



Senate

General Assembly

File No. 417

January Session, 2013

Substitute Senate Bill No. 839

Senate, April 9, 2013

The Committee on Energy and Technology reported through SEN. DUFF of the 25th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING STATUTORY CHANGES TO ADVANCE CONNECTICUT'S ENERGY POLICIES.

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

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2 general statutes is repealed and the following is substituted in lieu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

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

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7 general statutes is repealed and the following is substituted in lieu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

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

12 Sec. 3. Section 16-2 of the general statutes is repealed and the

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

14 (a) There shall continue to be a Public Utilities Regulatory Authority
15 within the Department of Energy and Environmental Protection,
16 which shall consist of three electors of this state, appointed by the
17 Governor with the advice and consent of both houses of the General
18 Assembly. Not more than two members of said authority in office at
19 any one time shall be members of any one political party. On or before
20 July 1, 2011, the Governor shall appoint three members to the
21 authority. The first [director] utility commissioner appointed by the
22 Governor on or before July 1, 2011, who is of the same political party
23 as that of the Governor shall serve a term of five years. The second
24 [director] utility commissioner appointed by the Governor on or before
25 July 1, 2011, who is of the same political party as that of the Governor
26 shall serve a term of four years. The first [director] utility
27 commissioner appointed by the Governor on or before July 1, 2011,
28 who is of a different political party as that of the Governor shall serve a
29 term of three years. Any [director] utility commissioner appointed on
30 or after January 1, 2014, shall serve a term of four years. The procedure
31 prescribed by section 4-7 shall apply to such appointments, except that
32 the Governor shall submit each nomination on or before May first, and
33 both houses shall confirm or reject it before adjournment sine die. The
34 [directors] utility commissioners shall be sworn to the faithful
35 performance of their duties. The term of any [commissioner] utility
36 commissioner serving on June 30, 2011, shall be terminated.

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

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

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

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

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

75 (f) (1) The chairperson of the authority, with the approval of the
76 Commissioner of Energy and Environmental Protection, shall
77 prescribe the duties of the staff assigned to the authority in order to
78 [(1)] (A) conduct comprehensive planning with respect to the functions

79 of the authority; [(2) coordinate the activities of the authority; (3)] (B)
80 cause the administrative organization of the authority to be examined
81 with a view to promoting economy and efficiency; [(4)] and (C)
82 organize the authority into such divisions, bureaus or other units as
83 necessary for the efficient conduct of the business of the authority and
84 may from time to time make recommendations to the [commissioner]
85 Commissioner of Energy and Environmental Protection regarding staff
86 and resources. [; (5)]

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

105 (g) No [director] utility commissioner of the [authority] Public
106 Utilities Regulatory Authority or employee of the Department of
107 Energy and Environmental Protection assigned to work with the
108 authority shall [, while serving as such or during such assignment,]
109 have any interest, financial or otherwise, direct or indirect, or engage
110 in any business, employment, transaction or professional activity, or
111 incur any obligation of any nature, which is in substantial conflict with
112 the proper discharge of his or her duties or employment in the public

113 interest and of his or her responsibilities as prescribed in the laws of
114 this state, as defined in section 1-85, concerning any matter within the
115 jurisdiction of the authority; provided, no such substantial conflict
116 shall be deemed to exist solely by virtue of the fact that a director of
117 the authority or employee of the department assigned to work with the
118 authority, or any business in which such a person has an interest,
119 receives utility service from one or more Connecticut utilities under
120 the normal rates and conditions of service.

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

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

138 (j) No [director] utility commissioner of the [authority] Public
139 Utilities Regulatory Authority or employee of the [department]
140 Department of Energy and Environmental Protection assigned to work
141 with the authority, during such assignment, shall agree to accept, or be
142 in partnership or association with any person, or a member of a
143 professional corporation or in membership with any union or
144 professional association which partnership, association, professional
145 corporation, union or professional association agrees to accept any

146 employment, fee or other thing of value, or portion thereof, in
147 consideration of his or her appearing, agreeing to appear, or taking
148 any other action on behalf of another person before the authority, the
149 Connecticut Siting Council, the Office of Policy and Management or
150 the Commissioner of Energy and Environmental Protection.

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

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

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

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

181 There is established a Division of Adjudication within the
182 [Department of Energy and Environmental Protection] Public Utilities
183 Regulatory Authority. The staff of the division shall include, but not be
184 limited to, hearing officers appointed pursuant to subsection (c) of
185 section 16-2, as amended by this act. The responsibilities of the division
186 shall include, but not be limited to, hearing matters assigned under
187 said subsection and advising the [commissioner and the] Public
188 Utilities Regulatory Authority concerning legal issues. The
189 [commissioner] chairperson of the Public Utilities Regulatory
190 Authority shall appoint such hearing officers pursuant to section 16-2,
191 as amended by this act, and assign such other staff as are necessary to
192 advise the chairperson of the authority.

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

195 If any vacancy of a utility commissioner occurs in [said] the Public
196 Utilities Regulatory Authority at any time when the General Assembly
197 is not in session, the Governor shall appoint a [director] utility
198 commissioner to fill such vacancy until such vacancy is filled at the
199 next session of the General Assembly. [Any other vacancy shall be
200 filled, for the unexpired portion of the term, in the manner provided in
201 section 16-2.]

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

204 The Public Utilities Regulatory Authority [, in consultation with the
205 Department of Energy and Environmental Protection,] may, in
206 accordance with chapter 54, adopt such regulations with respect to:
207 [rates] (1) Rates and charges, services, accounting practices, safety and
208 the conduct of operations generally of public service companies subject
209 to its jurisdiction as it deems reasonable and necessary; [. The
210 department in consultation with the authority may, in accordance with

211 chapter 54, adopt such regulations with respect to] (2) services,
212 accounting practices, safety and the conduct of operations generally of
213 electric suppliers subject to its jurisdiction as it deems reasonable and
214 necessary; [. After consultation with the Secretary of the Office of
215 Policy and Management, the department may also adopt regulations,
216 in accordance with chapter 54, establishing] and (3) standards for
217 systems utilizing cogeneration technology and renewable fuel
218 resources, in accordance with the Department of Energy and
219 Environmental Protection's policies.

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

222 The [directors and any employees of the department assigned to]
223 utility commissioners of the Public Utilities Regulatory Authority, or
224 their designees, while engaged in the performance of their duties may,
225 at all reasonable times, enter any premises, buildings, cars or other
226 places belonging to or controlled by any public service company or
227 electric supplier, and any person obstructing or in any way causing to
228 be obstructed or hindered any [member] utility commissioner of the
229 Public Utilities Regulatory Authority or employee of the [department]
230 Department of Energy and Environmental Protection in the
231 performance of his or her duties shall be fined not more than two
232 hundred dollars or imprisoned not more than six months, or both.

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

235 (NEW) (c) The Public Utilities Regulatory Authority, the
236 Department of Energy and Environmental Protection and the Office of
237 the Consumer Counsel may each retain consultants to assist their
238 respective staffs by providing expertise in areas in which staff
239 expertise does not currently exist or to supplement staff expertise for
240 any proceeding before the Federal Energy Regulatory Commission, the
241 United States Department of Energy, the United States Nuclear
242 Regulatory Commission, the United States Securities and Exchange
243 Commission, the Federal Trade Commission, the United States

244 Department of Justice or the Federal Communications Commission.
245 All reasonable and proper expenses of such consultants shall be borne
246 by the public service companies, certified telecommunications
247 providers, electric suppliers or gas registrants affected by the decisions
248 of such proceeding and shall be paid at such times and in such manner
249 as the authority directs, provided such expenses (1) shall be
250 apportioned in proportion to the revenues of each affected entity as
251 reported to the authority pursuant to section 16-49 for the most recent
252 fiscal year, and (2) shall not exceed two hundred fifty thousand dollars
253 per proceeding, including any appeals thereof, in any calendar year,
254 unless the authority finds good cause for exceeding the limit. The
255 authority shall recognize all such expenses as proper business
256 expenses of the affected entities for ratemaking purposes pursuant to
257 section 16-19e, as amended by this act, if applicable.

258 Sec. 9. (NEW) (*Effective from passage*) The Commissioner of Energy
259 and Environmental Protection shall be a party to each proceeding
260 before the Public Utilities Regulatory Authority and shall participate in
261 any such proceeding to the extent the commissioner deems necessary.
262 The commissioner may appeal, without having to demonstrate
263 aggrievement, to the Superior Court, as provided in chapter 54 of the
264 general statutes, from a decision, order or authorization in any such
265 proceeding that is a contested case, even if the commissioner failed to
266 appear or participate in such proceeding.

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

269 (a) In the exercise of its powers under the provisions of this title, the
270 Public Utilities Regulatory Authority shall examine and regulate the
271 transfer of existing assets and franchises, the expansion of the plant
272 and equipment of existing public service companies, the operations
273 and internal workings of public service companies and the
274 establishment of the level and structure of rates in accordance with the
275 following principles: (1) That there is a clear public need for the service
276 being proposed or provided; (2) that the public service company shall

277 be fully competent to provide efficient and adequate service to the
278 public in that such company is technically, financially and
279 managerially expert and efficient; (3) that the authority and all public
280 service companies shall perform all of their respective public
281 responsibilities with economy, efficiency and care for public safety and
282 energy security, and so as to promote economic development within
283 the state with consideration for energy and water conservation, energy
284 efficiency and the development and utilization of renewable sources of
285 energy and for the prudent management of the natural environment;
286 (4) that the level and structure of rates be sufficient, but no more than
287 sufficient, to allow public service companies to cover their operating
288 costs including, but not limited to, appropriate staffing levels, and
289 capital costs, to attract needed capital and to maintain their financial
290 integrity, and yet provide appropriate protection to the relevant public
291 interests, both existing and foreseeable which shall include, but not be
292 limited to, reasonable costs of security of assets, facilities and
293 equipment that are incurred solely for the purpose of responding to
294 security needs associated with the terrorist attacks of September 11,
295 2001, and the continuing war on terrorism; (5) that the level and
296 structure of rates charged customers shall reflect prudent and efficient
297 management of the franchise operation; and (6) that the rates, charges,
298 conditions of service and categories of service of the companies not
299 discriminate against customers which utilize renewable energy sources
300 or cogeneration technology to meet a portion of their energy
301 requirements.

302 (b) The Public Utilities Regulatory Authority shall promptly
303 undertake a separate, general investigation of, and shall hold at least
304 one public hearing on new pricing principles and rate structures for
305 electric companies and for gas companies to consider, without
306 limitation, long run incremental cost of marginal cost pricing, peak
307 load or time of day pricing and proposals for optimizing the utilization
308 of energy and restraining its wasteful use and encouraging energy
309 conservation, and any other matter with respect to pricing principles
310 and rate structures as the authority shall deem appropriate. The
311 authority shall determine whether existing or future rate structures

312 place an undue burden upon those persons of poverty status and shall
313 make such adjustment in the rate structure as is necessary or desirable
314 to take account of their indigency. The authority shall require the
315 utilization of such new principles and structures to the extent that the
316 authority determines that their implementation is in the public
317 interest, as identified by the Department of Energy and Environmental
318 Protection in the Integrated Resources Plan and the Comprehensive
319 Energy Strategy, and necessary or desirable to accomplish the
320 purposes of this provision without being unfair or discriminatory or
321 unduly burdensome or disruptive to any group or class of customers,
322 and determines that such principles and structures are capable of
323 yielding required revenues. In reviewing the rates and rate structures
324 of electric and gas companies, the authority shall [take into
325 consideration appropriate energy policies, including those of the state
326 as expressed in subsection (c) of this section] be guided by the goals of
327 the Department of Energy and Environmental Protection, as described
328 in section 22a-2d, the Comprehensive Energy Strategy, the Integrated
329 Resources Plan and the Conservation and Load Management Plan. The
330 authority shall issue its initial findings on such investigation by
331 December 1, 1976, and its final findings and order by June 1, 1977;
332 provided that after such final findings and order are issued, the
333 authority shall at least once every two years undertake such further
334 investigations as it deems appropriate with respect to new
335 developments or desirable modifications in pricing principles and rate
336 structures and, after holding at least one public hearing thereon, shall
337 issue its findings and order thereon.

338 (c) The Department of Energy and Environmental Protection shall
339 coordinate and integrate its actions, decisions and policies pertaining
340 to gas and electric companies, so far as possible, with the actions,
341 decisions and policies of other agencies and instrumentalities in order
342 to further the development and optimum use of the state's energy
343 resources and conform to the greatest practicable extent with the state
344 energy policy as stated in section 16a-35k, the Comprehensive Energy
345 Strategy and the Integrated Resources Plan taking into account
346 prudent management of the natural environment and continued

347 promotion of economic development within the state. The department
348 shall defer, as appropriate, to any actions taken by other agencies and
349 instrumentalities on matters within their respective jurisdictions.

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

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

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

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

378 Sec. 11. Section 16-35 of the general statutes is amended by adding

379 subsection (c) as follows (*Effective from passage*):

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

385 Sec. 12. Subdivision (5) of subsection (c) of section 16-244c of the
386 general statutes is repealed and the following is substituted in lieu
387 thereof (*Effective from passage*):

388 (5) For standard service contracts procured prior to [department]
389 the authority's approval of the [plan developed pursuant to section 16-
390 244m] Procurement Plan, each bidder for a standard service contract
391 shall submit its bid to the electric distribution company and the third-
392 party entity who shall jointly review the bids and submit an overview
393 of all bids together with a joint recommendation to the [department]
394 authority as to the preferred bidders. The [department] authority may,
395 within ten business days of submission of the overview, reject the
396 recommendation regarding preferred bidders. In the event that the
397 [department] authority rejects the preferred bids, the electric
398 distribution company and the third-party entity shall rebid the service
399 pursuant to this subdivision. The [department] authority shall review
400 each bid in an uncontested proceeding that shall include a public
401 hearing and in which any interested person, including, but not limited
402 to, the Consumer Counsel, [and] the Commissioner of Energy and
403 Environmental Protection or the Attorney General may participate.

404 Sec. 13. Section 16-244m of the general statutes is repealed and the
405 following is substituted in lieu thereof (*Effective from passage*):

406 (a) (1) On or before January 1, 2012, and annually thereafter, the
407 procurement manager of the [Department of Energy and
408 Environmental Protection] Public Utilities Regulatory Authority, in
409 consultation with each electric distribution company, and [with] others
410 at the procurement manager's discretion, including, but not limited to,

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

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

434 (b) The procurement manager shall, not less than quarterly, [meet
435 with the Commissioner of Energy and Environmental Protection and]
436 prepare a written report on the implementation of the [plan]
437 Procurement Plan. If the procurement manager finds that an interim
438 amendment to the annual [procurement] plan might substantially
439 further the goals of reducing the cost or cost volatility of standard
440 service, the procurement manager may petition the Public Utilities
441 Regulatory Authority for such an interim amendment. The Public
442 Utilities Regulatory Authority shall provide notice of the proposed
443 amendment to the Office of Consumer Counsel and the electric
444 distribution companies. The Office of Consumer Counsel and the

445 electric distribution companies shall have two business days from the
446 date of such notice to request an uncontested proceeding and a
447 technical meeting of the Public Utilities Regulatory Authority
448 regarding the proposed amendment, which proceeding and meeting
449 shall occur if requested. The Public Utilities Regulatory Authority may
450 approve, modify or deny the proposed amendment, with such
451 approval, modification or denial following the technical meeting if one
452 is requested. The Public Utilities Regulatory Authority's ruling shall
453 occur within three business days after the technical meeting, if one is
454 requested, or within three business days of the expiration of the time
455 for requesting a technical meeting if no technical meeting is requested.
456 The Public Utilities Regulatory Authority may maintain the
457 confidentiality of the technical meeting to the full extent allowed by
458 law.

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

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

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

473 Sec. 14. Section 16-245ee of the general statutes is repealed and the
474 following is substituted in lieu thereof (*Effective from passage*):

475 Before approving any plan for energy conservation and load
476 management and [renewable] clean energy projects issued to [it] the

477 Commissioner of Energy and Environmental Protection by the Energy
478 Conservation and Management Board, the board of directors of the
479 Clean Energy Finance and Investment Authority or an electric
480 distribution company, [the Department of Energy and Environmental
481 Protection] said commissioner shall determine that an equitable
482 amount of the funds administered by each such board are to be
483 deployed among small and large customers with a maximum average
484 monthly peak demand of one hundred kilowatts in census tracts in
485 which the median income is not more than sixty per cent of the state
486 median income. The [department] Commissioner of Energy and
487 Environmental Protection shall determine such equitable share and
488 such projects may include a mentoring component for such
489 communities. On and after January 1, 2012, and annually thereafter,
490 the [department] Commissioner of Energy and Environmental
491 Protection shall report, in accordance with the provisions of section 11-
492 4a, to the joint standing committee of the General Assembly having
493 cognizance of matters relating to energy regarding the distribution of
494 funds to such communities. Any such report may be submitted
495 electronically.

496 Sec. 15. Section 16-245hh of the general statutes is repealed and the
497 following is substituted in lieu thereof (*Effective from passage*):

498 The Clean Energy Finance and Investment Authority created
499 pursuant to section 16-245n, in consultation with the [Department]
500 Commissioner of Energy and Environmental Protection, shall establish
501 a program to be known as the "condominium renewable energy grant
502 program". Under such program, the board of directors of said
503 authority shall provide grants to residential condominium associations
504 and residential condominium owners, within available funds, for
505 purchasing clean energy sources, including solar energy, geothermal
506 energy and fuel cells or other energy-efficient hydrogen-fueled energy.

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

510 (b) The board shall (1) report to the General Assembly on the status
511 of programs administered by the Department of Energy and
512 Environmental Protection [] pursuant to title 16 or this title, and (2)
513 consult with the Commissioner of Energy and Environmental
514 Protection regarding the [integrated resource plan developed pursuant
515 to section 16a-3a, and (3) review, within available resources, requests
516 from the General Assembly] Integrated Resources Plan and the
517 Comprehensive Energy Strategy.

518 Sec. 17. Section 16a-3a of the general statutes is repealed and the
519 following is substituted in lieu thereof (*Effective from passage*):

520 (a) The [Department] Commissioner of Energy and Environmental
521 Protection, in consultation with the Connecticut Energy Advisory
522 Board and the electric distribution companies, shall review the state's
523 energy and capacity resource assessment and [develop an integrated
524 resources plan] approve the Integrated Resources Plan for the
525 procurement of energy resources, including, but not limited to,
526 conventional and renewable generating facilities, energy efficiency,
527 load management, demand response, combined heat and power
528 facilities, distributed generation and other emerging energy
529 technologies to meet the projected requirements of their customers in a
530 manner that minimizes the cost of [such] all energy resources to
531 customers over time and maximizes consumer benefits consistent with
532 the state's environmental goals and standards. [Such integrated
533 resources plan] The Integrated Resources Plan shall seek to lower the
534 cost of electricity.

535 (b) On or before January 1, 2012, and biennially thereafter, the
536 [Department] Commissioner of Energy and Environmental Protection,
537 in consultation with the Connecticut Energy Advisory Board and the
538 electric distribution companies, shall prepare an assessment of (1) the
539 energy and capacity requirements of customers for the next three, five
540 and ten years, (2) the manner of how best to eliminate growth in
541 electric demand, (3) how best to level electric demand in the state by
542 reducing peak demand and shifting demand to off-peak periods, (4)

543 the impact of current and projected environmental standards,
544 including, but not limited to, those related to greenhouse gas emissions
545 and the federal Clean Air Act goals and how different resources could
546 help achieve those standards and goals, (5) energy security and
547 economic risks associated with potential energy resources, and (6) the
548 estimated lifetime cost and availability of potential energy resources.

549 (c) Resource needs shall first be met through all available energy
550 efficiency and demand reduction resources that are cost-effective,
551 reliable and feasible. The projected customer cost impact of any
552 demand-side resources considered pursuant to this subsection shall be
553 reviewed on an equitable basis with nondemand-side resources. The
554 [integrated resources plan] Integrated Resources Plan shall specify (1)
555 the total amount of energy and capacity resources needed to meet the
556 requirements of all customers, (2) the extent to which demand-side
557 measures, including efficiency, conservation, demand response and
558 load management can cost-effectively meet these needs in a manner
559 that ensures equity in benefits and cost reduction to all classes and
560 subclasses of consumers, (3) needs for generating capacity and
561 transmission and distribution improvements, (4) how the development
562 of such resources will reduce and stabilize the costs of electricity to
563 each class and subclass of consumers, and (5) the manner in which
564 each of the proposed resources should be procured, including the
565 optimal contract periods for various resources.

566 (d) The [integrated resources plan] Integrated Resources Plan shall
567 consider: (1) Approaches to maximizing the impact of demand-side
568 measures; (2) the extent to which generation needs can be met by
569 renewable and combined heat and power facilities; (3) the
570 optimization of the use of generation sites and generation portfolio
571 existing within the state; (4) fuel types, diversity, availability, firmness
572 of supply and security and environmental impacts thereof, including
573 impacts on meeting the state's greenhouse gas emission goals; (5)
574 reliability, peak load and energy forecasts, system contingencies and
575 existing resource availabilities; (6) import limitations and the
576 appropriate reliance on such imports; (7) the impact of the

577 [procurement plan] Integrated Resources Plan on the costs of electric
578 customers; and (8) the effects on participants and nonparticipants.
579 Such plan shall include options for lowering the rates and cost of
580 electricity. [The Department of Energy and Environmental Protection
581 shall hold a public hearing on such integrated resources plan pursuant
582 to chapter 54. The commissioner may approve or reject such plan with
583 comments.]

584 (e) [The procurement manager of the Public Utilities Regulatory
585 Authority, in consultation with the electric distribution companies, the
586 regional independent system operator, and the Connecticut Energy
587 Advisory Board, shall develop a procurement plan and hold public
588 hearings on the proposed plan. Such hearings shall not constitute a
589 contested case and shall be held in accordance with chapter 54. The
590 Public Utilities Regulatory Authority shall give not less than fifteen
591 days' notice of such proceeding by electronic publication on the
592 department's Internet web site.] In approving the Integrated Resources
593 Plan, the Commissioner of Energy and Environmental Protection shall
594 conduct an uncontested proceeding that shall include not less than one
595 public meeting and one technical meeting at which technical personnel
596 shall be available to answer questions. Such meetings shall be
597 transcribed and posted on the department's Internet web site. Not less
598 than fifteen days before any such public meeting and thirty days
599 before any such technical meeting, said commissioner shall publish
600 notice of either such meeting and post the text of the proposed
601 Integrated Resources Plan on the department's Internet web site.
602 Notice of such [hearing] public meeting or technical meeting may also
603 be published in one or more newspapers having state-wide circulation
604 if deemed necessary by the commissioner. Such notice shall state the
605 date, time, and place of the [hearing] meeting, the subject matter of the
606 [hearing] meeting and time period during which comments may be
607 submitted to said commissioner, the statutory authority for the
608 proposed [integrated resources plan] Integrated Resources Plan and
609 the location where a copy of the proposed [integrated resources] plan
610 may be obtained or examined. [in addition to posting the plan on the
611 department's Internet web site. The] Said commissioner shall provide a

612 time period of not less than [forty-five] sixty days from the date the
613 notice is published on the department's Internet web site for public
614 review and comment. [The] Said commissioner shall consider fully [,
615 after all public meetings,] all written and oral comments concerning
616 the proposed [integrated resources plan and] Integrated Resources
617 Plan after all public meetings and before approving the final plan. Said
618 commissioner shall [post on the department's Internet web site and] (1)
619 notify by electronic mail each person who requests such notice, [The
620 commissioner shall make available] and (2) post on the department's
621 Internet web site the electronic text of the final [integrated resources
622 plan or an Internet web site where the final integrated resources plan is
623 posted,] Integrated Resources Plan and a report summarizing [(1)] all
624 public comments [,] and [(2)] the changes made to the final [integrated
625 resources] plan in response to such comments and the reasons
626 therefor. The commissioner shall submit the final [integrated resources
627 plan] Integrated Resources Plan by electronic means, or as requested,
628 to the joint standing committees of the General Assembly having
629 cognizance of matters relating to energy and the environment. [The
630 department's Bureau of Energy shall, after the public hearing, make
631 recommendations to the Commissioner of Energy and Environmental
632 Protection regarding plan modifications. Said commissioner shall
633 approve or reject the plan with comments.] Said commissioner may
634 modify the Integrated Resources Plan to correct clerical errors at any
635 time without following the procedures outlined in this subsection.

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

646 (g) All reasonable costs associated with the department's
647 development of the resource assessment and the [development of the
648 integrated resources plan and the procurement plan] Integrated
649 Resources Plan shall be recoverable through the assessment in section
650 16-49. All electric distribution companies' reasonable costs associated
651 with the development of the plan shall be recoverable through a
652 reconciling nonbypassable component of electric rates as determined
653 by the authority.

654 (h) [The decisions of the Public Utilities Regulatory Authority shall
655 be guided by the goals of the Department of Energy and
656 Environmental Protection, as described in section 22a-2d, and with the
657 goals of the integrated resources plan approved pursuant to this
658 section and the comprehensive energy plan developed pursuant to
659 section 16a-3d and shall be based on the evidence in the record of each
660 proceeding.] In the event that the Integrated Resources Plan finalized
661 by the Commissioner of Energy and Environmental Protection
662 contains any provision the implementation of which requires funding
663 through new or amended rates or charges, the Public Utilities
664 Regulatory Authority may open a proceeding to review such
665 provision, in accordance with the procedures established in sections
666 16-19 and 16-19e, as amended by this act, to ensure that rates remain
667 just and reasonable.

668 Sec. 18. Section 16a-3b of the general statutes is repealed and the
669 following is substituted in lieu thereof (*Effective from passage*):

670 (a) The Public Utilities Regulatory Authority shall oversee the
671 implementation of the [integrated resources plan, approved by the
672 Commissioner of Energy and Environmental Protection pursuant to
673 section 16a-3a] Integrated Resources Plan and the Procurement Plan.
674 The electric distribution companies shall implement the demand-side
675 measures, including, but not limited to, energy efficiency, load
676 management, demand response, combined heat and power facilities,
677 distributed generation and other emerging energy technologies,
678 specified in [said plan through] the Integrated Resources Plan and

679 included in the comprehensive [conservation and load management
680 plan prepared pursuant to section 16-245m for review] Conservation
681 and Load Management Plan approved by the Energy Conservation
682 Management Board and the Commissioner of Energy and
683 Environmental Protection. The electric distribution companies shall
684 submit proposals to appropriate regulatory agencies to address
685 transmission and distribution upgrades as specified in [said plan] the
686 Integrated Resources Plan.

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

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

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

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

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

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

739 (c) The electric distribution companies shall issue requests for
740 proposals to acquire any other resource needs not identified in
741 subsection (a) or (b) of this section but specified in the [integrated
742 resources plan] Integrated Resources Plan approved by the
743 Commissioner of Energy and Environmental Protection pursuant to
744 section 16a-3a, as amended by this act. Such requests for proposals
745 shall be subject to approval by the authority.

746 Sec. 19. Subsection (a) of section 16a-3c of the general statutes is
747 repealed and the following is substituted in lieu thereof (*Effective from*
748 *passage*):

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

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

763 (a) On or before [July 1, 2012] October 1, 2013, and every three years
764 thereafter, the Commissioner of Energy and Environmental Protection,
765 in consultation with the Connecticut Energy Advisory Board, shall
766 prepare a [comprehensive energy plan. Such plan] Comprehensive
767 Energy Strategy. Said strategy shall reflect the legislative findings and
768 policy stated in section 16a-35k and shall incorporate (1) an assessment
769 and plan for all energy needs in the state, including, but not limited to,
770 electricity, heating, cooling, and transportation, (2) the findings of the
771 [integrated resources plan] Integrated Resources Plan, (3) the findings
772 of the plan for energy efficiency adopted pursuant to section 16-245m,
773 [and] (4) the findings of the plan for renewable energy adopted
774 pursuant to section 16-245n, [. Such plan] and (5) the Energy
775 Assurance Plan developed for the state of Connecticut pursuant to the
776 American Recovery and Reinvestment Act of 2009, P.L. 111-5, or any
777 successor Energy Assurance Plan developed within a reasonable time
778 prior to the preparation of any Comprehensive Energy Strategy. Said

779 strategy shall further include, but not be limited to, (A) an assessment
780 of current energy supplies, demand and costs, (B) identification and
781 evaluation of the factors likely to affect future energy supplies,
782 demand and costs, (C) a statement of progress made toward achieving
783 the goals and milestones set in the preceding [comprehensive energy
784 plan] Comprehensive Energy Strategy, (D) a statement of energy
785 policies and long-range energy planning objectives and strategies
786 appropriate to achieve, among other things, a sound economy, the
787 least-cost mix of energy supply sources and measures that reduce
788 demand for energy, giving due regard to such factors as consumer
789 price impacts, security and diversity of fuel supplies and energy
790 generating methods, protection of public health and safety,
791 environmental goals and standards, conservation of energy and energy
792 resources and the ability of the state to compete economically, (E)
793 recommendations for administrative and legislative actions to
794 implement such policies, objectives and strategies, (F) an assessment of
795 the potential costs savings and benefits to ratepayers, including, but
796 not limited to, carbon dioxide emissions reductions or voluntary joint
797 ventures to repower some or all of the state's coal-fired and oil-fired
798 generation facilities built before 1990, and (G) the benefits, costs,
799 obstacles and solutions related to the expansion and use and
800 availability of natural gas in Connecticut. If the department finds that
801 such expansion is in the public interest, it shall develop a plan to
802 increase the use and availability of natural gas. [for transportation
803 purposes.]

804 (b) In adopting the [comprehensive energy plan] Comprehensive
805 Energy Strategy, the Commissioner of Energy and Environmental
806 Protection [, or the commissioner's designee,] shall conduct a
807 proceeding [and such proceeding] that shall not be considered a
808 contested case under chapter 54, [provided a hearing pursuant to
809 chapter 54 shall be held. The] but shall include not less than one public
810 meeting and one technical meeting at which technical personnel shall
811 be available to answer questions. Such meetings shall be transcribed
812 and posted on the department's Internet web site. Said commissioner
813 shall give not less than fifteen days' notice of such proceeding by

814 electronic publication on the department's Internet web site. Not later
815 than fifteen days prior to any such public meeting and not less than
816 thirty days prior to any such technical meeting, the commissioner shall
817 publish notice of either such meeting and post the text of the proposed
818 Comprehensive Energy Strategy on the department's Internet web site.
819 Notice of such [hearing] public meeting or technical meeting may also
820 be published in one or more newspapers having state-wide circulation
821 if deemed necessary by the commissioner. Such notice shall state the
822 date, time, and place of the meeting, the subject matter of the meeting,
823 the manner and time period during which comments may be
824 submitted to said commissioner, the statutory authority for the
825 proposed [plan] strategy and the location where a copy of the
826 proposed [plan] strategy may be obtained or examined in addition to
827 posting the [plan] proposed strategy on the department's Internet web
828 site. [The Public Utilities Regulatory Authority shall comment on the
829 plan's impact on ratepayers and any other person may comment on the
830 proposed plan. The] Said commissioner shall provide a time period of
831 not less than [forty-five] sixty days from the date the notice is
832 published on the department's Internet web site for public review and
833 comment. [The] During such time period, any person may provide
834 comments concerning the proposed strategy to said commissioner.
835 Said commissioner shall consider fully [, after all public meetings,] all
836 written and oral comments concerning the proposed [plan and shall
837 post on the department's Internet web site and] strategy after all public
838 meetings and technical meetings and before approving the final
839 strategy. Said commissioner shall (1) notify by electronic mail each
840 person who requests such notice, [, The commissioner shall make
841 available] and (2) and post on the department's Internet web site the
842 electronic text of the final [plan or an Internet web site where the final
843 plan is posted,] strategy and a report summarizing [(1)] all public
844 comments [,] and [(2)] the changes made to the final [plan] strategy in
845 response to such comments and the reasons [therefore] therefor. The
846 Public Utilities Regulatory Authority shall comment on the strategy's
847 impact on natural gas and electric rates.

848 (c) The [commissioner] Commissioner of Energy and Environmental

849 Protection shall submit the final [plan] strategy electronically to the
850 joint standing committees of the General Assembly having cognizance
851 of matters relating to energy and the environment.

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

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

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

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

869 (a) The [integrated resources plan, developed pursuant to section
870 16a-3a,] Integrated Resources Plan to be adopted in 2012 and annually
871 thereafter, shall (1) indicate specific options to reduce [the price of
872 electricity] electric rates and costs. Such options may include the
873 procurement of new sources of generation. In the review of new
874 sources of generation, the [integrated resources plan] Integrated
875 Resources Plan shall indicate whether the private wholesale market
876 can supply such additional sources or whether state financial
877 assistance, long-term purchasing of electricity contracts or other
878 interventions are needed to achieve the goal; (2) analyze in-state
879 renewable sources of electricity in comparison to transmission line
880 upgrades or new projects and out-of-state renewable energy sources,

881 provided such analysis also considers the benefits of additional jobs
882 and other economic impacts and how they are created and subsidized;
883 (3) include an examination of average consumption and other states'
884 best practices to determine why electricity rates are lower elsewhere in
885 the region; (4) assess and compare the cost of transmission line
886 projects, new power sources, renewable sources of electricity,
887 conservation and distributed generation projects to ensure the state
888 pursues only the least-cost alternative projects; (5) continually monitor
889 supply and distribution systems to identify potential need for
890 transmission line projects early enough to identify alternatives; and (6)
891 assess the least-cost alternative to address reliability concerns,
892 including, but not limited to, lowering electricity demand through
893 conservation and distributed generation projects before an electric
894 distribution company submits a proposal for transmission lines or
895 transmission line upgrades to the independent system operator or the
896 Federal Energy Regulatory Commission, provided no provision of
897 such plan shall be deemed to prohibit an electric distribution company
898 from making any filing required by law or regulation.

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

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

914 Sec. 22. Subsection (b) of section 16a-7b of the general statutes is
915 repealed and the following is substituted in lieu thereof (*Effective from*
916 *passage*):

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

930 Sec. 23. Subsections (c) to (e), inclusive, of section 16a-37u of the
931 general statutes are repealed and the following is substituted in lieu
932 thereof (*Effective from passage*):

933 (c) Any state agency or municipality may enter into an energy-
934 savings performance contract, as defined in section 16a-37x, with a
935 qualified energy service provider, as defined in said section 16a-37x, to
936 produce utility cost savings, as defined in said section 16a-37x, or
937 operation and maintenance cost savings, as defined in said section 16a-
938 37x. Any energy-savings measure, as defined in said section 16a-37x,
939 implemented under such contracts shall comply with state [or local]
940 building [codes] code and local building requirements. Any state
941 agency or municipality may implement other capital improvements in
942 conjunction with an energy-savings performance contract as long as
943 the measures that are being implemented to achieve utility and
944 operation and maintenance cost savings and other capital
945 improvements are in the aggregate cost effective over the term of the
946 contract.

947 (d) On or before January 1, 2013, and annually thereafter, the
948 commissioner shall report, in accordance with the provisions of section
949 11-4a, on the status of its implementation of the plan and provide
950 recommendations regarding energy use in state buildings to the joint
951 standing committee of the General Assembly having cognizance of
952 matters relating to energy. Any such report may be submitted
953 electronically.

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

981 Sec. 24. Subsection (a) of section 16a-40l of the general statutes is
982 repealed and the following is substituted in lieu thereof (*Effective from*
983 *passage*):

984 (a) On or before October 1, 2011, the Department of Energy and
985 Environmental Protection shall establish a residential heating
986 equipment financing program. Such program shall allow residential
987 customers to finance, through on-bill financing or other mechanism,
988 the installation of energy efficient natural gas or heating oil burners,
989 boilers and furnaces or ductless heat pumps to replace (1) burners,
990 boilers and furnaces that are not less than seven years old with an
991 efficiency rating of not more than seventy-five per cent, or (2) electric
992 heating systems. Eligible fuel oil furnaces shall have an efficiency
993 rating of not less than eighty-six per cent. An eligible fuel oil burner
994 shall have an efficiency rating of not less than eighty-six per cent with
995 temperature reset controls. An eligible natural gas boiler shall have an
996 annual fuel utilization efficiency rating of not less than ninety per cent
997 and an eligible natural gas furnace shall have an annual fuel utilization
998 efficiency rating of not less than ninety-five per cent. To participate in
999 the program established pursuant to this subsection, a customer shall
1000 first have a home energy audit, the cost of which may be financed
1001 pursuant to subsection (b) of this section.

1002 Sec. 25. Section 16a-46h of the general statutes is repealed and the
1003 following is substituted in lieu thereof (*Effective from passage*):

1004 [(a)] Each electric, gas or heating fuel customer, regardless of
1005 heating source, shall be assessed fees, charges, co-pays or other similar
1006 terms to access any audits administered by the Home Energy Solutions
1007 program that reflect the contributions made to the Energy Efficiency
1008 Fund by each such customer's respective customer type. [, provided
1009 such fees, charges, copays and other similar terms shall not exceed a
1010 total of ninety-nine dollars for any such audit.]

1011 [(b) After August 1, 2013, the costs of subsidizing such audits to
1012 ratepayers whose primary source of heat is not electricity or natural
1013 gas shall not exceed five hundred thousand dollars per year.]

1014 Sec. 26. Subsections (b) to (g), inclusive, of section 16a-48 of the
1015 general statutes are repealed and the following is substituted in lieu
1016 thereof (*Effective from passage*):

1017 (b) The provisions of this section apply to the testing, certification
1018 and enforcement of efficiency standards for the following types of new
1019 products sold, offered for sale or installed in the state: (1) Commercial
1020 clothes washers; (2) commercial refrigerators and freezers; (3)
1021 illuminated exit signs; (4) large packaged air-conditioning equipment;
1022 (5) low voltage dry-type distribution transformers; (6) torchiere
1023 lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)
1024 residential furnaces and boilers; (10) residential pool pumps; (11) metal
1025 halide lamp fixtures; (12) single voltage external AC to DC power
1026 supplies; (13) state regulated incandescent reflector lamps; (14) bottle-
1027 type water dispensers; (15) commercial hot food holding cabinets; (16)
1028 portable electric spas; (17) walk-in refrigerators and walk-in freezers;
1029 (18) pool heaters; (19) compact audio players; (20) televisions; (21)
1030 digital versatile disc players; (22) digital versatile disc recorders; and
1031 (23) any other products as may be designated by the [department]
1032 commissioner in accordance with subdivision (3) of subsection (d) of
1033 this section.

1034 (c) The provisions of this section do not apply to (1) new products
1035 manufactured in the state and sold outside the state, (2) new products
1036 manufactured outside the state and sold at wholesale inside the state
1037 for final retail sale and installation outside the state, (3) products
1038 installed in mobile manufactured homes at the time of construction, or
1039 (4) products designed expressly for installation and use in recreational
1040 vehicles.

1041 (d) (1) The [department] Commissioner of Energy and
1042 Environmental Protection shall adopt regulations, in accordance with
1043 the provisions of chapter 54, to implement the provisions of this
1044 section and to establish minimum energy efficiency standards for the
1045 types of new products set forth in subsection (b) of this section. The
1046 regulations shall provide for the following minimum energy efficiency

1047 standards:

1048 (A) Commercial clothes washers shall meet the requirements shown
1049 in Table P-3 of section 1605.3 of the California Code of Regulations,
1050 Title 20: Division 2, Chapter 4, Article 4;

1051 (B) Commercial refrigerators and freezers shall meet the August 1,
1052 2004, requirements shown in Table A-6 of said California regulation;

1053 (C) Illuminated exit signs shall meet the version 2.0 product
1054 specification of the "Energy Star Program Requirements for Exit Signs"
1055 developed by the United States Environmental Protection Agency;

1056 (D) Large packaged air-conditioning equipment having not more
1057 than seven hundred sixty thousand BTUs per hour of capacity shall
1058 meet a minimum energy efficiency ratio of 10.0 for units using both
1059 electric heat and air conditioning or units solely using electric air
1060 conditioning, and 9.8 for units using both natural gas heat and electric
1061 air conditioning;

1062 (E) Large packaged air-conditioning equipment having not less than
1063 seven hundred sixty-one thousand BTUs per hour of capacity shall
1064 meet a minimum energy efficiency ratio of 9.7 for units using both
1065 electric heat and air conditioning or units solely using electric air
1066 conditioning, and 9.5 for units using both natural gas heat and electric
1067 air conditioning;

1068 (F) Low voltage dry-type distribution transformers shall meet or
1069 exceed the energy efficiency values shown in Table 4-2 of the National
1070 Electrical Manufacturers Association Standard TP-1-2002;

1071 (G) Torchiere lighting fixtures shall not consume more than one
1072 hundred ninety watts and shall not be capable of operating with lamps
1073 that total more than one hundred ninety watts;

1074 (H) Traffic signal modules shall meet the product specification of
1075 the "Energy Star Program Requirements for Traffic Signals" developed
1076 by the United States Environmental Protection Agency that took effect

1077 in February, 2001, except where the department, in consultation with
1078 the Commissioner of Transportation, determines that such
1079 specification would compromise safe signal operation;

1080 (I) Unit heaters shall not have pilot lights and shall have either
1081 power venting or an automatic flue damper;

1082 (J) On or after January 1, 2009, residential furnaces and boilers
1083 purchased by the state shall meet or exceed the following annual fuel
1084 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
1085 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
1086 cent annual fuel utilization efficiency, (iii) for gas and propane hot
1087 water boilers, eighty-four per cent annual fuel utilization efficiency,
1088 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
1089 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
1090 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
1091 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
1092 for furnaces with furnace air handlers, an electricity ratio of not more
1093 than 2.0, except air handlers for oil furnaces with a capacity of less than
1094 ninety-four thousand BTUs per hour shall have an electricity ratio of
1095 2.3 or less;

1096 (K) On or after January 1, 2010, metal halide lamp fixtures designed
1097 to be operated with lamps rated greater than or equal to one hundred
1098 fifty watts but less than or equal to five hundred watts shall not
1099 contain a probe-start metal halide lamp ballast;

1100 (L) Single-voltage external AC to DC power supplies manufactured
1101 on or after January 1, 2008, shall meet the energy efficiency standards
1102 of table U-1 of section 1605.3 of the January 2006 California Code of
1103 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1104 Efficiency Regulations. This standard applies to single voltage AC to
1105 DC power supplies that are sold individually and to those that are sold
1106 as a component of or in conjunction with another product. This
1107 standard shall not apply to single-voltage external AC to DC power
1108 supplies sold with products subject to certification by the United States
1109 Food and Drug Administration. A single-voltage external AC to DC

1110 power supply that is made available by a manufacturer directly to a
1111 consumer or to a service or repair facility after and separate from the
1112 original sale of the product requiring the power supply as a service
1113 part or spare part shall not be required to meet the standards in said
1114 table U-1 until five years after the effective dates indicated in the table;

1115 (M) On or after January 1, 2009, state regulated incandescent
1116 reflector lamps shall be manufactured to meet the minimum average
1117 lamp efficacy requirements for federally regulated incandescent
1118 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
1119 indicate the date of manufacture;

1120 (N) On or after January 1, 2009, bottle-type water dispensers,
1121 commercial hot food holding cabinets, portable electric spas, walk-in
1122 refrigerators and walk-in freezers shall meet the efficiency
1123 requirements of section 1605.3 of the January 2006 California Code of
1124 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1125 Efficiency Regulations. On or after January 1, 2010, residential pool
1126 pumps shall meet said efficiency requirements;

1127 (O) On or after January 1, 2009, pool heaters shall meet the
1128 efficiency requirements of sections 1605.1 and 1605.3 of the January
1129 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
1130 Article 4: Appliance Efficiency Regulations;

1131 (P) By January 1, 2014, compact audio players, digital versatile disc
1132 players and digital versatile disc recorders shall meet the requirements
1133 shown in Table V-1 of Section 1605.3 of the November 2009
1134 amendments to the California Code of Regulations, Title 20, Division 2,
1135 Chapter 4, Article 4, unless the commissioner, in accordance with
1136 subparagraph (B) of subdivision (3) of this subsection, determines that
1137 such standards are unwarranted and may accept, reject or modify
1138 according to subparagraph (A) of subdivision (3) of this subsection;

1139 (Q) On or after January 1, 2014, televisions manufactured on or after
1140 July 1, 2011, shall meet the requirements shown in Table V-2 of Section
1141 1605.3 of the November 2009 amendments to the California Code of

1142 Regulations, Title 20, Division 2, Chapter 4, Article 4, unless the
1143 commissioner, in accordance with subparagraph (B) of subdivision (3)
1144 of this subsection, determines that such standards are unwarranted
1145 and may accept, reject or modify according to subparagraph (A) of
1146 subdivision (3) of this subsection; and

1147 (R) In addition to the requirements of subparagraph (Q) of this
1148 subdivision, televisions manufactured on or after January 1, 2014, shall
1149 meet the efficiency requirements of Sections 1605.3(v)(3)(A),
1150 1605.3(v)(3)(B) and 1605.3(v)(3)(C) of the November 2009 amendments
1151 to the California Code of Regulations, Title 20, Division 2, Chapter 4,
1152 Article 4, unless the commissioner, in accordance with subparagraph
1153 (B) of subdivision (3) of this subsection, determines that such
1154 standards are unwarranted and may accept, reject or modify according
1155 to subparagraph (A) of subdivision (3) of this subsection.

1156 (2) Such efficiency standards, where in conflict with the State
1157 Building Code, shall take precedence over the standards contained in
1158 the Building Code. Not later than July 1, 2007, and biennially
1159 thereafter, the [department] Commissioner of Energy and
1160 Environmental Protection shall review and increase the level of such
1161 efficiency standards by adopting regulations in accordance with the
1162 provisions of chapter 54 upon a determination that increased efficiency
1163 standards would serve to promote energy conservation in the state and
1164 would be cost-effective for consumers who purchase and use such new
1165 products, provided no such increased efficiency standards shall
1166 become effective within one year following the adoption of any
1167 amended regulations providing for such increased efficiency
1168 standards.

1169 (3) (A) The [department] Commissioner of Energy and
1170 Environmental Protection shall adopt regulations, in accordance with
1171 the provisions of chapter 54, to designate additional products to be
1172 subject to the provisions of this section and to establish efficiency
1173 standards for such products upon a determination that such efficiency
1174 standards (i) would serve to promote energy conservation in the state,

1175 (ii) would be cost-effective for consumers who purchase and use such
1176 new products, and (iii) would not impose an unreasonable burden on
1177 Connecticut businesses.

1178 (B) The [department] Commissioner of Energy and Environmental
1179 Protection, in consultation with the Multi-State Appliance Standards
1180 Collaborative, shall identify additional appliance and equipment
1181 efficiency standards. The commissioner shall review all California
1182 standards and may review standards from other states in such
1183 collaborative. The commissioner shall issue notice of such review in
1184 the Connecticut Law Journal, allow for public comment and may hold
1185 a public hearing within six months of adoption of an efficiency
1186 standard by a cooperative member state regarding a product for which
1187 no equivalent Connecticut or federal standard currently exists. The
1188 [department] commissioner shall adopt regulations in accordance with
1189 the provisions of chapter 54 adopting such efficiency standard unless
1190 the [department] commissioner makes a specific finding that such
1191 standard does not meet the criteria in subparagraph (A) of this
1192 subdivision.

1193 (e) On or after July 1, 2006, except for commercial clothes washers,
1194 for which the date shall be July 1, 2007, commercial refrigerators and
1195 freezers, for which the date shall be July 1, 2008, and large packaged
1196 air-conditioning equipment, for which the date shall be July 1, 2009, no
1197 new product of a type set forth in subsection (b) of this section or
1198 designated by the [department] Commissioner of Energy and
1199 Environmental Protection may be sold, offered for sale, or installed in
1200 the state unless the energy efficiency of the new product meets or
1201 exceeds the efficiency standards set forth in such regulations adopted
1202 pursuant to subsection (d) of this section.

1203 (f) The [department] Commissioner of Energy and Environmental
1204 Protection shall adopt procedures for testing the energy efficiency of
1205 the new products set forth in subsection (b) of this section or
1206 designated by the [department] commissioner if such procedures are
1207 not provided for in the State Building Code. The [department]

1208 commissioner shall use United States Department of Energy approved
1209 test methods, or in the absence of such test methods, other appropriate
1210 nationally recognized test methods. The manufacturers of such
1211 products shall cause samples of such products to be tested in
1212 accordance with the test procedures adopted pursuant to this
1213 subsection or those specified in the State Building Code.

1214 (g) Manufacturers of new products set forth in subsection (b) of this
1215 section or designated by the [department] Commissioner of Energy
1216 and Environmental Protection shall certify to the commissioner that
1217 such products are in compliance with the provisions of this section,
1218 except that certification is not required for single voltage external AC
1219 to DC power supplies and walk-in refrigerators and walk-in freezers.
1220 All single voltage external AC to DC power supplies shall be labeled as
1221 described in the January 2006 California Code of Regulations, Title 20,
1222 Section 1607 (9). The [department] commissioner shall promulgate
1223 regulations governing the certification of such products. The
1224 commissioner shall publish an annual list of such products.

1225 Sec. 27. Subsection (b) of section 16-19kk of the general statutes is
1226 repealed and the following is substituted in lieu thereof (*Effective from*
1227 *passage*):

1228 (b) The authority shall complete, on or before December 31, 1991, an
1229 investigation into the relationship between a company's volume of
1230 sales and its earnings. The authority shall, on or before July 1, 1993,
1231 implement rate-making and other procedures and practices in order to
1232 encourage the implementation of conservation and load management
1233 programs and other programs authorized by the authority promoting
1234 the state's economic development, energy and other policy. Such
1235 procedures to implement a modification or elimination of any direct
1236 relationship between the volume of sales and the earnings of electric,
1237 gas, telephone and water companies may include the adoption of a
1238 sales adjustment clause pursuant to subsection [(i)] (j) of section 16-
1239 19b, or other adjustment clause similar thereto. The authority's
1240 investigation shall include a review of its regulations and policies to

1241 identify any existing disincentives to the development and
 1242 implementation of cost effective conservation and load management
 1243 programs and other programs promoting the state's economic
 1244 development, energy and other policy.

1245 Sec. 28. Section 16a-41i of the general statutes is repealed. (*Effective*
 1246 *from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-1(a)(2)
Sec. 2	<i>from passage</i>	16-1(a)(52)
Sec. 3	<i>from passage</i>	16-2
Sec. 4	<i>from passage</i>	16-2c
Sec. 5	<i>from passage</i>	16-3
Sec. 6	<i>from passage</i>	16-6b
Sec. 7	<i>from passage</i>	16-7
Sec. 8	July 1, 2013	16-18a
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	16-19e
Sec. 11	<i>from passage</i>	16-35
Sec. 12	<i>from passage</i>	16-244c(c)(5)
Sec. 13	<i>from passage</i>	16-244m
Sec. 14	<i>from passage</i>	16-245ee
Sec. 15	<i>from passage</i>	16-245hh
Sec. 16	<i>from passage</i>	16a-3(b)
Sec. 17	<i>from passage</i>	16a-3a
Sec. 18	<i>from passage</i>	16a-3b
Sec. 19	<i>from passage</i>	16a-3c(a)
Sec. 20	<i>from passage</i>	16a-3d
Sec. 21	<i>from passage</i>	16a-3e
Sec. 22	<i>from passage</i>	16a-7b(b)
Sec. 23	<i>from passage</i>	16a-37u(c) to (e)
Sec. 24	<i>from passage</i>	16a-40l(a)
Sec. 25	<i>from passage</i>	16a-46h
Sec. 26	<i>from passage</i>	16a-48(b) to (g)
Sec. 27	<i>from passage</i>	16-19kk(b)
Sec. 28	<i>from passage</i>	Repealer section

Statement of Legislative Commissioners:

In section 8, the first sentence was reworded for clarity.

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 14 \$	FY 15 \$
Various State Agencies	GF - Cost	Minimal	Minimal

Municipal Impact:

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	Cost	Minimal	Minimal

Explanation

The bill changes how electric companies recover certain costs. The bill requires that electric distribution companies' recover costs through a reconciling non-bypassable component on their electric rates. This will result in increased rates for ratepayers, including the state and municipalities.

The bill also makes a number of changes that have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the recovery of certain electric company costs.

OLR Bill Analysis**sSB 839*****AN ACT CONCERNING STATUTORY CHANGES TO ADVANCE CONNECTICUT'S ENERGY POLICIES.*****SUMMARY:**

This bill modifies the relationship between the Public Utilities Regulatory Authority (PURA) and the Department of Energy and Environmental Protection (DEEP). Among other things, it expands the PURA chairperson's autonomy, establishes guidelines for all PURA decisions, and transfers certain regulation-making authority from DEEP to PURA.

The bill also makes several changes in the processes for approving and implementing the state's electricity Procurement Plan, Integrated Resources Plan (IRP), and Comprehensive Energy Plan. Among other things, it (1) renames the Comprehensive Energy Plan the Comprehensive Energy Strategy (CES), (2) replaces requirements for public hearings with requirements for public and technical meetings, (3) increases the time allowed for public comments on the plans, and (4) limits the scope of PURA's comments on the CES.

The bill makes several miscellaneous changes in the energy statutes, including (1) removing the limits on fees and subsidies for Home Energy Solutions audits; (2) allowing PURA, DEEP, and the Office of Consumer Counsel (OCC) to retain certain consultants; and (3) making ductless heat pumps eligible under the residential heating equipment financing program. It also repeals an obsolete provision for a federally funded weatherization assistance program and makes numerous minor, technical, and conforming changes.

EFFECTIVE DATE: Upon passage, except for the provision

allowing PURA, DEEP, and OCC to retain consultants, which is effective July 1, 2013.

PURA

PA 11-80 merged the former departments of Public Utility Control (DPUC) and Environmental Protection into DEEP. Under prior law, DPUC was run by five commissioners, collectively known as the Public Utilities Control Authority. PA 11-80 (1) renamed this group PURA, (2) renamed the commissioners “directors,” and (3) reduced their number from five to three. By law, PURA is part of DEEP, but has its own specific powers and duties. The bill renames the directors “utility commissioners.” It allows the DEEP commissioner to designate someone to act on his behalf with regard his utility-related duties and powers.

PURA Chairperson’s Autonomy

The bill expands the PURA chairperson’s autonomy. Under current law, the chairperson must, with the DEEP commissioner’s approval, prescribe the duties of staff assigned to PURA in its various areas of responsibility. Under the bill, the chairperson must still obtain the commissioner’s approval when dealing with PURA’s organization and planning its functions. But, to implement this organization and planning, he does not need the commissioner’s approval for (1) prescribing the duties of staff assigned to PURA, (2) coordinating PURA’s activities, (3) determining how staff are assigned in rate cases, (4) entering contracts, (5) receiving outside revenue, and (6) requiring PURA staff to have relevant expertise.

PURA Decision Guidelines

Under current law, PURA’s decisions must be guided by DEEP’s statutory goals, the IRP’s goals, and the CEP’s goals. The bill additionally requires that PURA decisions, including those related to rate cases arising from the CES, IRP, conservation load management plan, and DEEP policies, be guided by the plan, strategy, and policies.

Current law requires PURA to use new principles and rate

structures if it is in the public interest. The bill specifies that DEEP determines the public interest in the IRP and CES. Under current law, DEEP's actions must conform with, as far as possible, the state energy policy as described in CGS § 16a-35k. The bill additionally requires DEEP to act, as far as possible, in conformity with state energy policies as described in the IRP and CES.

Regulation Making

The bill eliminates current law's requirement that PURA consult with DEEP in adopting regulations on utility rates, services, operating procedures, and related matters. It allows PURA, rather than DEEP in consultation with PURA, to adopt regulations regarding competitive electric suppliers. It allows PURA, rather than DEEP in consultation with the Office of Policy and Management, to establish standards for cogeneration technologies and renewable fuel resources. In the last case, PURA must act in accordance with DEEP policies.

Division of Adjudication

The bill places the Division of Adjudication in PURA, rather than DEEP, and eliminates current law's requirement that the division advise the DEEP commissioner.

Under current law, a PURA hearing panel must ask the DEEP commissioner to appoint a hearing officer from the division to investigate a case for it. The bill allows the PURA chairperson, rather than the DEEP commissioner, to appoint hearing officers in these instances, but it also allows PURA hearing panels to assign hearing officers in their cases. It is unclear which method should be used under the bill.

PURA Proceedings

The bill makes the DEEP commissioner a party in each proceeding before PURA and allows him to participate to the extent that he deems necessary. It allows him to appeal a decision, order, or authorization to the Superior Court (1) without a having to demonstrate aggrievement and (2) regardless of whether he appeared or

participated in the proceeding.

It also allows the Department of Economic and Community Development commissioner and the Siting Council to be parties to all electric and gas company rate cases, rather than just those based on an alleged need for funding for capital expansions, as under current law.

The bill also makes any PURA request for proposals or other procurement process to acquire electricity products or services to benefit ratepayers an uncontested proceeding. This eliminates the possibility of appealing decisions in these cases to the court.

STATE ENERGY PLANS

Procurement Plan

The law requires PURA's procurement manager, in consultation with the electric companies, to prepare a plan for procuring electric generation services that will allow the companies to reduce the cost of providing standard service while keeping cost volatility within reasonable levels. The bill eliminates current law's requirement for the procurement manager to (1) hold a public hearing on the proposed plan and (2) have quarterly meetings with the DEEP commissioner.

The bill requires PURA, instead of DEEP, to (1) conduct an uncontested proceeding to approve the procurement plan with any amendments it finds necessary and (2) submit an annual report on the plan to the Energy and Technology Committee. The bill allows PURA to submit the report electronically. It also requires PURA to oversee the plan's implementation.

The bill allows PURA to recover all of its reasonable costs from developing the plan through the standard assessment on the utilities it regulates. It requires the electric companies to recover their reasonable costs from developing the plan through a reconciling non-bypassable component of their electric rates, as determined by PURA, rather than the assessment on all utilities that funds PURA.

Integrated Resources Plan

The law requires DEEP, in consultation with the Connecticut Energy Advisory Board (CEAB) and the electric companies, to review the state's energy and capacity resources and develop and approve an integrated resources plan for procuring energy resources.

The bill eliminates current law's requirement for DEEP to hold a public hearing on the IRP. Instead, it requires the DEEP commissioner to conduct an uncontested proceeding with at least one public meeting and one technical meeting at which technical personnel will answer questions. The bill requires the commissioner to publish the proposed IRP and notice of a meeting on DEEP's web site at least (1) 15 days before a public meeting and (2) 30 days before a technical meeting.

The bill applies much of the current law's public hearing notice requirement to the notice requirement for public meetings. However, it additionally requires (1) any newspapers publishing the notice to have statewide circulation and (2) the notice to indicate the time period in which comments can be submitted to the commissioner. It increases the time the commissioner must allow for the public to review and comment on the proposal from 45 to 60 days. It also requires the meetings to be transcribed and posted on DEEP's web site.

It eliminates the requirements for (1) DEEP's Bureau of Energy to recommend plan modifications after the hearing and (2) the commissioner to include comments with his approval or rejection of the plan. It allows him to (1) correct any clerical errors in the IRP without following the bill's required procedures and (2) file the biannual progress report on the IRP electronically with the Energy and Technology Committee.

Current law allows DEEP to recover all costs associated with developing the IRP. The bill specifies that these costs must be reasonable. It also requires the electric companies to recover their reasonable costs associated with developing the plan through a reconciling non-bypassable component of their rates, as determined by PURA.

The bill allows PURA to open a proceeding to review any provision in the final IRP that requires funding through new or amended rates or charges to ensure that rates remain just and reasonable.

Under current law, PURA must issue a request for proposals if the IRP specifies constructing a generating facility. The bill broadens this requirement to cover IRP options to procure any new sources of generation. It requires PURA, when considering proposals responding to the request, to favor proposals for generation without any financial assistance, including long-term contract financing or ratepayer guarantees. It also adds the DEEP commissioner to the list of officials to whom PURA must make the bid information available.

Comprehensive Energy Strategy

Current law requires the DEEP commissioner, in consultation with CEAB, to prepare a comprehensive energy plan every three years. The bill renames the plan the comprehensive energy strategy and extends the deadline for the next CES from July 1, 2015 to October 1, 2016. In addition to the many factors the CES must consider by law, the bill requires it to incorporate the Energy Assurance Plan developed for the state under the federal American Recovery and Reinvestment Act of 2009, or any successor plan developed reasonably before the CES's preparation.

By law, the CES must address the benefits, costs, obstacles, and solutions related to the expansion, use, and availability of natural gas in the state. Under current law, if DEEP finds that expansion is in the public interest, it must develop a plan to increase gas's availability and use for transportation purposes. The bill expands this requirement to cover all types of gas uses if DEEP finds that expansion is in the public interest.

The bill eliminates current law's requirement for the DEEP commissioner to hold a public hearing on the CES. Instead, it requires him to conduct an uncontested proceeding with at least one public meeting and one technical meeting at which technical personnel will

answer questions. The bill requires the commissioner to publish the proposed CES and notice of a meeting on DEEP's web site at least (1) 15 days before a public meeting and (2) 30 days before a technical meeting.

Similar to its IRP notice provisions, the bill applies much of the current law's public hearing notice requirement to the notice requirement for public meetings. It additionally requires (1) any newspapers publishing the notice to have statewide circulation and (2) the notice to indicate the time period in which comments can be submitted to the commissioner. It increases the time the commissioner must allow for the public to review and comment on the proposal from 45 to 60 days. It also requires the meetings to be transcribed and posted on DEEP's web site.

Current law requires PURA to comment on the plan's ratepayer impact during the proposed plan's comment period. The bill limits PURA's comments to the strategy's impact on natural gas and electric rates and does not specify when the comments must be provided in the approval process.

The bill eliminates the electric companies' ability to recover their reasonable costs for developing the resource assessment through the systems benefit charge. Presumably, they will be able to recover these costs (which are related to the IRP) through the IRP-related reconciling non-bypassable component of their rates allowed under the bill.

MISCELLANEOUS PROVISIONS

Home Energy Solutions Audits

By law, the Home Energy Solutions (HES) program offers residential customers a discounted home energy audit subsidized by the Energy Efficiency Fund. The bill eliminates current law's \$99 cap on HES fees, charges, and copays for an audit. It also eliminates the \$500,000 limit on subsidizing audits for ratepayers who do not primarily heat their homes with electricity or natural gas that will become effective on August 1, 2013.

Consultants

The bill allows PURA, DEEP, and OCC to retain consultants to (1) provide expertise in areas in which their staffs lack expertise and (2) supplement staff expertise for proceedings before certain federal regulatory entities. The regulated utilities affected by a proceeding that required retaining consultants must pay their reasonable and proper expenses in a manner that PURA directs. The expenses must be (1) apportioned to the revenue each affected entity reported for its most recent assessment and (2) under \$250,000 annually per proceeding, including appeals, unless PURA finds good cause to exceed the limit. PURA must allow the utilities to recover these payments in their rates, if applicable.

Right of Entry

Under current law, the PURA directors and DEEP employees assigned to PURA can enter utilities' and electric suppliers' buildings at all reasonable times, and anyone who interferes with a director or DEEP employee in performing his or her duties is subject to a fine of up to \$200, imprisonment for up to six months, or both. The bill modifies the right of entry to all to include designees of the PURA utility commissioners, rather than DEEP employees, but does not make a parallel change in the penalty.

Condemnation of Power Plants

Under current law, a municipality cannot condemn or restrict the operations of certain energy facilities without written approval from CEAB, DEEP, and the Siting Council. The bill eliminates the need for CEAB's approval.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 16 Nay 8 (03/21/2013)