.

1973 Sec. 40. Section 16-24a of the 2012 supplement to the general statutes  
1974 is repealed and the following is substituted in lieu thereof (*Effective*  
1975 *from passage*):

1976 (a) On or before June 30, 2012, the [Department] Commissioner of  
1977 Energy and Environmental Protection shall conduct a proceeding  
1978 regarding development of low-income discounted rates for service  
1979 provided by electric distribution and gas companies, as defined in  
1980 section 16-1, as amended by this act, to low-income customers with an  
1981 annual income that does not exceed sixty per cent of median income.  
1982 Such proceeding shall include, but not be limited to, a review, for  
1983 individuals who receive means-tested assistance administered by the  
1984 state or federal governments, of the current and future availability of  
1985 rate discounts through the department's electricity purchasing pool  
1986 operated pursuant to section 16a-14e, energy assistance benefits  
1987 available through any plan adopted pursuant to section 16a-41a, state  
1988 funded or administered programs, conservation assistance available  
1989 pursuant to section 16-245m, as amended by this act, assistance funded  
1990 or administered by said department or the Department of Social  
1991 Services, or matching payment program benefits available pursuant to  
1992 subsection (b) of section 16-262c. The [department] commissioner shall  
1993 (1) coordinate resources and programs, to the extent practicable; (2)  
1994 develop rates that take into account the indigency of persons of  
1995 poverty status and allow such persons' households to meet the costs of  
1996 essential energy needs; (3) require the households to have a home  
1997 energy audit paid from the Energy Efficiency Fund as a prerequisite to  
1998 qualification; (4) prepare an analysis of the benefits and anticipated  
1999 costs of such low-income discounted rates; and (5) review utility rate  
2000 discount policies or programs in other states.

2001 (b) The [department] commissioner shall determine which, if any, of  
2002 its programs shall be modified, terminated or have their funding  
2003 reduced because such program beneficiaries would benefit more by  
2004 the establishment of a low-income or discount rate. The [department]  
2005 commissioner shall establish a rate reduction that is equal to the  
2006 anticipated funds transferred from the programs modified, terminated  
2007 or reduced by the department pursuant to this section and the reduced  
2008 cost of providing service to those eligible for such discounted or low-  
2009 income rates, any available energy assistance and other sources of  
2010 coverage for such rates, including, but not limited to, generation  
2011 available through the electricity purchasing pool operated by the  
2012 department. The [department] commissioner may issue  
2013 recommendations regarding programs administered by the  
2014 Department of Social Services.

2015 (c) The [department] commissioner shall order (1) filing by each  
2016 electric distribution company of proposed rates consistent with the  
2017 [department's] commissioner's decision pursuant to subsection (a) of  
2018 this section not later than sixty days after its issuance; and (2)  
2019 appropriate modification of existing low-income programs.

2020 (d) The cost of low-income and discounted rates and related  
2021 outreach activities pursuant to this section shall be paid (1) through the  
2022 normal rate-making procedures of the [department] Public Utilities  
2023 Regulatory Authority, (2) on a semiannual basis through the systems  
2024 benefits charge for an electric distribution company, and (3) solely  
2025 from the funds of the programs modified, terminated or reduced by  
2026 the department pursuant to this section and the reduced cost of  
2027 providing service to those eligible for such discounted or low-income  
2028 rates, any available energy assistance and other sources of coverage for  
2029 such rates, including, but not limited to, generation available through  
2030 the electricity purchasing pool operated by the department.

2031 (e) On or before [February] October 1, 2012, the [department]  
2032 commissioner shall report, in accordance with section 11-4a, to the  
2033 joint standing committee of the General Assembly having cognizance

2034 of matters relating to energy regarding the benefits and costs of the  
2035 low-income or discounted rates established pursuant to subsection (a)  
2036 of this section, including, but not limited to, possible impacts on  
2037 existing customers who qualify for state assistance, and any  
2038 recommended modifications. If the low-income rate is not less than  
2039 ninety per cent of the standard service rate, the [department]  
2040 commissioner shall include in [its] the commissioner's report steps to  
2041 achieve that goal. Any such report may be submitted electronically.

2042 Sec. 41. Section 16-245o of the 2012 supplement to the general  
2043 statutes is repealed and the following is substituted in lieu thereof  
2044 (*Effective from passage*):

2045 (a) To protect a customer's right to privacy from unwanted  
2046 solicitation, each electric company or electric distribution company, as  
2047 the case may be, shall distribute to each customer a form approved by  
2048 the [Department of Energy and Environmental Protection] Public  
2049 Utilities Regulatory Authority which the customer shall submit to the  
2050 customer's electric or electric distribution company in a timely manner  
2051 if the customer does not want the customer's name, address, telephone  
2052 number and rate class to be released to electric suppliers. On and after  
2053 July 1, 1999, each electric or electric distribution company, as the case  
2054 may be, shall make available to all electric suppliers customer names,  
2055 addresses, telephone numbers, if known, and rate class, unless the  
2056 electric company or electric distribution company has received a form  
2057 from a customer requesting that such information not be released.  
2058 Additional information about a customer for marketing purposes shall  
2059 not be released to any electric supplier unless a customer consents to a  
2060 release by one of the following: (1) An independent third-party  
2061 telephone verification; (2) receipt of a written confirmation received in  
2062 the mail from the customer after the customer has received an  
2063 information package confirming any telephone agreement; (3) the  
2064 customer signs a document fully explaining the nature and effect of the  
2065 release; or (4) the customer's consent is obtained through electronic  
2066 means, including, but not limited to, a computer transaction.

2067 (b) All electric suppliers shall have equal access to customer  
2068 information required to be disclosed under subsection (a) of this  
2069 section. No electric supplier shall have preferential access to historical  
2070 distribution company customer usage data.

2071 (c) No electric or electric distribution company shall include in any  
2072 bill or bill insert anything that directly or indirectly promotes a  
2073 generation entity or affiliate of the electric distribution company. No  
2074 electric supplier shall include a bill insert in an electric bill of an  
2075 electric distribution company.

2076 (d) All marketing information provided pursuant to the provisions  
2077 of this section shall be formatted electronically by the electric company  
2078 or electric distribution company, as the case may be, in a form that is  
2079 readily usable by standard commercial software packages. Updated  
2080 lists shall be made available within a reasonable time, as determined  
2081 by the [department] authority, following a request by an electric  
2082 supplier. Each electric supplier seeking the information shall pay a fee  
2083 to the electric company or electric distribution company, as the case  
2084 may be, which reflects the incremental costs of formatting, sorting and  
2085 distributing this information, together with related software changes.  
2086 Customers shall be entitled to any available individual information  
2087 about their loads or usage at no cost.

2088 (e) Each electric supplier shall, prior to the initiation of electric  
2089 generation services, provide the potential customer with a written  
2090 notice describing the rates, information on air emissions and resource  
2091 mix of generation facilities operated by and under long-term contract  
2092 to the supplier, terms and conditions of the service, and a notice  
2093 describing the customer's right to cancel the service, as provided in this  
2094 section. No electric supplier shall provide electric generation services  
2095 unless the customer has signed a service contract or consents to such  
2096 services by one of the following: (1) An independent third-party  
2097 telephone verification; (2) receipt of a written confirmation received in  
2098 the mail from the customer after the customer has received an  
2099 information package confirming any telephone agreement; (3) the

2100 customer signs a contract that conforms with the provisions of this  
2101 section; or (4) the customer's consent is obtained through electronic  
2102 means, including, but not limited to, a computer transaction. Each  
2103 electric supplier shall provide each customer with a demand of less  
2104 than one hundred kilowatts, a written contract that conforms with the  
2105 provisions of this section and maintain records of such signed service  
2106 contract or consent to service for a period of not less than two years  
2107 from the date of expiration of such contract, which records shall be  
2108 provided to the [department] authority or the customer upon request.  
2109 Each contract for electric generation services shall contain all material  
2110 terms of the agreement, a clear and conspicuous statement explaining  
2111 the rates that such customer will be paying, including the  
2112 circumstances under which the rates may change, a statement that  
2113 provides specific directions to the customer as to how to compare the  
2114 price term in the contract to the customer's existing electric generation  
2115 service charge on the electric bill and how long those rates are  
2116 guaranteed. Such contract shall also include a clear and conspicuous  
2117 statement providing the customer's right to cancel such contract not  
2118 later than three days after signature or receipt in accordance with the  
2119 provisions of this subsection, describing under what circumstances, if  
2120 any, the supplier may terminate the contract and describing any  
2121 penalty for early termination of such contract. Each contract shall be  
2122 signed by the customer, or otherwise agreed to in accordance with the  
2123 provisions of this subsection. A customer who has a maximum  
2124 demand of five hundred kilowatts or less shall, until midnight of the  
2125 third business day after the latter of the day on which the customer  
2126 enters into a service agreement or the day on which the customer  
2127 receives the written contract from the electric supplier as provided in  
2128 this section, have the right to cancel a contract for electric generation  
2129 services entered into with an electric supplier.

2130 (f) (1) Any third-party agent who contracts with or is otherwise  
2131 compensated by an electric supplier to sell electric generation services  
2132 shall be a legal agent of the electric supplier. No third-party agent may  
2133 sell electric generation services on behalf of an electric supplier unless

2134 (A) the third-party agent is an employee or independent contractor of  
2135 such electric supplier, and (B) the third-party agent has received  
2136 appropriate training directly from such electric supplier.

2137 (2) On or after July 1, 2011, all sales and solicitations of electric  
2138 generation services by an electric supplier, aggregator or agent of an  
2139 electric supplier or aggregator to a customer with a maximum demand  
2140 of one hundred kilowatts or less conducted and consummated entirely  
2141 by mail, door-to-door sale, telephone or other electronic means, during  
2142 a scheduled appointment at the premises of a customer or at a fair,  
2143 trade or business show, convention or exposition in addition to  
2144 complying with the provisions of subsection (e) of this section shall:

2145 (A) For any sale or solicitation, including from any person  
2146 representing such electric supplier, aggregator or agent of an electric  
2147 supplier or aggregator (i) identify the person and the electric  
2148 generation services company or companies the person represents; (ii)  
2149 provide a statement that the person does not represent an electric  
2150 distribution company; (iii) explain the purpose of the solicitation; and  
2151 (iv) explain all rates, fees, variable charges and terms and conditions  
2152 for the services provided; and

2153 (B) For door-to-door sales to customers with a maximum demand of  
2154 one hundred kilowatts, which shall include the sale of electric  
2155 generation services in which the electric supplier, aggregator or agent  
2156 of an electric supplier or aggregator solicits the sale and receives the  
2157 customer's agreement or offer to purchase at a place other than the  
2158 seller's place of business, be conducted (i) in accordance with any  
2159 municipal and local ordinances regarding door-to-door solicitations,  
2160 (ii) between the hours of ten o'clock a.m. and six o'clock p.m. unless the  
2161 customer schedules an earlier or later appointment, and (iii) with both  
2162 English and Spanish written materials available. Any representative of  
2163 an electric supplier, aggregator or agent of an electric supplier or  
2164 aggregator shall prominently display or wear a photo identification  
2165 badge stating the name of such person's employer or the electric  
2166 supplier the person represents.

2167 (3) No electric supplier, aggregator or agent of an electric supplier  
2168 or aggregator shall advertise or disclose the price of electricity to  
2169 mislead a reasonable person into believing that the electric generation  
2170 services portion of the bill will be the total bill amount for the delivery  
2171 of electricity to the customer's location. When advertising or disclosing  
2172 the price for electricity, the electric supplier, aggregator or agent of an  
2173 electric supplier or aggregator shall also disclose the electric  
2174 distribution company's current charges, including the competitive  
2175 transition assessment and the systems benefits charge, for that  
2176 customer class.

2177 (4) No entity, including an aggregator or agent of an electric  
2178 supplier or aggregator, who sells or offers for sale any electric  
2179 generation services for or on behalf of an electric supplier, shall engage  
2180 in any deceptive acts or practices in the marketing, sale or solicitation  
2181 of electric generation services.

2182 (5) Each electric supplier shall disclose to the Public Utilities  
2183 Regulatory Authority in a standardized format (A) the amount of  
2184 additional renewable energy credits such supplier will purchase  
2185 beyond required credits, (B) where such additional credits are being  
2186 sourced from, and (C) the types of renewable energy sources that will  
2187 be purchased. Each electric supplier shall only advertise renewable  
2188 energy credits purchased beyond those required pursuant to section  
2189 16-245a and shall report to the authority the renewable energy sources  
2190 of such credits and whenever the mix of such sources changes.

2191 (6) No contract for electric generation services by an electric supplier  
2192 shall require a residential customer to pay any fee for termination or  
2193 early cancellation of a contract in excess of (A) one hundred dollars; or  
2194 (B) twice the estimated bill for energy services for an average month,  
2195 whichever is less, provided when an electric supplier offers a contract,  
2196 it provides the residential customer an estimate of such customer's  
2197 average monthly bill.

2198 (7) An electric supplier shall not make a material change in the

2199 terms or duration of any contract for the provision of electric  
2200 generation services by an electric supplier without the express consent  
2201 of the customer. Nothing in this subdivision shall restrict an electric  
2202 supplier from renewing a contract by clearly informing the customer,  
2203 in writing, not less than thirty days or more than sixty days before the  
2204 renewal date, of the renewal terms and of the option not to accept the  
2205 renewal offer, provided no fee pursuant to subdivision (6) of this  
2206 section shall be charged to a customer who terminates or cancels such  
2207 renewal not later than seven business days after receiving the first  
2208 billing statement for the renewed contract.

2209 (8) Each electric supplier shall file annually with the authority a list  
2210 of any aggregator or agent working on behalf of such supplier.

2211 (g) Each electric supplier, aggregator or agent of an electric supplier  
2212 or aggregator shall comply with the provisions of the telemarketing  
2213 regulations adopted pursuant to 15 USC 6102.

2214 (h) Any violation of this section shall be deemed an unfair or  
2215 deceptive trade practice under subsection (a) of section 42-110b. Any  
2216 contract for electric generation services that the authority finds to be  
2217 the product of unfair or deceptive marketing practices or in material  
2218 violation of the provisions of this section shall be void and  
2219 unenforceable. Any waiver of the provisions of this section by a  
2220 customer of electric generation services shall be deemed void and  
2221 unenforceable by the electric supplier.

2222 (i) Any violation or failure to comply with any provision of this  
2223 section shall be subject to (1) civil penalties by the [department]  
2224 authority in accordance with section 16-41, (2) the suspension or  
2225 revocation of an electric supplier or aggregator's license, or (3) a  
2226 prohibition on accepting new customers following a hearing that is  
2227 conducted as a contested case in accordance with chapter 54.

2228 (j) The [department] authority may adopt regulations, in accordance  
2229 with the provisions of chapter 54, to include, but not be limited to,  
2230 abusive switching practices, solicitations and renewals by electric

2231 suppliers.

2232 Sec. 42. Subsection (a) of section 16-245d of the 2012 supplement to  
2233 the general statutes is repealed and the following is substituted in lieu  
2234 thereof (*Effective from passage*):

2235 (a) The [Department of Energy and Environmental Protection]  
2236 Public Utilities Regulatory Authority shall, by regulations adopted  
2237 pursuant to chapter 54, develop a standard billing format that enables  
2238 customers to compare pricing policies and charges among electric  
2239 suppliers. The [department] authority shall adopt regulations, in  
2240 accordance with the provisions of chapter 54, to provide that an  
2241 electric supplier, until July 1, 2012, may provide direct billing and  
2242 collection services for electric generation services and related federally  
2243 mandated congestion charges that such supplier provides to its  
2244 customers with a maximum demand of not less than one hundred  
2245 kilowatts that choose to receive a bill directly from such supplier and,  
2246 on and after July 1, 2012, shall provide direct billing and collection  
2247 services for electric generation services and related federally mandated  
2248 congestion charges that such suppliers provide to their customers or  
2249 may choose to obtain such billing and collection service through an  
2250 electric distribution company and pay its pro rata share in accordance  
2251 with the provisions of subsection (h) of section 16-244c. Any customer  
2252 of an electric supplier, which is choosing to provide direct billing, who  
2253 paid for the cost of billing and other services to an electric distribution  
2254 company shall receive a credit on their monthly bill.

2255 (1) An electric supplier that chooses to provide billing and collection  
2256 services shall, in accordance with the billing format developed by the  
2257 [department] authority, include the following information in each  
2258 customer's bill: (A) The total amount owed by the customer, which  
2259 shall be itemized to show (i) the electric generation services component  
2260 and any additional charges imposed by the electric supplier, and (ii)  
2261 federally mandated congestion charges applicable to the generation  
2262 services; (B) any unpaid amounts from previous bills, which shall be  
2263 listed separately from current charges; (C) the rate and usage for the

2264 current month and each of the previous twelve months in bar graph  
2265 form or other visual format; (D) the payment due date; (E) the interest  
2266 rate applicable to any unpaid amount; (F) the toll-free telephone  
2267 number of the Public Utilities Regulatory Authority for questions or  
2268 complaints; and (G) the toll-free telephone number and address of the  
2269 electric supplier. On or before February 1, 2012, the authority shall  
2270 conduct a review of the costs and benefits of suppliers billing for all  
2271 components of electric service, and report, in accordance with the  
2272 provisions of section 11-4a, to the joint standing committee of the  
2273 General Assembly having cognizance of matters relating to energy  
2274 regarding the results of such review. Any such report may be  
2275 submitted electronically.

2276 (2) An electric distribution company shall, in accordance with the  
2277 billing format developed by the authority, include the following  
2278 information in each customer's bill: (A) The total amount owed by the  
2279 customer, which shall be itemized to show, (i) the electric generation  
2280 services component if the customer obtains standard service or last  
2281 resort service from the electric distribution company, (ii) the  
2282 distribution charge, including all applicable taxes and the systems  
2283 benefits charge, as provided in section 16-245l, (iii) the transmission  
2284 rate as adjusted pursuant to subsection (d) of section 16-19b, (iv) the  
2285 competitive transition assessment, as provided in section 16-245g, (v)  
2286 federally mandated congestion charges, and (vi) the conservation and  
2287 renewable energy charge, consisting of the conservation and load  
2288 management program charge, as provided in section 16-245m, as  
2289 amended by this act, and the renewable energy investment charge, as  
2290 provided in section 16-245n, as amended by this act; (B) any unpaid  
2291 amounts from previous bills which shall be listed separately from  
2292 current charges; (C) except for customers subject to a demand charge,  
2293 the rate and usage for the current month and each of the previous  
2294 twelve months in the form of a bar graph or other visual form; (D) the  
2295 payment due date; (E) the interest rate applicable to any unpaid  
2296 amount; (F) the toll-free telephone number of the electric distribution  
2297 company to report power losses; (G) the toll-free telephone number of

2298 the Public Utilities Regulatory Authority for questions or complaints;  
2299 and (H) if a customer has a demand of five hundred kilowatts or less  
2300 during the preceding twelve months, a statement about the availability  
2301 of information concerning electric suppliers pursuant to section 16-  
2302 245p.

2303 Sec. 43. Subsection (a) of section 16a-40l of the 2012 supplement to  
2304 the general statutes is repealed and the following is substituted in lieu  
2305 thereof (*Effective from passage*):

2306 (a) On or before October 1, 2011, the Department of Energy and  
2307 Environmental Protection shall establish a residential heating  
2308 equipment financing program. Such program shall allow residential  
2309 customers to finance, through on-bill financing or other mechanism,  
2310 the installation of energy efficient natural gas or heating oil burners,  
2311 boilers and furnaces or ductless heat pumps to replace (1) burners,  
2312 boilers and furnaces that are not less than seven years old with an  
2313 efficiency rating of not more than seventy-five per cent, or (2) electric  
2314 heating systems. Eligible fuel oil furnaces shall have an efficiency  
2315 rating of not less than eighty-six per cent. An eligible fuel oil burner  
2316 shall have an efficiency rating of not less than eighty-six per cent with  
2317 temperature reset controls. An eligible natural gas boiler shall have an  
2318 annual fuel utilization efficiency rating of not less than ninety per cent  
2319 and an eligible natural gas furnace shall have an annual fuel utilization  
2320 efficiency rating of not less than ninety-five per cent. To participate in  
2321 the program established pursuant to this subsection, a customer shall  
2322 first have a home energy audit, the cost of which may be financed  
2323 pursuant to subsection (b) of this section.

2324 Sec. 44. Subsection (f) of section 16a-40l of the 2012 supplement to  
2325 the general statutes is repealed and the following is substituted in lieu  
2326 thereof (*Effective from passage*):

2327 (f) On or before October 1, 2011, the department shall begin  
2328 accepting applications for financial incentives for combined heat and  
2329 power systems of not more than [one megawatt] five megawatts of

2330 power. To qualify for such financial incentives, such combined heat  
2331 and power system shall reduce energy costs at an amount equal to or  
2332 greater than the amount of the installation cost of the system within  
2333 ten years of the installation. The department shall review the current  
2334 market conditions for such systems, including any existing federal or  
2335 state financial incentives, and determine the appropriate financial  
2336 incentives under this program necessary to encourage installation of  
2337 such systems. Such financial incentives may include providing private  
2338 financial institutions with loan loss protection or grants to lower  
2339 borrowing costs. Financial incentives pursuant to this subdivision shall  
2340 not exceed two hundred dollars per kilowatt. A project accepted for  
2341 such incentives shall qualify for a waiver of (1) the backup power rate  
2342 under section 16-243o, and (2) the requirement to provide baseload  
2343 electricity under section 16-243i. Any purchase of natural gas for any  
2344 combined heat and power system installed pursuant to this  
2345 subdivision shall not include a distribution charge pursuant to section  
2346 16-243l.

2347 Sec. 45. Section 16a-37u of the 2012 supplement to the general  
2348 statutes is repealed and the following is substituted in lieu thereof  
2349 (*Effective from passage*):

2350 (a) The Commissioner of Energy and Environmental Protection  
2351 shall be responsible for planning and managing energy use in state-  
2352 owned and leased buildings and shall establish a program to maximize  
2353 the efficiency with which energy is utilized in such buildings. The  
2354 commissioner shall exercise this authority by (1) preparing and  
2355 implementing annual and long-range plans, with timetables,  
2356 establishing goals for reducing state energy consumption and, based  
2357 on energy audits, specific objectives for state agencies to meet the  
2358 performance standards adopted under section 16a-38; (2) coordinating  
2359 federal and state energy conservation resources and activities,  
2360 including but not limited to, those required to be performed by other  
2361 state agencies under this chapter; and (3) monitoring energy use and  
2362 costs by budgeted state agencies on a monthly basis.

2363 (b) On or before July 1, 2012, the commissioner, in consultation with  
2364 the Department of Administrative Services, shall develop a plan to  
2365 reduce energy use in buildings owned or leased by the state by  
2366 January 1, 2013, by at least ten per cent from its current consumption  
2367 and by January 1, 2018, by an additional ten per cent. Such plan shall  
2368 include, but not be limited to, (1) assessing current energy  
2369 consumption for all fuels used in state-owned buildings, (2)  
2370 identifying not less than one hundred such buildings with the highest  
2371 aggregate energy costs in the fiscal year ending June 30, 2011, (3)  
2372 establishing targets for conducting energy audits of such buildings,  
2373 and (4) determining which energy efficiency measures are most cost-  
2374 effective for such buildings. Such plan shall provide for the financing  
2375 of such measures through the use of energy-savings performance  
2376 contracting, pursuant to subsection (c) of this section, bonding or other  
2377 means.

2378 (c) Any state agency or municipality may enter into an energy-  
2379 savings performance contract, as defined in section 16a-37x, with a  
2380 qualified energy service provider, as defined in said section 16a-37x, to  
2381 produce utility cost savings, as defined in said section 16a-37x, or  
2382 operation and maintenance cost savings, as defined in said section 16a-  
2383 37x. Any energy-savings measure, as defined in said section 16a-37x,  
2384 implemented under such contracts shall comply with state [or] and  
2385 local building codes. Any state agency or municipality may implement  
2386 other capital improvements in conjunction with an energy-savings  
2387 performance contract as long as the measures that are being  
2388 implemented to achieve utility and operation and maintenance cost  
2389 savings and other capital improvements are in the aggregate cost  
2390 effective over the term of the contract.

2391 (d) On or before January 1, 2013, and annually thereafter, the  
2392 commissioner shall report, in accordance with the provisions of section  
2393 11-4a, on the status of its implementation of the plan and provide  
2394 recommendations regarding energy use in state buildings to the joint  
2395 standing committee of the General Assembly having cognizance of  
2396 matters relating to energy. Any such report may be submitted

2397 electronically.

2398 (e) Not later than January fifth, annually, the commissioner shall  
2399 submit a report to the Governor and the joint standing committee of  
2400 the General Assembly having cognizance of matters relating to energy  
2401 planning and activities. The report shall (1) indicate the total number  
2402 of energy audits and technical assistance audits of state-owned and  
2403 leased buildings, (2) summarize the status of the energy conservation  
2404 measures recommended by such audits, (3) summarize all energy  
2405 conservation measures implemented during the preceding twelve  
2406 months in state-owned and leased buildings which have not had such  
2407 audits, (4) analyze the availability and allocation of funds to  
2408 implement the measures recommended under subdivision (2) of this  
2409 subsection, (5) list each budgeted agency, as defined in section 4-69,  
2410 which occupies a state-owned or leased building and has not  
2411 cooperated with the Commissioner of Administrative Services and the  
2412 Commissioner of Energy and Environmental Protection in conducting  
2413 energy and technical assistance audits of such building and  
2414 implementing operational and maintenance improvements  
2415 recommended by such audits and any other energy conservation  
2416 measures required for such building by the [secretary] Commissioner  
2417 of Energy and Environmental Protection, in consultation with the  
2418 Secretary of the Office of Policy and Management, (6) summarize all  
2419 life-cycle cost analyses prepared under section 16a-38 during the  
2420 preceding twelve months, and summarize agency compliance with the  
2421 life-cycle cost analyses, and (7) identify any state laws, regulations or  
2422 procedures that impede innovative energy conservation and load  
2423 management projects in state buildings. Any such report may be  
2424 submitted electronically.

2425 (f) The commissioner, in conjunction with the Department of  
2426 Administrative Services, shall as soon as practicable and where cost-  
2427 effective connect all state-owned buildings to a district heating and  
2428 cooling system, where such heating and cooling system currently  
2429 exists or where one is proposed. The commissioner, in conjunction  
2430 with the Department of Administrative Services, shall prepare an

2431 annual report with the results of the progress in connecting state-  
2432 owned buildings to such a heating and cooling system, the cost of such  
2433 connection and any projected energy savings achieved through any  
2434 such connection. The commissioner shall submit the report to the joint  
2435 standing committee of the General Assembly having cognizance of  
2436 matters relating to energy on or before January 1, 1993, and January  
2437 first annually thereafter.

2438 (g) The commissioner shall require each state agency to maximize  
2439 its use of public service companies' energy conservation and load  
2440 management programs and to provide sites in its facilities for  
2441 demonstration projects of highly energy efficient equipment, provided  
2442 no such demonstration project impairs the functioning of the facility.

2443 (h) The commissioner, in consultation with the Department of  
2444 Administrative Services, shall establish energy efficiency standards for  
2445 building space leased by the state on or after January 1, 2013.

2446 Sec. 46. Section 16-244u of the 2012 supplement to the general  
2447 statutes is repealed and the following is substituted in lieu thereof  
2448 (*Effective from passage*):

2449 (a) As used in this section:

2450 (1) "Beneficial account" means an in-state retail end user of an  
2451 electric distribution company designated by a customer host in such  
2452 electric distribution company's service area to receive virtual net  
2453 metering credits from a virtual net metering facility;

2454 (2) "Customer host" means an in-state retail end user of an electric  
2455 distribution company that owns a virtual net metering facility and  
2456 participates in virtual net metering;

2457 (3) "Unassigned virtual net metering credit" means in any given  
2458 electric distribution company monthly billing period, a virtual net  
2459 metering credit that remains after both the customer host and its  
2460 beneficial accounts have been billed for zero kilowatt hours related

2461 solely to the generation service charges on such billings through  
2462 virtual net metering;

2463 (4) "Virtual net metering" means the process of combining the  
2464 electric meter readings and billings, including any virtual net metering  
2465 credits, for a customer host and a beneficial account through an electric  
2466 distribution company billing process related solely to the generation  
2467 service charges on such billings;

2468 (5) "Virtual net metering credit" means a credit equal to the retail  
2469 cost per kilowatt hour the customer host may have otherwise been  
2470 charged for each kilowatt hour produced by a virtual net metering  
2471 facility that exceeds the total amount of kilowatt hours used during an  
2472 electric distribution company monthly billing period; [and]

2473 (6) "Virtual net metering facility" means a Class I renewable energy  
2474 source that: (A) Is served by an electric distribution company, owned  
2475 or leased by a customer host and serves the electricity needs of the  
2476 customer host and its beneficial accounts; (B) is within the same  
2477 electric distribution company service territory as the customer host  
2478 and its beneficial accounts; and (C) has a nameplate capacity rating of  
2479 two megawatts or less; and

2480 (7) "Governmental customer" or "governmental customer host"  
2481 means the state or any municipality.

2482 (b) Each electric distribution company shall provide virtual net  
2483 metering to its [municipal] governmental customers and shall make  
2484 any necessary interconnections for a virtual net metering facility. Upon  
2485 request by a [municipal] governmental customer host to implement  
2486 the provisions of this section, an electric distribution company shall  
2487 install metering equipment, if necessary. For each [municipal]  
2488 governmental customer host, such metering equipment shall (1)  
2489 measure electricity consumed from the electric distribution company's  
2490 facilities; (2) deduct the amount of electricity produced but not  
2491 consumed; and (3) register, for each monthly billing period, the net  
2492 amount of electricity produced and, if applicable, consumed. If, in a

2493 given monthly billing period, a [municipal] governmental customer  
2494 host supplies more electricity to the electric distribution system than  
2495 the electric distribution company delivers to the [municipal]  
2496 governmental customer host, the electric distribution company shall  
2497 bill the [municipal] governmental customer host for zero kilowatt  
2498 hours of generation and assign a virtual net metering credit to the  
2499 [municipal] governmental customer host's beneficial accounts for the  
2500 next monthly billing period. Such credit shall be applied against the  
2501 generation service component of the beneficial account. Such credit  
2502 shall be allocated among such accounts in proportion to their  
2503 consumption for the previous twelve billing periods.

2504 (c) An electric distribution company shall carry forward any  
2505 unassigned virtual net metering generation credits earned by the  
2506 [municipal] governmental customer host from one monthly billing  
2507 period to the next until the end of the calendar year. At the end of each  
2508 calendar year, the electric distribution company shall compensate the  
2509 [municipal] governmental customer host for any unassigned virtual  
2510 net metering generation credits at the rate the electric distribution  
2511 company pays for power procured to supply standard service  
2512 customers pursuant to section 16-244c, as amended by this act.

2513 (d) At least sixty days before a [municipal] governmental customer  
2514 host's virtual net metering facility becomes operational, the  
2515 [municipal] governmental customer host shall provide written notice  
2516 to the electric distribution company of its beneficial accounts. The  
2517 [municipal] governmental customer host may change its list of  
2518 beneficial accounts not more than once annually by providing another  
2519 sixty days' written notice. The [municipal] governmental customer  
2520 host shall not designate more than five beneficial accounts.

2521 (e) On or before February 1, 2012, the [Department of Energy and  
2522 Environmental Protection] Public Utilities Regulatory Authority shall  
2523 conduct a proceeding to develop the administrative processes and  
2524 program specifications, including, but not limited to, a cap of one  
2525 million dollars per year apportioned to each electric distribution

2526 company based on consumer load for credits provided to beneficial  
2527 accounts pursuant to subsection (c) of this section and payments made  
2528 pursuant to subsection (d) of this section.

2529 (f) On or before January 1, 2013, and annually thereafter, each  
2530 electric distribution company shall report to the [department]  
2531 authority on the cost of its virtual net metering program pursuant to  
2532 this section and the [department] authority shall combine such  
2533 information and report it annually, in accordance with the provisions  
2534 of section 11-4a, to the joint standing committee of the General  
2535 Assembly having cognizance of matters relating to energy.

2536 Sec. 47. Subdivision (3) of subsection (f) of section 16a-40f of the  
2537 2012 supplement to the general statutes is repealed and the following  
2538 is substituted in lieu thereof (*Effective from passage*):

2539 (3) The amount of a fee paid for an energy audit provided pursuant  
2540 to this program may be added to the amount of a loan to finance the  
2541 cost of an eligible project conducted in response to such energy audit.  
2542 In such cases, the amount of the fee may be reimbursed from the  
2543 [fund] Green Connecticut Loan Guaranty Fund to the borrower.

2544 Sec. 48. Subsection (a) of section 16-244v of the 2012 supplement to  
2545 the general statutes is repealed and the following is substituted in lieu  
2546 thereof (*Effective from passage*):

2547 (a) Notwithstanding subsection (a) of section 16-244e, an electric  
2548 distribution company, or owner or developer of generation projects,  
2549 [that emit no pollutants,] may submit a proposal to the Department of  
2550 Energy and Environmental Protection to build, own or operate one or  
2551 more generation facilities up to an aggregate of thirty megawatts using  
2552 Class I renewable energy sources as defined in section 16-1, as  
2553 amended by this act, from July 1, 2011, to July 1, 2013. Each facility  
2554 shall be greater than one megawatt but not more than five megawatts.  
2555 Each electric distribution company may enter into joint ownership  
2556 agreements, partnerships or other agreements with private developers  
2557 to carry out the provisions of this section. The aggregate ownership for

2558 an electric distribution company pursuant to this section shall not  
2559 exceed ten megawatts. The department shall evaluate such proposals  
2560 pursuant to sections 16-19 and 16-19e, as amended by this act, and may  
2561 approve one or more of such proposals if it finds that the proposal  
2562 serves the long-term interest of ratepayers. The department (1) shall  
2563 not approve any proposal supported in any form of cross subsidization  
2564 by entities affiliated with the electric distribution company, and (2)  
2565 shall give preference to proposals that make efficient use of existing  
2566 sites and supply infrastructure. No such company may, under any  
2567 circumstances, recover more than the full costs identified in a proposal,  
2568 as approved by the department. Nothing in this section shall preclude  
2569 the resale or other disposition of energy or associated renewable  
2570 energy credits purchased by the electric distribution company,  
2571 provided the distribution company shall net the cost of payments  
2572 made to projects under the long-term contracts against the proceeds of  
2573 the sale of energy or renewable energy credits and the difference shall  
2574 be credited or charged to distribution customers through a reconciling  
2575 component of electric rates as determined by the authority that is  
2576 nonbypassable when switching electric suppliers.

2577 Sec. 49. Section 16a-46h of the 2012 supplement to the general  
2578 statutes is repealed and the following is substituted in lieu thereof  
2579 (*Effective from passage*):

2580 Each electric, gas or heating fuel customer, regardless of heating  
2581 source, shall be assessed [the same] fees, charges, co-pays or other  
2582 similar terms to access any audits administered by the Home Energy  
2583 Solutions program [, provided the costs of subsidizing such audits to  
2584 ratepayers whose primary source of heat is not electricity or natural  
2585 gas shall not exceed five hundred thousand dollars per year] that  
2586 reflect the contributions made to the Energy Efficiency Fund by each  
2587 such customer's respective customer type, provided such fees, charges,  
2588 co-pays and other similar terms shall not exceed a total of seventy-five  
2589 dollars for any such audit.

2590 Sec. 50. Section 133 of public act 11-80 is repealed and the following

2591 is substituted in lieu thereof (*Effective from passage*):

2592       The [Public Utilities Regulatory Authority] Commissioner of Energy  
2593 and Environmental Protection shall [conduct a proceeding to] analyze  
2594 the costs and benefits of allowing an electric distribution company to  
2595 earn a rate of return, subject to section 16-19e of the general statutes, as  
2596 amended by this act, on its long-term investments in energy efficiency.  
2597 Any affected stakeholder may submit to the commissioner any  
2598 information relevant to the commissioner's analysis, pursuant to this  
2599 section. In conducting such analysis, the commissioner shall consult  
2600 with the Public Utilities Regulatory Authority and the Office of  
2601 Consumer Counsel concerning any effects on ratepayers. On or before  
2602 [February] October 1, 2012, the [authority] commissioner shall report  
2603 the results of such [proceeding] analysis in accordance with the  
2604 provisions of section 11-4a of the general statutes to the joint standing  
2605 committee of the General Assembly having cognizance of matters  
2606 relating to energy. Any such report may be submitted electronically.

2607       Sec. 51. Section 16a-46i of the 2012 supplement to the general  
2608 statutes is repealed and the following is substituted in lieu thereof  
2609 (*Effective from passage*):

2610       On or before October 1, 2011, the Department of Energy and  
2611 Environmental Protection shall establish a natural gas and heating oil  
2612 conversion program to allow a gas or heating oil company to finance  
2613 the conversion to gas heat or home heating oil by potential residential  
2614 customers who heat their homes with electricity. The [department]  
2615 Commissioner of Energy and Environmental Protection shall adopt  
2616 regulations in accordance with the provisions of chapter 54 to establish  
2617 procedures and terms for such program and shall, on or before January  
2618 1, 2012, and annually thereafter, report in accordance with the  
2619 provisions of section 11-4a, to the joint standing committees of the  
2620 General Assembly having cognizance of matters relating to energy and  
2621 the environment regarding the progress of such program. Any such  
2622 report may be submitted electronically.

2623 Sec. 52. Section 12-217mm of the 2012 supplement to the general  
2624 statutes is repealed and the following is substituted in lieu thereof  
2625 (*Effective from passage*):

2626 (a) As used in this section:

2627 (1) "Allowable costs" means the amounts chargeable to a capital  
2628 account, including, but not limited to: (A) Construction or  
2629 rehabilitation costs; (B) commissioning costs; (C) architectural and  
2630 engineering fees allocable to construction or rehabilitation, including  
2631 energy modeling; (D) site costs, such as temporary electric wiring,  
2632 scaffolding, demolition costs and fencing and security facilities; and (E)  
2633 costs of carpeting, partitions, walls and wall coverings, ceilings,  
2634 lighting, plumbing, electrical wiring, mechanical, heating, cooling and  
2635 ventilation but "allowable costs" does not include the purchase of land,  
2636 any remediation costs or the cost of telephone systems or computers;

2637 (2) "Brownfield" has the same meaning as in subsection (g) of  
2638 section 32-9cc;

2639 (3) "Eligible project" means a real estate development project that is  
2640 designed to meet or exceed the applicable LEED Green Building  
2641 Rating System gold certification or other certification determined by  
2642 the Commissioner of Energy and Environmental Protection to be  
2643 equivalent, but if a single project has more than one building, "eligible  
2644 project" means only the building or buildings within such project that  
2645 is designed to meet or exceed the applicable LEED Green Building  
2646 Rating System gold certification or other certification determined by  
2647 the Commissioner of Energy and Environmental Protection to be  
2648 equivalent;

2649 (4) "Energy Star" means the voluntary labeling program  
2650 administered by the United States Environmental Protection Agency  
2651 designed to identify and promote energy-efficient products,  
2652 equipment and buildings;

2653 (5) "Enterprise zone" means an area in a municipality designated by

2654 the Commissioner of Economic and Community Development as an  
2655 enterprise zone in accordance with the provisions of section 32-70;

2656 (6) "LEED Accredited Professional Program" means the professional  
2657 accreditation program for architects, engineers and other building  
2658 professionals as administered by the United States Green Building  
2659 Council;

2660 (7) "LEED Green Building Rating System" means the Leadership in  
2661 Energy and Environmental Design green building rating system  
2662 developed by the United States Green Building Council as of the date  
2663 that the project is registered with the United States Green Building  
2664 Council;

2665 (8) "Mixed-use development" means a development consisting of  
2666 one or more buildings that includes residential use and in which no  
2667 more than seventy-five per cent of the interior square footage has at  
2668 least one of the following uses: (A) Commercial use; (B) office use; (C)  
2669 retail use; or (D) any other nonresidential use that the [Secretary of the  
2670 Office of Policy and Management] Commissioner of Energy and  
2671 Environmental Protection determines does not pose a public health  
2672 threat or nuisance to nearby residential areas;

2673 (9) "Secretary" means the Secretary of the Office of Policy and  
2674 Management; [and]

2675 (10) "Site improvements" means any construction work on, or  
2676 improvement to, streets, roads, parking facilities, sidewalks, drainage  
2677 structures and utilities; and

2678 (11) "Commissioner" means the Commissioner of Energy and  
2679 Environmental Protection.

2680 (b) For income years commencing on and after January 1, 2012,  
2681 there may be allowed a credit for all taxpayers against any tax due  
2682 under the provisions of this chapter for the construction or renovation  
2683 of an eligible project that meets the requirements of subsection (c) of

2684 this section, and, in the case of a newly constructed building, for which  
2685 a certificate of occupancy has been issued not earlier than January 1,  
2686 2010.

2687 (c) (1) To be eligible for a tax credit under this section a project shall:  
2688 (A) Not have energy use that exceeds (i) seventy per cent of the energy  
2689 use permitted by the state building code for new construction, or (ii)  
2690 eighty per cent of the energy use permitted by the state energy code  
2691 for renovation or rehabilitation of a building; and (B) use equipment  
2692 and appliances that meet Energy Star standards, if applicable,  
2693 including, but not limited to, refrigerators, dishwashers and washing  
2694 machines.

2695 (2) The credit shall be equivalent to a base credit as follows: (A) For  
2696 new construction or major renovation of a building but not other site  
2697 improvements certified by the LEED Green Building Rating System or  
2698 other system determined by the Commissioner of Energy and  
2699 Environmental Protection to be equivalent, (i) eight per cent of  
2700 allowable costs for a gold rating or other rating determined by the  
2701 Commissioner of Energy and Environmental Protection to be  
2702 equivalent, and (ii) ten and one-half per cent of allowable costs for a  
2703 platinum rating or other rating determined by the Commissioner of  
2704 Energy and Environmental Protection to be equivalent; and (B) for core  
2705 and shell or commercial interior projects, (i) five per cent of allowable  
2706 costs for a gold rating or other rating determined by the Commissioner  
2707 of Energy and Environmental Protection to be equivalent, and (ii)  
2708 seven per cent of allowable costs for a platinum rating or other rating  
2709 determined by the Commissioner of Energy and Environmental  
2710 Protection to be equivalent. There shall be added to the base credit  
2711 one-half of one per cent of allowable costs for a development project  
2712 that is (I) a mixed-use development, (II) located in a brownfield or  
2713 enterprise zone, (III) does not require a sewer extension of more than  
2714 one-eighth of a mile, or (IV) located within one-quarter of a mile  
2715 walking distance of publicly available bus transit service or within  
2716 one-half of a mile walking distance of adequate rail, light rail, streetcar  
2717 or ferry transit service, provided, if a single project has more than one

2718 building, at least one building shall be located within either such  
2719 distance. Allowable costs shall not exceed two hundred fifty dollars  
2720 per square foot for new construction or one hundred fifty dollars per  
2721 square foot for renovation or rehabilitation of a building.

2722 (d) (1) The [Secretary of the Office of Policy and Management may]  
2723 commissioner shall issue an initial credit voucher upon determination  
2724 that the applicant is likely, within a reasonable time, to place in service  
2725 property qualifying for a credit under this section. Such voucher shall  
2726 state: (A) The first income year for which the credit may be claimed,  
2727 (B) the maximum amount of credit allowable, and (C) the expiration  
2728 date by which such property shall be placed in service. The expiration  
2729 date may be extended at the discretion of the [secretary] commissioner.  
2730 Such voucher shall reserve the credit allowable for the applicant  
2731 named in the application until the expiration date. If the expiration  
2732 date is extended, the reservation of the tax credit may also be extended  
2733 at the discretion of the [secretary] commissioner.

2734 (2) The aggregate amount of all tax credits in initial credit vouchers  
2735 issued by the [secretary] commissioner shall not exceed twenty-five  
2736 million dollars.

2737 (3) For each income year for which a taxpayer claims a credit under  
2738 this section, the taxpayer shall obtain an eligibility certificate from an  
2739 architect or professional engineer licensed to practice in this state and  
2740 accredited through the LEED Accredited Professional Program or  
2741 other program determined by the Commissioner of Energy and  
2742 Environmental Protection to be equivalent. Such certificate shall  
2743 consist of a certification, under the seal of such architect or engineer,  
2744 that the building, base building or tenant space with respect to which  
2745 the credit is claimed, meets or exceeds the applicable LEED Green  
2746 Building Rating System gold certification, or other certification  
2747 determined by the Commissioner of Energy and Environmental  
2748 Protection to be equivalent in effect at the time such certification is  
2749 made. Such certification shall set forth the specific findings upon  
2750 which the certification is based and shall state that the architect or

2751 engineer is accredited through the LEED Accredited Professional  
2752 Program or other program determined by the Commissioner of Energy  
2753 and Environmental Protection to be equivalent.

2754 (4) To obtain the credit, the taxpayer shall file the initial credit  
2755 voucher described in subdivision (1) of this subsection, the eligibility  
2756 certificate described in subdivision (3) of this subsection and an  
2757 application to claim the credit with the Commissioner of Revenue  
2758 Services. The [commissioner] Commissioner of Revenue Services shall  
2759 approve the claim upon determination that the taxpayer has submitted  
2760 the voucher and certification required under this subdivision. The  
2761 applicant shall send a copy of all such documents to the [secretary]  
2762 Commissioner of Energy and Environmental Protection.

2763 (e) (1) A taxpayer may claim not more than a total of twenty-five per  
2764 cent of allowable costs in any income year, and any percentage of tax  
2765 credit that the taxpayer would otherwise be entitled to in accordance  
2766 with subsection (c) of this section may be carried forward for a period  
2767 of not more than five years.

2768 (2) Tax credits are fully assignable and transferable. A project  
2769 owner, including, but not limited to, a nonprofit or institutional project  
2770 organization, may transfer a tax credit to a pass-through partner in  
2771 return for a lump sum cash payment.

2772 (f) Notwithstanding any provision of the general statutes, any  
2773 subsequent successor in interest to the property that is eligible for a  
2774 credit in accordance with subsection (c) of this section may claim such  
2775 credit if the deed transferring the property assigns the subsequent  
2776 successor such right, unless the deed specifies that the seller shall  
2777 retain the right to claim such credit. Any subsequent tenant of a  
2778 building for which a credit was granted to a taxpayer pursuant to this  
2779 section may claim the credit for the period after the termination of the  
2780 previous tenancy that such credit would have been allowable to the  
2781 previous tenant.

2782 (g) The [Secretary of the Office of Policy and Management]

2783 commissioner shall establish a uniform application fee, in an amount  
2784 not to exceed ten thousand dollars, which shall cover all direct costs of  
2785 administering the tax credit program established pursuant to this  
2786 section. Said [secretary] commissioner may hire a private consultant or  
2787 outside firm to administer and review applications for said program.

2788 (h) On or before July 1, 2013, the [secretary] commissioner, in  
2789 consultation with the Commissioner of Revenue Services, shall prepare  
2790 and submit to the Governor and the joint standing committees of the  
2791 General Assembly having cognizance of matters relating to planning  
2792 and development and finance, revenue and bonding, a written report  
2793 containing (1) the number of taxpayers applying for the credits  
2794 provided in this section; (2) the amount of such credits granted; (3) the  
2795 geographical distribution of such credits granted; and (4) any other  
2796 information the [secretary] commissioner deems appropriate. A  
2797 preliminary draft of the report shall be submitted on or before July 1,  
2798 2012, to the Governor and the joint standing committees of the General  
2799 Assembly having cognizance of matters relating to planning and  
2800 development and finance, revenue and bonding. Such reports shall be  
2801 submitted in accordance with the provisions of section 11-4a.

2802 [(i) Not later than January 1, 2011, the secretary, in consultation with  
2803 the Commissioner of Revenue Services, shall adopt regulations, in  
2804 accordance with the provisions of chapter 54, as necessary to  
2805 implement the provisions of this section.]

2806 Sec. 53. (NEW) (*Effective from passage*) To the extent that any  
2807 provision of title 16 or 16a of the general statutes authorizes the  
2808 Department of Energy and Environmental Protection to adopt  
2809 regulations, the authority to adopt such regulations shall be exercised  
2810 by the Commissioner of Energy and Environmental Protection or the  
2811 commissioner's designee.

2812 Sec. 54. (NEW) (*Effective from passage*) (a) As used in this section:

2813 (1) "Energy improvement" means any renovation or retrofitting of  
2814 qualifying commercial real property to reduce energy consumption or

2815 installation of a renewable energy system to service qualifying  
2816 commercial real property, provided such renovation, retrofit or  
2817 installation is permanently fixed to such qualifying commercial real  
2818 property;

2819 (2) "Qualifying commercial real property" means any commercial or  
2820 industrial property, regardless of ownership, that a municipality has  
2821 determined can benefit from energy improvements;

2822 (3) "Commercial or industrial property" means any real property  
2823 other than a residential dwelling containing less than five dwelling  
2824 units;

2825 (4) "Property owner" means an owner of qualifying commercial real  
2826 property who desires to install energy improvements and provides  
2827 free and willing consent to the benefit assessment against the  
2828 qualifying commercial real property; and

2829 (5) "Commercial sustainable energy program" means a municipal  
2830 program that authorizes a municipality to levy benefit assessments on  
2831 qualifying commercial real property with property owners to finance  
2832 the purchase and installation of energy improvements to qualifying  
2833 commercial real property within its municipal boundaries.

2834 (b) Any municipality that determines it is in the public interest may  
2835 establish a commercial sustainable energy program to facilitate energy  
2836 improvements within such municipality. A municipality shall make  
2837 such a determination after issuing public notice and providing an  
2838 opportunity for public comment at a public hearing regarding the  
2839 establishment of a commercial sustainable energy program. Any such  
2840 municipality may establish a joint commercial sustainable energy  
2841 program with any other such municipalities provided that all such  
2842 municipalities meet the notice and comment requirements established  
2843 in this subsection. Any commercial sustainable energy program  
2844 adopted pursuant to this section may include provisions to facilitate  
2845 statewide energy improvements.

2846 (c) Notwithstanding the provisions of section 7-374 of the general  
2847 statutes or any other public or special act that limits or imposes  
2848 conditions on municipal bond issues, any municipality that establishes  
2849 a commercial sustainable energy program under this section may issue  
2850 bonds, notes or other obligations, as necessary, for the purpose of  
2851 financing (1) energy improvements; (2) related energy audits; (3)  
2852 renewable energy system feasibility studies; and (4) verification  
2853 reports of the installation and effectiveness of such improvements.  
2854 Such bonds, notes or other obligations shall be issued in accordance  
2855 with chapter 109 of the general statutes and may be secured by benefit  
2856 assessments on the qualifying commercial real property.

2857 (d) (1) Any municipality that establishes a commercial sustainable  
2858 energy program pursuant to this section may enter into an interlocal  
2859 agreement with another municipality, state agency or the Connecticut  
2860 Clean Energy Authority to (A) maximize the opportunities for  
2861 accessing public and private funds and capital markets for financing,  
2862 or (B) secure state or federal funds available for this purpose.

2863 (2) Any municipality that establishes a commercial sustainable  
2864 energy program and issues bonds pursuant to this section may  
2865 supplement the security of such bonds with any other legally available  
2866 funds solely at the municipality's discretion.

2867 (3) Any municipality that establishes a commercial sustainable  
2868 energy program pursuant to this section may use the services of one or  
2869 more private, public or quasi-public third-party administrators to  
2870 administer, provide support or obtain financing for the program.

2871 (e) Before establishing a commercial sustainable energy program  
2872 under this section, the municipality shall provide notice to the electric  
2873 distribution company, as defined in section 16-1 of the general statutes,  
2874 as amended by this act, that services the municipality.

2875 (f) If the property owner requests financing from the municipality  
2876 for energy improvements under this section, the municipality  
2877 implementing the commercial sustainable energy program shall:

2878 (1) Require performance of an energy audit or renewable energy  
2879 system feasibility analysis on the qualifying commercial real property  
2880 that assesses the expected energy cost savings of the energy  
2881 improvements over the useful life of such improvements before  
2882 approving such financing;

2883 (2) Adopt standards that ensure that the energy cost savings of the  
2884 energy improvements over the useful life of such improvements  
2885 exceed the costs of such improvements;

2886 (3) Levy a benefit assessment on the qualifying commercial real  
2887 property with the property owner in a principal amount sufficient to  
2888 pay the costs of energy improvements and any associated costs the  
2889 municipality determines will benefit the qualifying commercial real  
2890 property, provided the total amount of any benefit assessment may not  
2891 exceed twenty per cent of the fair market value of the qualified real  
2892 property;

2893 (4) Impose requirements and criteria to ensure that the proposed  
2894 energy improvements are consistent with the purpose of the  
2895 commercial sustainable energy program;

2896 (5) Impose requirements and conditions on the financing to ensure  
2897 timely repayment, including, but not limited to, procedures for placing  
2898 a lien on a property as security for the repayment of the benefit  
2899 assessment; and

2900 (6) With respect to commercial or industrial property, require that  
2901 the property owner provide written notice, not less than thirty days  
2902 prior to the recording of any lien securing a benefit assessment for  
2903 energy improvements for such property, to any existing mortgage  
2904 holder of such property, of the property owner's intent to finance such  
2905 energy improvements pursuant to this section.

2906 (g) (1) Any municipality that establishes a commercial sustainable  
2907 energy program pursuant to this section may only enter into a  
2908 financing agreement with the property owner of qualifying

2909 commercial real property. After such agreement is entered into, such  
2910 municipality shall place a caveat on the land records indicating that a  
2911 benefit assessment and lien is anticipated upon completion of energy  
2912 improvements for such property.

2913 (2) The municipality shall disclose to the property owner the costs  
2914 and risks associated with participating in the commercial sustainable  
2915 energy program established by this section, including risks related to  
2916 the failure of the property owner to pay the benefit assessment. The  
2917 municipality shall disclose to the property owner the effective interest  
2918 rate of the benefit assessment, including fees charged by the  
2919 municipality to administer the program, and the risks associated with  
2920 variable interest rate financing. The municipality shall notify the  
2921 property owner that such owner may rescind any financing agreement  
2922 entered into pursuant to this section not later than three business days  
2923 after such agreement.

2924 (h) Any assessment levied pursuant to this section shall have no  
2925 prepayment penalty. The municipality shall set a fixed or variable rate  
2926 of interest for the repayment of the benefit assessment amount at the  
2927 time the assessment is made. Such interest rate, as may be  
2928 supplemented with state or federal funding as may become available,  
2929 shall be sufficient to pay the financing costs of the commercial  
2930 sustainable energy program, including delinquencies.

2931 (i) Assessments levied pursuant to this section and the interest and  
2932 any penalties thereon shall constitute a lien against the qualifying  
2933 commercial real property on which they are made until they are paid.  
2934 Such lien shall be levied and collected in the same manner as the  
2935 property taxes of the municipality on real property, including, in the  
2936 event of default or delinquency, with respect to any penalties and  
2937 remedies and lien priorities.

2938 (j) The area encompassing the commercial sustainable energy  
2939 program in a municipality may be the entire municipal jurisdiction of  
2940 the municipality or a subset of such.

2941 Sec. 55. Subdivision (2) of subsection (a) of section 7-121n of the 2012  
2942 supplement to the general statutes is repealed and the following is  
2943 substituted in lieu thereof (*Effective from passage*):

2944 (2) "Qualifying real property" means a single-family or multifamily  
2945 residential dwelling [or a nonresidential building] containing less than  
2946 five dwelling units, regardless of ownership, that a municipality has  
2947 determined can benefit from energy improvements;

2948 Sec. 56. Subsection (h) of section 16-19b of the general statutes is  
2949 repealed and the following is substituted in lieu thereof (*Effective July*  
2950 *1, 2012*):

2951 (h) The Public Utilities Regulatory Authority shall continually  
2952 monitor and oversee the application of the purchased gas adjustment  
2953 clause, the energy adjustment clause, and the transmission rate  
2954 adjustment clause. The authority shall hold a public hearing thereon  
2955 whenever the authority deems it necessary or upon application of the  
2956 Consumer Counsel, but no less frequently than once every [six] twelve  
2957 months, and undertake such other proceeding thereon to determine  
2958 whether charges or credits made under such clauses reflect the actual  
2959 prices paid for purchased gas or energy and the actual transmission  
2960 costs and are computed in accordance with the applicable clause. If the  
2961 authority finds that such charges or credits do not reflect the actual  
2962 prices paid for purchased gas or energy, and the actual transmission  
2963 costs or are not computed in accordance with the applicable clause, it  
2964 shall recompute such charges or credits and shall direct the company  
2965 to take such action as may be required to insure that such charges or  
2966 credits properly reflect the actual prices paid for purchased gas or  
2967 energy and the actual transmission costs and are computed in  
2968 accordance with the applicable clause for the applicable period.

2969 Sec. 57. Section 16-18a of the 2012 supplement to the general statutes  
2970 is amended by adding subsection (c) as follows (*Effective July 1, 2012*):

2971 (NEW) (c) For any proceeding before the Federal Energy Regulatory  
2972 Commission, the United States Department of Energy, the United

2973 States Nuclear Regulatory Commission, the United States Securities  
2974 and Exchange Commission, the Federal Trade Commission, the United  
2975 States Department of Justice or the Federal Communications  
2976 Commission, the authority may retain consultants to assist its staff in  
2977 such proceeding by providing expertise in areas in which staff  
2978 expertise does not currently exist or to supplement staff expertise. All  
2979 reasonable and proper expenses of such expert consultants shall be  
2980 borne by the public service companies, certified telecommunications  
2981 providers, electric suppliers or gas registrants affected by the decisions  
2982 of such proceeding and shall be paid at such times and in such manner  
2983 as the authority directs, provided such expenses (1) shall be  
2984 apportioned in proportion to the revenues of each affected entity as  
2985 reported to the authority pursuant to section 16-49, as amended by this  
2986 act, for the most recent period, and (2) shall not exceed two hundred  
2987 fifty thousand dollars per proceeding, including any appeals thereof,  
2988 in any calendar year unless the authority finds good cause for  
2989 exceeding the limit. The authority shall recognize all such expenses as  
2990 proper business expenses of the affected entities for ratemaking  
2991 purposes pursuant to section 16-19e, as amended by this act, if  
2992 applicable.

2993 Sec. 58. Section 16-35 of the general statutes is amended by adding  
2994 subsection (c) as follows (*Effective July 1, 2012*):

2995 (NEW) (c) Notwithstanding any provision of titles 16 and 16a,  
2996 proceedings in which the Public Utilities Regulatory Authority  
2997 conducts a request for proposals or any other procurement process for  
2998 the purpose of acquiring electricity products or services for the benefit  
2999 of ratepayers shall be uncontested.

3000 Sec. 59. Subsection (c) of section 16-262j of the general statutes is  
3001 repealed and the following is substituted in lieu thereof (*Effective July*  
3002 *1, 2012*):

3003 (c) Each public service company, certified telecommunications  
3004 provider and electric supplier shall pay interest on any security

3005 deposit it receives from a customer at the average rate paid, as of  
3006 December 30, 1992, on savings deposits by insured commercial banks  
3007 as published in the Federal Reserve Board bulletin and rounded to the  
3008 nearest one-tenth of one percentage point, except in no event shall the  
3009 rate be less than one and one-half per cent. On and after January 1,  
3010 1994, the rate for each calendar year shall be not less than the deposit  
3011 index<sub>z</sub> as defined and determined by the Banking Commissioner in  
3012 subsection (d) of this section<sub>z</sub> for that year and rounded to the nearest  
3013 one-tenth of one percentage point, except in no event shall the rate be  
3014 less than one and one-half per cent.

3015 Sec. 60. Subdivision (1) of subsection (c) of section 16-8a of the 2012  
3016 supplement to the general statutes is repealed and the following is  
3017 substituted in lieu thereof (*Effective July 1, 2012*):

3018 (c) (1) Not more than [thirty] ninety business days after receipt of a  
3019 written complaint, in a form prescribed by the authority, by an  
3020 employee alleging the employee's employer has retaliated against an  
3021 employee in violation of subsection (a) of this section, the authority  
3022 shall make a preliminary finding in accordance with this subsection.

3023 Sec. 61. Subsection (b) of section 16-19kk of the general statutes is  
3024 repealed and the following is substituted in lieu thereof (*Effective July*  
3025 *1, 2012*):

3026 (b) The authority shall complete, on or before December 31, 1991, an  
3027 investigation into the relationship between a company's volume of  
3028 sales and its earnings. The authority shall, on or before July 1, 1993,  
3029 implement rate-making and other procedures and practices in order to  
3030 encourage the implementation of conservation and load management  
3031 programs and other programs authorized by the authority promoting  
3032 the state's economic development, energy and other policy. Such  
3033 procedures to implement a modification or elimination of any direct  
3034 relationship between the volume of sales and the earnings of electric,  
3035 gas, telephone and water companies may include the adoption of a  
3036 sales adjustment clause pursuant to subsection [(i)] (j) of section 16-

3037 19b, or other adjustment clause similar thereto. The authority's  
3038 investigation shall include a review of its regulations and policies to  
3039 identify any existing disincentives to the development and  
3040 implementation of cost effective conservation and load management  
3041 programs and other programs promoting the state's economic  
3042 development, energy and other policy.

3043 Sec. 62. Subdivision (4) of subsection (a) of section 16-1 of the 2012  
3044 supplement to the general statutes is repealed and the following is  
3045 substituted in lieu thereof (*Effective July 1, 2012*):

3046 (4) "Public service company" includes electric, electric distribution,  
3047 gas, telephone, telegraph, pipeline, sewage, water and community  
3048 antenna television companies and holders of a certificate of cable  
3049 franchise authority, owning, leasing, maintaining, operating,  
3050 managing or controlling plants or parts of plants or equipment, and all  
3051 express companies having special privileges on railroads within this  
3052 state, but shall not include telegraph company functions concerning  
3053 intrastate money order service, towns, cities, boroughs, any municipal  
3054 corporation or department thereof, whether separately incorporated or  
3055 not, a private power producer, as defined in section 16-243b, or an  
3056 exempt wholesale generator, as defined in [15 USC 79z-5a] the United  
3057 States Code or the Code of Federal Regulations;

3058 Sec. 63. Subdivision (8) of subsection (a) of section 16-1 of the 2012  
3059 supplement to the general statutes is repealed and the following is  
3060 substituted in lieu thereof (*Effective July 1, 2012*):

3061 (8) "Electric company" includes, until an electric company has been  
3062 unbundled in accordance with the provisions of section 16-244e, every  
3063 person owning, leasing, maintaining, operating, managing or  
3064 controlling poles, wires, conduits or other fixtures, along public  
3065 highways or streets, for the transmission or distribution of electric  
3066 current for sale for light, heat or power within this state, or engaged in  
3067 generating electricity to be so transmitted or distributed for such  
3068 purpose, but shall not include (A) a private power producer, as

3069 defined in section 16-243b, (B) an exempt wholesale generator, as  
3070 defined in [15 USC 79z-5a] the United States Code or the Code of  
3071 Federal Regulations, (C) a municipal electric utility established under  
3072 chapter 101, (D) a municipal electric energy cooperative established  
3073 under chapter 101a, (E) an electric cooperative established under  
3074 chapter 597, or (F) any other electric utility owned, leased, maintained,  
3075 operated, managed or controlled by any unit of local government  
3076 under any general statute or any public or special act;

3077       Sec. 64. (NEW) (*Effective July 1, 2012*) (a) The Connecticut Clean  
3078 Energy Authority is authorized from time to time to issue its  
3079 negotiable bonds for any corporate purpose. In anticipation of the sale  
3080 of such bonds, the authority may issue negotiable bond anticipation  
3081 notes and may renew the same from time to time. Such notes shall be  
3082 paid from any revenues of the authority or other moneys available for  
3083 such purposes and not otherwise pledged, or from the proceeds of sale  
3084 of the bonds of the authority in anticipation of which they were issued.  
3085 The notes shall be issued in the same manner as the bonds. Such notes  
3086 and the resolution or resolutions authorizing the same may contain  
3087 any provisions, conditions or limitations which a bond resolution of  
3088 the authority may contain.

3089       (b) Every issue of the bonds, notes or other obligations issued by the  
3090 authority shall be special obligations of the authority payable from any  
3091 revenues or moneys of the authority available for such purposes and  
3092 not otherwise pledged, subject to any agreements with the holders of  
3093 particular bonds, notes or other obligations pledging any particular  
3094 revenues or moneys, and subject to any agreements with any  
3095 individual, partnership, corporation or association or other body,  
3096 public or private. Notwithstanding that such bonds, notes or other  
3097 obligations may be payable from a special fund, they shall be deemed  
3098 to be for all purposes negotiable instruments, subject only to the  
3099 provisions of such bonds, notes or other obligations for registration.

3100       (c) The bonds may be issued as serial bonds or as term bonds, or the  
3101 authority, in its discretion, may issue bonds of both types. The bonds

3102 shall be authorized by resolution of the members of the board of  
3103 directors of the authority and shall bear such date or dates, mature at  
3104 such time or times, not exceeding thirty years from their respective  
3105 dates, bear interest at such rate or rates, be payable at such time or  
3106 times, be in such denominations, be in such form, either coupon or  
3107 registered, carry such registration privileges, be executed in such  
3108 manner, be payable in lawful money of the United States of America at  
3109 such place or places, and be subject to such terms of redemption, as  
3110 such resolution or resolutions may provide. The bonds or notes may be  
3111 sold at public or private sale for such price or prices as the authority  
3112 shall determine. The power to fix the date of sale of bonds, to receive  
3113 bids or proposals, to award and sell bonds, and to take all other  
3114 necessary action to sell and deliver bonds may be delegated to the  
3115 chairperson or vice-chairperson of the board, a subcommittee of the  
3116 board or other officers of the authority by resolution of the board. The  
3117 exercise of such delegated powers may be made subject to the  
3118 approval of a majority of the members of the board which approval  
3119 may be given in the manner provided in the bylaws of the authority.  
3120 Pending preparation of the definitive bonds, the authority may issue  
3121 interim receipts or certificates which shall be exchanged for such  
3122 definitive bonds.

3123 (d) Any resolution or resolutions authorizing any bonds or any  
3124 issue of bonds may contain provisions, which shall be a part of the  
3125 contract with the holders of the bonds to be authorized, as to: (1)  
3126 Pledging the full faith and credit of the authority, the full faith and  
3127 credit of any individual, partnership, corporation or association or  
3128 other body, public or private, all or any part of the revenues of a  
3129 project or any revenue-producing contract or contracts made by the  
3130 authority with any individual, partnership, corporation or association  
3131 or other body, public or private, any federally guaranteed security and  
3132 moneys received therefrom purchased with bond proceeds or any  
3133 other property, revenues, funds or legally available moneys to secure  
3134 the payment of the bonds or of any particular issue of bonds, subject to  
3135 such agreements with bondholders as may then exist; (2) the rentals,

3136 fees and other charges to be charged, and the amounts to be raised in  
3137 each year thereby, and the use and disposition of the revenues; (3) the  
3138 setting aside of reserves or sinking funds, and the regulation and  
3139 disposition thereof; (4) limitations on the right of the authority or its  
3140 agent to restrict and regulate the use of the project; (5) the purpose and  
3141 limitations to which the proceeds of sale of any issue of bonds then or  
3142 thereafter to be issued may be applied, including as authorized  
3143 purposes all costs and expenses necessary or incidental to the issuance  
3144 of bonds, to the acquisition of or commitment to acquire any federally  
3145 guaranteed security and to the issuance and obtaining of any federally  
3146 insured mortgage note, and pledging such proceeds to secure the  
3147 payment of the bonds or any issue of the bonds; (6) limitations on the  
3148 issuance of additional bonds, the terms upon which additional bonds  
3149 may be issued and secured and the refunding of outstanding bonds;  
3150 (7) the procedure, if any, by which the terms of any contract with  
3151 bondholders may be amended or abrogated, the amount of bonds the  
3152 holders of which must consent thereto, and the manner in which such  
3153 consent may be given; (8) limitations on the amount of moneys derived  
3154 from the project to be expended for operating, administrative or other  
3155 expenses of the authority; (9) defining the acts or omissions to act  
3156 which shall constitute a default in the duties of the authority to holders  
3157 of its obligations and providing the rights and remedies of such  
3158 holders in the event of a default; and (10) the mortgaging of a project  
3159 and the site thereof for the purpose of securing the bondholders.

3160 (e) Neither the members of the board of directors of the authority  
3161 nor any person executing the bonds, notes or other obligations shall be  
3162 liable personally on the bonds, notes or other obligations or be subject  
3163 to any personal liability or accountability by reason of the issuance  
3164 thereof.

3165 (f) The authority shall have power out of any funds available for  
3166 such purposes to purchase its bonds, notes or other obligations. The  
3167 authority may hold, pledge, cancel or resell such bonds, notes or other  
3168 obligations, subject to and in accordance with agreements with  
3169 bondholders. The authority may sell, transfer or assign any of its loan

3170 assets to a trustee or other third party for the purposes of providing  
3171 security for its bonds, notes or other obligations, or for bonds, notes or  
3172 other obligations issued by the trustee or other third party on its  
3173 behalf.

3174 (g) The authority is further authorized and empowered to issue  
3175 bonds, notes or other obligations under this section, the interest on  
3176 which may be includable in the gross income of the holder or holders  
3177 thereof under the Internal Revenue Code of 1986, or any subsequent  
3178 corresponding internal revenue code of the United States, as from time  
3179 to time amended, to the same extent and in the same manner that  
3180 interest on bills, notes, bonds or other obligations of the United States  
3181 is includable in the gross income of the holder or holders thereof under  
3182 any such internal revenue code. Any such bonds, notes or other  
3183 obligations may be issued only upon a finding by the authority that  
3184 such issuance is necessary, is in the public interest, and is in  
3185 furtherance of the purposes and powers of the authority. The state  
3186 hereby consents to such inclusion only for the bonds, notes or other  
3187 obligations of the authority so issued.

3188 (h) In the discretion of the authority, any bonds issued under the  
3189 provisions of this section may be secured by a trust agreement by and  
3190 between the authority and a corporate trustee or trustees, which may  
3191 be any trust company or bank having the powers of a trust company  
3192 within or without the state. Such trust agreement or the resolution  
3193 providing for the issuance of such bonds or other instrument of the  
3194 authority may secure such bonds by a pledge or assignment of any  
3195 revenues to be received, any contract or proceeds of any contract, or  
3196 any other property, revenues, moneys or funds available to the  
3197 authority for such purpose. Any pledge made by the authority  
3198 pursuant to this subsection shall be valid and binding from the time  
3199 when the pledge is made. The lien of any such pledge shall be valid  
3200 and binding as against all parties having claims of any kind in tort,  
3201 contract or otherwise against the authority, irrespective of whether the  
3202 parties have notice of the claims. Notwithstanding any provision of the  
3203 Uniform Commercial Code, no instrument by which such pledge is

3204 created need be recorded or filed. Any revenues or other receipts,  
3205 funds, moneys, income, contracts or property so pledged and  
3206 thereafter received by the authority shall be subject immediately to the  
3207 lien of the pledge without any physical delivery thereof or further act,  
3208 and such lien shall have priority over all other liens. Such trust  
3209 agreement or resolution may mortgage, assign or convey any real  
3210 property to secure such bonds. Such trust agreement or resolution  
3211 providing for the issuance of such bonds may contain such provisions  
3212 for protecting and enforcing the rights and remedies of the  
3213 bondholders as may be reasonable and proper and not in violation of  
3214 law, including particularly such provisions as have been specifically  
3215 authorized by this section to be included in any resolution or  
3216 resolutions of the authority authorizing bonds thereof. Any bank or  
3217 trust company incorporated under the laws of this state, which may  
3218 act as depositary of the proceeds of bonds or of revenues or other  
3219 moneys, may furnish such indemnifying bonds or pledge such  
3220 securities as may be required by the authority. Any such trust  
3221 agreement or resolution may set forth the rights and remedies of the  
3222 bondholders and of the trustee or trustees, and may restrict the  
3223 individual right of action by bondholders. In addition to the foregoing,  
3224 any such trust agreement or resolution may contain such other  
3225 provisions as the authority may deem reasonable and proper for the  
3226 security of the bondholders. All expenses incurred in carrying out the  
3227 provisions of such trust agreement or resolution may be treated as a  
3228 part of the cost of the operation of a project.

3229 (i) Bonds issued under the provisions of this section shall not be  
3230 deemed to constitute a debt or liability of the state or of any political  
3231 subdivision thereof other than the authority, or a pledge of the full  
3232 faith and credit of the state or of any such political subdivision other  
3233 than the authority, but shall be payable solely from the funds provided  
3234 for such purposes by this section. All such bonds shall contain on the  
3235 face thereof a statement to the effect that neither the state of  
3236 Connecticut nor any political subdivision thereof, other than the  
3237 authority, shall be obligated to pay the same or the interest thereon

3238 except from revenues of the project or the portion thereof for which  
3239 such bonds are issued, and that neither the full faith and credit nor the  
3240 taxing power of the state of Connecticut or of any political subdivision  
3241 thereof, other than the authority, is pledged to the payment of the  
3242 principal of or the interest on such bonds. The issuance of bonds under  
3243 the provisions of this section shall not directly or indirectly or  
3244 contingently obligate the state or any political subdivision thereof to  
3245 levy or to pledge any form of taxation or to make any appropriation  
3246 for their payment. Nothing contained in this section shall prevent or be  
3247 construed to prevent the authority from pledging its full faith and  
3248 credit or the full faith and credit of any individual, partnership,  
3249 corporation or association or other body, public or private, to the  
3250 payment of bonds or issue of bonds authorized pursuant to this  
3251 section.

3252 (j) The state of Connecticut does hereby pledge to and agree with  
3253 the holders of any bonds and notes issued under this section and with  
3254 those parties who may enter into contracts with the authority or its  
3255 successor agency pursuant to the provisions of this section that the  
3256 state shall not limit or alter the rights hereby vested in the authority  
3257 until such obligations, together with the interest thereon, are fully met  
3258 and discharged and such contracts are fully performed on the part of  
3259 the authority, provided nothing contained in this subsection shall  
3260 preclude such limitation or alteration if and when adequate provision  
3261 shall be made by law for the protection of the holders of such bonds  
3262 and notes of the authority or those entering into such contracts with  
3263 the authority. The authority is authorized to include this pledge and  
3264 undertaking for the state in such bonds and notes or contracts.

3265 (k) (1) The authority is authorized to fix, revise, charge and collect  
3266 rates, rents, fees and charges for the use of and for the services  
3267 furnished or to be furnished by each project, and to contract with any  
3268 person, partnership, association or corporation, or other body, public  
3269 or private, in respect thereof. Such rates, rents, fees and charges shall  
3270 be fixed and adjusted in respect of the aggregate of rates, rents, fees  
3271 and charges from such project so as to provide funds sufficient with

3272 other revenues or moneys available for such purposes, if any, (A) to  
3273 pay the cost of maintaining, repairing and operating the project and  
3274 each and every portion thereof, to the extent that the payment of such  
3275 cost has not otherwise been adequately provided for, (B) to pay the  
3276 principal of and the interest on outstanding bonds of the authority  
3277 issued in respect of such project as the same shall become due and  
3278 payable, and (C) to create and maintain reserves required or provided  
3279 for in any resolution authorizing, or trust agreement securing, such  
3280 bonds of the authority. Such rates, rents, fees and charges shall not be  
3281 subject to supervision or regulation by any department, commission,  
3282 board, body, bureau or agency of this state other than the authority.

3283 (2) A sufficient amount of the revenues derived in respect of a  
3284 project, except such part of such revenues as may be necessary to pay  
3285 the cost of maintenance, repair and operation and to provide reserves  
3286 and for renewals, replacements, extensions, enlargements and  
3287 improvements as may be provided for in the resolution authorizing  
3288 the issuance of any bonds of the authority or in the trust agreement  
3289 securing the same, shall be set aside at such regular intervals as may be  
3290 provided in such resolution or trust agreement in a sinking or other  
3291 similar fund which is hereby pledged to, and charged with, the  
3292 payment of the principal of and the interest on such bonds as the same  
3293 shall become due, and the redemption price or the purchase price of  
3294 bonds retired by call or purchase as therein provided. Such pledge  
3295 shall be valid and binding from the time when the pledge is made. The  
3296 rates, rents, fees and charges and other revenues or other moneys so  
3297 pledged and thereafter received by the authority shall immediately be  
3298 subject to the lien of such pledge without any physical delivery thereof  
3299 or further act, and the lien of any such pledge shall be valid and  
3300 binding as against all parties having claims of any kind in tort, contract  
3301 or otherwise against the authority, irrespective of whether such parties  
3302 have notice thereof. Notwithstanding any provision of the Connecticut  
3303 Uniform Commercial Code, neither the resolution nor any trust  
3304 agreement nor any other agreement nor any lease by which a pledge is  
3305 created need be filed or recorded except in the records of the authority.

3306 The use and disposition of moneys to the credit of such sinking or  
3307 other similar fund shall be subject to the provisions of the resolution  
3308 authorizing the issuance of such bonds or of such trust agreement.  
3309 Except as may otherwise be provided in such resolution or such trust  
3310 agreement, such sinking or other similar fund may be a fund for all  
3311 such bonds issued to finance projects for any person, partnership,  
3312 association or corporation, or other body, public or private, without  
3313 distinction or priority of one over another; provided the authority in  
3314 any such resolution or trust agreement may provide that such sinking  
3315 or other similar fund shall be the fund for a particular project for any  
3316 person, partnership, association or corporation, or other body, public  
3317 or private, and for the bonds issued to finance a particular project and  
3318 may, additionally, permit and provide for the issuance of bonds  
3319 having a subordinate lien in respect of the security authorized by this  
3320 subsection to other bonds of the authority, and, in such case, the  
3321 authority may create separate sinking or other similar funds in respect  
3322 of such subordinate lien bonds.

3323 (l) All moneys received pursuant to the authority of this section,  
3324 whether as proceeds from the sale of bonds or as revenues, shall be  
3325 deemed to be trust funds to be held and applied solely as provided in  
3326 this section. Any officer with whom, or any bank or trust company  
3327 with which, such moneys may be deposited shall act as trustee of such  
3328 moneys and shall hold and apply the same for the purposes of this  
3329 section, subject to the resolution authorizing the bonds of any issue or  
3330 the trust agreement securing such bonds may provide.

3331 (m) Any holder of bonds, bond anticipation notes, other notes or  
3332 other obligations issued under the provisions of this section, or any of  
3333 the coupons appertaining thereto, and the trustee or trustees under  
3334 any trust agreement, except to the extent the rights given by this  
3335 section may be restricted by any resolution authorizing the issuance of,  
3336 or any such trust agreement securing, such bonds, may, either at law  
3337 or in equity, by suit, action, mandamus or other proceedings, protect  
3338 and enforce any and all rights under the laws of the state or granted by  
3339 this section or under such resolution or trust agreement, and may

3340 enforce and compel the performance of all duties required by this  
3341 section or by such resolution or trust agreement to be performed by the  
3342 authority or by any officer, employee or agent thereof, including the  
3343 fixing, charging and collecting of the rates, rents, fees and charges  
3344 authorized by this section and required by the provisions of such  
3345 resolution or trust agreement to be fixed, established and collected.

3346 (n) The authority shall have power to contract with the holders of  
3347 any of its bonds or notes as to the custody, collection, securing,  
3348 investment and payment of any reserve funds of the authority, or of  
3349 any moneys held in trust or otherwise for the payment of bonds or  
3350 notes, and to carry out such contracts. Any officer with whom, or any  
3351 bank or trust company with which, such moneys shall be deposited as  
3352 trustee thereof shall hold, invest, reinvest and apply such moneys for  
3353 the purposes thereof, subject to such provisions as this section and the  
3354 resolution authorizing the issue of the bonds or notes or the trust  
3355 agreement securing such bonds or notes may provide.

3356 (o) The exercise of the powers granted by this section shall be in all  
3357 respects for the benefit of the people of this state, for the increase of  
3358 their commerce, welfare and prosperity, and for the improvement of  
3359 their health and living conditions, and, as the exercise of such powers  
3360 shall constitute the performance of an essential public function, neither  
3361 the authority, any affiliate of the authority or any collection or other  
3362 agent of the authority or any such affiliate shall be required to pay any  
3363 taxes or assessments upon or in respect of any revenues or property  
3364 received, acquired, transferred or used by the authority, any affiliate of  
3365 the authority or any collection or other agent of the authority or any  
3366 such affiliate or upon or in respect of the income from such revenues  
3367 or property, and any bonds or notes issued under the provisions of this  
3368 section, their transfer and the income therefrom, including any profit  
3369 made on the sale of such bonds or notes, shall at all times be free from  
3370 taxation of every kind by the state and by the municipalities and other  
3371 political subdivisions in the state, except for estate and succession  
3372 taxes. The interest on such bonds or notes shall be included in the  
3373 computation of any excise or franchise tax.

3374 (p) (1) The authority is hereby authorized to provide for the  
3375 issuance of bonds of the authority for the purpose of refunding any  
3376 bonds of the authority then outstanding, including the payment of any  
3377 redemption premium thereon and any interest accrued or to accrue to  
3378 the earliest or subsequent date of redemption, purchase or maturity of  
3379 such bonds, and, if deemed advisable by the authority, for the  
3380 additional purpose of paying all or any part of the cost of constructing  
3381 and acquiring additions, improvements, extensions or enlargements of  
3382 a project or any portion thereof.

3383 (2) The proceeds of any such bonds issued for the purpose of  
3384 refunding outstanding bonds may, in the discretion of the authority,  
3385 be applied to the purchase or retirement at maturity or redemption of  
3386 such outstanding bonds either on their earliest or any subsequent  
3387 redemption date or upon the purchase or at the maturity thereof and  
3388 may, pending such application, be placed in escrow to be applied to  
3389 such purchase or retirement at maturity or redemption on such date as  
3390 may be determined by the authority.

3391 (3) Any such escrowed proceeds, pending such use, may be  
3392 invested and reinvested in direct obligations of, or obligations  
3393 unconditionally guaranteed by, the United States of America and  
3394 certificates of deposit or time deposits secured by direct obligations of,  
3395 or obligations unconditionally guaranteed by, the United States of  
3396 America, or obligations of a state, a territory, or a possession of the  
3397 United States of America, or any political subdivision of any of the  
3398 foregoing, within the meaning of Section 103(a) of the Internal  
3399 Revenue Code of 1986, or any subsequent corresponding internal  
3400 revenue code of the United States, as from time to time amended, the  
3401 full and timely payment of the principal of and interest on which are  
3402 secured by an irrevocable deposit of direct obligations of the United  
3403 States of America which, if the outstanding bonds are then rated by a  
3404 nationally recognized rating agency, are rated in the highest rating  
3405 category by such rating agency, maturing at such time or times as shall  
3406 be appropriate to assure the prompt payment, as to principal, interest  
3407 and redemption premium, if any, of the outstanding bonds to be so

3408 refunded. The interest, income and profits, if any, earned or realized  
3409 on any such investment may also be applied to the payment of the  
3410 outstanding bonds to be so refunded. After the terms of the escrow  
3411 have been fully satisfied and carried out, any balance of such proceeds  
3412 and interest, income and profits, if any, earned or realized on the  
3413 investments thereof may be returned to the authority for use by it in  
3414 any lawful manner.

3415 (4) The portion of the proceeds of any such bonds issued for the  
3416 additional purpose of paying all or any part of the cost of constructing  
3417 and acquiring additions, improvements, extensions or enlargements of  
3418 a project may be invested and reinvested as the provisions of this  
3419 section and the resolution authorizing the issuance of such bonds or  
3420 the trust agreement securing such bonds may provide. The interest,  
3421 income and profits, if any, earned or realized on such investment may  
3422 be applied to the payment of all or any part of such cost or may be  
3423 used by the authority in any lawful manner.

3424 (5) All such bonds shall be subject to the provisions of this section in  
3425 the same manner and to the same extent as other bonds issued  
3426 pursuant to this section.

3427 (q) Bonds issued by the authority under the provisions of this  
3428 section are hereby made securities in which all public officers and  
3429 public bodies of the state and its political subdivisions, all insurance  
3430 companies, state banks and trust companies, national banking  
3431 associations, savings banks, savings and loan associations, investment  
3432 companies, executors, administrators, trustees and other fiduciaries  
3433 may properly and legally invest funds, including capital in their  
3434 control or belonging to them. Such bonds are hereby made securities  
3435 which may properly and legally be deposited with and received by  
3436 any state or municipal officer or any agency or political subdivision of  
3437 the state for any purpose for which the deposit of bonds or obligations  
3438 of the state is now or may hereafter be authorized by law.

3439 (r) In conjunction with the issuance of the bonds, notes or other

3440 obligations: (1) The authority may make representations and  
3441 agreements for the benefit of the holders of the bonds, notes or other  
3442 obligations to make secondary market disclosures; (2) the authority  
3443 may enter into interest rate swap agreements and other agreements for  
3444 the purpose of moderating interest rate risk on the bonds, notes or  
3445 other obligations; (3) the authority may enter into such other  
3446 agreements and instruments to secure the bonds, notes or other  
3447 obligations; and (4) the authority may take such other actions as  
3448 necessary or appropriate for the issuance and distribution of the  
3449 bonds, notes or other obligations and may make representations and  
3450 agreements for the benefit of the holders of the bonds, notes or other  
3451 obligations which are necessary or appropriate to ensure exclusion of  
3452 the interest payable on the bonds from gross income under the Internal  
3453 Revenue Code of 1986, or any subsequent corresponding internal  
3454 revenue code of the United States, as from time to time amended.

3455       Sec. 65. (NEW) (*Effective July 1, 2012*) (a) The Connecticut Clean  
3456 Energy Authority may issue clean energy bonds secured in whole or in  
3457 part by the assets of, and assessment of charges and other receipts  
3458 deposited into, the Clean Energy Fund established pursuant to section  
3459 16-245n of the general statutes, as amended by this act. The clean  
3460 energy bonds shall be nonrecourse to the credit or any assets of the  
3461 state or the authority.

3462       (b) Except as otherwise provided in this subsection, the state of  
3463 Connecticut does hereby pledge and agree with the owners of the  
3464 clean energy bonds that the state shall neither limit nor alter the  
3465 assessment of charges pursuant to section (b) of section 16-245n of the  
3466 general statutes, as amended by this act, and all rights thereunder,  
3467 until the clean energy bonds, together with the interest thereon, are  
3468 fully met and discharged, provided nothing contained in this  
3469 subsection shall preclude such limitation or alteration if and when  
3470 adequate provision is made by law for the protection of the owners  
3471 and holders of such bonds. The authority as agent for the state is  
3472 authorized to include this pledge and undertaking for the state in the  
3473 clean energy bonds.

3474 (c) The clean energy bonds shall not be deemed to constitute a debt  
3475 or liability of the state or of any political subdivision thereof, other  
3476 than the authority, shall not constitute a pledge of the full faith and  
3477 credit of the state or any of its political subdivisions, other than the  
3478 authority, but shall be payable solely from the funds provided under  
3479 section 16-245n of the general statutes, as amended by this act, and  
3480 shall not constitute an indebtedness of the state within the meaning of  
3481 any constitutional or statutory debt limitation or restriction and,  
3482 accordingly, shall not be subject to any statutory limitation on the  
3483 indebtedness of the state and shall not be included in computing the  
3484 aggregate indebtedness of the state in respect to and to the extent of  
3485 any such limitation. This subsection shall in no way preclude bond  
3486 guarantees or enhancements as provided in subsection (d) of section  
3487 16-245n of the general statutes, as amended by this act. All clean  
3488 energy bonds shall contain on the face thereof a statement to the  
3489 following effect: "Neither the full faith and credit nor the taxing power  
3490 of the State of Connecticut is pledged to the payment of the principal  
3491 of, or interest on, this bond."

3492 (d) The exercise of the powers granted by this section and section  
3493 16-245n of the general statutes, as amended by this act, shall be in all  
3494 respects for the benefit of the people of this state, for the increase of  
3495 their commerce, welfare and prosperity, and as the exercise of such  
3496 powers shall constitute the performance of an essential public function,  
3497 neither the authority, any affiliate of the authority, nor any collection  
3498 or other agent of any of the foregoing shall be required to pay any  
3499 taxes or assessments upon or in respect of any revenues or property  
3500 received, acquired, transferred or used by the authority, any affiliate of  
3501 the authority or any collection or other agent of any of the foregoing,  
3502 or upon or in respect of the income from such revenues or property,  
3503 and any bonds or notes issued under the provisions of this section,  
3504 their transfer and the income therefrom, including any profit made on  
3505 the sale of such bonds or notes, shall at all times be free from taxation  
3506 of every kind by the state and by the municipalities and other political  
3507 subdivisions in the state except for estate and succession taxes. The

3508 interest on such bonds and notes shall be included in the computation  
3509 of any excise or franchise tax.

3510 (e) The proceeds of any clean energy bonds shall be used for the  
3511 purposes of the authority in accordance with section 16-245n of the  
3512 general statutes, as amended by this act.

3513 Sec. 66. (NEW) (*Effective July 1, 2012*) (a) For purposes of this section,  
3514 "required minimum capital reserve" means the maximum amount  
3515 permitted to be deposited in a special capital reserve fund by the  
3516 Internal Revenue Code of 1986, or any subsequent corresponding  
3517 internal revenue code of the United States, as amended from time to  
3518 time, to permit the interest on such bonds to be excluded from gross  
3519 income for federal tax purposes and secured by such special capital  
3520 reserve fund.

3521 (b) In connection with the issuance of bonds or to refund bonds  
3522 previously issued by the Connecticut Clean Energy Authority, or in  
3523 connection with the issuance of bonds to effect a refinancing or other  
3524 restructuring with respect to one or more projects, the authority may  
3525 create and establish one or more reserve funds to be known as special  
3526 capital reserve funds, and may pay into such special capital reserve  
3527 funds (1) any moneys appropriated and made available by the state for  
3528 the purposes of such special capital reserve funds, (2) any proceeds of  
3529 the sale of notes or bonds, to the extent provided in the resolution of  
3530 the authority authorizing the issuance thereof, and (3) any other  
3531 moneys which may be made available to the authority for the purpose  
3532 of such special capital reserve funds from any other source or sources.

3533 (c) The moneys held in or credited to any special capital reserve  
3534 fund established under this section, except as hereinafter provided,  
3535 shall be used for (1) the payment of the principal of and interest, when  
3536 due, whether at maturity or by mandatory sinking fund installments,  
3537 on bonds of the authority secured by such special capital reserve fund  
3538 as such payments become due, or (2) the purchase of such bonds of the  
3539 authority and the payment of any redemption premium required to be

3540 paid when such bonds are redeemed prior to maturity, including in  
3541 any such case by way of reimbursement of a provider of bond  
3542 insurance or of a credit or liquidity facility that has paid such  
3543 redemption premiums. Notwithstanding the provisions of  
3544 subdivisions (1) and (2) of this subsection, the authority shall have  
3545 power to provide that moneys in any such special capital reserve fund  
3546 shall not be withdrawn therefrom at any time in such amount as  
3547 would reduce the amount of such moneys to less than the maximum  
3548 amount of principal and interest becoming due by reasons of maturity  
3549 or a required sinking fund installment in the then current or any  
3550 succeeding calendar year on the bonds of the authority then  
3551 outstanding, or less than the required minimum capital reserve, except  
3552 for the purpose of paying such principal of, redemption premium and  
3553 interest on such bonds of the authority secured by such special capital  
3554 reserve becoming due and for the payment of which other moneys of  
3555 the authority are not available. The authority may provide that it shall  
3556 not issue bonds secured by a special capital reserve fund at any time if  
3557 the required minimum capital reserve on the bonds outstanding and  
3558 the bonds then to be issued and secured by the same special capital  
3559 reserve fund at the time of issuance exceeds the moneys in the special  
3560 capital reserve fund, unless the authority, at the time of the issuance of  
3561 such bonds, deposits in such special capital reserve fund from the  
3562 proceeds of the bonds so to be issued, or from other sources, an  
3563 amount which, together with the amount then in such special capital  
3564 reserve fund, will be not less than the required minimum capital  
3565 reserve.

3566 (d) On or before December first, annually, there is deemed to be  
3567 appropriated from the General Fund such sums, if any, as shall be  
3568 certified by the chairperson or vice-chairperson of the authority to the  
3569 Secretary of the Office of Policy and Management and the State  
3570 Treasurer, as necessary to restore each such special capital reserve  
3571 fund to the amount equal to the required minimum capital reserve of  
3572 such fund, and such amounts shall be allotted and paid to the  
3573 authority. For the purpose of evaluation of any such special capital

3574 reserve fund, obligations acquired as an investment for any such  
3575 special capital reserve fund shall be valued at market. Nothing  
3576 contained in this section shall preclude the authority from establishing  
3577 and creating other debt service reserve funds in connection with the  
3578 issuance of bonds or notes of the authority which are not special  
3579 capital reserve funds. Subject to any agreement or agreements with  
3580 holders of outstanding notes and bonds of the authority, any amount  
3581 or amounts allotted and paid to the authority pursuant to this  
3582 subsection shall be repaid to the state from moneys of the authority at  
3583 such time as such moneys are not required for any other of the  
3584 authority's corporate purposes, and in any event shall be repaid to the  
3585 state on the date one year after all bonds and notes of the authority  
3586 theretofore issued on the date or dates such amount or amounts are  
3587 allotted and paid to the authority or thereafter issued, together with  
3588 interest on such bonds and notes, with interest on any unpaid  
3589 installments of interest and all costs and expenses in connection with  
3590 any action or proceeding by or on behalf of the holders thereof, are  
3591 fully met and discharged.

3592 (e) No bonds secured by a special capital reserve fund shall be  
3593 issued to pay project costs unless the authority is of the opinion and  
3594 determines that the revenues from the project shall be sufficient to (1)  
3595 pay the principal of and interest on the bonds issued to finance the  
3596 project, (2) establish, increase and maintain any reserves deemed by  
3597 the authority to be advisable to secure the payment of the principal of  
3598 and interest on such bonds, (3) pay the cost of maintaining the project  
3599 in good repair and keeping it properly insured, and (4) pay such other  
3600 costs of the project as may be required.

3601 (f) Notwithstanding the provisions of this section, no bonds secured  
3602 by a special capital reserve fund shall be issued by the authority until  
3603 and unless such issuance has been approved by the Secretary of the  
3604 Office of Policy and Management or his or her deputy. Any such  
3605 approval by the secretary pursuant to this subsection shall be in  
3606 addition to (1) the otherwise required opinion of sufficiency by the  
3607 authority set forth in subsection (c) of this section, and (2) the approval

3608 of the State Treasurer and the documentation by the authority  
3609 otherwise required under subsection (a) of section 1-124 of the general  
3610 statutes, as amended by this act. Such approval may provide for the  
3611 waiver or modification of such other requirements of this section as the  
3612 authority, the State Treasurer and the secretary determine to be  
3613 necessary or appropriate in order to effectuate such issuance, subject to  
3614 all applicable tax covenants of the authority and the state.

3615 (g) Notwithstanding any other provision contained in this section,  
3616 the aggregate amount of bonds secured by such special capital reserve  
3617 fund authorized to be created and established by this section shall not  
3618 exceed one hundred million dollars.

3619 Sec. 67. Subdivision (2) of subsection (a) of section 32-141 of the  
3620 general statutes is repealed and the following is substituted in lieu  
3621 thereof (*Effective July 1, 2012*):

3622 (2) The total amount of private activity bonds which may be issued  
3623 by state issuers in the calendar year commencing January 1, 2007, and  
3624 each calendar year thereafter, under the state ceiling in effect for each  
3625 such year, shall be allocated as follows: (A) Sixty per cent to the  
3626 Connecticut Housing Finance Authority; (B) twelve and one-half per  
3627 cent to the Connecticut Development Authority; and (C) twenty-seven  
3628 and one-half per cent to municipalities and political subdivisions,  
3629 departments, agencies, authorities and other bodies of municipalities,  
3630 [and] the Connecticut Higher Education Supplemental Loan Authority  
3631 and the Connecticut Clean Energy Authority, then to the Connecticut  
3632 Student Loan Foundation and then for contingencies. At least ten per  
3633 cent of bonds allocated under subparagraph (A) of this subdivision  
3634 shall be used for multifamily residential housing in the calendar year  
3635 commencing January 1, 2008. In each calendar year commencing  
3636 January 1, 2009, fifteen per cent of such bonds shall be used for  
3637 multifamily residential housing.

3638 Sec. 68. Subsection (l) of section 1-79 of the general statutes is  
3639 repealed and the following is substituted in lieu thereof (*Effective from*

3640 *passage*):

3641 (l) "Quasi-public agency" means the Connecticut Development  
3642 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
3643 and Education Facilities Authority, Connecticut Higher Education  
3644 Supplemental Loan Authority, Connecticut Housing Finance  
3645 Authority, Connecticut Housing Authority, Connecticut Resources  
3646 Recovery Authority, Lower Fairfield County Convention Center  
3647 Authority, Capital City Economic Development Authority,  
3648 Connecticut Lottery Corporation, Connecticut Airport Authority,  
3649 Health Information Technology Exchange of Connecticut, [and]  
3650 Connecticut Health Insurance Exchange and Connecticut Clean Energy  
3651 Authority.

3652 Sec. 69. Subdivision (1) of section 1-120 of the general statutes is  
3653 repealed and the following is substituted in lieu thereof (*Effective from*  
3654 *passage*):

3655 (1) "Quasi-public agency" means the Connecticut Development  
3656 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
3657 and Educational Facilities Authority, Connecticut Higher Education  
3658 Supplemental Loan Authority, Connecticut Housing Finance  
3659 Authority, Connecticut Housing Authority, Connecticut Resources  
3660 Recovery Authority, Capital City Economic Development Authority,  
3661 Connecticut Lottery Corporation, Connecticut Airport Authority,  
3662 Health Information Technology Exchange of Connecticut, [and]  
3663 Connecticut Health Insurance Exchange and Connecticut Clean Energy  
3664 Authority.

3665 Sec. 70. Section 1-124 of the general statutes is repealed and the  
3666 following is substituted in lieu thereof (*Effective from passage*):

3667 (a) The Connecticut Development Authority, the Connecticut  
3668 Health and Educational Facilities Authority, the Connecticut Higher  
3669 Education Supplemental Loan Authority, the Connecticut Housing  
3670 Finance Authority, the Connecticut Housing Authority, the  
3671 Connecticut Resources Recovery Authority, the Health Information

3672 Technology Exchange of Connecticut, the Connecticut Airport  
3673 Authority, the Capital City Economic Development Authority, [and]  
3674 the Connecticut Health Insurance Exchange and the Connecticut Clean  
3675 Energy Authority shall not borrow any money or issue any bonds or  
3676 notes which are guaranteed by the state of Connecticut or for which  
3677 there is a capital reserve fund of any kind which is in any way  
3678 contributed to or guaranteed by the state of Connecticut until and  
3679 unless such borrowing or issuance is approved by the State Treasurer  
3680 or the Deputy State Treasurer appointed pursuant to section 3-12. The  
3681 approval of the State Treasurer or said deputy shall be based on  
3682 documentation provided by the authority that it has sufficient  
3683 revenues to (1) pay the principal of and interest on the bonds and notes  
3684 issued, (2) establish, increase and maintain any reserves deemed by the  
3685 authority to be advisable to secure the payment of the principal of and  
3686 interest on such bonds and notes, (3) pay the cost of maintaining,  
3687 servicing and properly insuring the purpose for which the proceeds of  
3688 the bonds and notes have been issued, if applicable, and (4) pay such  
3689 other costs as may be required.

3690 (b) To the extent the Connecticut Development Authority,  
3691 Connecticut Innovations, Incorporated, Connecticut Higher Education  
3692 Supplemental Loan Authority, Connecticut Housing Finance  
3693 Authority, Connecticut Housing Authority, Connecticut Resources  
3694 Recovery Authority, Connecticut Health and Educational Facilities  
3695 Authority, the Health Information Technology Exchange of  
3696 Connecticut, the Connecticut Airport Authority, the Capital City  
3697 Economic Development Authority, [or] the Connecticut Health  
3698 Insurance Exchange or the Connecticut Clean Energy Authority is  
3699 permitted by statute and determines to exercise any power to  
3700 moderate interest rate fluctuations or enter into any investment or  
3701 program of investment or contract respecting interest rates, currency,  
3702 cash flow or other similar agreement, including, but not limited to,  
3703 interest rate or currency swap agreements, the effect of which is to  
3704 subject a capital reserve fund which is in any way contributed to or  
3705 guaranteed by the state of Connecticut, to potential liability, such

3706 determination shall not be effective until and unless the State  
3707 Treasurer or his or her deputy appointed pursuant to section 3-12 has  
3708 approved such agreement or agreements. The approval of the State  
3709 Treasurer or his or her deputy shall be based on documentation  
3710 provided by the authority that it has sufficient revenues to meet the  
3711 financial obligations associated with the agreement or agreements.

3712 Sec. 71. Section 1-125 of the general statutes is repealed and the  
3713 following is substituted in lieu thereof (*Effective from passage*):

3714 The directors, officers and employees of the Connecticut  
3715 Development Authority, Connecticut Innovations, Incorporated,  
3716 Connecticut Higher Education Supplemental Loan Authority,  
3717 Connecticut Housing Finance Authority, Connecticut Housing  
3718 Authority, Connecticut Resources Recovery Authority, including ad  
3719 hoc members of the Connecticut Resources Recovery Authority,  
3720 Connecticut Health and Educational Facilities Authority, Capital City  
3721 Economic Development Authority, the Health Information Technology  
3722 Exchange of Connecticut, Connecticut Airport Authority, Connecticut  
3723 Lottery Corporation, [and] Connecticut Health Insurance Exchange  
3724 and the Connecticut Clean Energy Authority and any person executing  
3725 the bonds or notes of the agency shall not be liable personally on such  
3726 bonds or notes or be subject to any personal liability or accountability  
3727 by reason of the issuance thereof, nor shall any director or employee of  
3728 the agency, including ad hoc members of the Connecticut Resources  
3729 Recovery Authority, be personally liable for damage or injury, not  
3730 wanton, reckless, wilful or malicious, caused in the performance of his  
3731 or her duties and within the scope of his or her employment or  
3732 appointment as such director, officer or employee, including ad hoc  
3733 members of the Connecticut Resources Recovery Authority. The  
3734 agency shall protect, save harmless and indemnify its directors,  
3735 officers or employees, including ad hoc members of the Connecticut  
3736 Resources Recovery Authority, from financial loss and expense,  
3737 including legal fees and costs, if any, arising out of any claim, demand,  
3738 suit or judgment by reason of alleged negligence or alleged  
3739 deprivation of any person's civil rights or any other act or omission

3740 resulting in damage or injury, if the director, officer or employee,  
3741 including ad hoc members of the Connecticut Resources Recovery  
3742 Authority, is found to have been acting in the discharge of his or her  
3743 duties or within the scope of his or her employment and such act or  
3744 omission is found not to have been wanton, reckless, wilful or  
3745 malicious.

3746 Sec. 72. Subsection (b) of section 16a-40d of the 2012 supplement to  
3747 the general statutes is repealed and the following is substituted in lieu  
3748 thereof (*Effective from passage*):

3749 (b) As of July 1, 2010, proceeds of the sale of said bonds which have  
3750 been authorized as provided in subsection (a) of this section, but have  
3751 not been allocated by the State Bond Commission, and the additional  
3752 amount of five million dollars authorized by this section on July 1,  
3753 2010, shall be deposited in the Green Connecticut Loan Guaranty Fund  
3754 established pursuant to section 16a-40e, as amended by this act, and  
3755 shall be used by the Connecticut Clean Energy [Finance and  
3756 Investment] Authority for purposes of the Green Connecticut Loan  
3757 Guaranty Fund program established pursuant to section 16a-40f, as  
3758 amended by this act, provided not more than eighteen million dollars  
3759 shall be deposited in the Green Connecticut Loan Guaranty Fund. Such  
3760 additional amounts may be deposited in the Green Connecticut Loan  
3761 Guaranty Fund as the State Bond Commission may, from time to time,  
3762 authorize.

3763 Sec. 73. Section 16a-40e of the 2012 supplement to the general  
3764 statutes is repealed and the following is substituted in lieu thereof  
3765 (*Effective from passage*):

3766 The Connecticut Clean Energy [Finance and Investment] Authority  
3767 shall establish a "Green Connecticut Loan Guaranty Fund". Such fund  
3768 shall be used for the purposes of guaranteeing loans authorized under  
3769 section 16a-40f, as amended by this act, and may be used for expenses  
3770 incurred by said authority in the implementation of the program under  
3771 said section.

3772 Sec. 74. Subsection (c) of section 16a-40l of the 2012 supplement to  
3773 the general statutes is repealed and the following is substituted in lieu  
3774 thereof (*Effective from passage*):

3775 (c) "Eligible entity" means (1) any residential, commercial,  
3776 institutional or industrial customer of an electric distribution company  
3777 or natural gas company, as defined in section 16-1, as amended by this  
3778 act, who employs or installs an eligible in-state energy savings  
3779 technology, (2) an energy service company certified as a Connecticut  
3780 electric efficiency partner by the Department of Energy and  
3781 Environmental Protection, or (3) an installer certified by the  
3782 Connecticut Clean Energy [Finance and Investment] Authority.

3783 Sec. 75. Subdivision (5) of subsection (a) of section 16a-40f of the  
3784 2012 supplement to the general statutes is repealed and the following  
3785 is substituted in lieu thereof (*Effective from passage*):

3786 (5) "Authority" means the Connecticut Clean Energy [Finance and  
3787 Investment] Authority.

3788 Sec. 76. Subsection (d) of section 16a-40f of the 2012 supplement to  
3789 the general statutes is repealed and the following is substituted in lieu  
3790 thereof (*Effective from passage*):

3791 (d) In consultation with the Energy Conservation Management  
3792 Board and the Connecticut Health and Educational Facilities  
3793 Authority, the Connecticut Clean Energy [Finance and Investment]  
3794 Authority shall identify types of projects that qualify as eligible energy  
3795 conservation projects, including, but not limited to, the purchase and  
3796 installation of insulation, alternative energy devices, energy  
3797 conservation materials, replacement furnaces and boilers, and  
3798 technologically advanced energy-conserving equipment. The  
3799 authority, in consultation with said entities, shall establish priorities  
3800 for financing eligible energy conservation projects based on need and  
3801 quality determinants. The authority shall adopt procedures, in  
3802 accordance with the provisions of section 1-121, to implement the  
3803 provisions of this section.

3804 Sec. 77. (*Effective from passage*) The Public Utilities Regulatory  
3805 Authority shall initiate a docket to identify measures to promote water  
3806 conservation in the state. On or before January 1, 2013, the authority  
3807 shall submit a report, in accordance with the provisions of section 11-  
3808 4a of the general statutes, to the joint standing committee of the  
3809 General Assembly having cognizance of matters relating to energy, of  
3810 the findings of such docket, including any recommended legislative  
3811 changes necessary to implement such measures.

3812 Sec. 78. Subdivision (41) of subsection (a) of section 16-1 of the 2012  
3813 supplement to the general statutes is repealed and the following is  
3814 substituted in lieu thereof (*Effective from passage*):

3815 (41) "Federally mandated congestion charges" means any cost  
3816 approved by the Federal Energy Regulatory Commission as part of  
3817 New England Standard Market Design including, but not limited to,  
3818 locational marginal pricing, locational installed capacity payments, any  
3819 cost approved by the Public Utilities Regulatory Authority to reduce  
3820 federally mandated congestion charges in accordance with section 7-  
3821 233y, this section, sections 16-19ss, [16-32f,] 16-50i, 16-50k, 16-50x, 16-  
3822 243i to 16-243q, inclusive, 16-244c, as amended by this act, 16-244e, 16-  
3823 245m, as amended by this act, 16-245n, as amended by this act, and 16-  
3824 245z, and section 21 of public act 05-1 of the June special session and  
3825 reliability must run contracts;

3826 Sec. 79. Subsection (k) of section 16-243m of the general statutes is  
3827 repealed and the following is substituted in lieu thereof (*Effective from*  
3828 *passage*):

3829 (k) The authority may order an electric distribution company to  
3830 submit a proposal pursuant to the provisions of this section and may  
3831 approve such a proposal under this section. Nothing in sections 16-1,  
3832 as amended by this act, 16-19ss, [16-32f,] 16-50i, 16-50k, 16-50x, 16-243i  
3833 to 16-243q, inclusive, 16-244c, as amended by this act, 16-244e, 16-245d,  
3834 as amended by this act, 16-245m, as amended by this act, 16-245n, as  
3835 amended by this act, and 16-245z and section 21 of public act 05-1 of

3836 the June special session shall limit the authority's ability to conduct  
3837 requests for proposals, in addition to that in subsection (c) of this  
3838 section, to reduce federally mandated congestion charges and to  
3839 approve such proposals or otherwise to meet its responsibility under  
3840 this title.

3841 Sec. 80. Section 16-243r of the general statutes is repealed and the  
3842 following is substituted in lieu thereof (*Effective from passage*):

3843 The provisions of sections 7-233y, 16-1, as amended by this act, 16-  
3844 19ss, [16-32f,] 16-50i, 16-50k, 16-50x, 16-243i to 16-243q, inclusive, 16-  
3845 244c, as amended by this act, 16-244e, 16-245d, as amended by this act,  
3846 16-245m, as amended by this act, 16-245n, as amended by this act, 16-  
3847 245z and 16-262i and section 21 of public act 05-1 of the June special  
3848 session apply to new customer-side distributed resources and grid-  
3849 side distributed resources developed in this state that add electric  
3850 capacity on and after January 1, 2006, and shall also apply to customer-  
3851 side distributed resources and grid-side distributed resources  
3852 developed in this state before January 1, 2007, that (1) have undergone  
3853 upgrades that increase the resource's thermal efficiency operating level  
3854 by no fewer than ten percentage points or, for resources that have a  
3855 thermal efficiency level of at least seventy per cent, have undergone  
3856 upgrades that increase the resource's turbine heat rate by no fewer  
3857 than five percentage points and increase the electrical output of the  
3858 resource by no fewer than ten percentage points, (2) operate at a  
3859 thermal efficiency level of at least fifty per cent, and (3) add electric  
3860 capacity in this state on or after January 1, 2007, provided such  
3861 measure is in accordance with the provisions of said sections 7-233y,  
3862 16-1, as amended by this act, 16-19ss, [16-32f,] 16-50i, 16-50k, 16-50x,  
3863 16-243i to 16-243q, inclusive, 16-244c, as amended by this act, 16-244e,  
3864 16-245d, as amended by this act, 16-245m, as amended by this act, 16-  
3865 245n, as amended by this act, 16-245z and 16-262i and section 21 of  
3866 public act 05-1 of the June special session. On or before January 1, 2009,  
3867 the Public Utilities Regulatory Authority, in consultation with the  
3868 Office of Consumer Counsel, shall report to the joint standing  
3869 committee of the General Assembly having cognizance of matters

3870 relating to energy regarding the cost-effectiveness of programs  
3871 pursuant to this section.

3872 Sec. 81. Subsection (e) of section 22a-2d of the 2012 supplement to  
3873 the general statutes is repealed and the following is substituted in lieu  
3874 thereof (*Effective from passage*):

3875 (e) Wherever the words "Department of Public Utility Control" are  
3876 used or referred to in the following sections of the general statutes, the  
3877 words "Public Utilities Regulatory Authority" shall be substituted in  
3878 lieu thereof: 1-84, 1-84b, 2-20a, 2-71p, 4-38c, 4a-57, 4a-74, 4d-2, 4d-80, 7-  
3879 223, 7-233t, 7-233ii, 8-387, 12-81q, 12-94d, 12-264, 12-265, 12-408b, 12-  
3880 412, 12-491, 13a-82, 13a-126a, 13b-10a, 13b-43, 13b-44, 13b-387a, 15-96,  
3881 16-1, as amended by this act, 16-2, as amended by this act, 16-2a, 16-6,  
3882 16-6a, 16-6b, as amended by this act, 16-7, as amended by this act, 16-8,  
3883 as amended by this act, 16-8b, 16-8c, 16-8d, 16-9, 16-9a, 16-10, 16-10a,  
3884 16-11, 16-12, 16-13, 16-14, 16-15, 16-16, 16-17, 16-18, 16-19, 16-19a, 16-  
3885 19b, as amended by this act, 16-19d, 16-19f, 16-19k, 16-19n, 16-19o, 16-  
3886 19u, 16-19w, 16-19x, 16-19z, 16-19aa, 16-19bb, 16-19cc, 16-19dd, 16-  
3887 19ee, 16-19ff, 16-19gg, 16-19jj, 16-19kk, as amended by this act, 16-  
3888 19mm, 16-19nn, 16-19oo, 16-19pp, 16-19qq, 16-19tt, 16-19uu, 16-19vv,  
3889 16-20, 16-21, 16-23, 16-24, 16-25, 16-25a, 16-26, 16-27, 16-28, 16-29, 16-32,  
3890 16-32a, 16-32b, 16-32c, 16-32e, [16-32f,] 16-32g, 16-33, 16-35, as  
3891 amended by this act, 16-41, 16-42, 16-43, 16-43a, 16-43d, 16-44, 16-44a,  
3892 16-45, 16-46, 16-47, 16-47a, 16-48, 16-49e, 16-50c, 16-50d, 16-50f, 16-50k,  
3893 16-50aa, 16-216, 16-227, 16-231, 16-233, 16-234, 16-235, 16-238, 16-243,  
3894 16-243a, 16-243b, 16-243c, 16-243f, 16-243i, 16-243j, 16-243k, 16-243m, as  
3895 amended by this act, 16-243n, 16-243p, 16-243q, 16-243r, as amended  
3896 by this act, 16-243s, 16-243t, 16-243u, 16-243v, 16-243w, 16-244a, 16-  
3897 244b, 16-244c, as amended by this act, 16-244d, 16-244e, 16-244f, 16-  
3898 244g, 16-244h, 16-244i, 16-244k, 16-244l, 16-245, as amended by this act,  
3899 16-245a, 16-245b, 16-245c, 16-245e, 16-245g, 16-245l, 16-245p, 16-245q,  
3900 16-245s, 16-245t, 16-245u, 16-245v, 16-245w, 16-245x, 16-245aa, 16-246,  
3901 16-246e, 16-246g, 16-247c, 16-247j, 16-247l, 16-247m, 16-247o, 16-247p,  
3902 16-247t, 16-249, 16-250, 16-250a, 16-250b, 16-256b, 16-256c, 16-256h, 16-  
3903 256k, 16-258a, 16-258b, 16-258c, 16-259, 16-261, 16-262a, 16-262c, 16-

3904 262d, 16-262i, 16-262j, as amended by this act, 16-262k, 16-262l, 16-  
 3905 262m, 16-262n, 16-262o, 16-262q, 16-262r, 16-262s, 16-262v, as amended  
 3906 by this act, 16-262w, as amended by this act, 16-262x, 16-265, 16-269,  
 3907 16-271, 16-272, 16-273, 16-274, 16-275, 16-276, 16-278, 16-280a, 16-280b,  
 3908 16-280d, 16-280e, 16-280f, 16-280h, 16-281a, 16-331, 16-331c, 16-331e, 16-  
 3909 331f, 16-331g, 16-331h, 16-331i, 16-331j, 16-331k, 16-331n, 16-331o, 16-  
 3910 331p, 16-331q, 16-331r, 16-331t, 16-331u, 16-331v, 16-331y, 16-331z, 16-  
 3911 331aa, 16-331cc, 16-331dd, 16-331ff, 16-331gg, 16-332, 16-333, 16-333a,  
 3912 16-333b, 16-333e, 16-333f, 16-333g, 16-333h, 16-333i, 16-333l, 16-333n,  
 3913 16-333o, 16-333p, 16-347, 16-348, 16-356, 16-357, 16-358, 16-359, 16a-3b,  
 3914 as amended by this act, 16a-3c, as amended by this act, 16a-7b, as  
 3915 amended by this act, 16a-7c, 16a-13b, 16a-37c, subsection (b) of section  
 3916 16a-38n, 16a-38o, 16a-40b, 16a-40k, 16a-41, 16a-46, 16a-46b, 16a-46c,  
 3917 16a-47a, 16a-47b, 16a-47c, 16a-47d, 16a-47e, 16a-48, as amended by this  
 3918 act, 16a-49, 16a-103, 20-298, 20-309, 20-340, 20-340a, 20-341k, 20-341z,  
 3919 20-357, 20-541, 22a-174l, 22a-256dd, 22a-266, 22a-358, 22a-475, 22a-478,  
 3920 22a-479, 23-8b, 23-65, 25-33a, 25-33h, 25-33k, 25-33l, 25-33p, 25-37d, 25-  
 3921 37e, 26-141b, 28-1b, 28-24, 28-26, 28-27, 28-31, 29-282, 29-415, 32-80a, 32-  
 3922 222, 33-219, 33-221, 33-241, 33-951, 42-287, 43-44, 49-4c and 52-259a.

3923       Sec. 82. Subdivision (1) of subsection (a) of section 16-262v of the  
 3924 general statutes is repealed and the following is substituted in lieu  
 3925 thereof (*Effective from passage*):

3926       (1) "Eligible projects" means those water company plant projects not  
 3927 previously included in the water company's rate base in its most recent  
 3928 general rate case and that are intended to improve or protect the  
 3929 quality and reliability of service to customers, including (A) renewal or  
 3930 replacement of existing infrastructure, including mains, valves,  
 3931 services, meters and hydrants that have either reached the end of their  
 3932 useful life, are worn out, are in deteriorated condition, are or will be  
 3933 contributing to unacceptable levels of unaccounted for water, or are  
 3934 negatively impacting water quality or reliability of service if not  
 3935 replaced; (B) main cleaning and relining projects; (C) relocation of  
 3936 facilities as a result of government actions, the capital costs of which  
 3937 are not otherwise eligible for reimbursement; [and] (D) purchase of

3938 leak detection equipment or installation of production meters, and  
 3939 pressure reducing valves; (E) purchase of energy efficient equipment  
 3940 or investment in renewable energy supplies; and (F) capital  
 3941 improvements necessary to comply with flow regulations adopted  
 3942 pursuant to section 26-141b.

3943 Sec. 83. Subsection (i) of section 16-262w of the general statutes is  
 3944 repealed and the following is substituted in lieu thereof (*Effective from*  
 3945 *passage*):

3946 (i) The amount of the WICA applied between general rate case  
 3947 filings shall not exceed [seven and one-half] ten per cent of the water  
 3948 company's annual retail water revenues approved in its most recent  
 3949 rate filing, and shall not exceed five per cent of such revenues for any  
 3950 twelve-month period. The amount of the adjustment shall be reset to  
 3951 zero as of the effective date of new base rates approved pursuant to  
 3952 section 16-19 and shall be reset to zero if the company exceeds the  
 3953 allowable rate of return by more than one hundred basis points for any  
 3954 calendar year.

3955 Sec. 84. Sections 16-2c, 16-32f and 16a-41i of the 2012 supplement to  
 3956 the general statutes are repealed. (*Effective July 1, 2012*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-1(a)(52)
Sec. 2	<i>from passage</i>	16-2
Sec. 3	<i>from passage</i>	16-3
Sec. 4	<i>from passage</i>	16-6b
Sec. 5	<i>from passage</i>	16-7
Sec. 6	<i>from passage</i>	16-8
Sec. 7	<i>from passage</i>	16-19e(b)
Sec. 8	<i>from passage</i>	16-19e(d)
Sec. 9	<i>from passage</i>	16-49(a)
Sec. 10	<i>from passage</i>	16-245m(d)
Sec. 11	<i>from passage</i>	16-245m(f)
Sec. 12	<i>from passage</i>	16-245y(a)

Sec. 13	<i>from passage</i>	16-245y(c)
Sec. 14	<i>from passage</i>	16a-3(b)
Sec. 15	<i>from passage</i>	16a-3b
Sec. 16	<i>from passage</i>	16a-3c(a)
Sec. 17	<i>from passage</i>	16a-7b(b)
Sec. 18	<i>from passage</i>	16a-3d
Sec. 19	<i>from passage</i>	16a-3a
Sec. 20	<i>from passage</i>	16-244c(c)(5)
Sec. 21	<i>from passage</i>	16-244c(j)(2)
Sec. 22	<i>from passage</i>	16-244m(a)
Sec. 23	<i>from passage</i>	16-244m(d)
Sec. 24	<i>from passage</i>	16-244n
Sec. 25	<i>from passage</i>	16-245n
Sec. 26	<i>from passage</i>	7-233z
Sec. 27	<i>from passage</i>	16-245ee
Sec. 28	<i>from passage</i>	16a-48(d)
Sec. 29	<i>from passage</i>	16a-48(e)
Sec. 30	<i>from passage</i>	16a-48(f)
Sec. 31	<i>from passage</i>	16a-48(g)
Sec. 32	<i>from passage</i>	16-245(g)
Sec. 33	<i>from passage</i>	PA 11-80, Sec. 103(a)
Sec. 34	<i>from passage</i>	16-245ff
Sec. 35	<i>from passage</i>	16-244r(b)
Sec. 36	<i>from passage</i>	16-244s
Sec. 37	<i>from passage</i>	16-244t(a)
Sec. 38	<i>from passage</i>	16-244t(b)
Sec. 39	<i>from passage</i>	16-245hh
Sec. 40	<i>from passage</i>	16-24a
Sec. 41	<i>from passage</i>	16-245o
Sec. 42	<i>from passage</i>	16-245d(a)
Sec. 43	<i>from passage</i>	16a-40l(a)
Sec. 44	<i>from passage</i>	16a-40l(f)
Sec. 45	<i>from passage</i>	16a-37u
Sec. 46	<i>from passage</i>	16-244u
Sec. 47	<i>from passage</i>	16a-40f(f)(3)
Sec. 48	<i>from passage</i>	16-244v(a)
Sec. 49	<i>from passage</i>	16a-46h
Sec. 50	<i>from passage</i>	PA 11-80, Sec. 133
Sec. 51	<i>from passage</i>	16a-46i
Sec. 52	<i>from passage</i>	12-217mm

Sec. 53	<i>from passage</i>	New section
Sec. 54	<i>from passage</i>	New section
Sec. 55	<i>from passage</i>	7-121n(a)(2)
Sec. 56	<i>July 1, 2012</i>	16-19b(h)
Sec. 57	<i>July 1, 2012</i>	16-18a
Sec. 58	<i>July 1, 2012</i>	16-35
Sec. 59	<i>July 1, 2012</i>	16-262j(c)
Sec. 60	<i>July 1, 2012</i>	16-8a(c)(1)
Sec. 61	<i>July 1, 2012</i>	16-19kk(b)
Sec. 62	<i>July 1, 2012</i>	16-1(a)(4)
Sec. 63	<i>July 1, 2012</i>	16-1(a)(8)
Sec. 64	<i>July 1, 2012</i>	New section
Sec. 65	<i>July 1, 2012</i>	New section
Sec. 66	<i>July 1, 2012</i>	New section
Sec. 67	<i>July 1, 2012</i>	32-141(a)(2)
Sec. 68	<i>from passage</i>	1-79(l)
Sec. 69	<i>from passage</i>	1-120(1)
Sec. 70	<i>from passage</i>	1-124
Sec. 71	<i>from passage</i>	1-125
Sec. 72	<i>from passage</i>	16a-40d(b)
Sec. 73	<i>from passage</i>	16a-40e
Sec. 74	<i>from passage</i>	16a-40l(c)
Sec. 75	<i>from passage</i>	16a-40f(a)(5)
Sec. 76	<i>from passage</i>	16a-40f(d)
Sec. 77	<i>from passage</i>	New section
Sec. 78	<i>from passage</i>	16-1(a)(41)
Sec. 79	<i>from passage</i>	16-243m(k)
Sec. 80	<i>from passage</i>	16-243r
Sec. 81	<i>from passage</i>	22a-2d(e)
Sec. 82	<i>from passage</i>	16-262v(a)(1)
Sec. 83	<i>from passage</i>	16-262w(i)
Sec. 84	<i>July 1, 2012</i>	Repealer section

**ET**            *Joint Favorable Subst.*

**FIN**           *Joint Favorable*

**PD**            *Joint Favorable*