



Substitute House Bill No. 6360

Public Act No. 13-298

**AN ACT CONCERNING IMPLEMENTATION OF CONNECTICUT'S
COMPREHENSIVE ENERGY STRATEGY AND VARIOUS
REVISIONS TO THE ENERGY STATUTES.**

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

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 Subdivision (2) of subsection (a) of section 16-1 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(2) ["Director"] "Utility commissioner" means a member of [said authority] the Public Utilities Regulatory Authority;

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 Subdivision (52) of subsection (a) of section 16-1 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

Sec. 3. Section 16-2 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There shall continue to be a Public Utilities Regulatory Authority

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within the Department of Energy and Environmental Protection, which shall consist of three electors of this state, appointed by the Governor with the advice and consent of both houses of the General Assembly. Not more than two members of said authority in office at any one time shall be members of any one political party. On or before July 1, 2011, the Governor shall appoint three members to the authority. The first [director] utility commissioner appointed by the Governor on or before July 1, 2011, who is of the same political party as that of the Governor shall serve a term of five years. The second [director] utility commissioner appointed by the Governor on or before July 1, 2011, who is of the same political party as that of the Governor shall serve a term of four years. The first [director] utility commissioner appointed by the Governor on or before July 1, 2011, who is of a different political party as that of the Governor shall serve a term of three years. Any [director] utility commissioner appointed on or after January 1, 2014, shall serve a term of four years. The procedure prescribed by section 4-7 shall apply to such appointments, except that the Governor shall submit each nomination on or before May first, and both houses shall confirm or reject it before adjournment sine die. The [directors] utility commissioners shall be sworn to the faithful performance of their duties. The term of any [commissioner] utility commissioner serving on June 30, 2011, shall be terminated.

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

(c) Any matter coming before the authority may be assigned by the chairperson to a panel of one or more [directors] utility commissioners. Except as otherwise provided by statute or regulation, the panel shall determine whether a public hearing shall be held on the matter, and may designate one or two of its members to conduct such hearing or

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[request the appointment of] may assign a hearing officer to ascertain the facts and report thereon to the panel. The decision of the panel, if unanimous, shall be the decision of the authority. If the decision of the panel is not unanimous, the matter shall be approved by a majority vote of the [panel] utility commissioners.

(d) The [directors] utility commissioners of the [authority] Public Utilities Regulatory Authority shall serve full time and shall make full public disclosure of their assets, liabilities and income at the time of their appointment, and thereafter each member of the authority shall make such disclosure on or before July thirtieth of each year of such member's term, and shall file such disclosure with the office of the Secretary of the State. Each [director] utility commissioner shall receive annually a salary equal to that established for management pay plan salary group seventy-five by the Commissioner of Administrative Services, except that the chairperson shall receive annually a salary equal to that established for management pay plan salary group seventy-seven.

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

(f) (1) The chairperson of the authority, with the approval of the Commissioner of Energy and Environmental Protection, shall

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prescribe the duties of the staff assigned to the authority in order to [(1)] (A) conduct comprehensive planning with respect to the functions of the authority; [(2) coordinate the activities of the authority; (3)] (B) cause the administrative organization of the authority to be examined with a view to promoting economy and efficiency; [(4)] and (C) organize the authority into such divisions, bureaus or other units as necessary for the efficient conduct of the business of the authority and may from time to time make recommendations to the [commissioner] Commissioner of Energy and Environmental Protection regarding staff and resources. [(5)]

(2) The chairperson of the Public Utilities Regulatory Authority, in order to implement the comprehensive planning and organizational structure established pursuant to subdivision (1) of this subsection, shall (A) coordinate the activities of the authority and prescribe the duties of the staff assigned to the authority; (B) for any proceeding on a proposed rate amendment in which staff of the authority are to be made a party pursuant to section 16-19j, determine which staff shall appear and participate in the proceedings and which shall serve the members of the authority; [(6)] (C) enter into such contractual agreements, in accordance with established procedures, as may be necessary for the discharge of the authority's duties; [(7)] (D) subject to the provisions of section 4-32, and unless otherwise provided by law, receive any money, revenue or services from the federal government, corporations, associations or individuals, including payments from the sale of printed matter or any other material or services; and [(8)] (E) require the staff of the authority to have expertise in public utility engineering and accounting, finance, economics, computers and rate design.

(g) No [director] utility commissioner of the [authority] Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the

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authority shall [, while serving as such or during such assignment,] have any interest, financial or otherwise, direct or indirect, or engage in any business, employment, transaction or professional activity, or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties or employment in the public interest and of his or her responsibilities as prescribed in the laws of this state, as defined in section 1-85, concerning any matter within the jurisdiction of the authority; provided, no such substantial conflict shall be deemed to exist solely by virtue of the fact that a [director] utility commissioner of the authority or employee of the department assigned to work with the authority, or any business in which such a person has an interest, receives utility service from one or more Connecticut utilities under the normal rates and conditions of service.

(h) No [member] utility commissioner of the [authority] Public Utilities Regulatory Authority or employee of the [department] Department of Energy and Environmental Protection assigned to work with the authority, during such assignment, shall accept other employment which will either impair his or her independence of judgment as to his or her official duties or employment or require him or her, or induce him or her, to disclose confidential information acquired by him or her in the course of and by reason of his or her official duties.

(i) No [director] utility commissioner of the [authority] Public Utilities Regulatory Authority or employee of the [department] Department of Energy and Environmental Protection assigned to work with the authority, during such assignment, shall wilfully and knowingly disclose, for pecuniary gain, to any other person, confidential information acquired by him or her in the course of and by reason of his or her official duties or employment or use any such information for the purpose of pecuniary gain.

(j) No [director] utility commissioner of the [authority] Public

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Utilities Regulatory Authority or employee of the [department] Department of Energy and Environmental Protection assigned to work with the authority, during such assignment, shall agree to accept, or be in partnership or association with any person, or a member of a professional corporation or in membership with any union or professional association which partnership, association, professional corporation, union or professional association agrees to accept any employment, fee or other thing of value, or portion thereof, in consideration of his or her appearing, agreeing to appear, or taking any other action on behalf of another person before the authority, the Connecticut Siting Council, the Office of Policy and Management or the Commissioner of Energy and Environmental Protection.

(k) No [director] utility commissioner of the [authority] Public Utilities Regulatory Authority shall, for a period of one year following the termination of his or her service as a [director] utility commissioner, accept employment: (1) By a public service company or by any person, firm or corporation engaged in lobbying activities with regard to governmental regulation of public service companies; (2) by a certified telecommunications provider or by any person, firm or corporation engaged in lobbying activities with regard to governmental regulation of persons, firms or corporations so certified; or (3) by an electric supplier or by any person, firm or corporation engaged in lobbying activities with regard to governmental regulation of electric suppliers. No such [director] utility commissioner who is also an attorney shall in any capacity, appear or participate in any matter, or accept any compensation regarding a matter, before the authority, for a period of one year following the termination of his or her service as a [director] utility commissioner.

(l) The Public Utilities Regulatory Authority shall include a procurement manager whose duties shall include, but not be limited to, overseeing the procurement of electricity for standard service and

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who shall have experience in energy markets and procuring energy on a commercial scale.

(m) Notwithstanding any provision of the general statutes, the decisions of the Public Utilities Regulatory Authority, including, but not limited to, decisions relating to rate amendments arising from the Comprehensive Energy Strategy, the Integrated Resources Plan, the Conservation and Load Management Plan and policies established by the Department of Energy and Environmental Protection, shall be guided by said strategy and plans and such policies.

Sec. 4. Section 16-2c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

There is established a Division of Adjudication within the [Department of Energy and Environmental Protection] Public Utilities Regulatory Authority. The staff of the division shall include, but not be limited to, hearing officers appointed pursuant to subsection (c) of section 16-2, as amended by this act. The responsibilities of the division shall include, but not be limited to, hearing matters assigned under said subsection and advising the [commissioner and the] Public Utilities Regulatory Authority concerning legal issues. [The commissioner shall appoint such hearing officers] A panel of one or more utility commissioners may assign a hearing officer pursuant to section 16-2, as amended by this act, and the chairperson of the Public Utilities Regulatory Authority may assign such other staff as are necessary to advise [the] said chairperson. [of the authority.]

Sec. 5. Section 16-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

If any vacancy of a utility commissioner occurs in [said] the Public Utilities Regulatory Authority at any time when the General Assembly is not in session, the Governor shall appoint a [director] utility

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commissioner to fill such vacancy until such vacancy is filled at the next session of the General Assembly. [Any other vacancy shall be filled, for the unexpired portion of the term, in the manner provided in section 16-2.]

Sec. 6. Section 16-6b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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

The [directors and any employees of the department assigned to] utility commissioners of the Public Utilities Regulatory Authority, or their designees, while engaged in the performance of their duties may, at all reasonable times, enter any premises, buildings, cars or other places belonging to or controlled by any public service company or electric supplier, and any person obstructing or in any way causing to

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be obstructed or hindered any [member] utility commissioner of the Public Utilities Regulatory Authority or employee of the [department] Public Utilities Regulatory Authority in the performance of his or her duties shall be fined not more than two hundred dollars or imprisoned not more than six months, or both.

Sec. 8. Section 16-18a of the general statutes is amended by adding subsection (c) as follows (*Effective July 1, 2013*):

(NEW) (c) The Department of Energy and Environmental Protection, in consultation with the Public Utilities Regulatory Authority and the Office of Consumer Counsel, may retain consultants to assist its staff by providing expertise in areas in which staff expertise does not currently exist or to supplement staff expertise for any proceeding before or in any negotiation with the Federal Energy Regulatory Commission, the United States Department of Energy, the United States Nuclear Regulatory Commission the United States Securities and Exchange Commission, the Federal Trade Commission or the United States Department of Justice. The Public Utilities Regulatory Authority, in consultation with the Office of Consumer Counsel, may retain consultants to assist its staff by providing expertise in areas in which staff expertise does not currently exist or to supplement staff expertise for any proceeding before or in any negotiation with the Federal Communications Commission. All reasonable and proper expenses of any such consultants shall be borne by the public service companies, certified telecommunications providers, holders of a certificate of video franchise authority, electric suppliers or gas registrants affected by the decisions of such proceeding and shall be paid at such times and in such manner as the authority directs, provided such expenses (1) shall be apportioned in proportion to the revenues of each affected entity as reported to the authority pursuant to section 16-49 for the most recent fiscal year, and (2) shall not exceed two and one-half million dollars per calendar year,

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including any appeals thereof, unless the authority finds good cause for exceeding the limit. The authority shall recognize all such expenses as proper business expenses of the affected entities for ratemaking purposes pursuant to section 16-19e, as amended by this act, if applicable.

Sec. 9. (NEW) (*Effective from passage*) The Commissioner of Energy and Environmental Protection shall be a party to each proceeding before the Public Utilities Regulatory Authority and may participate in any such proceeding at said commissioner's discretion.

Sec. 10. Section 16-19e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) In the exercise of its powers under the provisions of this title, the Public Utilities Regulatory Authority shall examine and regulate the transfer of existing assets and franchises, the expansion of the plant and equipment of existing public service companies, the operations and internal workings of public service companies and the establishment of the level and structure of rates in accordance with the following principles: (1) That there is a clear public need for the service being proposed or provided; (2) that the public service company shall be fully competent to provide efficient and adequate service to the public in that such company is technically, financially and managerially expert and efficient; (3) that the authority and all public service companies shall perform all of their respective public responsibilities with economy, efficiency and care for public safety and energy security, and so as to promote economic development within the state with consideration for energy and water conservation, energy efficiency and the development and utilization of renewable sources of energy and for the prudent management of the natural environment; (4) that the level and structure of rates be sufficient, but no more than sufficient, to allow public service companies to cover their operating costs including, but not limited to, appropriate staffing levels, and

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capital costs, to attract needed capital and to maintain their financial integrity, and yet provide appropriate protection to the relevant public interests, both existing and foreseeable which shall include, but not be limited to, reasonable costs of security of assets, facilities and equipment that are incurred solely for the purpose of responding to security needs associated with the terrorist attacks of September 11, 2001, and the continuing war on terrorism; (5) that the level and structure of rates charged customers shall reflect prudent and efficient management of the franchise operation; and (6) that the rates, charges, conditions of service and categories of service of the companies not discriminate against customers which utilize renewable energy sources or cogeneration technology to meet a portion of their energy requirements.

(b) The Public Utilities Regulatory Authority shall promptly undertake a separate, general investigation of, and shall hold at least one public hearing on new pricing principles and rate structures for electric companies and for gas companies to consider, without limitation, long run incremental cost of marginal cost pricing, peak load or time of day pricing and proposals for optimizing the utilization of energy and restraining its wasteful use and encouraging energy conservation, and any other matter with respect to pricing principles and rate structures as the authority shall deem appropriate. The authority shall determine whether existing or future rate structures place an undue burden upon those persons of poverty status and shall make such adjustment in the rate structure as is necessary or desirable to take account of their indigency. The authority shall require the utilization of such new principles and structures to the extent that the authority determines that their implementation is in the public interest, as identified by the Department of Energy and Environmental Protection in the Integrated Resources Plan and the Comprehensive Energy Strategy, and necessary or desirable to accomplish the purposes of this provision without being unfair or discriminatory or

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unduly burdensome or disruptive to any group or class of customers, and determines that such principles and structures are capable of yielding required revenues. In reviewing the rates and rate structures of electric and gas companies, the authority shall [take into consideration appropriate energy policies, including those of the state as expressed in subsection (c) of this section] be guided by the goals of the Department of Energy and Environmental Protection, as described in section 22a-2d, the Comprehensive Energy Strategy, the Integrated Resources Plan and the Conservation and Load Management Plan. The authority shall issue its initial findings on such investigation by December 1, 1976, and its final findings and order by June 1, 1977; provided that after such final findings and order are issued, the authority shall at least once every two years undertake such further investigations as it deems appropriate with respect to new developments or desirable modifications in pricing principles and rate structures and, after holding at least one public hearing thereon, shall issue its findings and order thereon.

(c) The Department of Energy and Environmental Protection shall coordinate and integrate its actions, decisions and policies pertaining to gas and electric companies, so far as possible, with the actions, decisions and policies of other agencies and instrumentalities in order to further the development and optimum use of the state's energy resources and conform to the greatest practicable extent with the state energy policy as stated in section 16a-35k, the Comprehensive Energy Strategy and the Integrated Resources Plan taking into account prudent management of the natural environment and continued promotion of economic development within the state. The department shall defer, as appropriate, to any actions taken by other agencies and instrumentalities on matters within their respective jurisdictions.

(d) The Commissioner of Energy and Environmental Protection, the Commissioner of Economic and Community Development, and the

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Connecticut Siting Council may be made parties to each proceeding on a rate amendment proposed by a gas, electric or electric distribution company [based upon an alleged need for increased revenues to finance an expansion of capital equipment and facilities,] and shall participate in such proceedings to the extent necessary.

(e) The Public Utilities Regulatory Authority, in a proceeding on a rate amendment proposed by an electric distribution company based upon an alleged need for increased revenues to finance an expansion of the capacity of its electric distribution system, shall determine whether demand-side management would be more cost-effective in meeting any demand for electricity for which the increase in capacity is proposed.

(f) The provisions of this section shall not apply to the regulation of a telecommunications service which is a competitive service, as defined in section 16-247a, or to a telecommunications service to which an approved plan for an alternative form of regulation applies, pursuant to section 16-247k.

(g) The authority may, upon application of any gas or electric public service company, which has, as part of its existing rate plan, an earnings sharing mechanism, modify such rate plan to allow the gas or electric public service company, after a hearing that is conducted as a contested case, in accordance with chapter 54, to include in its rates the reasonable costs of security of assets, facilities, and equipment, both existing and foreseeable, that are incurred solely for the purpose of responding to security needs associated with the terrorist attacks of September 11, 2001, and the continuing war on terrorism.

Sec. 11. Section 16-19tt of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) In any rate case initiated on [and] or after June 4, 2007, and for

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which a final decision has not been issued prior to the effective date of this section, the Public Utilities Regulatory Authority shall order the state's gas and electric distribution companies to decouple distribution revenues from the volume of natural gas or electricity sales through any of the following strategies, singly or in combination: (1) A mechanism that adjusts actual distribution revenues to allowed distribution revenues, (2) rate design changes that increase the amount of revenue recovered through fixed distribution charges, or (3) a sales adjustment clause, rate design changes that increase the amount of revenue recovered through fixed distribution charges, or both. In making its determination on this matter, the authority shall consider the impact of decoupling on the gas or electric distribution company's return on equity and make necessary adjustments thereto.

(b) In any rate case initiated on or after the effective date of this section or in a pending rate case for which a final decision has not been issued prior to the effective date of this section, the Public Utilities Regulatory Authority shall order the state's gas and electric distribution companies to decouple distribution revenues from the volume of natural gas and electricity sales. For electric distribution companies, the decoupling mechanism shall be the adjustment of actual distribution revenues to allowed distribution revenues. For gas distribution companies, the decoupling mechanism shall be a mechanism that does not remove the incentive to support the expansion of natural gas use pursuant to the 2013 Comprehensive Energy Strategy, such as a mechanism that decouples distribution revenue based on a use-per-customer basis. In making its determination on this matter, the authority shall consider the impact of decoupling on the gas or electric distribution company's return on equity and make any necessary adjustments thereto.

Sec. 12. Section 16-35 of the general statutes is amended by adding subsection (c) as follows (*Effective from passage*):

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

Sec. 13. Subdivision (5) of subsection (c) of section 16-244c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(5) For standard service contracts procured prior to [department] the authority's approval of the [plan developed pursuant to section 16-244m] Procurement Plan, each bidder for a standard service contract shall submit its bid to the electric distribution company and the third-party entity who shall jointly review the bids and submit an overview of all bids together with a joint recommendation to the [department] authority as to the preferred bidders. The [department] authority may, within ten business days of submission of the overview, reject the recommendation regarding preferred bidders. In the event that the [department] authority rejects the preferred bids, the electric distribution company and the third-party entity shall rebid the service pursuant to this subdivision. The [department] authority shall review each bid in an uncontested proceeding that shall include a public hearing and in which any interested person, including, but not limited to, the Consumer Counsel, [and] the Commissioner of Energy and Environmental Protection or the Attorney General, may participate.

Sec. 14. Section 16-244m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) On or before January 1, 2012, and annually thereafter, the procurement manager of the [Department of Energy and Environmental Protection] Public Utilities Regulatory Authority, in consultation with each electric distribution company, and [with] others

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at the procurement manager's discretion, including, but not limited to, the Commissioner of Energy and Environmental Protection, a municipal energy cooperative established pursuant to chapter 101a, other than entities, individuals and companies or their affiliates potentially involved in bidding on standard service, shall develop a plan for the procurement of electric generation services and related wholesale electricity market products that will enable each electric distribution company to manage a portfolio of contracts to reduce the average cost of standard service while maintaining standard service cost volatility within reasonable levels. Each [procurement plan] Procurement Plan shall provide for the competitive solicitation for load-following electric service and may include a provision for the use of other contracts, including, but not limited to, contracts for generation or other electricity market products and financial contracts, and may provide for the use of varying lengths of contracts. If such plan includes the purchase of full requirements contracts, it shall include an explanation of why such purchases are in the best interests of standard service customers.

(2) All reasonable costs associated with the development of the Procurement Plan by the authority shall be recoverable through the assessment in section 16-49. All electric distribution companies' reasonable costs associated with the development of the Procurement Plan shall be recoverable through a reconciling bypassable component of the electric rates as determined by the authority.

(b) The procurement manager shall, not less than quarterly, [meet with the Commissioner of Energy and Environmental Protection and] prepare a written report on the implementation of the [plan] Procurement Plan. If the procurement manager finds that an interim amendment to the annual [procurement] plan might substantially further the goals of reducing the cost or cost volatility of standard service, the procurement manager may petition the Public Utilities

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Regulatory Authority for such an interim amendment. The Public Utilities Regulatory Authority shall provide notice of the proposed amendment to the Office of Consumer Counsel and the electric distribution companies. The Office of Consumer Counsel and the electric distribution companies shall have two business days from the date of such notice to request an uncontested proceeding and a technical meeting of the Public Utilities Regulatory Authority regarding the proposed amendment, which proceeding and meeting shall occur if requested. The Public Utilities Regulatory Authority may approve, modify or deny the proposed amendment, with such approval, modification or denial following the technical meeting if one is requested. The Public Utilities Regulatory Authority's ruling shall occur within three business days after the technical meeting, if one is requested, or within three business days of the expiration of the time for requesting a technical meeting if no technical meeting is requested. The Public Utilities Regulatory Authority may maintain the confidentiality of the technical meeting to the full extent allowed by law.

(c) The costs of procurement for standard service shall be borne solely by the standard service customers.

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

(2) The [Department of Energy and Environmental Protection] Public Utilities Regulatory Authority shall report annually in accordance with the provisions of section 11-4a to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the [procurement plan] Procurement Plan and its implementation. Any such report may be submitted

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electronically.

Sec. 15. Section 16-32f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

[(a)] On or before October first of each even-numbered year, a gas company, as defined in section 16-1, shall furnish a report to the Public Utilities Regulatory Authority containing a five-year forecast of loads and resources. The report shall describe the facilities and supply sources that, in the judgment of such gas company, will be required to meet gas demands during the forecast period. The report shall be made available to the public and shall be furnished to the chief executive officer of each municipality in the service area of such gas company, the regional planning agency which encompasses each such municipality, the Attorney General, the president pro tempore of the Senate, the speaker of the House of Representatives, the joint standing committee of the General Assembly having cognizance of matters relating to public utilities, any other member of the General Assembly making a request to the authority for the report and such other state and municipal entities as the authority may designate by regulation. The report shall include: (1) A tabulation of estimated peak loads and resources for each year; (2) data on gas use and peak loads for the five preceding calendar years; (3) a list of present and projected gas supply sources; (4) specific measures to control load growth and promote conservation; and (5) such other information as the authority may require by regulation. A full description of the methodology used to arrive at the forecast of loads and resources shall also be furnished to the authority. The authority shall hold a public hearing on such reports upon the request of any person. On or before August first of each odd-numbered year, the authority may request a gas company to furnish to the authority an updated report. A gas company shall furnish any such updated report not later than sixty days following the request of the authority.

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[(b) Not later than October 1, 2005, and annually thereafter, a gas company, as defined in section 16-1, shall submit to the Public Utilities Regulatory Authority a gas conservation plan, in accordance with the provisions of this section, to implement cost-effective energy conservation programs and market transformation initiatives. All supply and conservation and load management options shall be evaluated and selected within an integrated supply and demand planning framework. Services provided under the plan shall be available to all gas company customers. Each gas company shall apply to the Energy Conservation Management Board for reimbursement for expenditures pursuant to the plan. The authority shall, in an uncontested proceeding during which the authority may hold a public hearing, approve, modify or reject the plan.

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

(2) Programs included in the plan shall be screened through cost-effectiveness testing that compares the value and payback period of program benefits to program costs to ensure that the programs are designed to obtain gas savings whose value is greater than the costs of the program. Program cost-effectiveness shall be reviewed annually by

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

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

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Sec. 16. Section 16-245m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) On and after January 1, 2000, the Public Utilities Regulatory Authority shall assess or cause to be assessed a charge of three mills per kilowatt hour of electricity sold to each end use customer of an electric distribution company to be used to implement the program as provided in this section for conservation and load management programs but not for the amortization of costs incurred prior to July 1, 1997, for such conservation and load management programs.

(2) Notwithstanding the provisions of this section, receipts from such charge shall be disbursed to the resources of the General Fund during the period from July 1, 2003, to June 30, 2005, unless the authority shall, on or before October 30, 2003, issue a financing order for each affected electric distribution company in accordance with sections 16-245e to 16-245k, inclusive, to sustain funding of conservation and load management programs by substituting an equivalent amount, as determined by the authority in such financing order, of proceeds of rate reduction bonds for disbursement to the resources of the General Fund during the period from July 1, 2003, to June 30, 2005. The authority may authorize in such financing order the issuance of rate reduction bonds that substitute for disbursement to the General Fund for receipts of both the charge under this subsection and under subsection (b) of section 16-245n and also may, in its discretion, authorize the issuance of rate reduction bonds under this subsection and subsection (b) of section 16-245n that relate to more than one electric distribution company. The authority shall, in such financing order or other appropriate order, offset any increase in the competitive transition assessment necessary to pay principal, premium, if any, interest and expenses of the issuance of such rate reduction bonds by making an equivalent reduction to the charge imposed under this subsection, provided any failure to offset all or any portion of such

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increase in the competitive transition assessment shall not affect the need to implement the full amount of such increase as required by this subsection and by sections 16-245e to 16-245k, inclusive. Such financing order shall also provide if the rate reduction bonds are not issued, any unrecovered funds expended and committed by the electric distribution companies for conservation and load management programs, provided such expenditures were approved by the authority after August 20, 2003, and prior to the date of determination that the rate reduction bonds cannot be issued, shall be recovered by the companies from their respective competitive transition assessment or systems benefits charge but such expenditures shall not exceed four million dollars per month. All receipts from the remaining charge imposed under this subsection, after reduction of such charge to offset the increase in the competitive transition assessment as provided in this subsection, shall be disbursed to the Energy Conservation and Load Management Fund commencing as of July 1, 2003. Any increase in the competitive transition assessment or decrease in the conservation and load management component of an electric distribution company's rates resulting from the issuance of or obligations under rate reduction bonds shall be included as rate adjustments on customer bills.

(3) Repealed by P.A. 11-61, S. 187.

(b) The electric distribution company shall establish an Energy Conservation and Load Management Fund which shall be held separate and apart from all other funds or accounts. Receipts from the charge imposed under subsection (a) of this section shall be deposited into the fund. Any balance remaining in the fund at the end of any fiscal year shall be carried forward in the fiscal year next succeeding. Disbursements from the fund by electric distribution companies to carry out the plan [developed] approved by the commissioner under subsection (d) of this section shall be authorized by the Public Utilities

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Regulatory Authority. [upon its approval of such plan.]

(c) The Commissioner of Energy and Environmental Protection shall appoint and convene an Energy Conservation Management Board which shall include [representatives] the Commissioner of Energy and Environmental Protection, or the commissioner's designee, the Consumer Counsel, or the Consumer Counsel's designee, the Attorney General, or the Attorney General's designee, and a representative of: (1) An environmental group knowledgeable in energy conservation program collaboratives; (2) [a representative of the Office of Consumer Counsel; (3) the Attorney General; (4)] the electric distribution companies in whose territories the activities take place for such programs; [(5)] (3) a state-wide manufacturing association; [(6)] (4) a chamber of commerce; [(7)] (5) a state-wide business association; [(8)] (6) a state-wide retail organization; [(9) a representative of] (7) a state-wide farm association; (8) a municipal electric energy cooperative created pursuant to chapter 101a; [(10) two representatives selected by the gas companies in this state; and (11)] and (9) residential customers. [Such members] The board shall also include two representatives selected by the gas companies. The members of the board shall serve for a period of five years and may be reappointed. Representatives of gas companies, electric distribution companies and the municipal electric energy cooperative shall be nonvoting members of the board. [The commissioner shall serve as the chairperson of the board.] The members of the board shall elect a chairperson from its voting members. If any vote of the board results in an equal division of its voting members, such vote shall fail.

(d) (1) Not later than November 1, 2012, and every three years thereafter, electric distribution companies, as defined in section 16-1, as amended by this act, in coordination with the gas companies, as defined in section 16-1, as amended by this act, shall submit to the Energy Conservation Management Board a combined electric and gas

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Conservation and Load Management Plan, in accordance with the provisions of this section, to implement cost-effective energy conservation programs and market transformation initiatives. All supply and conservation and load management options shall be evaluated and selected within an integrated supply and demand planning framework. Services provided under the plan shall be available to all customers of electric distribution companies and gas companies. Each such company shall apply to the Energy Conservation Management Board for reimbursement for expenditures pursuant to the plan. The Energy Conservation Management Board shall advise and assist the electric distribution companies and gas companies in the development [and implementation of a comprehensive plan, which plan shall be approved by the Department of Energy and Environmental Protection, to implement cost-effective energy conservation programs and market transformation initiatives. Such] of such plan. The Energy Conservation Management Board shall approve the plan before transmitting it to the Commissioner of Energy and Environmental Protection for approval. The commissioner shall, in an uncontested proceeding during which the commissioner may hold a public meeting, approve, modify or reject said plan prepared pursuant to this subsection. Following approval by the commissioner, the board shall assist the companies in implementing the plan and collaborate with the Clean Energy Finance Investment Authority to further the goals of the plan. Said plan shall include a detailed budget sufficient to fund all energy efficiency that is cost-effective or lower cost than acquisition of equivalent supply, and shall be reviewed and approved by the commissioner. To the extent that the budget in the plan approved by the commissioner with regard to electric distribution companies exceeds the revenues collected pursuant to subdivision (1) of subsection (a) of this section, the Public Utilities Regulatory Authority shall, not later than sixty days after the plan is approved by the commissioner, ensure that the balance of revenues required to fund such budget is provided through a fully reconciling conservation

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adjustment mechanism of not more than three mills per kilowatt hour of electricity sold to each end use customer of an electric distribution company during the three years of any Conservation and Load Management Plan. The authority shall ensure that the revenues required to fund such budget with regard to gas companies are provided through a fully reconciling conservation adjustment mechanism for each gas company of not more than the equivalent of four and six-tenth cents per hundred cubic feet during the three years of any Conservation and Load Management Plan. Said plan shall include steps that would be needed to achieve the goal of weatherization of eighty per cent of the state's residential units by 2030. Each program contained in the plan shall be reviewed by [the electric distribution company] such companies and [either] accepted, modified or rejected by the Energy Conservation Management Board prior to submission to the [department] commissioner for approval. The Energy Conservation Management Board shall, as part of its review, examine opportunities to offer joint programs providing similar efficiency measures that save more than one fuel resource or otherwise to coordinate programs targeted at saving more than one fuel resource. Any costs for joint programs shall be allocated equitably among the conservation programs. The Energy Conservation Management Board shall give preference to projects that maximize the reduction of federally mandated congestion charges. [The Department of Energy and Environmental Protection shall, in an uncontested proceeding during which the department may hold a public hearing, approve, modify or reject the comprehensive plan prepared pursuant to this subsection.]

(2) There shall be a joint committee of the Energy Conservation Management Board and the board of directors of the Clean Energy Finance and Investment Authority. The [board and the advisory committee] boards shall each appoint members to such joint committee. The joint committee shall examine opportunities to

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coordinate the programs and activities funded by the Clean Energy Fund pursuant to section 16-245n with the programs and activities contained in the plan developed under this subsection and to provide financing to increase the benefits of programs funded by the plan so as to reduce the long-term cost, environmental impacts and security risks of energy in the state. Such joint committee shall hold its first meeting on or before August 1, 2005.

(3) Programs included in the plan developed under subdivision (1) of this subsection shall be screened through cost-effectiveness testing that compares the value and payback period of program benefits for all energy savings to program costs to ensure that programs are designed to obtain energy savings and system benefits, including mitigation of federally mandated congestion charges, whose value is greater than the costs of the programs. Program cost-effectiveness shall be reviewed by the Commissioner of Energy and Environmental Protection annually, or otherwise as is practicable, and shall incorporate the results of the evaluation process set forth in subdivision (4) of this subsection. If a program is determined to fail the cost-effectiveness test as part of the review process, it shall either be modified to meet the test or shall be terminated, unless it is integral to other programs that in combination are cost-effective. On or before March 1, 2005, and on or before March first annually thereafter, the board shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment that documents (A) expenditures and fund balances and evaluates the cost-effectiveness of such programs conducted in the preceding year, and (B) the extent to and manner in which the programs of such board collaborated and cooperated with programs, established under section 7-233y, of municipal electric energy cooperatives. To maximize the reduction of federally mandated congestion charges, programs in the plan may allow for disproportionate allocations between the amount of

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contributions to the Energy Conservation and Load Management Funds by a certain rate class and the programs that benefit such a rate class. Before conducting such evaluation, the board shall consult with the board of directors of the Clean Energy Finance and Investment Authority. The report shall include a description of the activities undertaken during the reporting period, [jointly or in collaboration with the Clean Energy Fund established pursuant to subsection (c) of section 16-245n.]

(4) The [Department] Commissioner of Energy and Environmental Protection shall adopt an independent, comprehensive program evaluation, measurement and verification process to ensure the Energy Conservation Management Board's programs are administered appropriately and efficiently, comply with statutory requirements, programs and measures are cost effective, evaluation reports are accurate and issued in a timely manner, evaluation results are appropriately and accurately taken into account in program development and implementation, and information necessary to meet any third-party evaluation requirements is provided. An annual schedule and budget for evaluations as determined by the board shall be included in the plan filed with the [department] commissioner pursuant to subdivision (1) of this subsection. The electric distribution and gas company representatives and the representative of a municipal electric energy cooperative may not vote on board plans, budgets, recommendations, actions or decisions regarding such process or its program evaluations and their implementation. Program and measure evaluation, measurement and verification shall be conducted on an ongoing basis, with emphasis on impact and process evaluations, programs or measures that have not been studied, and those that account for a relatively high percentage of program spending. Evaluations shall use statistically valid monitoring and data collection techniques appropriate for the programs or measures being evaluated. All evaluations shall contain a description of any problems

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encountered in the process of the evaluation, including, but not limited to, data collection issues, and recommendations regarding addressing those problems in future evaluations. The board shall contract with one or more consultants not affiliated with the board members to act as an evaluation administrator, advising the board regarding development of a schedule and plans for evaluations and overseeing the program evaluation, measurement and verification process on behalf of the board. Consistent with board processes and approvals and [department] the Commissioner of Energy and Environmental Protection's decisions regarding evaluation, such evaluation administrator shall implement the evaluation process by preparing requests for proposals and selecting evaluation contractors to perform program and measure evaluations and by facilitating communications between evaluation contractors and program administrators to ensure accurate and independent evaluations. In the evaluation administrator's discretion and at his or her request, the electric distribution and gas companies shall communicate with the evaluation administrator for purposes of data collection, vendor contract administration, and providing necessary factual information during the course of evaluations. The evaluation administrator shall bring unresolved administrative issues or problems that arise during the course of an evaluation to the board for resolution, but shall have sole authority regarding substantive and implementation decisions regarding any evaluation. Board members, including electric distribution and gas company representatives, may not communicate with an evaluation contractor about an ongoing evaluation except with the express permission of the evaluation administrator, which may only be granted if the administrator believes the communication will not compromise the independence of the evaluation. The evaluation administrator shall file evaluation reports with the board and with the [department] Commissioner of Energy and Environmental Protection in its most recent uncontested proceeding pursuant to subdivision (1) of this subsection and the board shall post a copy of each report on its

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Internet web site. The board and its members, including electric distribution and gas company representatives, may file written comments regarding any evaluation with the [department] commissioner or for posting on the board's Internet web site. Within fourteen days of the filing of any evaluation report, the [department] commissioner, members of the board or other interested persons may request in writing, and the [department] commissioner shall conduct, a transcribed technical meeting to review the methodology, results and recommendations of any evaluation. Participants in any such transcribed technical meeting shall include the evaluation administrator, the evaluation contractor and the Office of Consumer Counsel at its discretion. On or before November 1, 2011, and annually thereafter, the board shall report to the joint standing committee of the General Assembly having cognizance of matters relating to energy, with the results and recommendations of completed program evaluations.

(5) Programs included in the plan developed under subdivision (1) of this subsection may include, but not be limited to: (A) Conservation and load management programs, including programs that benefit low-income individuals; (B) research, development and commercialization of products or processes which are more energy-efficient than those generally available; (C) development of markets for such products and processes; (D) support for energy use assessment, real-time monitoring systems, engineering studies and services related to new construction or major building renovation; (E) the design, manufacture, commercialization and purchase of energy-efficient appliances and heating, air conditioning and lighting devices; (F) program planning and evaluation; (G) indoor air quality programs relating to energy conservation; (H) joint fuel conservation initiatives programs targeted at reducing consumption of more than one fuel resource; (I) conservation of water resources; (J) public education regarding conservation; and [(J)] (K) demand-side technology programs

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recommended by the [integrated resources plan approved by the Department of Energy and Environmental Protection pursuant to section 16a-3a. The board shall periodically review contractors to determine whether they are qualified to conduct work related to such programs. Such support] Conservation and Load Management Plan. Support for such programs may be by direct funding, manufacturers' rebates, sale price and loan subsidies, leases and promotional and educational activities. The Energy Conservation Management Board shall periodically review contractors to determine whether they are qualified to conduct work related to such programs and to ensure that in making the selection of contractors to deliver programs, a fair and equitable process is followed. There shall be a rebuttable presumption that such contractors are deemed technically qualified if certified by the Building Performance Institute, Inc. or by an organization selected by the commissioner. The plan shall also provide for expenditures by the [Energy Conservation Management Board] board for the retention of expert consultants and reasonable administrative costs provided such consultants shall not be employed by, or have any contractual relationship with, an electric distribution company or a gas company. Such costs shall not exceed five per cent of the total [revenue collected from the assessment] cost of the plan.

(e) Deleted by P.A. 11-80, S. 33.

(f) [No] Not later than December 31, 2006, and [no] not later than December thirty-first every five years thereafter, the Energy Conservation Management Board shall, after consulting with the Clean Energy Finance and Investment Authority, conduct an evaluation of the performance of the programs and activities [of the fund] specified in the plan approved by the commissioner pursuant to subsection (d) of this section and submit a report, in accordance with the provisions of section 11-4a, of the evaluation to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

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(g) Repealed by P.A. 06-186, S. 91.

Sec. 17. Section 16-245ee of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Before approving any plan for energy conservation and load management and [renewable] clean energy projects issued to [it] the Commissioner of Energy and Environmental Protection by the Energy Conservation and Management Board, the board of directors of the Clean Energy Finance and Investment Authority or an electric distribution company, [the Department of Energy and Environmental Protection] said commissioner shall determine that an equitable amount of the funds administered by each such board are to be deployed among small and large customers with a maximum average monthly peak demand of one hundred kilowatts in census tracts in which the median income is not more than sixty per cent of the state median income. The [department] Commissioner of Energy and Environmental Protection shall determine such equitable share and such projects may include a mentoring component for such communities. On and after January 1, 2012, and annually thereafter, the [department] Commissioner of Energy and Environmental Protection shall report, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the distribution of funds to such communities. Any such report may be submitted electronically.

Sec. 18. Section 16-245hh of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The Clean Energy Finance and Investment Authority created pursuant to section 16-245n, in consultation with the [Department] Commissioner of Energy and Environmental Protection, shall establish a program to be known as the "condominium renewable energy grant

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

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

(a) There is established a Connecticut Energy Advisory Board consisting of nine members, including the Office of Consumer Counsel. The president pro tempore of the Senate shall appoint a representative of an environmental organization knowledgeable in energy efficiency programs, a representative of a consumer advocacy organization and a representative of a state-wide business association. The speaker of the House of Representatives shall appoint a representative of low-income ratepayers, a representative of academia who has knowledge of energy-related issues and a member of the public considered to be an expert in electricity, generation, renewable energy, procurement or conservation programs. The minority leader of the Senate shall appoint a representative of a municipality. The minority leader of the House of Representatives shall appoint a member of the public considered to be an expert in electricity, generation, renewable energy, procurement or conservation. All appointed members shall serve in accordance with section 4-1a. No appointee may be employed by, or a consultant of, a public service company, as defined in section 16-1, or an electric supplier, as defined in section 16-1, or an affiliate or subsidiary of such company or supplier.

[(b) The board shall (1) report to the General Assembly on the status of programs administered by the Department of Energy and Environmental Protection, (2) consult with the Commissioner of Energy and Environmental Protection regarding the integrated

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resource plan developed pursuant to section 16a-3a, and (3) review, within available resources, requests from the General Assembly.]

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

[(d)] (c) The board shall convene its first meeting not later than September 1, 2011. A quorum of the board shall consist of two-thirds of the members currently serving on the board.

[(e)] (d) The board shall employ such staff as is required for the proper discharge of its duties. [The board may also retain any third-party consultants it deems necessary to accomplish the goals set forth in subsection (b) of this section.] The board shall annually submit to the Department of Energy and Environmental Protection a proposal regarding the level of funding required for the discharge of its duties, which proposal shall be approved by the department either as submitted or as modified by the department, provided the total funding for the board, including, but not limited to, staff and third-party consultants, shall not exceed one million five hundred thousand dollars in any fiscal year.

[(f)] (e) The Connecticut Energy Advisory Board shall be within the Department of Energy and Environmental Protection for administrative purposes only.

Sec. 20. Section 16a-3a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The [Department] Commissioner of Energy and Environmental Protection, in consultation with the [Connecticut Energy Advisory Board and the] electric distribution companies, shall review the state's energy and capacity resource assessment and [develop an integrated resources plan] approve the Integrated Resources Plan for the

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procurement of energy resources, including, but not limited to, conventional and renewable generating facilities, energy efficiency, load management, demand response, combined heat and power facilities, distributed generation and other emerging energy technologies to meet the projected requirements of [their] customers in a manner that minimizes the cost of [such] all energy resources to customers over time and maximizes consumer benefits consistent with the state's environmental goals and standards. [Such integrated resources plan] The Integrated Resources Plan shall seek to lower the cost of electricity.

(b) On or before January 1, 2012, and biennially thereafter, the [Department] Commissioner of Energy and Environmental Protection, in consultation with the [Connecticut Energy Advisory Board and the] electric distribution companies, shall prepare an assessment of (1) the energy and capacity requirements of customers for the next three, five and ten years, (2) the manner of how best to eliminate growth in electric demand, (3) how best to level electric demand in the state by reducing peak demand and shifting demand to off-peak periods, (4) the impact of current and projected environmental standards, including, but not limited to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different resources could help achieve those standards and goals, (5) energy security and economic risks associated with potential energy resources, and (6) the estimated lifetime cost and availability of potential energy resources.

(c) Resource needs shall first be met through all available energy efficiency and demand reduction resources that are cost-effective, reliable and feasible. The projected customer cost impact of any demand-side resources considered pursuant to this subsection shall be reviewed on an equitable basis with nondemand-side resources. The [integrated resources plan] Integrated Resources Plan shall specify (1) the total amount of energy and capacity resources needed to meet the

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requirements of all customers, (2) the extent to which demand-side measures, including efficiency, conservation, demand response and load management can cost-effectively meet these needs in a manner that ensures equity in benefits and cost reduction to all classes and subclasses of consumers, (3) needs for generating capacity and transmission and distribution improvements, (4) how the development of such resources will reduce and stabilize the costs of electricity to each class and subclass of consumers, and (5) the manner in which each of the proposed resources should be procured, including the optimal contract periods for various resources.

(d) The [integrated resources plan] Integrated Resources Plan shall consider: (1) Approaches to maximizing the impact of demand-side measures; (2) the extent to which generation needs can be met by renewable and combined heat and power facilities; (3) the optimization of the use of generation sites and generation portfolio existing within the state; (4) fuel types, diversity, availability, firmness of supply and security and environmental impacts thereof, including impacts on meeting the state's greenhouse gas emission goals; (5) reliability, peak load and energy forecasts, system contingencies and existing resource availabilities; (6) import limitations and the appropriate reliance on such imports; (7) the impact of the [procurement plan] Integrated Resources Plan on the costs of electric customers; and (8) the effects on participants and nonparticipants. Such plan shall include options for lowering the rates and cost of electricity. [The Department of Energy and Environmental Protection shall hold a public hearing on such integrated resources plan pursuant to chapter 54. The commissioner may approve or reject such plan with comments.]

(e) [The procurement manager of the Public Utilities Regulatory Authority, in consultation with the electric distribution companies, the regional independent system operator, and the Connecticut Energy

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Advisory Board, shall develop a procurement plan and hold public hearings on the proposed plan. Such hearings shall not constitute a contested case and shall be held in accordance with chapter 54. The Public Utilities Regulatory Authority shall give not less than fifteen days' notice of such proceeding by electronic publication on the department's Internet web site.] In approving the Integrated Resources Plan, the Commissioner of Energy and Environmental Protection shall conduct an uncontested proceeding that shall include not less than one public meeting and one technical meeting at which technical personnel shall be available to answer questions. Such meetings shall be transcribed and posted on the department's Internet web site. Not less than fifteen days before any such public meeting and thirty days before any such technical meeting, said commissioner shall publish notice of either such meeting and post the text of the proposed Integrated Resources Plan on the department's Internet web site. Notice of such [hearing] public meeting or technical meeting may also be published in one or more newspapers having state-wide circulation if deemed necessary by the commissioner. Such notice shall state the date, time, and place of the [hearing] meeting, the subject matter of the [hearing] meeting and time period during which comments may be submitted to said commissioner, the statutory authority for the proposed [integrated resources plan] Integrated Resources Plan and the location where a copy of the proposed [integrated resources] plan may be obtained or examined. [in addition to posting the plan on the department's Internet web site. The] Said commissioner shall provide a time period of not less than [forty-five] sixty days from the date the notice is published on the department's Internet web site for public review and comment. [The] Said commissioner shall consider fully [, after all public meetings,] all written and oral comments concerning the proposed [integrated resources plan and] Integrated Resources Plan after all public meetings and before approving the final plan. Said commissioner shall [post on the department's Internet web site and] (1) notify by electronic mail each person who requests such notice, [. The

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commissioner shall make available] and (2) post on the department's Internet web site the electronic text of the final [integrated resources plan or an Internet web site where the final integrated resources plan is posted,] Integrated Resources Plan and a report summarizing [(1)] all public comments [,] and [(2)] the changes made to the final [integrated resources] plan in response to such comments and the reasons therefor. The commissioner shall submit the final [integrated resources plan] Integrated Resources Plan by electronic means, or as requested, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment. [The department's Bureau of Energy shall, after the public hearing, make recommendations to the Commissioner of Energy and Environmental Protection regarding plan modifications. Said commissioner shall approve or reject the plan with comments.] Said commissioner may modify the Integrated Resources Plan to correct clerical errors at any time without following the procedures outlined in this subsection.

(f) [On or before March 1, 2012] Not later than two years after the adoption of the Integrated Resources Plan, and every two years thereafter, the [Department] Commissioner of Energy and Environmental Protection shall report to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment regarding goals established and progress toward implementation of [the integrated resources plan established pursuant to this section] said plan, as well as any recommendations [for the process] concerning such plan. Any such report may be submitted electronically.

(g) All reasonable costs associated with the department's development of the resource assessment and [the development of the integrated resources plan and the procurement plan] the Integrated Resources Plan shall be recoverable through the assessment in section 16-49. All electric distribution companies' reasonable costs associated

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with the development of the plan shall be recoverable through a reconciling nonbypassable component of electric rates as determined by the authority.

(h) [The decisions of the Public Utilities Regulatory Authority shall be guided by the goals of the Department of Energy and Environmental Protection, as described in section 22a-2d, and with the goals of the integrated resources plan approved pursuant to this section and the comprehensive energy plan developed pursuant to section 16a-3d and shall be based on the evidence in the record of each proceeding.] In the event that the Integrated Resources Plan approved by the Commissioner of Energy and Environmental Protection contains any provision the implementation of which requires funding through new or amended rates or charges, the Public Utilities Regulatory Authority may open a proceeding to review such provision, in accordance with the procedures established in sections 16-19 and 16-19e, as amended by this act, to ensure that rates remain just and reasonable.

Sec. 21. Section 16a-3b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Public Utilities Regulatory Authority shall oversee the implementation of the [integrated resources plan approved by the Commissioner of Energy and Environmental Protection pursuant to section 16a-3a] Integrated Resources Plan and the Procurement Plan. The electric distribution companies shall implement the demand-side measures, including, but not limited to, energy efficiency, load management, demand response, combined heat and power facilities, distributed generation and other emerging energy technologies, specified in [said plan through] the Integrated Resources Plan and included in the comprehensive [conservation and load management plan prepared pursuant to section 16-245m for review] Conservation and Load Management Plan approved by the Energy Conservation

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Management Board and the Commissioner of Energy and Environmental Protection. The electric distribution companies shall submit proposals to appropriate regulatory agencies to address transmission and distribution upgrades as specified in [said plan] the Integrated Resources Plan.

(b) [If the integrated resources plan specifies the construction of a generating facility] When the Integrated Resources Plan contains an option to procure new sources of generation, the authority shall develop and issue a request for proposals, shall publish such request for proposals in one or more newspapers or periodicals, as selected by the authority, and shall post such request for proposals on its Internet web site. In considering proposals submitted pursuant to such request, the authority shall give preference to proposals for generation without any financial assistance, including, but not limited to, long-term contract financing or ratepayer guarantees. Pursuant to a nondisclosure agreement, the authority shall make available to the Commissioner of Energy and Environmental Protection, the Office of Consumer Counsel and the Attorney General all confidential bid information it receives pursuant to this subsection, provided the bids and any analysis of such bids shall not be subject to disclosure under the Freedom of Information Act. Three months after the authority issues a final decision, it shall make available all financial bid information, provided such information regarding the bidders not selected be presented in a manner that conceals the identities of such bidders.

(1) On and after July 1, 2008, an electric distribution company may submit proposals in response to a request for proposals on the same basis as other respondents to the solicitation. A proposal submitted by an electric distribution company shall include its full projected costs such that any project costs recovered from or defrayed by ratepayers are included in the projected costs. An electric distribution company

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submitting any such bid shall demonstrate to the satisfaction of the authority that its bid is not supported in any form of cross subsidization by affiliated entities. If the authority approves such electric distribution company's proposal, the costs and revenues of such proposal shall not be included in calculating such company's earning for purposes of, or in determining whether its rates are just and reasonable under, sections 16-19, 16-19a and 16-19e, as amended by this act. An electric distribution company shall not recover more than the full costs identified in any approved proposal. Affiliates of the electric distribution company may submit proposals pursuant to section 16-244h, regulations adopted pursuant to section 16-244h and other requirements the authority may impose.

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

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

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

(c) The electric distribution companies shall issue requests for proposals to acquire any other resource needs not identified in subsection (a) or (b) of this section but specified in the [integrated resources plan] Integrated Resources Plan approved by the

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Commissioner of Energy and Environmental Protection pursuant to section 16a-3a, as amended by this act. Such requests for proposals shall be subject to approval by the authority.

Sec. 22. Subsection (a) of section 16a-3c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On and after July 1, 2011, if the Public Utilities Regulatory Authority does not receive and approve proposals [pursuant to the requests for proposals processes, pursuant to section 16a-3b,] sufficient to reach the goal set by the [integrated resources plan approved pursuant to section 16a-3a] Integrated Resources Plan, the authority may order an electric distribution company to submit for the authority's review in a contested case proceeding, in accordance with chapter 54, a proposal to build and operate an electric generation facility in the state. An electric distribution company shall be eligible to recover its prudently incurred costs consistent with the principles set forth in section 16-19e, as amended by this act, for any generation project approved pursuant to this section.

Sec. 23. Section 16a-3d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On or before [July 1, 2012] October 1, 2016, and every three years thereafter, the Commissioner of Energy and Environmental Protection [, in consultation with the Connecticut Energy Advisory Board,] shall prepare a [comprehensive energy plan. Such plan] Comprehensive Energy Strategy. Said strategy shall reflect the legislative findings and policy stated in section 16a-35k and shall incorporate (1) an assessment and plan for all energy needs in the state, including, but not limited to, electricity, heating, cooling, and transportation, (2) the findings of the [integrated resources plan] Integrated Resources Plan, (3) the findings of the plan for energy efficiency adopted pursuant to section 16-245m,

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as amended by this act, [and] (4) the findings of the plan for renewable energy adopted pursuant to section 16-245n, [. Such plan] and (5) the Energy Assurance Plan developed for the state of Connecticut pursuant to the American Recovery and Reinvestment Act of 2009, P.L. 111-5, or any successor Energy Assurance Plan developed within a reasonable time prior to the preparation of any Comprehensive Energy Strategy. Said strategy shall further include, but not be limited to, (A) an assessment of current energy supplies, demand and costs, (B) identification and evaluation of the factors likely to affect future energy supplies, demand and costs, (C) a statement of progress made toward achieving the goals and milestones set in the preceding [comprehensive energy plan] Comprehensive Energy Strategy, (D) a statement of energy policies and long-range energy planning objectives and strategies appropriate to achieve, among other things, a sound economy, the least-cost mix of energy supply sources and measures that reduce demand for energy, giving due regard to such factors as consumer price impacts, security and diversity of fuel supplies and energy generating methods, protection of public health and safety, environmental goals and standards, conservation of energy and energy resources and the ability of the state to compete economically, (E) recommendations for administrative and legislative actions to implement such policies, objectives and strategies, (F) an assessment of the potential costs savings and benefits to ratepayers, including, but not limited to, carbon dioxide emissions reductions or voluntary joint ventures to repower some or all of the state's coal-fired and oil-fired generation facilities built before 1990, and (G) the benefits, costs, obstacles and solutions related to the expansion and use and availability of natural gas in Connecticut. If the department finds that such expansion is in the public interest, it shall develop a plan to increase the use and availability of natural gas. [for transportation purposes.]

(b) In adopting the [comprehensive energy plan] Comprehensive

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Energy Strategy, the Commissioner of Energy and Environmental Protection [, or the commissioner's designee,] shall conduct a proceeding [and such proceeding] that shall not be considered a contested case under chapter 54, [provided a hearing pursuant to chapter 54 shall be held. The] but shall include not less than one public meeting and one technical meeting at which technical personnel shall be available to answer questions. Such meetings shall be transcribed and posted on the department's Internet web site. Said commissioner shall give not less than fifteen days' notice of such proceeding by electronic publication on the department's Internet web site. Not later than fifteen days prior to any such public meeting and not less than thirty days prior to any such technical meeting, the commissioner shall publish notice of either such meeting and post the text of the proposed Comprehensive Energy Strategy on the department's Internet web site. Notice of such [hearing] public meeting or technical meeting may also be published in one or more newspapers having state-wide circulation if deemed necessary by the commissioner. Such notice shall state the date, time, and place of the meeting, the subject matter of the meeting, the manner and time period during which comments may be submitted to said commissioner, the statutory authority for the proposed [plan] strategy and the location where a copy of the proposed [plan] strategy may be obtained or examined in addition to posting the [plan] proposed strategy on the department's Internet web site. [The Public Utilities Regulatory Authority shall comment on the plan's impact on ratepayers and any other person may comment on the proposed plan. The] Said commissioner shall provide a time period of not less than [forty-five] sixty days from the date the notice is published on the department's Internet web site for public review and comment. [The] During such time period, any person may provide comments concerning the proposed strategy to said commissioner. Said commissioner shall consider fully [, after all public meetings,] all written and oral comments concerning the proposed [plan and shall post on the department's Internet web site and] strategy after all public

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meetings and technical meetings and before approving the final strategy. Said commissioner shall (1) notify by electronic mail each person who requests such notice, [The commissioner shall make available] and (2) and post on the department's Internet web site the electronic text of the final [plan or an Internet web site where the final plan is posted,] strategy and a report summarizing [(1)] all public comments [,] and [(2)] the changes made to the final [plan] strategy in response to such comments and the reasons [therefore] therefor. The Public Utilities Regulatory Authority shall comment on the strategy's impact on natural gas and electric rates.

(c) The [commissioner] Commissioner of Energy and Environmental Protection shall submit the final [plan] Comprehensive Energy Strategy electronically to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment.

(d) The [commissioner may, in consultation with the Connecticut Energy Advisory Board, modify the comprehensive energy plan] Commissioner of Energy and Environmental Protection may modify the Comprehensive Energy Strategy in accordance with the procedures outlined in subsections (b) and (c) of this section. [The commissioner may approve or reject such plan with comments.]

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

(f) All electric distribution companies' reasonable costs associated with the development of the resource assessment shall be recoverable through the systems benefits charge.]

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Sec. 24. Section 16a-3e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

[(a)] The [integrated resources plan, developed pursuant to section 16a-3a,] Integrated Resources Plan to be adopted in 2012 and annually thereafter, shall (1) indicate specific options to reduce [the price of electricity] electric rates and costs. Such options may include the procurement of new sources of generation. In the review of new sources of generation, the [integrated resources plan] Integrated Resources Plan shall indicate whether the private wholesale market can supply such additional sources or whether state financial assistance, long-term purchasing of electricity contracts or other interventions are needed to achieve the goal; (2) analyze in-state renewable sources of electricity in comparison to transmission line upgrades or new projects and out-of-state renewable energy sources, provided such analysis also considers the benefits of additional jobs and other economic impacts and how they are created and subsidized; (3) include an examination of average consumption and other states' best practices to determine why electricity rates are lower elsewhere in the region; (4) assess and compare the cost of transmission line projects, new power sources, renewable sources of electricity, conservation and distributed generation projects to ensure the state pursues only the least-cost alternative projects; (5) continually monitor supply and distribution systems to identify potential need for transmission line projects early enough to identify alternatives; and (6) assess the least-cost alternative to address reliability concerns, including, but not limited to, lowering electricity demand through conservation and distributed generation projects before an electric distribution company submits a proposal for transmission lines or transmission line upgrades to the independent system operator or the Federal Energy Regulatory Commission, provided no provision of such plan shall be deemed to prohibit an electric distribution company from making any filing required by law or regulation.

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[(b) If, on and after July 1, 2012, the 2012 integrated resources plan or any subsequent plan contains an option to procure new sources of generation, the Department of Energy and Environmental Protection shall pursue the most cost-effective approach. If the department seeks new sources of generation, it shall issue a notice of interest for generation without any financial assistance, including, but not limited to, long-term contract financing or ratepayer guarantees. If the department fails to receive any responsive cost-effective proposal, it shall issue a request for proposals that may include such financial assistance.

(c) On or before February 1, 2012, the department shall report to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding state policy and legislative changes the department feels would most likely lower the state's electricity rates.]

Sec. 25. Subsection (b) of section 16a-7b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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Sec. 26. Subsection (f) of section 16a-23t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(f) The Commissioner of Social Services, or the commissioner's designee, [the chairperson of the Connecticut Energy Advisory Board,] and the Commissioner of Energy and Environmental Protection, or the commissioner's designee, shall constitute a Home Heating Oil Planning Council to address issues involving the supply, delivery and costs of home heating oil and state policies regarding the future of the state's home heating oil supply. The Commissioner of Energy and Environmental Protection shall convene the first meeting of the council.

Sec. 27. Subsections (c) to (e), inclusive, of section 16a-37u of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

(d) On or before January 1, 2013, and annually thereafter, the

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commissioner shall report, in accordance with the provisions of section 11-4a, on the status of its implementation of the plan and provide recommendations regarding energy use in state buildings to the joint standing committee of the General Assembly having cognizance of matters relating to energy. Any such report may be submitted electronically.

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

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submitted electronically.

Sec. 28. Section 16a-38l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Notwithstanding any provisions of the general statutes, the Department of Energy and Environmental Protection, in consultation with the Department of Construction Services, shall develop a strategic plan to improve the management of energy use in state facilities. Such plan shall include, but not be limited to: (1) A detailed description of the manner in which initiatives that make investments in energy efficiency, demand and load response, distributed generation, renewable energy and combined heat and power will be implemented; (2) options for having state agencies and institutions pursue competitive electric supply options through an integrated energy purchasing program; and (3) an outline of potential near-term budgetary savings targets that can be achieved through the implementation of said plan.

(b) [On or before September 1, 2007, and annually thereafter, the Department of Energy and Environmental Protection shall file such strategic plan with the Connecticut Energy Advisory Board. On or before January 1, 2008, and annually thereafter, the board shall approve or modify and approve said plan. On or before March 15, 2008, and annually thereafter, the board shall measure the success of the implementation of said plan and determine any actual financial benefits that have been derived by the overall electric system, including, but not limited to, state facilities.] Any savings achieved through the implementation of said plan shall be allocated as follows: (1) Seventy-five per cent shall be retained by electric ratepayers, and (2) twenty-five per cent shall be divided equally between (A) reinvestment into energy efficiency programs in state buildings, and (B) investment into energy efficiency programs and technologies on behalf of participants of energy assistance programs administered by

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the Department of Social Services. Any reinvestments or investments made in programs pursuant to this section shall be paid through the systems benefits charge.

(c) To carry out the purposes of this section, the Department of Energy and Environmental Protection may perform all acts necessary for the negotiation, execution and administration of any contract that is reasonably incidental to and furthers the needs of the state and the purposes of this section. The Department of Energy and Environmental Protection may also retain the services of a third party entity possessing the requisite managerial, technical and financial capacity, to perform some or all of the duties necessary to implement the provisions of said plan.

(d) Any costs incurred by the state in complying with the provisions of this section shall be paid from annual state appropriations.

Sec. 29. Subsections (a) to (c), inclusive, of section 16a-40b of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The commissioner, acting on behalf of the state, may, with respect to loans for which funds have been authorized by the State Bond Commission prior to July 1, 1992, in his discretion make low-cost loans or deferred loans to residents of this state for the purchase and installation in residential structures of insulation, alternative energy devices, energy conservation materials and replacement furnaces and boilers, approved in accordance with regulations to be adopted by the Commissioner of Energy and Environmental Protection. In the purchase and installation of insulation in new residential structures, only that insulation which exceeds the requirements of the State Building Code shall be eligible for such loans or deferred loans. The commissioner may also make low-cost loans or deferred loans to persons in the state residing in dwellings constructed not later than

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December 31, [1979] 1995, and for which the primary source of heating since such date has been electric resistance, for (1) the purchase and installation of a high-efficiency secondary heating system using a source of heat other than electric resistance, (2) the conversion of a primary electric heating system to a high-efficiency system using a source of heat other than electric resistance, or (3) the purchase and installation of a high-efficiency combination heating and cooling system. As used in this subsection, "high-efficiency" means having a seasonal energy efficiency ratio of 11.0 or higher, or a heating season performance factor of 7.2 or higher, as designated by the American Refrigeration Institute in the Directory of Certified Unitary Air Conditioners, Air Source Heat Pumps and Outdoor Unitary Equipment, as from time to time amended, or an equivalent ratio for a fossil fuel system.

(b) Any such loan or deferred loan shall be available only for a residential structure containing not more than four dwelling units, shall be not less than four hundred dollars and not more than twenty-five thousand dollars per structure and, with respect to any application received on or after November 29, 1979, shall be made only to an applicant who submits evidence, satisfactory to the commissioner, that the adjusted gross income of the household member or members who contribute to the support of his household was not in excess of [two] one hundred ten per cent of the median area income by household size. In the case of a deferred loan, the contract shall require that payments on interest are due immediately but that payments on principal may be made at a later time. Repayment of loans made under this subsection shall be subject to (1) a rate of interest (A) of zero per cent for loans for natural gas furnaces or boilers that meet or exceed federal Energy Star standards and propane and oil furnaces and boilers that are not less than eighty-four per cent efficient or as may otherwise be provided in subsection (a) of section 16a-46e, or (B) to be determined in accordance with subsection (t) of section 3-20 and this

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subsection for loans for other purposes, and (2) such terms and conditions as the commissioner may establish. The State Bond Commission shall establish a range of rates of interest payable on loans pursuant to subparagraph (B) of subdivision (1) of this subsection and shall apply the range to applicants in accordance with a formula which reflects their income. Such range shall be not less than zero per cent for any applicant in the lowest income class and not more than one per cent above the rate of interest borne by the general obligation bonds of the state last issued prior to the most recent date such range was established for any applicant for whom the adjusted gross income of the household member or members who contribute to the support of his household does not exceed [two] one hundred ten per cent of the median area income by household size.

(c) The commissioner shall establish a program under which he shall make funds deposited in the Energy Conservation Loan Fund available for low-cost loans or deferred loans under subsection (a) of this section for residential structures containing more than four dwelling units, or for contracts guaranteeing payment of loans or deferred loans provided by private institutions for such structures for the purposes specified under subsection (a) of this section. Any such loan or deferred loan shall be an amount equaling not more than [two] three thousand five hundred dollars multiplied by the number of dwelling units in such structure, provided no such loan or deferred loan shall exceed [sixty] one hundred thousand dollars. If the applicant seeks a loan or deferred loan for a structure containing more than thirty dwelling units, he shall include in his application a commitment to make comparable energy improvements of benefit to all dwelling units in the structure in addition to the thirty units which are eligible for the loan or deferred loan. Applications for contracts of guarantee shall be limited to structures containing not more than thirty dwelling units and the amount of the guarantee shall be not more than three thousand dollars for each dwelling unit benefiting from the loan or

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deferred loan. There shall not be an income eligibility limitation for applicants for such loans, deferred loans or guarantees, but the commissioner shall give preference to applications for loans, deferred loans or guarantees for such structures which are occupied by persons of low or moderate income. Repayment of such loans or deferred loans shall be subject to (1) a rate of interest (A) of zero per cent for loans for natural gas furnaces or boilers that meet or exceed federal Energy Star standards and propane and oil furnaces and boilers that are not less than eighty-four per cent efficient or as may otherwise be provided in subsection (a) of section 16a-46e, or (B) to be determined in accordance with subsection (t) of section 3-20 for loans for other purposes, and (2) such terms and conditions as the commissioner shall establish. The state shall have a lien on each property for which a loan, deferred loan or guarantee has been made under this section to ensure compliance with such terms and conditions.

Sec. 30. Subsection (a) of section 16a-40l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On or before October 1, 2011, the Department of Energy and Environmental Protection shall establish a residential heating equipment financing program. Such program shall allow residential customers to finance, through on-bill financing or other mechanism, the installation of energy efficient natural gas or heating oil burners, boilers and furnaces or ductless heat pumps to replace (1) burners, boilers and furnaces that are not less than seven years old with an efficiency rating of not more than seventy-five per cent, or (2) electric heating systems. Eligible fuel oil furnaces shall have an efficiency rating of not less than eighty-six per cent. An eligible fuel oil burner shall have an efficiency rating of not less than eighty-six per cent with temperature reset controls. An eligible natural gas boiler shall have an annual fuel utilization efficiency rating of not less than ninety per cent

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and an eligible natural gas furnace shall have an annual fuel utilization efficiency rating of not less than ninety-five per cent. To participate in the program established pursuant to this subsection, a customer shall first have a home energy audit, the cost of which may be financed pursuant to subsection (b) of this section.

Sec. 31. Section 16a-46h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

[(a)] Each electric, gas or heating fuel customer, regardless of heating source, shall be assessed fees, charges, co-pays or other similar terms to access any audits administered by the Home Energy Solutions program that reflect the contributions made to the Energy Efficiency Fund by each such customer's respective customer type, provided such fees, charges, copays and other similar terms shall not exceed a total [of ninety-nine dollars] amount for any such audit as determined by the Energy Conservation Management Board for each such customer type.

[(b) After August 1, 2013, the costs of subsidizing such audits to ratepayers whose primary source of heat is not electricity or natural gas shall not exceed five hundred thousand dollars per year.]

Sec. 32. Subsections (b) to (g), inclusive, of section 16a-48 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The provisions of this section apply to the testing, certification and enforcement of efficiency standards for the following types of new products sold, offered for sale or installed in the state: (1) Commercial clothes washers; (2) commercial refrigerators and freezers; (3) illuminated exit signs; (4) large packaged air-conditioning equipment; (5) low voltage dry-type distribution transformers; (6) torchiere lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)

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residential furnaces and boilers; (10) residential pool pumps; (11) metal halide lamp fixtures; (12) single voltage external AC to DC power supplies; (13) state regulated incandescent reflector lamps; (14) bottle-type water dispensers; (15) commercial hot food holding cabinets; (16) portable electric spas; (17) walk-in refrigerators and walk-in freezers; (18) pool heaters; (19) compact audio players; (20) televisions; (21) digital versatile disc players; (22) digital versatile disc recorders; and (23) any other products as may be designated by the [department] commissioner in accordance with subdivision (3) of subsection (d) of this section.

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

(d) (1) The [department] Commissioner of Energy and Environmental Protection shall adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this section and to establish minimum energy efficiency standards for the types of new products set forth in subsection (b) of this section. The regulations shall provide for the following minimum energy efficiency standards:

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

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

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

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

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

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

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

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

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

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

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

(L) Single-voltage external AC to DC power supplies manufactured on or after January 1, 2008, shall meet the energy efficiency standards of table U-1 of section 1605.3 of the January 2006 California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance Efficiency Regulations. This standard applies to single voltage AC to DC power supplies that are sold individually and to those that are sold as a component of or in conjunction with another product. This standard shall not apply to single-voltage external AC to DC power supplies sold with products subject to certification by the United States Food and Drug Administration. A single-voltage external AC to DC power supply that is made available by a manufacturer directly to a consumer or to a service or repair facility after and separate from the original sale of the product requiring the power supply as a service

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part or spare part shall not be required to meet the standards in said table U-1 until five years after the effective dates indicated in the table;

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

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

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

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

(Q) On or after January 1, 2014, televisions manufactured on or after July 1, 2011, shall meet the requirements shown in Table V-2 of Section 1605.3 of the November 2009 amendments to the California Code of

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Regulations, Title 20, Division 2, Chapter 4, Article 4, unless the commissioner, in accordance with subparagraph (B) of subdivision (3) of this subsection, determines that such standards are unwarranted and may accept, reject or modify according to subparagraph (A) of subdivision (3) of this subsection; and

(R) In addition to the requirements of subparagraph (Q) of this subdivision, televisions manufactured on or after January 1, 2014, shall meet the efficiency requirements of Sections 1605.3(v)(3)(A), 1605.3(v)(3)(B) and 1605.3(v)(3)(C) of the November 2009 amendments to the California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, unless the commissioner, in accordance with subparagraph (B) of subdivision (3) of this subsection, determines that such standards are unwarranted and may accept, reject or modify according to subparagraph (A) of subdivision (3) of this subsection.

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

(3) (A) The [department] Commissioner of Energy and Environmental Protection shall adopt regulations, in accordance with the provisions of chapter 54, to designate additional products to be subject to the provisions of this section and to establish efficiency

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standards for such products upon a determination that such efficiency standards (i) would serve to promote energy conservation in the state, (ii) would be cost-effective for consumers who purchase and use such new products, and (iii) would not impose an unreasonable burden on Connecticut businesses.

(B) The [department] Commissioner of Energy and Environmental Protection, in consultation with the Multi-State Appliance Standards Collaborative, shall identify additional appliance and equipment efficiency standards. The commissioner shall review all California standards and may review standards from other states in such collaborative. The commissioner shall issue notice of such review in the Connecticut Law Journal, allow for public comment and may hold a public hearing within six months of adoption of an efficiency standard by a cooperative member state regarding a product for which no equivalent Connecticut or federal standard currently exists. The [department] commissioner shall adopt regulations in accordance with the provisions of chapter 54 adopting such efficiency standard unless the [department] commissioner makes a specific finding that such standard does not meet the criteria in subparagraph (A) of this subdivision.

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

(f) The [department] Commissioner of Energy and Environmental

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

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

Sec. 33. Subsection (h) of section 2c-2h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(h) Not later than July 1, 2021, and not later than every ten years thereafter, the joint standing committee of the General Assembly having cognizance of any of the following governmental entities or programs shall conduct a review of the applicable entity or program in accordance with the provisions of section 2c-3:

(1) State Board of Examiners for Physical Therapists, established

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under section 20-67;

(2) Commission on Medicolegal Investigations, established under subsection (a) of section 19a-401;

(3) Program of regulation of occupational therapists, established under chapter 376a;

(4) Commission of Pharmacy, established under section 20-572;

(5) Architectural Licensing Board, established under section 20-289;
and

[(6) Connecticut Energy Advisory Board, established under section 16a-3; and]

[(7)] (6) Board of Firearms Permit Examiners, established under section 29-32b.

Sec. 34. Subsection (a) of section 16-243y of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this section:

(1) "Municipality" has the same meaning as provided in section 7-233b;

(2) "Critical facility" means any hospital, police station, fire station, water treatment plant, sewage treatment plant, public shelter, [or] correctional facility or production and transmission facility of a television or radio station, whether broadcast, cable or satellite, licensed by the Federal Communications Commission, any commercial area of a municipality, a municipal center, as identified by the chief elected official of any municipality, or any other facility or area identified by the Department of Energy and Environmental Protection

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as critical;

(3) "Distributed energy generation" means the generation of electricity from a unit with a rating of not more than sixty-five megawatts on the premises of a retail end user within the transmission and distribution system;

(4) "Electric distribution company" and "participating municipal electric utility" have the same meanings as provided in section 16-1, as amended by this act; and

(5) "Microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid and that connects and disconnects from such grid to enable it to operate in both grid-connected or island mode.

Sec. 35. Section 16-244u of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) As used in this section:

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

(2) "Customer host" means an in-state retail end user of an electric distribution company that owns, leases or enters into a long-term contract for a virtual net metering facility and participates in virtual net metering;

(3) "Agricultural customer host" means an in-state retail end user of an electric distribution company that uses electricity for the purpose of

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agriculture, as defined in subsection (q) of section 1-1, owns an agricultural virtual net metering facility and participates in agricultural virtual net metering;

[(3)] (4) (A) "Unassigned virtual net metering credit" means, in any given electric distribution company monthly billing period, a virtual net metering credit that remains after both the customer host and its beneficial accounts have been billed for zero kilowatt hours related [solely] to the generation service charges and a declining percentage of the transmission and distribution charges on such billings through virtual net metering;

(B) "Unassigned agricultural virtual net metering credit" means, in any given electric distribution company monthly billing period, an agricultural virtual net metering credit that remains after both the agricultural customer host and its beneficial accounts have been billed for zero kilowatt hours related to the generation service charges and a declining percentage of the transmission and distribution charges on such billings through agricultural virtual net metering;

[(4)] (5) "Virtual net metering" means the process of combining the electric meter readings and billings, including any virtual net metering credits, for a municipal, state or agricultural customer host and a beneficial account related to such customer host's account through an electric distribution company billing process related [solely] to the generation service charges and a declining percentage of the transmission and distribution charges on such billings;

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

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~~[(6)] (7) (A)~~ "Virtual net metering facility" means a Class I renewable energy source or a Class III source that: ~~[(A)] (i)~~ Is served by an electric distribution company, owned, leased or subject to a long-term contract by a customer host and serves the electricity needs of the customer host and its beneficial accounts; ~~[(B)] (ii)~~ is within the same electric distribution company service territory as the customer host and its beneficial accounts; and ~~[(C)] (iii)~~ has a nameplate capacity rating of ~~[two]~~ three megawatts or less; and

(B) "Agricultural virtual net metering facility" means a Class I renewable energy source that is operated as part of a business for the purpose of agriculture, as defined in subsection (q) of section 1-1, that: (i) Is served by an electric distribution company on land owned or controlled by an agricultural customer host and serves the electricity needs of the agricultural customer host and its beneficial accounts; (ii) is within the same electric distribution company service territory as the agricultural customer host and its beneficial accounts; and (iii) has a nameplate capacity rating of three megawatts or less.

(8) "Declining percentage of the transmission and distribution charges" means, during the period commencing on the effective date of this section and ending July 1, 2014, eighty per cent of the transmission and distribution charges, during the period commencing on July 2, 2014, and ending July 1, 2015, sixty per cent of the transmission and distribution charges, and commencing on and after July 2, 2015, forty per cent of the transmission and distribution charges.

(b) Each electric distribution company shall provide virtual net metering to its municipal, ~~[customers]~~ state or agricultural customer hosts and shall make any necessary interconnections for a virtual net metering facility or an agricultural virtual net metering facility. Upon request by a municipal, state or agricultural customer host to implement the provisions of this section, an electric distribution company shall install metering equipment, if necessary. For each

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municipal, state or agricultural customer host, such metering equipment shall (1) measure electricity consumed from the electric distribution company's facilities; (2) deduct the amount of electricity produced but not consumed; and (3) register, for each monthly billing period, the net amount of electricity produced and, if applicable, consumed. If, in a given monthly billing period, a municipal, state or agricultural customer host supplies more electricity to the electric distribution system than the electric distribution company delivers to the municipal, state or agricultural customer host, the electric distribution company shall bill the municipal, state or agricultural customer host for zero kilowatt hours of generation and assign a virtual net metering credit to the municipal, state or agricultural customer host's beneficial accounts for the next monthly billing period. Such credit shall be applied against the generation service component [of] and a declining percentage of the transmission and distribution charges billed to the beneficial [account] accounts. Such credit shall be allocated among such accounts in proportion to their consumption for the previous twelve billing periods.

(c) An electric distribution company shall carry forward any unassigned virtual net metering [generation] credits earned by the municipal or state customer host or unassigned agricultural virtual net metering credits earned by the agricultural customer host from one monthly billing period to the next until the end of the calendar year. At the end of each calendar year, the electric distribution company shall compensate the municipal, state or agricultural customer host for any unassigned virtual net metering generation credits at the rate the electric distribution company pays for power procured to supply standard service customers pursuant to section 16-244c, as amended by this act, and a declining percentage of the transmission and distribution charges.

(d) At least sixty days before a municipal or state customer host's

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virtual net metering facility or an agricultural customer host's agricultural virtual net metering facility becomes operational, the municipal, state or agricultural customer host shall provide written notice to the electric distribution company of its beneficial accounts. The municipal, state or agricultural customer host may change its list of beneficial accounts not more than once annually by providing another sixty days' written notice. The municipal or state customer host shall not designate more than five beneficial accounts, except that such customer host may designate up to five additional nonstate or municipal beneficial accounts, provided such accounts are critical facilities, as defined in subdivision (2) of subsection (a) of section 16-243y, as amended by this act, and connected to a microgrid. The agricultural customer host shall not designate more than ten beneficial accounts each of which shall (1) use electricity for the purpose of agriculture, as defined in subsection (q) of section 1-1, (2) be a municipality, or (3) be a noncommercial critical facility, as defined in subdivision (2) of subsection (a) of section 16-243y, as amended by this act.

(e) On or before [February 1, 2012] October 1, 2013, the [Department of Energy and Environmental Protection] Public Utilities Regulatory Authority shall conduct a proceeding to develop the administrative processes and program specifications, including, but not limited to, a cap of [one] ten million dollars per year apportioned to each electric distribution company based on consumer load for credits provided to beneficial accounts pursuant to subsection (c) of this section and payments made pursuant to subsection (d) of this section, provided the municipal, state and agricultural customer hosts, each in the aggregate, shall receive not more than forty per cent of the dollar amount established pursuant to this subsection.

(f) On or before January 1, 2013, and annually thereafter, each electric distribution company shall report to the [department]

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authority on the cost of its virtual net metering program pursuant to this section and the [department] authority shall combine such information and report it annually, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

(g) A municipal, state or agricultural customer host shall be allowed to aggregate all electric meters that are billable to such customer host.

Sec. 36. Section 16-19ff of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) Notwithstanding any provisions of the general statutes to the contrary, each electric company or electric distribution company shall allow the installation of submeters at (1) a recreational campground, (2) individual slips at marinas for metering the electric use by individual boat owners, (3) commercial, industrial, multifamily residential or multiuse buildings where the electric power or thermal energy is provided by a Class I renewable energy source, as defined in section 16-1, as amended by this act, or a combined heat and power system, as defined in section 16-1, as amended by this act, or (4) in any other location as approved by the authority [and] where submetering promotes the state's energy goals, as described in the Comprehensive Energy Strategy, while protecting consumers against termination of residential utility service or other related issues. Each entity approved to submeter by the Public Utilities Regulatory Authority, pursuant to subsection (c) of this section, shall provide electricity to [such campground] any allowed facility, as described in this subsection, at a rate no greater than the [residential] rate charged to that customer class for the service territory in which [the campground or marina is] such allowed facility is located, provided nothing in this section shall permit [the installation of submeters for nonresidential use including, but not limited to, general outdoor lighting marina operations, repair facilities,

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restaurants or other retail recreational facilities. Service to nonresidential facilities shall be separately metered and billed at the appropriate rate] such entity to charge a submetered account for (A) usage for any common areas of a commercial, industrial or multifamily residential building, or (B) other usage not solely for use by such account.

(b) The Public Utilities Regulatory Authority shall adopt regulations, in accordance with the provisions of chapter 54, to carry out the purposes of this section. Such regulations shall: (1) Require a submetered customer to pay only his portion of the energy consumed, which cost shall not exceed the amount paid by the owner of the main meter for such energy; (2) establish standards for the safe and proper installation of submeters; (3) require that the ultimate services delivered to a submetered customer are consistent with any service requirements imposed upon the company; (4) establish standards that protect a submetered customer against termination of service or other related issues; and (5) establish standards for the locations of submeters. [and] The authority may adopt any other provisions [the authority] it deems necessary to carry out the purposes of this section and section 16-19ee.

(c) The authority shall develop an application and approval process that allows for the reasonable implementation of submetering provisions at allowed facilities, as described in subsection (a) of this section, while protecting consumers against termination of residential utility service or other related issues.

Sec. 37. Subsection (a) of section 16-41 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) Each (1) public service company and its officers, agents and employees, (2) electric supplier or person providing electric generation

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services without a license in violation of section 16-245, and its officers, agents and employees, (3) certified telecommunications provider or person providing telecommunications services without authorization pursuant to sections 16-247f to 16-247h, inclusive, and its officers, agents and employees, (4) person, public agency or public utility, as such terms are defined in section 16-345, subject to the requirements of chapter 293, (5) person subject to the registration requirements under section 16-258a, (6) cellular mobile telephone carrier, as described in section 16-250b, (7) Connecticut electric efficiency partner, as defined in section 16-243v, [and] (8) company, as defined in section 16-49, and (9) entity approved to submeter pursuant to section 16-19ff, as amended by this act, shall obey, observe and comply with all applicable provisions of this title and each applicable order made or applicable regulations adopted by the Public Utilities Regulatory Authority by virtue of this title as long as the same remains in force. Any such company, electric supplier, certified telecommunications provider, cellular mobile telephone carrier, Connecticut electric efficiency partner, entity approved to submeter, person, any officer, agent or employee thereof, public agency or public utility which the authority finds has failed to obey or comply with any such provision of this title, order or regulation shall be fined by order of the authority in accordance with the penalty prescribed for the violated provision of this title or, if no penalty is prescribed, not more than ten thousand dollars for each offense, except that the penalty shall be a fine of not more than forty thousand dollars for failure to comply with an order of the authority made in accordance with the provisions of section 16-19 or 16-247k or within thirty days of such order or within any specific time period for compliance specified in such order. Each distinct violation of any such provision of this title, order or regulation shall be a separate offense and, in case of a continued violation, each day thereof shall be deemed a separate offense. Each such penalty and any interest charged pursuant to subsection (g) or (h) of section 16-49 shall be excluded from operating expenses for purposes of rate-making.

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Sec. 38. Subdivisions (8) and (9) of subsection (a) of section 16-1 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(8) "Electric company" includes, until an electric company has been unbundled in accordance with the provisions of section 16-244e, every person owning, leasing, maintaining, operating, managing or controlling poles, wires, conduits or other fixtures, along public highways or streets, for the transmission or distribution of electric current for sale for light, heat or power within this state, or engaged in generating electricity to be so transmitted or distributed for such purpose, but shall not include (A) a private power producer, as defined in section 16-243b, (B) an exempt wholesale generator, as defined in 15 USC 79z-5a, (C) a municipal electric utility established under chapter 101, (D) a municipal electric energy cooperative established under chapter 101a, (E) an electric cooperative established under chapter 597, [or] (F) any other electric utility owned, leased, maintained, operated, managed or controlled by any unit of local government under any general statute or any public or special act, (G) an entity approved to submeter pursuant to section 16-19ff, as amended by this act, or (H) a municipality, state or federal governmental entity authorized to distribute electricity across a public highway or street pursuant to section 39 of this act;

(9) "Gas company" includes every person owning, leasing, maintaining, operating, managing or controlling mains, pipes or other fixtures, in public highways or streets, for the transmission or distribution of gas for sale for heat or power within this state, or engaged in the manufacture of gas to be so transmitted or distributed for such purpose, but shall not include (A) a person manufacturing gas through the use of a biomass gasification plant provided such person does not own, lease, maintain, operate, manage or control mains, pipes or other fixtures in public highways or streets, (B) a municipal gas

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utility established under chapter 101 or any other gas utility owned, leased, maintained, operated, managed or controlled by any unit of local government under any general statute or any public or special act, or (C) an entity approved to submeter pursuant to section 16-19ff, as amended by this act;

Sec. 39. (NEW) (*Effective July 1, 2013*) The Public Utilities Regulatory Authority shall authorize any municipality or state or federal governmental entity that owns, operates or leases any Class I renewable energy source, as defined in section 16-1 of the general statutes, as amended by this act, Class III source, as defined in section 16-1 of the general statutes, as amended by this act, or generation source under five megawatts, to independently distribute electricity generated from any such source across a public highway or street, provided (1) any such source is connected to a municipal microgrid, as defined in subdivision (5) of subsection (a) of section 16-243y of the general statutes, as amended by this act, and (2) to ensure the reliability and availability of the microgrid delivery system and the safety of the public, such municipality or state or federal governmental entity shall engage the applicable electric distribution company, as defined in section 16-1 of the general statutes, as amended by this act, to complete the interconnection of such microgrid to the electric grid in accordance with the authority's interconnection standards. For purposes of this section, any such municipality or governmental entity shall not be considered an electric company, as defined in section 16-1 of the general statutes, as amended by this act.

Sec. 40. Subsection (a) of section 32-80a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) As used in this section and sections 32-80b and 32-80c:

(1) "Energy improvement district distributed resources" means one

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or more of the following owned, leased, or financed by an Energy Improvement District Board: (A) Customer-side distributed resources, as defined in section 16-1, as amended by this act; (B) grid-side distributed resources, as defined in said section 16-1; (C) combined heat and power systems, as defined in said section 16-1; [and] (D) Class III sources, as defined in said section 16-1; and (E) microgrids, as defined in subdivision (5) of subsection (a) of section 16-243y, as amended by this act; and

(2) "Project" means the acquisition, purchase, construction, reconstruction, improvement or extension of one or more energy improvement district distributed resources.

Sec. 41. (NEW) (*Effective from passage*) (a) On or before January 1, 2014, the Department of Energy and Environmental Protection may benchmark energy and water consumption of all nonresidential buildings owned or operated by the state or any state agency with a gross floor area of ten thousand square feet or more using the United States Environmental Protection Agency's Energy Star Portfolio Manager. On or before April 1, 2014, the Department of Energy and Environmental Protection shall make public information from said Portfolio Manager for all such nonresidential buildings.

(b) On or before April 1, 2014, the department may benchmark energy and water consumption of all residential buildings owned or operated by the state or any state agency with a gross floor area of ten thousand square feet or more using the United States Environmental Protection Agency's Energy Star Portfolio Manager. On or before July 1, 2014, the department shall make public information from said Portfolio Manager for all such residential buildings.

Sec. 42. Subdivision (1) of subsection (e) of section 16a-40g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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(e) (1) The authority may enter into a financing agreement with the property owner of qualifying commercial real property. After such agreement is entered into, and upon notice from the authority, the participating municipality shall (A) place a caveat on the land records indicating that a benefit assessment and lien is anticipated upon completion of energy improvements for such property, or (B) at the direction of the authority, levy the benefit assessment and file a lien on the land records based on the estimated costs of the energy improvements prior to the completion or upon the completion of said improvements.

Sec. 43. Subsection (g) of section 16a-40g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(g) Benefit assessments levied pursuant to this section and the interest, fees and any penalties thereon shall constitute a lien against the qualifying commercial real property on which they are made until they are paid. Such lien, [shall be levied and] or if the financing agreement provides that the benefit assessments shall be paid in installments then each installment payment, shall be collected in the same manner as the property taxes of the participating municipality on real property, including, in the event of default or delinquency, with respect to any penalties, fees and remedies, [and lien priorities.] Each such lien may be [continued,] recorded and released in the manner provided for property tax liens and, subject to the consent of existing mortgage holders, [and] shall take precedence over all other liens or encumbrances except a lien for taxes of the municipality on real property, which lien for taxes shall have priority over such benefit assessment lien. To the extent benefit assessments are paid in installments and any such installment is not paid when due, the benefit assessment lien may be foreclosed to the extent of any unpaid installment payments and any penalties, interest and fees related

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thereto. In the event such benefit assessment lien is foreclosed, such benefit assessment lien shall survive the judgment of foreclosure to the extent of any unpaid installment payments of the benefit assessment secured by such benefit assessment lien that were not the subject of such judgment.

Sec. 44. Section 16-50kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On or before July 1, 2012, the Connecticut Siting Council, in consultation with the Department of Energy and Environmental Protection, shall adopt regulations, in accordance with the provisions of chapter 54, concerning the siting of wind turbines. Such regulations shall include, but not be limited to, (1) a consideration of (A) setbacks, including considerations of tower height and distance from neighboring properties; (B) flicker; (C) a requirement for the developer to decommission the facility at the end of its useful life; (D) [different requirements for projects of different sizes; (E)] ice throw; [(F)] (E) blade shear; [(G)] (F) noise; and [(H)] (G) impact on natural resources; and (2) a requirement for a public hearing for wind turbine projects.

(b) The Connecticut Siting Council shall not act on any application or petition for siting of a wind turbine until after the adoption of regulations pursuant to subsection (a) of this section.

Sec. 45. Section 29-252 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this subsection, "geotechnical" means any geological condition, such as soil and subsurface soil condition, which may affect the structural characteristics of a building or structure. The State Building Inspector and the Codes and Standards Committee shall, jointly, with the approval of the Commissioner of Construction Services, adopt and administer a State Building Code based on a

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nationally recognized model building code for the purpose of regulating the design, construction and use of buildings or structures to be erected and the alteration of buildings or structures already erected and make such amendments thereto as they, from time to time, deem necessary or desirable. Such amendments shall be limited to administrative matters, geotechnical and weather-related portions of said code, amendments to said code necessitated by a provision of the general statutes and any other matter which, based on substantial evidence, necessitates an amendment to said code. The code shall be revised not later than January 1, 2005, and thereafter as deemed necessary to incorporate any subsequent revisions to the code not later than eighteen months following the date of first publication of such subsequent revisions to the code. The purpose of said Building Code shall also include, but not be limited to, promoting and ensuring that such buildings and structures are designed and constructed in such a manner as to conserve energy and, wherever practicable, facilitate the use of renewable energy resources, including provisions for electric circuits capable of supporting electric vehicle charging in any newly constructed residential garage in any code adopted after the effective date of this section. Said Building Code includes any code, rule or regulation incorporated therein by reference. [As used in this subsection, "geotechnical" means any geological condition, such as soil and subsurface soil conditions, which may affect the structural characteristics of a building or structure.]

(b) The State Building Inspector shall be appointed by the Governor. He shall be an architect or professional engineer licensed by the state of Connecticut, shall have a thorough knowledge of building code administration and enforcement and shall have had not less than ten years practical experience in his profession.

(c) The State Building Inspector or his designee may issue official interpretations of the State Building Code, including interpretations of

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the applicability of any provision of the code, upon the request of any person. The State Building Inspector shall compile and index each interpretation and shall publish such interpretations at periodic intervals not exceeding four months.

(d) The State Building Inspector or his designee shall review a decision by a local building official or a board of appeals appointed pursuant to section 29-266 when he has reason to believe that such official or board has misconstrued or misinterpreted any provision of the State Building Code. If, upon review and after consultation with such official or board, he determines that a provision of the code has been misconstrued or misinterpreted, he shall issue an interpretation of said code and may issue any order he deems appropriate. Any such determination or order shall be in writing and be sent to such local building official or board by registered mail, return receipt requested. Any person aggrieved by any determination or order by the State Building Inspector under this subsection may appeal to the Codes and Standards Committee within fourteen days after mailing of the decision or order. Any person aggrieved by any ruling of the Codes and Standards Committee may appeal in accordance with the provisions of subsection (d) of section 29-266.

Sec. 46. Section 16a-21a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) The amount of sulfur content of the following fuels sold, offered for sale, distributed or used in this state shall not exceed the following percentages by weight: (A) For number two heating oil, three-tenths of one per cent, and (B) for number two off-road diesel fuel, three-tenths of one per cent.

(2) Notwithstanding subdivision (1) of this subsection, the amount of sulfur content of number two heating oil sold, offered for sale, distributed or used in this state shall not exceed the following

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percentages by weight: (A) For the period beginning July 1, [2011] 2014, and ending June 30, [2014, fifty] 2018, five hundred parts per million, and (B) on and after July 1, [2014] 2018, fifteen parts per million.

[(3) The provisions of subdivision (2) of this subsection shall not take effect until the states of New York, Massachusetts and Rhode Island each have adopted requirements that are substantially similar to the provisions of said subdivision.

(b) As of the date on which the last of the states of New York, Massachusetts and Rhode Island limits the sulfur content of number two heating oil to one thousand five hundred parts per million, the sulfur content of number two heating oil sold, offered for sale, distributed or used in this state shall not exceed one thousand five hundred parts per million.

(c) As of the date on which the last of the states of New York, Massachusetts and Rhode Island limits the sulfur content of number two heating oil to one thousand two hundred fifty parts per million, the sulfur content of number two heating oil sold, offered for sale, distributed or used in this state shall not exceed one thousand two hundred fifty parts per million.

(d) As of the date on which the last of the states of New York, Massachusetts and Rhode Island limits the sulfur content of number two heating oil to five hundred parts per million, the sulfur content of number two heating oil sold, offered for sale, distributed or used in this state shall not exceed five hundred parts per million.

(e) As of the date on which the last of the states of New York, Massachusetts and Rhode Island limits the sulfur content of number two off-road diesel fuel to five hundred parts per million, the sulfur content of number two off-road diesel fuel offered for sale, distributed

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or used in this state shall not exceed five hundred parts per million.]

[(f)] (b) The Commissioner of Energy and Environmental Protection may suspend the requirements of [subsections (a) to (e), inclusive,] subsection (a) of this section if the commissioner finds that the physical availability of fuel which complies with such requirements is inadequate to meet the needs of residential, commercial or industrial users in this state and that such inadequate physical availability constitutes an emergency provided the commissioner shall specify in writing the period of time such suspension shall be in effect.

Sec. 47. (*Effective from passage*) (a) The Public Utilities Regulatory Authority shall, in consultation with the Connecticut Water Planning Council and Department of Public Health, study the financial capacity and the system viability of small community water companies not included as part of a water supply plan pursuant to section 25-32d of the general statutes. The study shall include, but not be limited to, (1) potential factors affecting the costs necessary to maintain and operate such systems safely and effectively, and (2) potential benefits that could derive from creating a financial assistance account to help such systems defray the costs of essential infrastructure improvements.

(b) The Public Utilities Regulatory Authority may, in consultation with the Connecticut Water Planning Council and Department of Public Health, retain a consultant to assist in developing such study pursuant to subsection (a) of this section. All reasonable and proper expenses for the services of such consultant shall be borne by each water company as defined in section 16-1 of the general statutes, as amended by this act, and paid at such times and in such manner as the authority directs, provided all such reasonable and proper expenses shall be limited to forty-nine thousand dollars. All such reasonable and proper costs and expenses shall be recognized by the authority for all purposes as proper business expenses of each such water company.

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(c) On or before February 1, 2014, the Public Utilities Regulatory Authority shall report the findings of such study to the joint standing committees of the General Assembly having cognizance of matters relating to energy, public health and planning and development in accordance with the provisions of section 11-4a of the general statutes.

Sec. 48. (*Effective from passage*) On or before November 1, 2013, at the request of a municipality, the Commissioner of Energy and Environmental Protection, in consultation with the Commissioner of Public Health, shall examine the impact of such municipality's aquifer protection regulations on economic development within the municipality. Such an examination shall include, but not be limited to, any potential impact caused by the future expansion of an aquifer protection area upon the issuance of a diversion permit in accordance with section 22a-369 of the general statutes, or the issuance of a general permit in accordance with section 22a-378a of the general statutes. In any municipality where existing public drinking water supply wells are owned by a private water company serving one thousand or more persons and such wells also serve persons in other municipalities, the Commissioner of Energy and Environmental Protection shall recommend regulatory changes to cover the host municipality's costs associated with enforcement of its aquifer protection regulations and any potential economic development losses associated with an expansion of the aquifer protection area. On or before February 1, 2014, the Commissioner of Energy and Environmental Protection shall report the findings of such examination and any recommended regulatory changes to the joint standing committee of the General Assembly having cognizance of matters relating to energy, in accordance with the provisions of section 11-4a of the general statutes.

Sec. 49. Section 1 of public act 13-78 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The Public Utilities Regulatory Authority shall authorize rates for

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each water company, as defined in section 16-1 of the general statutes, as amended by this act, that promote comprehensive supply-side and demand-side water conservation. In establishing such rates, the authority shall take into consideration consumers who are low water users, including those consumers who have previously implemented conservation measures, state energy policies, the capital intensive nature of sustaining water systems that minimize water losses and the competition for capital for continued investments in such systems. Such rates shall (1) prioritize demand projections that recognize the effects of conservation and account for declining rates of water consumption in order to minimize the use of a revenue adjustment mechanism, as defined in section 3 of public act 13-78, following a general rate case, and (2) consider [(1) demand projections that recognize the effects of conservation, (2)] (A) implementation of metering and measures to provide timely price signals to consumers, [(3)] (B) multiyear rate plans, [(4)] (C) measures to reduce system water losses, and [(5)] (D) alternative rate designs that promote conservation.

Sec. 50. Section 16-1900 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

In order to promote an electric, gas, telephone and water company's conservation and load management programs or other programs promoting the state's economic development, energy and other policy, the Public Utilities Regulatory Authority may approve rate amendments for any such company, pursuant to subsection (a) of section 16-19 or, upon the request of a company in a proceeding, other than a rate proceeding pursuant to said subsection. Upon filing by a gas company of a natural gas infrastructure expansion plan in accordance with section 51 of this act, the authority may approve in a contested proceeding new rate mechanisms to recover the costs of such plan.

Sec. 51. (NEW) (*Effective from passage*) (a) On or before June 15, 2013,

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the gas companies, as defined in section 16-1 of the general statutes, as amended by this act, shall jointly submit to the Commissioner of Energy and Environmental Protection and the Public Utilities Regulatory Authority a natural gas infrastructure expansion plan to provide natural gas service to on and off-main gas customers consistent with the goals of the 2013 Comprehensive Energy Strategy approved by the Commissioner of Energy and Environmental Protection in accordance with section 16a-3d of the general statutes, as amended by this act. Such plan shall include steps to expand the natural gas distribution network, increase the rate of cost-effective customer conversions, provide natural gas access for industrial facilities in the state to the greatest extent feasible, lower the costs of adding new customers, ensure the reliability and timely addition of natural gas supply and limit the risk to existing gas customers by incorporating mechanisms to increase or decrease the rate of conversions over time in response to changes in energy prices. Such plan shall include, but not be limited to, the following components: (1) A customer conversion plan and schedule for a ten-year period, (2) an analysis demonstrating the feasibility of reaching the new customer conversion goals as directed by the Comprehensive Energy Strategy for on and off-main customers, (3) a plan for outreach and marketing tailored to each customer segment, (4) a description of steps the gas companies will take to reduce the costs of conversion, (5) a strategy for capacity procurement, (6) a strategy for leveraging third-party investment to finance equipment replacement and main extensions for new customers, (7) a plan to harmonize natural gas infrastructure expansion with steps to reduce methane leakage from existing gas infrastructure, (8) a description of steps the gas companies will take to ensure that potential customers targeted for conversion to natural gas are incented to install efficient equipment and improve the efficiency of the building envelope at the time of conversion, provided such steps include, but are not limited to, providing such customers with information regarding the Home Energy Solutions audit, and to the

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extent feasible, an application form of said audit, and (9) a proposal for rate changes consistent with the recommendations of the Comprehensive Energy Strategy, including specific cost recovery mechanisms for each customer segment and a description of the rate impact of any proposed rate changes.

(b) Not later than thirty days after the natural gas infrastructure expansion plan is submitted to the commissioner pursuant to subsection (a) of this section, the commissioner shall review the plan and issue a preliminary determination as to whether the plan is consistent with the goals of the Comprehensive Energy Strategy.

(c) In the event that the commissioner determines that the plan is consistent with the Comprehensive Energy Strategy pursuant to subsection (b) of this section, the Public Utilities Regulatory Authority shall, in a contested proceeding during which the authority shall hold a public hearing, approve or modify the plan not later than one hundred twenty days after such plan is submitted to the authority.

(d) In reviewing the natural gas infrastructure expansion plan pursuant to subsection (c) of this section, in order to protect the interests of ratepayers and ensure revenue recovery for gas companies, and consistent with the recommendations of the Comprehensive Energy Strategy, the authority shall, in accordance with section 16-1900 of the general statutes, as amended by this act, (1) establish a hurdle rate utilizing a twenty-five-year payback period to compare the revenue requirement of connecting new customers to the gas distribution system to determine the level of new business capital expenditures that will be recoverable through rates, provided the authority shall develop a methodology that reasonably accounts for revenues that would be collected from new customers who signaled an intention to switch to natural gas over a period of at least three years within a common geographic location, (2) establish a new rate for new customers added pursuant to the natural gas infrastructure expansion

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plan to offset incremental costs of expanding natural gas infrastructure pursuant to such plan, (3) establish a rate mechanism for the gas companies to recover prudent investments made pursuant to the approved natural gas infrastructure expansion plan in a timely manner outside of a rate proceeding, provided such mechanism shall take into consideration the additional revenues that the gas companies will generate through implementation of such plan, and (4) notwithstanding the provisions of section 16-19b of the general statutes, effective for the period of the natural gas expansion plan, (A) assign at least half of the nonfirm margin credit to offset the rate base of the gas companies, and (B) assign the lesser of (i) an amount equal to half of the nonfirm margin credit, or (ii) an amount equal to fifteen million dollars from the nonfirm margin credit annually for all gas companies in the aggregate, apportioned to each gas company in proportion to revenues of and the existing and new capacity contracted for by each gas company, to offset expansion costs, including, but not limited to, the costs of adding new state, municipal, commercial and industrial customers where such additions provide societal benefits, including, but not limited to, increased or retained employment, local economic development, environmental benefits and transit-oriented development goals.

(e) On or before June 15, 2014, and annually thereafter for a period of nine years, the gas companies shall jointly report to the commissioner and the authority the status and progress of such implementation. Such report shall include, but not be limited to (1) the number of customers added over the previous year, (2) a comparison of actual expenditures to estimated expenditures for the previous year, (3) a forecast of new customers and expenditures for the upcoming year, and (4) any additional information that either the authority or the commissioner deems appropriate.

Sec. 52. (*Effective from passage*) (a) The Commissioner of Energy and

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Environmental Protection, the Clean Energy Finance and Investment Authority and the Energy Conservation Management Board shall, in coordination with the electric distribution and gas companies, as defined in section 16-1 of the general statutes, as amended by this act, establish a pilot program in at least four municipalities, consistent with the policy goals of the Comprehensive Energy Strategy, to (1) ensure that potential customers targeted for conversion to natural gas are incented to install efficient equipment and improve the efficiency of the building envelope at the time of conversion, (2) ensure that customers who cannot cost-effectively convert to natural gas are incented to install efficient equipment and improve the efficiency of the building envelope, and (3) provide access to low-cost financing for natural gas conversion or efficiency upgrades. The pilot program shall utilize a community-based marketing campaign and a competitive solicitation for volume pricing on high efficiency heating equipment and insulation.

(b) The pilot program shall terminate on December 31, 2014, after which the department may evaluate the results of the pilot program and determine whether to reestablish the pilot program or establish a permanent program.

Sec. 53. (NEW) (*Effective from passage*) The Department of Energy and Environmental Protection may, from resources available not included in state appropriated funds, provide grants or rebates to municipalities, academic institutions and other entities for the purchase or installation of alternative vehicles, alternative vehicle fueling equipment and energy efficient devices.

Sec. 54. Subsection (b) of section 16-19kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The authority shall complete, on or before December 31, 1991, an

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investigation into the relationship between a company's volume of sales and its earnings. The authority shall, on or before July 1, 1993, implement rate-making and other procedures and practices in order to encourage the implementation of conservation and load management programs and other programs authorized by the authority promoting the state's economic development, energy and other policy. Such procedures to implement a modification or elimination of any direct relationship between the volume of sales and the earnings of electric, gas, telephone and water companies may include the adoption of a sales adjustment clause pursuant to subsection [(i)] (j) of section 16-19b, or other adjustment clause similar thereto. The authority's investigation shall include a review of its regulations and policies to identify any existing disincentives to the development and implementation of cost effective conservation and load management programs and other programs promoting the state's economic development, energy and other policy.

Sec. 55. Subsection (b) of section 16-245aa of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The Clean Energy Finance and Investment Authority, in consultation with the Department of Energy and Environmental Protection, the Department of Economic and Community Development and the State Treasurer, shall establish a renewable energy and efficient energy finance program. Said authority shall make grants, investments, loans or other forms of financial assistance under said program to projects for the purchase and installation of (1) renewable energy sources, including solar energy, geothermal energy, thermal energy storage, electric storage and fuel cells or other energy-efficient hydrogen-fueled energy, or (2) energy-efficient generation sources, including units providing combined heat-and-power operations with greater than sixty-five per cent efficiency or such

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higher efficiency level as said authority may prescribe. Said authority may make grants under said program of up to two and one-half per cent of the balance in the account to support workforce development initiatives in connection with deployment of the projects. Said authority shall give priority to applications for grants, investments, loans or other forms of financial assistance to projects that use major system components manufactured or assembled in Connecticut. Each grant, investment, loan or other form of financial assistance shall be in an amount that makes the cost of purchasing, installing and operating the renewable energy or energy-efficient generation source competitive with the grid's or other end users' current electricity expenses.

Sec. 56. (NEW) (*Effective from passage*) On or before July 1, 2014, the Department of Energy and Environmental Protection shall, in consultation with the Energy Conservation Management Board and the Department of Housing, develop weatherization standards and procedures for properties participating in the rental assistance program, including, but not limited to, a consideration to expedite scheduling of an energy efficiency audit pursuant to this section. When a tenant secures or renews a lease under the rental assistance program on or after the effective date such weatherization standards and procedures are adopted, the landlord shall (1) schedule an energy efficiency audit administered by the Home Energy Solutions program or a program deemed comparable by the Commissioner of Energy and Environmental Protection for the property, and (2) complete the installation of free weatherization measures pursuant to a program described in subdivision (1) of this section.

Sec. 57. (NEW) (*Effective from passage*) On and after July 1, 2013, Operation Fuel, Incorporated and agencies administering state fuel assistance programs shall provide a recipient of funds (1) information regarding the Home Energy Solutions audit, and (2) an application

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form for said audit.

Sec. 58. (NEW) (*Effective from passage*) (a) For purposes of this section, (1) "clean energy improvements" means improvements from the installation of clean energy, as defined in subsection (a) of section 16-245n of the general statutes, and shall include smart meters, provided such improvements are applicable to a residential dwelling unit of a customer of an electric distribution company or gas company, and (2) "electric distribution company" and "gas company" have the same meanings as provided in section 16-1 of the general statutes, as amended by this act.

(b) On or before April 1, 2014, the Energy Conservation Management Board and the Clean Energy Finance and Investment Authority, in consultation with the electric distribution companies and gas companies, shall establish a comprehensive residential clean energy on-bill repayment program financed by third-party private capital managed by the Clean Energy Finance and Investment Authority. Such program shall have the following features:

- (1) To establish a process for qualifying clean energy improvements;
- (2) To prioritize clean energy improvements for cost-effectiveness;
- (3) To reduce peak electricity demand;
- (4) To assist customers of electric distribution companies or gas companies in accessing incentives, other cost savings and financing for clean energy improvements, including natural gas furnaces or boilers that meet or exceed federal Energy Star standards and propane and oil furnaces and boilers that are not less than eighty-four per cent efficient;
- (5) To identify knowledgeable contractors for installation of clean energy improvements and to ensure successful installation of such improvements;

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(6) To finance clean energy improvements to the extent the tenor of such financing repayment does not exceed the average expected life of such improvements;

(7) To provide that the repayment amount plus the anticipated periodic customer bill after installation of the clean energy improvements does not exceed the anticipated periodic bill for electric or gas service without installation of such improvements, including no energy savings improvements;

(8) To authorize the disconnection for nonpayment by the customer of any financing repayment amount, except during the pendency of any complaint, investigation, hearing or appeal challenging the on-bill repayment loan, terms, accuracy or related matters, with any on-bill repayment amount treated as part of the customer's utility account subject to the protections provided in sections 16-262c, 16-262d, 16-262g to 16-262i, inclusive, and 16-262x of the general statutes;

(9) To establish program guidelines to address the ramifications of on-bill repayment and the risks associated with disconnection of service of low-income and hardship customers;

(10) To provide the assignment of repayment obligations to subsequent owners of the dwelling unit upon the development by the Energy Conservation Management Board and the Clean Energy Finance and Investment Authority of timely written notice guidelines to subsequent owners, except on-bill repayment amounts may not be directly charged to a tenant of a dwelling unit by a utility company pursuant to section 16-262e of the general statutes or a receiver pursuant to sections 16-262f, 16-262t, 47a-14h and 47a-56a to 47a-56k, inclusive, of the general statutes; and

(11) To provide that the on-bill repayment billing and collection services shall be available without regard to whether the energy or fuel

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delivered by the utility is the customer's primary energy source.

(c) The guidelines for the comprehensive residential clean energy on-bill repayment program pursuant to subdivisions (9) to (11), inclusive, of subsection (b) of this section shall be subject to review and approve by the Public Utilities Regulatory Authority, which review shall commence upon filing such guidelines with the authority and the review shall be deemed complete not later than ninety days after such filing. Such review shall be conducted in an uncontested proceeding.

(d) On-bill repayment for any loan that is part of the comprehensive residential clean energy on-bill repayment program established pursuant to this section and utilized to improve efficiency or clean energy improvements for provision of heat to a dwelling unit shall be treated as part of the primary heating expense for the customer for purposes of (1) any energy assistance program funded or administered by the state or under any plan adopted pursuant to section 16a-41a of the general statutes, and (2) any matching payment program plan pursuant to subdivisions (4) to (6), inclusive, of subsection (b) of section 16-262c of the general statutes.

Sec. 59. (NEW) (*Effective from passage*) (a) As used in this section, (1) "qualifying project" means a combined heat and power system, as described in subdivision (44) of subsection (a) of section 16-1 of the general statutes, as amended by this act, that (A) provides commercial, industrial or residential facilities with both electrical generation and heat output, (B) has a nameplate capacity of between five hundred and five thousand kilowatts, (C) is placed into service between January 1, 2012, and January 1, 2015, and (D) is not eligible under section 16-245hh of the general statutes or section 103 of public act 11-80, and (2) "electric distribution company" has the same meaning as provided in section 16-1 of the general statutes, as amended by this act.

(b) The Commissioner of Energy and Environmental Protection

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shall establish a pilot program to promote large combined heat and power systems by mitigating the economic disincentives for such systems created by the existing demand charge tariffs of the electric distribution companies.

(c) On or after the effective date of this section, the Commissioner of Energy and Environmental Protection shall solicit applications from qualifying projects and shall select such projects for participation in the pilot program on a first-come, first-served basis. The commissioner shall select as many qualifying projects as is deemed appropriate, in the commissioner's discretion, up to a maximum of twenty megawatts of nameplate capacity for the entire pilot program. Qualifying projects selected for participation in the pilot program shall become operational within one year of such selection or that capacity shall be offered to at least one other qualifying project that participated in the solicitation. Qualifying projects selected pursuant to this subsection shall be eligible to continue the terms of the pilot program for a period of ten years from the time the project is placed into service.

(d) A qualifying project selected to participate in the pilot program shall not be required to pay the demand charges pursuant to the distribution demand-ratchet provision of firm service due to an outage of service of such project. If a qualifying project that participates in the pilot program has an outage of service, the only demand charge that shall be assessed by an electric distribution company shall be based on daily demand pricing prorated from standard monthly rates, provided, however, that if the outage of service lasts for less than three hours, no demand charge shall be assessed by an electric distribution company.

(e) Any qualifying project that participates in the pilot program shall provide to the Public Utilities Regulatory Authority and the Commissioner of Energy and Environmental Protection all system performance and supplemental utility data that the authority shall, in

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its reasonable discretion, deem to be appropriate for measuring the performance of the pilot program. Such data shall consist of (1) net electrical production from the qualifying project, measured in kilowatt-hours per fifteen minute interval, (2) net thermal production from the qualifying project, measured in million BTU per fifteen minute interval, (3) fuel consumed by the qualifying facility, measured in million BTU per fifteen minute interval, (4) supplemental electricity received from the electric distribution company, measured in kilowatt-hours and average kilovolt-ampere per fifteen minute interval, (5) each downtime of the qualifying project, including the time of day of the downtime, the duration of the downtime and the reasons therefor, and (6) other such data as the authority deems appropriate. Such data shall be provided on a form approved by the authority.

(f) The authority shall, with the system performance and supplemental utility data received pursuant to subsection (e) of this section, analyze (1) the system performance of the qualifying projects, (2) the as-used daily demand charge versus standard distributed generation rider demand charges, and (3) the viability of conforming all distributed generation combined heat and power systems to an as-used daily time of use demand tariff.

(g) After the authority and commissioner have received the system performance and supplemental utility data pursuant to subsection (e) of this section for a period of three years, the commissioner shall, within ninety days, submit a report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy, recommending whether to continue, expand, modify or eliminate the pilot program.

(h) Any electric customer of an electric distribution company, as defined in section 16-1 of the general statutes, as amended by this act, with a qualifying project that participates in the pilot program shall be

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allowed to aggregate all electric meters that are (1) on the same premises as such qualifying project, and (2) billable to such customer.

Sec. 60. Section 16-234 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

[No telegraph, telephone or electric light company or association, nor any company or association engaged in distributing electricity by wires or similar conductors or in using an electric wire or conductor for any purpose, shall exercise any powers which may have been conferred upon it to change the location of, or to erect or place, wires, conductors, fixtures, structures or apparatus of any kind over, on or under any highway or public ground, without the consent of the adjoining proprietors, or, if such company or association is unable to obtain such consent, without the approval of the Public Utilities Regulatory Authority, which shall be given only after a hearing upon notice to such proprietors; or to cut or trim any tree on or overhanging any highway or public ground, without the consent of the owner thereof, or, if such company or association is unable to obtain such consent, without the approval of the tree warden or the consent of the authority, which consent shall be given only after a hearing upon notice to such owner; but the authority may, if it finds that public convenience and necessity require, authorize the changing of the location of, or the erection or placing of, such wires, conductors, fixtures, structures or apparatus over, on or under such highway or public ground; and the tree warden in any town or the authority may, if he or it finds that public convenience and necessity require, authorize the cutting and trimming and the keeping trimmed of any brush or tree in such town on or overhanging such highway or public ground, which action shall be taken only after notice and hearing as aforesaid, which hearing shall be held within a reasonable time after the application therefor.]

(a) As used in this section:

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(1) "Utility" means a telephone, telecommunications, electric or electric distribution company, each as defined in section 16-1, as amended by this act;

(2) "Utility protection zone" means any rectangular area extending horizontally for a distance of eight feet from any outermost electrical conductor or wire installed from pole to pole and vertically from the ground to the sky;

(3) "Hazardous tree" means any tree or part of a tree that is (A) dead, (B) extensively decayed, or (C) structurally weak, which, if it falls, would endanger utility infrastructure, facilities or equipment;

(4) "Vegetation management" means pruning or removal of trees, shrubs or other vegetation that pose a risk to the reliability of the utility infrastructure, and the retention of trees and shrubs that are compatible with the utility infrastructure. Until such time as the Department of Energy and Environmental Protection issues standards for identifying such compatible trees and shrubs, the standards and identification of such compatible trees and shrubs shall be as set forth in the 2012 final report of the State Vegetation Management Task Force; and

(5) "Pruning" means the selective removal of plant parts to meet specific goals and objectives, when performed according to current professional tree care standards.

(b) A utility may perform vegetation management within the utility protection zone to secure the reliability of utility services by protecting overhead wires, poles, conductors or other utility infrastructure from trees and shrubs, parts of trees and shrubs or other vegetation located within the utility protection zone.

(c) (1) In conducting vegetation management, no utility shall prune or remove any tree or shrub within the utility protection zone, or on or

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overhanging any highway or public ground, without delivering notice to the abutting property owner. Notice shall be considered delivered when it is (A) mailed to the abutting property owner via first class mail, (B) delivered, in writing, at the location of the abutting property, or (C) simultaneously conveyed verbally and provided in writing to the abutting property owner. A utility shall deliver such notice to the abutting property owner if (i) pursuant to subparagraph (A) or (B) of this subdivision, at least fifteen business days before the starting date of any such pruning or removal, and (ii) pursuant to subparagraph (C) of this subdivision, at any time before any such pruning or removal, provided no utility may start such pruning or removal unless (I) the objection period pursuant to subdivision (2) of this subsection has been met, or (II) such property owner affirmatively waives, in writing, the right to object.

(2) The notice shall indicate that (A) objection to pruning or removal shall be filed in writing with the utility and either the tree warden of the municipality or the Commissioner of Transportation, as appropriate, not later than ten business days after delivery of the notice, and (B) the objection may include a request for consultation with the tree warden or the Commissioner of Transportation, as appropriate.

(3) If no objection is filed by the abutting property owner in accordance with subdivision (2) of this subsection, the utility may prune or remove the trees or shrubs for which notice of pruning or removal has been delivered.

(4) If the abutting property owner files an objection pursuant to subdivision (2) of this subsection, the tree warden of the municipality or the Commissioner of Transportation, as appropriate, shall issue a written decision as to the disposition of the tree or shrub not later than ten business days after the filing date of such objection. This decision shall not be issued before a consultation with the abutting property

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owner if such a consultation has been requested. The abutting property owner or the utility may appeal the tree warden's decision to the Public Utilities Regulatory Authority within ten business days after the tree warden's decision. The authority shall hold a hearing within sixty business days of receipt of the abutting property owner's or utility's written appeal of the tree warden's decision and shall provide notice of such hearing to the abutting property owner, the tree warden and the utility. The authority may authorize the pruning or removal of any tree or shrub whose pruning or removal has been at issue in the hearing if it finds that public convenience and necessity require such action.

(5) When an objection has been filed pursuant to subdivision (2) of this subsection, no tree or shrub subject to the objection shall be pruned or removed until a final decision has been reached pursuant to subdivision (4) of this subsection.

(d) No utility shall be required to provide notice pursuant to subsection (c) of this section if the tree warden of the municipality or the Commissioner of Transportation, as appropriate, authorizes, in writing, pruning or removal by the utility of a hazardous tree within the utility protection zone or on or overhanging any public highway or public ground. Nothing in this subsection shall be construed to require a utility to prune or remove a tree.

(e) No utility shall be required to obtain a permit pursuant to subsection (f) of section 23-65 or provide notice under subsection (c) of this section to prune or remove a tree, as necessary, if any part of a tree is in direct contact with an energized electrical conductor or has visible signs of burning. Nothing in this subsection shall be construed to require a utility to prune or remove a tree.

(f) No utility shall exercise any powers which may have been conferred upon it to change the location of, or to erect or place, wires, conductors, fixtures, structures or apparatus of any kind over, on or

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under any highway or public ground, without the consent of the adjoining proprietors or, if such company is unable to obtain such consent, without the approval of the Public Utilities Regulatory Authority, which shall be given only after a hearing upon notice to such proprietors. The authority may, if it finds that public convenience and necessity require, authorize the changing of the location of, or the erection or placing of, such wires, conductors, fixtures, structures or apparatus over, on or under such highway or public ground.

Sec. 61. Subsections (a) and (b) of section 16-50p of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) (1) In a certification proceeding, the council shall render a decision upon the record either granting or denying the application as filed, or granting it upon such terms, conditions, limitations or modifications of the construction or operation of the facility as the council may deem appropriate.

(2) The council's decision shall be rendered in accordance with the following:

(A) Not later than twelve months after the deadline for filing an application following the request for proposal process for a facility described in subdivision (1) or (2) of subsection (a) of section 16-50i or subdivision (4) of said subsection (a) if the application was incorporated in an application concerning a facility described in subdivision (1) of said subsection (a);

(B) Not later than one hundred eighty days after the deadline for filing an application following the request for proposal process for a facility described in subdivision (4) of subsection (a) of section 16-50i and an application concerning a facility described in subdivision (3) of said subsection (a), provided the council may extend such period by

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not more than one hundred eighty days with the consent of the applicant; and

(C) Not later than one hundred eighty days after the filing of an application for a facility described in subdivision (5) or (6) of subsection (a) of section 16-50i, provided the council may extend such period by not more than one hundred eighty days with the consent of the applicant.

(3) The council shall file, with its order, an opinion stating in full its reasons for the decision. The council shall not grant a certificate, either as proposed or as modified by the council, unless it shall find and determine:

(A) Except as provided in subsection (b) or (c) of this section, a public need for the facility and the basis of the need;

(B) The nature of the probable environmental impact of the facility alone and cumulatively with other existing facilities, including a specification of every significant adverse effect, including, but not limited to, electromagnetic fields that, whether alone or cumulatively with other effects, impact on, and conflict with the policies of the state concerning the natural environment, ecological balance, public health and safety, scenic, historic and recreational values, forests and parks, air and water purity and fish, aquaculture and wildlife;

(C) Why the adverse effects or conflicts referred to in subparagraph (B) of this subdivision are not sufficient reason to deny the application;

(D) In the case of an electric transmission line, (i) what part, if any, of the facility shall be located overhead, (ii) that the facility conforms to a long-range plan for expansion of the electric power grid of the electric systems serving the state and interconnected utility systems and will serve the interests of electric system economy and reliability, and (iii) that the overhead portions, if any, of the facility are cost

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effective and the most appropriate alternative based on a life-cycle cost analysis of the facility and underground alternatives to such facility, are consistent with the purposes of this chapter, with such regulations or standards as the council may adopt pursuant to section 16-50t, including, but not limited to, the council's best management practices for electric and magnetic fields for electric transmission lines and with the Federal Power Commission "Guidelines for the Protection of Natural Historic Scenic and Recreational Values in the Design and Location of Rights-of-Way and Transmission Facilities" or any successor guidelines and any other applicable federal guidelines and are to be contained within an area that provides a buffer zone that protects the public health and safety, as determined by the council. In establishing such buffer zone, the council shall consider, among other things, residential areas, private or public schools, licensed child day care facilities, licensed youth camps or public playgrounds adjacent to the proposed route of the overhead portions and the level of the voltage of the overhead portions and any existing overhead transmission lines on the proposed route. At a minimum, the existing right-of-way shall serve as the buffer zone;

(E) In the case of an electric or fuel transmission line, that the location of the line will not pose an undue hazard to persons or property along the area traversed by the line;

(F) In the case of an application that was heard under a consolidated hearing process with other applications that were common to a request for proposal, that the facility proposed in the subject application represents the most appropriate alternative among such applications based on the findings and determinations pursuant to this subsection;

(G) In the case of a facility described in subdivision (6) of subsection (a) of section 16-50i that is (i) proposed to be installed on land under agricultural restriction, as provided in section 22-26cc, that the facility will not result in a material decrease of acreage and productivity of the

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arable land, [or] (ii) proposed to be installed on land near a building containing a school, as defined in section 10-154a, or a commercial child day care center, as described in subdivision (1) of subsection (a) of section 19a-77, that the facility will not be less than two hundred fifty feet from such school or commercial child day care center unless the location is acceptable to the chief elected official of the municipality or the council finds that the facility will not have a substantial adverse effect on the aesthetics or scenic quality of the neighborhood in which such school or commercial child day care center is located, [provided the council shall] or (iii) proposed to be installed on land owned by a water company, as defined in section 25-32a, and which involves a new ground mounted telecommunications tower, that such land owned by a water company is preferred over any alternative telecommunications tower sites provided the council shall, pursuant to clause (iii) of this subparagraph, consult with the Department of Public Health to determine potential impacts to public drinking water supplies in considering all the environmental impacts identified pursuant to subparagraph (B) of this subdivision. The council shall not render any decision pursuant to this subparagraph that is inconsistent with federal law or regulations; and

(H) That, for a facility described in subdivision (5) or (6) of subsection (a) of section 16-50i, the council has considered the manufacturer's recommended safety standards for any equipment, machinery or technology for the facility.

(b) (1) Prior to granting an applicant's certificate for a facility described in subdivision (5) or (6) of subsection (a) of section 16-50i, the council shall examine, in addition to its consideration of subdivisions (1) to (3), inclusive, of subsection (a) of this section: (A) The feasibility of requiring an applicant to share an existing facility, as defined in subsection (b) of section 16-50aa, within a technically derived search area of the site of the proposed facility, provided such

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shared use is technically, legally, environmentally and economically feasible and meets public safety concerns, (B) whether such facility, if constructed, may be shared with any public or private entity that provides telecommunications or community antenna television service to the public, provided such shared use is technically, legally, environmentally and economically feasible at fair market rates, meets public safety concerns, and the parties' interests have been considered, (C) whether the proposed facility would be located in an area of the state which the council, in consultation with the Department of Energy and Environmental Protection and any affected municipalities, finds to be a relatively undisturbed area that possesses scenic quality of local, regional or state-wide significance, and (D) the latest facility design options intended to minimize aesthetic and environmental impacts. The council may deny an application for a certificate if it determines that (i) shared use under the provisions of subparagraph (A) of this subdivision is feasible, (ii) the applicant would not cooperate relative to the future shared use of the proposed facility, [or] (iii) the proposed facility would substantially affect the scenic quality of its location or surrounding neighborhood and no public safety concerns require that the proposed facility be constructed in such a location, or (iv) no public safety concerns require that a proposed facility owned or operated by the state be constructed in that location. In evaluating the public need for a cellular facility described in subdivision (6) of subsection (a) of section 16-50i, there shall be a presumption of public need for personal wireless services and the council shall be limited to consideration of a specific need for any proposed facility to be used to provide such services to the public.

(2) When issuing a certificate for a facility described in subdivision (5) or (6) of subsection (a) of section 16-50i, the council may impose such reasonable conditions as it deems necessary to promote immediate and future shared use of such facilities and avoid the unnecessary proliferation of such facilities in the state. The council

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shall, prior to issuing a certificate, provide notice of the proposed facility to the municipality in which the facility is to be located. Upon motion of the council, written request by a public or private entity that provides telecommunications or community antenna television service to the public or upon written request by an interested party, the council may conduct a preliminary investigation to determine whether the holder of a certificate for such a facility is in compliance with the certificate. Following its investigation, the council may initiate a certificate review proceeding, which shall include a hearing, to determine whether the holder of a certificate for such a facility is in compliance with the certificate. In such proceeding, the council shall render a decision and may issue orders it deems necessary to compel compliance with the certificate, which may include, but not be limited to, revocation of the certificate. Such orders may be enforced in accordance with the provisions of section 16-50u.

Sec. 62. Section 25-32 of the general statutes is amended by adding subsection (q) as follows (*Effective July 1, 2013*):

(NEW) (q) Notwithstanding any provision of this section, the commissioner may grant a permit for the lease or change in use of water company land to allow for telecommunications antennas, telecommunications towers, ancillary equipment, related access drives or utilities, used in the provision of personal wireless services, as defined in 47 USC 332(c)(7), if the commissioner determines such lease or change in use will not have an adverse impact on the purity and adequacy of the public drinking water supply and that any use restrictions which the commissioner requires as a condition of granting a permit can be enforced against subsequent owners, lessees and assignees. The permit application shall include, but not be limited to, documentation on the extent of other alternative sites considered unsuitable by the provider of wireless services and a finding by the commissioner that such lease or change in use of water company land

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will not have a significant adverse impact upon the purity and adequacy of the public drinking supply. Any permit granted under this subsection shall be subject to any conditions or restrictions which the commissioner may deem necessary to maintain the purity and adequacy of the public drinking water supply.

Sec. 63. Section 16-245p of the general statutes, as amended by section 45 of public act 13-5, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An electric supplier and an electric distribution company providing standard service or back-up electric generation service, pursuant to section 16-244c, as amended by this act, shall submit information to the Public Utilities Regulatory Authority that the authority [, after consultation with the Consumer Education Advisory Council, established under section 16-244d,] determines will assist customers in making informed decisions when choosing an electric supplier, including, but not limited to, the information provided in subsection (b) of this section. Each supplier or electric distribution company providing standard service or back-up electric generation service, pursuant to section 16-244c, as amended by this act, shall, at such times as the authority requires, but not less than annually, submit in a form prescribed by the authority, information that the authority must make available pursuant to subsection (b) of this section and any other information the authority considers relevant. After the authority has received the information required pursuant to this subsection, the supplier shall be eligible to receive customer marketing information from electric or electric distribution companies, as provided in section 16-245o.

(b) The Public Utilities Regulatory Authority shall maintain and make available to customers upon request, a list of electric aggregators and the following information about each electric supplier and each electric distribution company providing standard service or back-up

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electric generation service, pursuant to section 16-244c, as amended by this act: (1) Rates and charges; (2) applicable terms and conditions of a contract for electric generation services; (3) the percentage of the total electric output derived from each of the categories of energy sources, the total emission rates of nitrogen oxides, sulfur oxides, carbon dioxide, carbon monoxide, particulates, heavy metals and other wastes the disposal of which is regulated under state or federal law at the facilities operated by or under long-term contract to the electric supplier or providing electric generation services to an electric distribution company providing standard service or back-up electric generation service, pursuant to section 16-244c, as amended by this act, and the analysis of the environmental characteristics of each such category of energy source [prepared pursuant to subsection (e) of said section 16-244d] and to the extent such information is unknown, the estimated percentage of the total electric output for which such information is unknown, along with the word "unknown" for that percentage; (4) a record of customer complaints and the disposition of each complaint; and (5) any other information the authority determines will assist customers in making informed decisions when choosing an electric supplier. The authority shall make available to customers the information filed pursuant to subsection (a) of this section not later than thirty days after its receipt. The authority shall put such information in a standard format so that a customer can readily understand and compare the services provided by each electric supplier.

(c) Each electric supplier and electric distribution company shall disclose to customers, in a manner prescribed by the authority and not less than annually, such information as the authority considers relevant. The authority may adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this subsection.

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Sec. 64. Section 16-19f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this section:

(1) "Cost of service" means an electric utility rate for a class of consumer which is designed, to the maximum extent practicable, to reflect the cost to the utility in providing electric service to such class;

(2) "Declining block rate" means an electric utility rate for a class of consumer which prices successive blocks of electricity consumed by such consumer at lower per-unit prices;

(3) "Time of day rate" means an electric utility rate for a class of consumer which is designed to reflect the cost to the utility of providing electricity to such consumer at different times of the day;

(4) "Seasonal rate" means an electric utility rate for a class of consumer designed to reflect the cost to the utility in providing electricity to such consumer during different seasons of the year;

(5) "Electric vehicle time of day rate" means an electric utility rate for a class of consumer designed to reflect the cost to the utility of providing electricity to such consumer charging an electric vehicle at a public electric vehicle charging station at different times of the day, but shall not include demand charges;

(6) "Public electric vehicle charging station" means an electric vehicle charging station, electric recharging point, charging point or electric vehicle supply equipment, which is an element in an infrastructure that supplies electricity for the recharging of plug-in electric vehicles, including all-electric cars, neighborhood electric vehicles and plug-in hybrids, and which allows any electric vehicle owner or operator to access and use the charging station free of charge;

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[(5)] (7) "Interruptible rate" means an electric utility rate designed to reflect the cost to the utility in providing service to a consumer where such consumer permits his service to be interrupted during periods of peak electrical demand;

[(6)] (8) "Load management techniques" means cost-effective techniques used by an electric utility to reduce the maximum kilowatt demand on the utility.

(b) The Public Utilities Regulatory Authority, with respect to each electric public service company and each municipal electric company, shall [.] (1) within two years, consider and determine whether it is appropriate to implement any of the following rate design standards: [(1)] (A) Cost of service; [(2)] (B) prohibition of declining block rates; [(3)] (C) time of day rates; [(4)] (D) seasonal rates; [(5)] (E) interruptible rates; and [(6)] (F) load management techniques, and (2) within one year, consider and determine whether it is appropriate to implement electric vehicle time of day rates. The consideration of said standards by the authority and each municipal electric company shall be made after public notice and hearing. Such hearing may be held concurrently with a hearing required pursuant to subsection (b) of section 16-19e. The authority and each municipal company shall make a determination on whether it is appropriate to implement any of said standards. Said determination shall be in writing, shall take into consideration the evidence presented at the hearing and shall be available to the public. A standard shall be deemed to be appropriate for implementation if such implementation would encourage energy conservation, optimal and efficient use of facilities and resources by an electric public service company or municipal electric company and equitable rates for electric consumers.

(c) The Public Utilities Regulatory Authority, with respect to each electric public service company, and each municipal electric company may implement any standard determined under subsection (b) of this

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section to be appropriate or decline to implement any such standard. If the authority or a municipal electric company declines to implement any standard determined to be appropriate, it shall state in writing its reasons for doing so and make such statement available to the public.

(d) The provisions of this section shall not apply to any municipal electric company which has total annual sales of electricity for purposes other than resale of five hundred million kilowatt-hours or less.

Sec. 65. Section 42-133bb of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Notwithstanding the terms, provisions or conditions of any franchise agreement or other agreement between a manufacturer or distributor and a dealer, no manufacturer or distributor shall require that a dealer:

(1) Order or accept delivery of any new motor vehicle, part or accessory, equipment or any other commodity not required by law in connection with warranty service or a recall campaign or voluntarily ordered by the dealer, except that the provisions of this subdivision shall not affect terms or provisions of a franchise requiring dealers to market a representative line of motor vehicles which the manufacturer or distributor is publicly advertising;

(2) Order or accept delivery of any new motor vehicle with special features, accessories or equipment not included in the list price of such motor vehicles as publicly advertised by the manufacturer or distributor;

(3) Pay all or part of the cost of an advertising campaign or contest, or purchase any promotional materials, training material, showroom or other display decorations or materials at the expense of the new motor vehicle dealer without the consent of the new motor vehicle

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dealer;

(4) Enter into any agreement with the manufacturer or distributor or do any other act prejudicial to the dealer under threat of termination or cancellation of a franchise or agreement between the dealer and the manufacturer or distributor, except that this subdivision shall not preclude the manufacturer or distributor from insisting on compliance with the reasonable terms or provisions of the franchise or agreement, and notice in good faith to any dealer of the dealer's violation of such terms or provisions shall not constitute a violation of sections 42-133r to 42-133ee, inclusive;

(5) Change the capital structure of the dealer or the means by which the dealer finances the operation of the dealership provided the dealer meets reasonable capital standards established by the manufacturer or distributor in accordance with uniformly applied criteria, and provided further that no change in the capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor and such consent shall not be unreasonably withheld;

(6) Refrain from participation in the management of, investment in, or acquisition of any other line of new motor vehicles or related products, provided this subdivision shall not apply unless the dealer maintains a reasonable line of credit for each line make of new motor vehicle, the dealer remains in compliance with any reasonable facilities requirements of the manufacturer or distributor, and no change is made in the principal management of the dealer;

(7) Prospectively assent to a release, assignment, novation, waiver or estoppel which would relieve any person from liability to be imposed by sections 42-133r to 42-133ee, inclusive, or require any controversy between a dealer and a manufacturer or distributor, to be referred to any forum other than the Superior Court or the United

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States District Court;

(8) Construct, renovate or make substantial alterations to the dealer's facilities unless the manufacturer or distributor can demonstrate that such construction, renovation or alteration requirements are reasonable and justifiable in light of current and reasonably foreseeable projections of economic conditions, financial expectations, availability of additional vehicle allocation and such dealer's market for the sale of vehicles; [.]

(9) Purchase goods or services including, but not limited to, vehicle battery charging stations, from a vendor chosen by the manufacturer or distributor if substantially similar items of like appearance, function and quality are available from other sources, provided the provisions of this subdivision shall not be construed to (A) allow a dealer to impair or eliminate the intellectual property rights of the manufacturer or distributor, or (B) permit the dealer to erect or maintain signs that do not conform to the intellectual property usage guidelines of the manufacturer or distributor.

Sec. 66. Subsection (a) of section 16-243p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An electric distribution company may recover its costs and investments that have been prudently incurred [under] as well as its revenues lost resulting from the provisions of sections 16-1, as amended by this act, 16-19ff, as amended by this act, 16-19ss, 16-50k, 16-50x, [16-243i] 16-243h to 16-243q, inclusive, 16-244c, as amended by this act, 16-244e, 16-244u, as amended by this act, 16-245d, 16-245m, as amended by this act, 16-245n, 16-245z and 16-262i and section 21 of public act 05-1 of the June special session. The Public Utilities Regulatory Authority shall, after a hearing held pursuant to the provisions of chapter 54, determine the appropriate mechanism to

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obtain [cost] such recovery in a timely manner which mechanism may be one or more of the following: (1) Approval of rates as provided in sections 16-19 and 16-19e, as amended by this act; (2) the energy adjustment clause as provided in section 16-19b; or (3) the federally mandated congestion charges, as defined in section 16-1, as amended by this act. [If an electric distribution company has, for six consecutive months, earned a return on equity below the return authorized by the authority, earnings of such electric distribution companies that are adversely affected owing to decreased energy use attributable to implementation of the provisions of sections 16-1, 16-19ss, 16-50k, 16-50x, 16-243i to 16-243q, inclusive, 16-244c, 16-244e, 16-245d, 16-245m, 16-245n, 16-245z and 16-262i and section 21 of public act 05-1 of the June special session, are recoverable pursuant to the provisions of section 16-19kk.]

Sec. 67. Section 16a-41i of the general statutes is repealed. (*Effective from passage*)

Approved July 8, 2013