



General Assembly

**Amendment**

February Session, 2012

LCO No. 4766

**\*SB0045104766SD0\***

Offered by:

SEN. FONFARA, 1<sup>st</sup> Dist.  
SEN. WILLIAMS, 29<sup>th</sup> Dist.  
SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. FASANO, 34<sup>th</sup> Dist.  
SEN. LEBEAU, 3<sup>rd</sup> Dist.  
SEN. MARKLEY, 16<sup>th</sup> Dist.

To: Senate Bill No. 451

File No. 413

Cal. No. 290

**"AN ACT CONCERNING THE ESTABLISHMENT OF A HEATING FURNACE AND BOILER REPLACEMENT PROGRAM."**

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

3 "Section 1. Section 16-243v of the general statutes is amended by  
4 adding subsection (k) as follows (*Effective from passage*):

5 (NEW) (k) (1) As used in this subsection:

6 (A) "Eligible residential customer" means any retail residential  
7 customer of an electric distribution company, as defined in section 16-  
8 1; and

9 (B) "Program loan" means any loan approved by an electric  
10 distribution company, or any representative of such company,  
11 pursuant to this subsection that is funded by the systems benefits  
12 charge as a program under the Connecticut electric efficiency partner

13 program established pursuant to this section.

14 (2) On or before July 1, 2012, each electric distribution company  
15 shall establish and administer a residential customer heating furnace  
16 and boiler and electric heating system equipment replacement and  
17 augmentation program to assist eligible residential customers in  
18 financing the replacement or augmentation of any heating furnace or  
19 boiler or electric heating system equipment. Each such company shall  
20 establish program requirements necessary for approval of any loan  
21 issued pursuant to such program, including requirements that:

22 (A) The total projected direct cost savings to any eligible residential  
23 customer resulting from the replacement or augmentation of any  
24 heating furnace, boiler or electric heating system equipment, or any  
25 associated component of such electric heating system, including  
26 ductless heat pumps, which shall be calculated on an annual basis  
27 commencing from the month that such replacement or augmented  
28 furnace, boiler or electric heating system equipment is projected to be  
29 in service, shall be greater than the total cost of the financing over the  
30 term of the program loan;

31 (B) The program loan shall not exceed ninety per cent of the total  
32 installed cost of the replacement or augmented heating furnace, boiler  
33 or electric heating system equipment;

34 (C) The term of any program loan is the lesser of (i) the simple  
35 payback of the program loan plus two years, or (ii) twelve years,  
36 provided for any eligible residential customer converting from electric  
37 heating system equipment to a heating furnace or boiler the term of  
38 any program loan may be not more than twenty years if such  
39 conversion, as determined by such company, is more suitable than the  
40 installation of ductless heat pumps;

41 (D) The efficiency rating of any replacement furnace, boiler or  
42 electric heating system equipment financed pursuant to this subsection  
43 shall meet or exceed federal Energy Star standards and each such  
44 company shall inform each applicant of any incentive available to

45 defray the cost of equipment that exceeds such standards;

46 (E) Any program loan to an eligible residential customer converting  
47 from electric heating equipment to a heating furnace or boiler may  
48 include the cost of any infrastructure upgrades necessary for use of  
49 such furnace or boiler, provided the total amount of such program  
50 loan does not exceed twenty-five thousand dollars; and

51 (F) Each applicant shall have a Home Energy Solutions audit  
52 performed at such applicant's home prior to the approval of any  
53 program loan, except no such audit is required if such applicant's  
54 heating system is not operational. Any program loan may include the  
55 cost of the purchase and installation of insulation recommended in  
56 such audit.

57 (3) Any eligible residential customer may apply to the customer's  
58 electric distribution company to participate in such program. Such  
59 company shall only approve applications that meet the approved  
60 program requirements established pursuant to subdivision (2) of this  
61 subsection. Such company shall develop requirements for the credit  
62 worthiness and eligibility of applicants to such program and shall  
63 submit such requirements to the Commissioner of Energy and  
64 Environmental Protection for approval prior to initiating any such  
65 program. Such company shall seek to maximize, to the extent  
66 practicable, participation in the program.

67 (4) Each eligible residential customer participating in such program  
68 shall enter into a contract to repay the program loan through a  
69 monthly charge on such customer's electric bill. Such program loan  
70 repayment shall include the principal payment and the loan carrying  
71 cost fee. Such carrying cost fee shall be one per cent of the total loan  
72 amount. Any program loan repayment shall be credited to the systems  
73 benefits charge. Any cost incurred by an electric distribution company  
74 administering such program shall be recovered through the systems  
75 benefits charge. The cost of covering any program loan that is not fully  
76 repaid by any such customer shall be considered a cost incurred by

77 such company in administering such program.

78 (5) Each eligible residential retail end use customer participating in  
79 such program who defaults on any program loan shall be subject to  
80 termination of electric service by the electric distribution company  
81 administering the program, provided such termination of service does  
82 not violate any provision of section 16-262c of the general statutes.

83 (6) Any program loan shall be included in the program loan  
84 recipient's residential electric service account for the premises on  
85 which any replacement furnace, boiler or electric heating system  
86 component is located and shall be transferable to subsequent electric  
87 service account holders at such premises. Each electric distribution  
88 company shall be entitled to take such action as required to secure the  
89 amount of a program loan, including, but not limited to, attaching  
90 liens and requiring filings to be made on applicable land records or as  
91 otherwise necessary or required.

92 (7) Any residential retail end use customer who resides in an  
93 apartment is eligible to participate in such program if (A) the program  
94 requirements established pursuant to subdivision (2) of this subsection  
95 are met, and (B) the owner or landlord of the apartment in which such  
96 customer resides pays a minimum of twenty per cent of the total cost  
97 of the furnace, boiler or electric heating system equipment replacement  
98 and any additional amount required to meet such program  
99 requirements.

100 Sec. 2. (*Effective from passage*) The Public Utilities Regulatory  
101 Authority shall approve for inclusion in the program established  
102 pursuant to sections 16-244r and 16-244s of the general statutes any  
103 capacity of a Class I generation project, for which no grants or  
104 incentives funded by ratepayers were received, that emits no  
105 pollutants, that is less than one hundred kilowatts in size, that was  
106 contracted to be built after July 1, 2011, and that was substantially  
107 completed, as determined by the authority, prior to the filing of docket  
108 number 11-12-06, upon the request of the owner or developer of such

109 project, if the authority determines that such project would have been  
110 approved for inclusion in the program after such program was  
111 established."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-243v
Sec. 2	<i>from passage</i>	New section