General Assembly

# Amendment

*January Session, 2013*

LCO No. **8373**

*HB0636008373HD0*

Offered by:
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To: House Bill No. **6360** File No. 427 Cal. No. 280

***"AN ACT CONCERNING IMPLEMENTATION OF CONNECTICUT'S COMPREHENSIVE ENERGY STRATEGY."***

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

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 Subdivision (2) of subsection (a) of section 16-1 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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 Subdivision (52) of subsection (a) of section 16-1 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(52) "Commissioner of Energy and Environmental Protection"

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

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 Section 16-2 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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

(c) Any matter coming before the authority may be assigned by the

44 chairperson to a panel of one or more [directors] utility commissioners.
45 Except as otherwise provided by statute or regulation, the panel shall
46 determine whether a public hearing shall be held on the matter, and
47 may designate one or two of its members to conduct such hearing or
48 [request the appointment of] may assign a hearing officer to ascertain
49 the facts and report thereon to the panel. The decision of the panel, if
50 unanimous, shall be the decision of the authority. If the decision of the
51 panel is not unanimous, the matter shall be approved by a majority
52 vote of the [panel] utility commissioners.

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

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

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

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

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

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

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

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

140 (j) No [director] utility commissioner of the [authority] Public
141 Utilities Regulatory Authority or employee of the [department]
142 Department of Energy and Environmental Protection assigned to work

143 with the authority, during such assignment, shall agree to accept, or be
144 in partnership or association with any person, or a member of a
145 professional corporation or in membership with any union or
146 professional association which partnership, association, professional
147 corporation, union or professional association agrees to accept any
148 employment, fee or other thing of value, or portion thereof, in
149 consideration of his or her appearing, agreeing to appear, or taking
150 any other action on behalf of another person before the authority, the
151 Connecticut Siting Council, the Office of Policy and Management or
152 the Commissioner of Energy and Environmental Protection.

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

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

174 (m) Notwithstanding any provision of the general statutes, the
175 decisions of the Public Utilities Regulatory Authority, including, but

176 not limited to, decisions relating to rate amendments arising from the
177 Comprehensive Energy Strategy, the Integrated Resources Plan, the
178 Conservation and Load Management Plan and policies established by
179 the Department of Energy and Environmental Protection, shall be
180 guided by said strategy and plans and such policies.

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

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

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

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

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

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

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

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

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

238 (NEW) (c) The Department of Energy and Environmental

239 Protection, in consultation with the Public Utilities Regulatory
240 Authority and the Office of Consumer Counsel, may retain consultants
241 to assist its staff by providing expertise in areas in which staff expertise
242 does not currently exist or to supplement staff expertise for any
243 proceeding before or in any negotiation with the Federal Energy
244 Regulatory Commission, the United States Department of Energy, the
245 United States Nuclear Regulatory Commission the United States
246 Securities and Exchange Commission, the Federal Trade Commission
247 or the United States Department of Justice. The Public Utilities
248 Regulatory Authority, in consultation with the Office of Consumer
249 Counsel, may retain consultants to assist its staff by providing
250 expertise in areas in which staff expertise does not currently exist or to
251 supplement staff expertise for any proceeding before or in any
252 negotiation with the Federal Communications Commission. All
253 reasonable and proper expenses of any such consultants shall be borne
254 by the public service companies, certified telecommunications
255 providers, holders of a certificate of video franchise authority, electric
256 suppliers or gas registrants affected by the decisions of such
257 proceeding and shall be paid at such times and in such manner as the
258 authority directs, provided such expenses (1) shall be apportioned in
259 proportion to the revenues of each affected entity as reported to the
260 authority pursuant to section 16-49 for the most recent fiscal year, and
261 (2) shall not exceed two and one-half million dollars per calendar year,
262 including any appeals thereof, unless the authority finds good cause
263 for exceeding the limit. The authority shall recognize all such expenses
264 as proper business expenses of the affected entities for ratemaking
265 purposes pursuant to section 16-19e, as amended by this act, if
266 applicable.

267 Sec. 9. (NEW) (*Effective from passage*) The Commissioner of Energy
268 and Environmental Protection shall be a party to each proceeding
269 before the Public Utilities Regulatory Authority and shall participate in
270 any such proceeding to the extent said commissioner deems necessary.

271 Sec. 10. Section 16-19e of the general statutes is repealed and the

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

273 (a) In the exercise of its powers under the provisions of this title, the
274 Public Utilities Regulatory Authority shall examine and regulate the
275 transfer of existing assets and franchises, the expansion of the plant
276 and equipment of existing public service companies, the operations
277 and internal workings of public service companies and the
278 establishment of the level and structure of rates in accordance with the
279 following principles: (1) That there is a clear public need for the service
280 being proposed or provided; (2) that the public service company shall
281 be fully competent to provide efficient and adequate service to the
282 public in that such company is technically, financially and
283 managerially expert and efficient; (3) that the authority and all public
284 service companies shall perform all of their respective public
285 responsibilities with economy, efficiency and care for public safety and
286 energy security, and so as to promote economic development within
287 the state with consideration for energy and water conservation, energy
288 efficiency and the development and utilization of renewable sources of
289 energy and for the prudent management of the natural environment;
290 (4) that the level and structure of rates be sufficient, but no more than
291 sufficient, to allow public service companies to cover their operating
292 costs including, but not limited to, appropriate staffing levels, and
293 capital costs, to attract needed capital and to maintain their financial
294 integrity, and yet provide appropriate protection to the relevant public
295 interests, both existing and foreseeable which shall include, but not be
296 limited to, reasonable costs of security of assets, facilities and
297 equipment that are incurred solely for the purpose of responding to
298 security needs associated with the terrorist attacks of September 11,
299 2001, and the continuing war on terrorism; (5) that the level and
300 structure of rates charged customers shall reflect prudent and efficient
301 management of the franchise operation; and (6) that the rates, charges,
302 conditions of service and categories of service of the companies not
303 discriminate against customers which utilize renewable energy sources
304 or cogeneration technology to meet a portion of their energy
305 requirements.

306 (b) The Public Utilities Regulatory Authority shall promptly
307 undertake a separate, general investigation of, and shall hold at least
308 one public hearing on new pricing principles and rate structures for
309 electric companies and for gas companies to consider, without
310 limitation, long run incremental cost of marginal cost pricing, peak
311 load or time of day pricing and proposals for optimizing the utilization
312 of energy and restraining its wasteful use and encouraging energy
313 conservation, and any other matter with respect to pricing principles
314 and rate structures as the authority shall deem appropriate. The
315 authority shall determine whether existing or future rate structures
316 place an undue burden upon those persons of poverty status and shall
317 make such adjustment in the rate structure as is necessary or desirable
318 to take account of their indigency. The authority shall require the
319 utilization of such new principles and structures to the extent that the
320 authority determines that their implementation is in the public
321 interest, as identified by the Department of Energy and Environmental
322 Protection in the Integrated Resources Plan and the Comprehensive
323 Energy Strategy, and necessary or desirable to accomplish the
324 purposes of this provision without being unfair or discriminatory or
325 unduly burdensome or disruptive to any group or class of customers,
326 and determines that such principles and structures are capable of
327 yielding required revenues. In reviewing the rates and rate structures
328 of electric and gas companies, the authority shall **[**take into
329 consideration appropriate energy policies, including those of the state
330 as expressed in subsection (c) of this section**]** be guided by the goals of
331 the Department of Energy and Environmental Protection, as described
332 in section 22a-2d, the Comprehensive Energy Strategy, the Integrated
333 Resources Plan and the Conservation and Load Management Plan. The
334 authority shall issue its initial findings on such investigation by
335 December 1, 1976, and its final findings and order by June 1, 1977;
336 provided that after such final findings and order are issued, the
337 authority shall at least once every two years undertake such further
338 investigations as it deems appropriate with respect to new
339 developments or desirable modifications in pricing principles and rate
340 structures and, after holding at least one public hearing thereon, shall

issue its findings and order thereon.

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

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

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

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

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

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

384 (a) In any rate case initiated on **[**and**]** or after June 4, 2007, and for
385 which a final decision has not been issued prior to the effective date of
386 this section, the Public Utilities Regulatory Authority shall order the
387 state's gas and electric distribution companies to decouple distribution
388 revenues from the volume of natural gas or electricity sales through
389 any of the following strategies, singly or in combination: (1) A
390 mechanism that adjusts actual distribution revenues to allowed
391 distribution revenues, (2) rate design changes that increase the amount
392 of revenue recovered through fixed distribution charges, or (3) a sales
393 adjustment clause, rate design changes that increase the amount of
394 revenue recovered through fixed distribution charges, or both. In
395 making its determination on this matter, the authority shall consider
396 the impact of decoupling on the gas or electric distribution company's
397 return on equity and make necessary adjustments thereto.

398 (b) In any rate case initiated on or after the effective date of this
399 section or in a pending rate case for which a final decision has not been
400 issued prior to the effective date of this section, the Public Utilities
401 Regulatory Authority shall order the state's gas and electric
402 distribution companies to decouple distribution revenues from the
403 volume of natural gas and electricity sales. For electric distribution
404 companies, the decoupling mechanism shall be the adjustment of
405 actual distribution revenues to allowed distribution revenues. For gas

406 distribution companies, the decoupling mechanism shall be a
407 mechanism that does not remove the incentive to support the
408 expansion of natural gas use pursuant to the 2013 Comprehensive
409 Energy Strategy, such as a mechanism that decouples distribution
410 revenue based on a use-per-customer basis. In making its
411 determination on this matter, the authority shall consider the impact of
412 decoupling on the gas or electric distribution company's return on
413 equity and make any necessary adjustments thereto.

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

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

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

424 (5) For standard service contracts procured prior to **[**department**]**
425 the authority's approval of the **[**plan developed pursuant to section 16-
426 244m**]** Procurement Plan, each bidder for a standard service contract
427 shall submit its bid to the electric distribution company and the third-
428 party entity who shall jointly review the bids and submit an overview
429 of all bids together with a joint recommendation to the **[**department**]**
430 authority as to the preferred bidders. The **[**department**]** authority may,
431 within ten business days of submission of the overview, reject the
432 recommendation regarding preferred bidders. In the event that the
433 **[**department**]** authority rejects the preferred bids, the electric
434 distribution company and the third-party entity shall rebid the service
435 pursuant to this subdivision. The **[**department**]** authority shall review
436 each bid in an uncontested proceeding that shall include a public
437 hearing and in which any interested person, including, but not limited

438 to, the Consumer Counsel, [and] the Commissioner of Energy and
439 Environmental Protection or the Attorney General, may participate.

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

442 (a) (1) On or before January 1, 2012, and annually thereafter, the
443 procurement manager of the [Department of Energy and
444 Environmental Protection] Public Utilities Regulatory Authority, in
445 consultation with each electric distribution company, and [with] others
446 at the procurement manager's discretion, including, but not limited to,
447 the Commissioner of Energy and Environmental Protection, a
448 municipal energy cooperative established pursuant to chapter 101a,
449 other than entities, individuals and companies or their affiliates
450 potentially involved in bidding on standard service, shall develop a
451 plan for the procurement of electric generation services and related
452 wholesale electricity market products that will enable each electric
453 distribution company to manage a portfolio of contracts to reduce the
454 average cost of standard service while maintaining standard service
455 cost volatility within reasonable levels. Each [procurement plan]
456 Procurement Plan shall provide for the competitive solicitation for
457 load-following electric service and may include a provision for the use
458 of other contracts, including, but not limited to, contracts for
459 generation or other electricity market products and financial contracts,
460 and may provide for the use of varying lengths of contracts. If such
461 plan includes the purchase of full requirements contracts, it shall
462 include an explanation of why such purchases are in the best interests
463 of standard service customers.

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

470 (b) The procurement manager shall, not less than quarterly, [meet
471 with the Commissioner of Energy and Environmental Protection and]
472 prepare a written report on the implementation of the [plan]
473 Procurement Plan. If the procurement manager finds that an interim
474 amendment to the annual [procurement] plan might substantially
475 further the goals of reducing the cost or cost volatility of standard
476 service, the procurement manager may petition the Public Utilities
477 Regulatory Authority for such an interim amendment. The Public
478 Utilities Regulatory Authority shall provide notice of the proposed
479 amendment to the Office of Consumer Counsel and the electric
480 distribution companies. The Office of Consumer Counsel and the
481 electric distribution companies shall have two business days from the
482 date of such notice to request an uncontested proceeding and a
483 technical meeting of the Public Utilities Regulatory Authority
484 regarding the proposed amendment, which proceeding and meeting
485 shall occur if requested. The Public Utilities Regulatory Authority may
486 approve, modify or deny the proposed amendment, with such
487 approval, modification or denial following the technical meeting if one
488 is requested. The Public Utilities Regulatory Authority's ruling shall
489 occur within three business days after the technical meeting, if one is
490 requested, or within three business days of the expiration of the time
491 for requesting a technical meeting if no technical meeting is requested.
492 The Public Utilities Regulatory Authority may maintain the
493 confidentiality of the technical meeting to the full extent allowed by
494 law.

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

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

502 (2) The [Department of Energy and Environmental Protection]

503 Public Utilities Regulatory Authority shall report annually in
504 accordance with the provisions of section 11-4a to the joint standing
505 committee of the General Assembly having cognizance of matters
506 relating to energy regarding the [procurement plan] Procurement Plan
507 and its implementation. Any such report may be submitted
508 electronically.

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

511 [(a)] On or before October first of each even-numbered year, a gas
512 company, as defined in section 16-1, shall furnish a report to the Public
513 Utilities Regulatory Authority containing a five-year forecast of loads
514 and resources. The report shall describe the facilities and supply
515 sources that, in the judgment of such gas company, will be required to
516 meet gas demands during the forecast period. The report shall be
517 made available to the public and shall be furnished to the chief
518 executive officer of each municipality in the service area of such gas
519 company, the regional planning agency which encompasses each such
520 municipality, the Attorney General, the president pro tempore of the
521 Senate, the speaker of the House of Representatives, the joint standing
522 committee of the General Assembly having cognizance of matters
523 relating to public utilities, any other member of the General Assembly
524 making a request to the authority for the report and such other state
525 and municipal entities as the authority may designate by regulation.
526 The report shall include: (1) A tabulation of estimated peak loads and
527 resources for each year; (2) data on gas use and peak loads for the five
528 preceding calendar years; (3) a list of present and projected gas supply
529 sources; (4) specific measures to control load growth and promote
530 conservation; and (5) such other information as the authority may
531 require by regulation. A full description of the methodology used to
532 arrive at the forecast of loads and resources shall also be furnished to
533 the authority. The authority shall hold a public hearing on such reports
534 upon the request of any person. On or before August first of each odd-
535 numbered year, the authority may request a gas company to furnish to

536 the authority an updated report. A gas company shall furnish any such
537 updated report not later than sixty days following the request of the
538 authority.

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

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

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

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

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

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

604 (a) (1) On and after January 1, 2000, the Public Utilities Regulatory
605 Authority shall assess or cause to be assessed a charge of three mills
606 per kilowatt hour of electricity sold to each end use customer of an
607 electric distribution company to be used to implement the program as
608 provided in this section for conservation and load management
609 programs but not for the amortization of costs incurred prior to July 1,
610 1997, for such conservation and load management programs.

611 (2) Notwithstanding the provisions of this section, receipts from
612 such charge shall be disbursed to the resources of the General Fund
613 during the period from July 1, 2003, to June 30, 2005, unless the
614 authority shall, on or before October 30, 2003, issue a financing order
615 for each affected electric distribution company in accordance with
616 sections 16-245e to 16-245k, inclusive, to sustain funding of
617 conservation and load management programs by substituting an
618 equivalent amount, as determined by the authority in such financing
619 order, of proceeds of rate reduction bonds for disbursement to the
620 resources of the General Fund during the period from July 1, 2003, to
621 June 30, 2005. The authority may authorize in such financing order the
622 issuance of rate reduction bonds that substitute for disbursement to the
623 General Fund for receipts of both the charge under this subsection and
624 under subsection (b) of section 16-245n and also may, in its discretion,
625 authorize the issuance of rate reduction bonds under this subsection
626 and subsection (b) of section 16-245n that relate to more than one
627 electric distribution company. The authority shall, in such financing
628 order or other appropriate order, offset any increase in the competitive
629 transition assessment necessary to pay principal, premium, if any,
630 interest and expenses of the issuance of such rate reduction bonds by
631 making an equivalent reduction to the charge imposed under this
632 subsection, provided any failure to offset all or any portion of such
633 increase in the competitive transition assessment shall not affect the
634 need to implement the full amount of such increase as required by this

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

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

655 (b) The electric distribution company shall establish an Energy
656 Conservation and Load Management Fund which shall be held
657 separate and apart from all other funds or accounts. Receipts from the
658 charge imposed under subsection (a) of this section shall be deposited
659 into the fund. Any balance remaining in the fund at the end of any
660 fiscal year shall be carried forward in the fiscal year next succeeding.
661 Disbursements from the fund by electric distribution companies to
662 carry out the plan **[**developed**]** <u>approved by the commissioner</u> under
663 subsection (d) of this section shall be authorized by the Public Utilities
664 Regulatory Authority<u>.</u> **[**upon its approval of such plan.**]**

665 (c) The Commissioner of Energy and Environmental Protection shall
666 appoint and convene an Energy Conservation Management Board
667 which shall include **[**representatives**]** <u>the Commissioner of Energy and</u>

668 Environmental Protection, or the commissioner's designee, the
669 Consumer Counsel, or the Consumer Counsel's designee, the Attorney
670 General, or the Attorney General's designee, and a representative of:
671 (1) An environmental group knowledgeable in energy conservation
672 program collaboratives; (2) [a representative of the Office of Consumer
673 Counsel; (3) the Attorney General; (4)] the electric distribution
674 companies in whose territories the activities take place for such
675 programs; [(5)] (3) a state-wide manufacturing association; [(6)] (4) a
676 chamber of commerce; [(7)] (5) a state-wide business association; [(8)]
677 (6) a state-wide retail organization; [(9) a representative of] (7) a state-
678 wide farm association; (8) a municipal electric energy cooperative
679 created pursuant to chapter 101a; [(10) two representatives selected by
680 the gas companies in this state; and (11)] and (9) residential customers.
681 [Such members] The board shall also include two representatives
682 selected by the gas companies. The members of the board shall serve
683 for a period of five years and may be reappointed. Representatives of
684 gas companies, electric distribution companies and the municipal
685 electric energy cooperative shall be nonvoting members of the board.
686 [The commissioner shall serve as the chairperson of the board.] The
687 members of the board shall elect a chairperson from its voting
688 members. If any vote of the board results in an equal division of its
689 voting members, such vote shall fail.

690 (d) (1) Not later than November 1, 2012, and every three years
691 thereafter, electric distribution companies, as defined in section 16-1, as
692 amended by this act, in coordination with the gas companies, as
693 defined in section 16-1, as amended by this act, shall submit to the
694 Energy Conservation Management Board a combined electric and gas
695 Conservation and Load Management Plan, in accordance with the
696 provisions of this section, to implement cost-effective energy
697 conservation programs and market transformation initiatives. All
698 supply and conservation and load management options shall be
699 evaluated and selected within an integrated supply and demand
700 planning framework. Services provided under the plan shall be
701 available to all customers of electric distribution companies and gas

702 companies. Each such company shall apply to the Energy
703 Conservation Management Board for reimbursement for expenditures
704 pursuant to the plan. The Energy Conservation Management Board
705 shall advise and assist the electric distribution companies and gas
706 companies in the development [and implementation of a
707 comprehensive plan, which plan shall be approved by the Department
708 of Energy and Environmental Protection, to implement cost-effective
709 energy conservation programs and market transformation initiatives.
710 Such] of such plan. The Energy Conservation Management Board shall
711 approve the plan before transmitting it to the Commissioner of Energy
712 and Environmental Protection for approval. The commissioner shall, in
713 an uncontested proceeding during which the commissioner may hold
714 a public meeting, approve, modify or reject said plan prepared
715 pursuant to this subsection. Following approval by the commissioner,
716 the board shall assist the companies in implementing the plan and
717 collaborate with the Clean Energy Finance Investment Authority to
718 further the goals of the plan. Said plan shall include a detailed budget
719 sufficient to fund all energy efficiency that is cost-effective or lower
720 cost than acquisition of equivalent supply, and shall be reviewed and
721 approved by the commissioner. To the extent that the budget in the
722 plan approved by the commissioner with regard to electric distribution
723 companies exceeds the revenues collected pursuant to subdivision (1)
724 of subsection (a) of this section, the Public Utilities Regulatory
725 Authority shall, not later than sixty days after the plan is approved by
726 the commissioner, ensure that the balance of revenues required to fund
727 such budget is provided through a fully reconciling conservation
728 adjustment mechanism of not more than three mills per kilowatt hour
729 of electricity sold to each end use customer of an electric distribution
730 company during the three years of any Conservation and Load
731 Management Plan. The authority shall ensure that the revenues
732 required to fund such budget with regard to gas companies are
733 provided through a fully reconciling conservation adjustment
734 mechanism for each gas company of not more than the equivalent of
735 four and six-tenth cents per hundred cubic feet during the three years
736 of any Conservation and Load Management Plan. Said plan shall

737 include steps that would be needed to achieve the goal of
738 weatherization of eighty per cent of the state's residential units by
739 2030. Each program contained in the plan shall be reviewed by [the
740 electric distribution company] such companies and [either] accepted,
741 modified or rejected by the Energy Conservation Management Board
742 prior to submission to the [department] commissioner for approval.
743 The Energy Conservation Management Board shall, as part of its
744 review, examine opportunities to offer joint programs providing
745 similar efficiency measures that save more than one fuel resource or
746 otherwise to coordinate programs targeted at saving more than one
747 fuel resource. Any costs for joint programs shall be allocated equitably
748 among the conservation programs. The Energy Conservation
749 Management Board shall give preference to projects that maximize the
750 reduction of federally mandated congestion charges. [The Department
751 of Energy and Environmental Protection shall, in an uncontested
752 proceeding during which the department may hold a public hearing,
753 approve, modify or reject the comprehensive plan prepared pursuant
754 to this subsection.]

755 (2) There shall be a joint committee of the Energy Conservation
756 Management Board and the board of directors of the Clean Energy
757 Finance and Investment Authority. The [board and the advisory
758 committee] boards shall each appoint members to such joint
759 committee. The joint committee shall examine opportunities to
760 coordinate the programs and activities funded by the Clean Energy
761 Fund pursuant to section 16-245n with the programs and activities
762 contained in the plan developed under this subsection and to provide
763 financing to increase the benefits of programs funded by the plan so as
764 to reduce the long-term cost, environmental impacts and security risks
765 of energy in the state. Such joint committee shall hold its first meeting
766 on or before August 1, 2005.

767 (3) Programs included in the plan developed under subdivision (1)
768 of this subsection shall be screened through cost-effectiveness testing
769 that compares the value and payback period of program benefits for all

770 energy savings to program costs to ensure that programs are designed
771 to obtain energy savings and system benefits, including mitigation of
772 federally mandated congestion charges, whose value is greater than
773 the costs of the programs. Program cost-effectiveness shall be reviewed
774 by the Commissioner of Energy and Environmental Protection
775 annually, or otherwise as is practicable, and shall incorporate the
776 results of the evaluation process set forth in subdivision (4) of this
777 subsection. If a program is determined to fail the cost-effectiveness test
778 as part of the review process, it shall either be modified to meet the test
779 or shall be terminated, unless it is integral to other programs that in
780 combination are cost-effective. On or before March 1, 2005, and on or
781 before March first annually thereafter, the board shall provide a report,
782 in accordance with the provisions of section 11-4a, to the joint standing
783 committees of the General Assembly having cognizance of matters
784 relating to energy and the environment that documents (A)
785 expenditures and fund balances and evaluates the cost-effectiveness of
786 such programs conducted in the preceding year, and (B) the extent to
787 and manner in which the programs of such board collaborated and
788 cooperated with programs, established under section 7-233y, of
789 municipal electric energy cooperatives. To maximize the reduction of
790 federally mandated congestion charges, programs in the plan may
791 allow for disproportionate allocations between the amount of
792 contributions to the Energy Conservation and Load Management
793 Funds by a certain rate class and the programs that benefit such a rate
794 class. Before conducting such evaluation, the board shall consult with
795 the board of directors of the Clean Energy Finance and Investment
796 Authority. The report shall include a description of the activities
797 undertaken during the reporting period. **[**jointly or in collaboration
798 with the Clean Energy Fund established pursuant to subsection (c) of
799 section 16-245n.**]**

800 (4) The **[**Department**]** Commissioner of Energy and Environmental
801 Protection shall adopt an independent, comprehensive program
802 evaluation, measurement and verification process to ensure the Energy
803 Conservation Management Board's programs are administered

804 appropriately and efficiently, comply with statutory requirements,
805 programs and measures are cost effective, evaluation reports are
806 accurate and issued in a timely manner, evaluation results are
807 appropriately and accurately taken into account in program
808 development and implementation, and information necessary to meet
809 any third-party evaluation requirements is provided. An annual
810 schedule and budget for evaluations as determined by the board shall
811 be included in the plan filed with the **[**department**]** commissioner
812 pursuant to subdivision (1) of this subsection. The electric distribution
813 and gas company representatives and the representative of a
814 municipal electric energy cooperative may not vote on board plans,
815 budgets, recommendations, actions or decisions regarding such
816 process or its program evaluations and their implementation. Program
817 and measure evaluation, measurement and verification shall be
818 conducted on an ongoing basis, with emphasis on impact and process
819 evaluations, programs or measures that have not been studied, and
820 those that account for a relatively high percentage of program
821 spending. Evaluations shall use statistically valid monitoring and data
822 collection techniques appropriate for the programs or measures being
823 evaluated. All evaluations shall contain a description of any problems
824 encountered in the process of the evaluation, including, but not limited
825 to, data collection issues, and recommendations regarding addressing
826 those problems in future evaluations. The board shall contract with
827 one or more consultants not affiliated with the board members to act as
828 an evaluation administrator, advising the board regarding
829 development of a schedule and plans for evaluations and overseeing
830 the program evaluation, measurement and verification process on
831 behalf of the board. Consistent with board processes and approvals
832 and **[**department**]** the Commissioner of Energy and Environmental
833 Protection's decisions regarding evaluation, such evaluation
834 administrator shall implement the evaluation process by preparing
835 requests for proposals and selecting evaluation contractors to perform
836 program and measure evaluations and by facilitating communications
837 between evaluation contractors and program administrators to ensure
838 accurate and independent evaluations. In the evaluation

839 administrator's discretion and at his or her request, the electric
840 distribution and gas companies shall communicate with the evaluation
841 administrator for purposes of data collection, vendor contract
842 administration, and providing necessary factual information during
843 the course of evaluations. The evaluation administrator shall bring
844 unresolved administrative issues or problems that arise during the
845 course of an evaluation to the board for resolution, but shall have sole
846 authority regarding substantive and implementation decisions
847 regarding any evaluation. Board members, including electric
848 distribution and gas company representatives, may not communicate
849 with an evaluation contractor about an ongoing evaluation except with
850 the express permission of the evaluation administrator, which may
851 only be granted if the administrator believes the communication will
852 not compromise the independence of the evaluation. The evaluation
853 administrator shall file evaluation reports with the board and with the
854 **[**department**]** Commissioner of Energy and Environmental Protection
855 in its most recent uncontested proceeding pursuant to subdivision (1)
856 of this subsection and the board shall post a copy of each report on its
857 Internet web site. The board and its members, including electric
858 distribution and gas company representatives, may file written
859 comments regarding any evaluation with the **[**department**]**
860 commissioner or for posting on the board's Internet web site. Within
861 fourteen days of the filing of any evaluation report, the **[**department**]**
862 commissioner, members of the board or other interested persons may
863 request in writing, and the **[**department**]** commissioner shall conduct, a
864 transcribed technical meeting to review the methodology, results and
865 recommendations of any evaluation. Participants in any such
866 transcribed technical meeting shall include the evaluation
867 administrator, the evaluation contractor and the Office of Consumer
868 Counsel at its discretion. On or before November 1, 2011, and annually
869 thereafter, the board shall report to the joint standing committee of the
870 General Assembly having cognizance of matters relating to energy,
871 with the results and recommendations of completed program
872 evaluations.

873 (5) Programs included in the plan developed under subdivision (1)
874 of this subsection may include, but not be limited to: (A) Conservation
875 and load management programs, including programs that benefit low-
876 income individuals; (B) research, development and commercialization
877 of products or processes which are more energy-efficient than those
878 generally available; (C) development of markets for such products and
879 processes; (D) support for energy use assessment, real-time monitoring
880 systems, engineering studies and services related to new construction
881 or major building renovation; (E) the design, manufacture,
882 commercialization and purchase of energy-efficient appliances and
883 heating, air conditioning and lighting devices; (F) program planning
884 and evaluation; (G) indoor air quality programs relating to energy
885 conservation; (H) joint fuel conservation initiatives programs targeted
886 at reducing consumption of more than one fuel resource; (I)
887 conservation of water resources; (J) public education regarding
888 conservation; and **[**(J)**]** (K) demand-side technology programs
889 recommended by the **[**integrated resources plan approved by the
890 Department of Energy and Environmental Protection pursuant to
891 section 16a-3a. The board shall periodically review contractors to
892 determine whether they are qualified to conduct work related to such
893 programs. Such support**]** Conservation and Load Management Plan.
894 Support for such programs may be by direct funding, manufacturers'
895 rebates, sale price and loan subsidies, leases and promotional and
896 educational activities. The Energy Conservation Management Board
897 shall periodically review contractors to determine whether they are
898 qualified to conduct work related to such programs and to ensure that
899 in making the selection of contractors to deliver programs, a fair and
900 equitable process is followed. There shall be a rebuttable presumption
901 that such contractors are deemed technically qualified if certified by
902 the Building Performance Institute, Inc. or by an organization selected
903 by the commissioner. The plan shall also provide for expenditures by
904 the **[**Energy Conservation Management Board**]** board for the retention
905 of expert consultants and reasonable administrative costs provided
906 such consultants shall not be employed by, or have any contractual
907 relationship with, an electric distribution company or a gas company.

908 Such costs shall not exceed five per cent of the total [revenue collected
909 from the assessment] cost of the plan.

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

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

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

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

923 Before approving any plan for energy conservation and load
924 management and [renewable] clean energy projects issued to [it] the
925 Commissioner of Energy and Environmental Protection by the Energy
926 Conservation and Management Board, the board of directors of the
927 Clean Energy Finance and Investment Authority or an electric
928 distribution company, [the Department of Energy and Environmental
929 Protection] said commissioner shall determine that an equitable
930 amount of the funds administered by each such board are to be
931 deployed among small and large customers with a maximum average
932 monthly peak demand of one hundred kilowatts in census tracts in
933 which the median income is not more than sixty per cent of the state
934 median income. The [department] Commissioner of Energy and
935 Environmental Protection shall determine such equitable share and
936 such projects may include a mentoring component for such
937 communities. On and after January 1, 2012, and annually thereafter,
938 the [department] Commissioner of Energy and Environmental

939 Protection shall report, in accordance with the provisions of section 11-
940 4a, to the joint standing committee of the General Assembly having
941 cognizance of matters relating to energy regarding the distribution of
942 funds to such communities. Any such report may be submitted
943 electronically.

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

946 The Clean Energy Finance and Investment Authority created
947 pursuant to section 16-245n, in consultation with the **[**Department**]**
948 Commissioner of Energy and Environmental Protection, shall establish
949 a program to be known as the "condominium renewable energy grant
950 program". Under such program, the board of directors of said
951 authority shall provide grants to residential condominium associations
952 and residential condominium owners, within available funds, for
953 purchasing clean energy sources, including solar energy, geothermal
954 energy and fuel cells or other energy-efficient hydrogen-fueled energy.

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

957 (a) There is established a Connecticut Energy Advisory Board
958 consisting of nine members, including the Office of Consumer
959 Counsel. The president pro tempore of the Senate shall appoint a
960 representative of an environmental organization knowledgeable in
961 energy efficiency programs, a representative of a consumer advocacy
962 organization and a representative of a state-wide business association.
963 The speaker of the House of Representatives shall appoint a
964 representative of low-income ratepayers, a representative of academia
965 who has knowledge of energy-related issues and a member of the
966 public considered to be an expert in electricity, generation, renewable
967 energy, procurement or conservation programs. The minority leader of
968 the Senate shall appoint a representative of a municipality. The
969 minority leader of the House of Representatives shall appoint a
970 member of the public considered to be an expert in electricity,

971 generation, renewable energy, procurement or conservation. All
972 appointed members shall serve in accordance with section 4-1a. No
973 appointee may be employed by, or a consultant of, a public service
974 company, as defined in section 16-1, or an electric supplier, as defined
975 in section 16-1, or an affiliate or subsidiary of such company or
976 supplier.

977 **[**(b) The board shall (1) report to the General Assembly on the status
978 of programs administered by the Department of Energy and
979 Environmental Protection, (2) consult with the Commissioner of
980 Energy and Environmental Protection regarding the integrated
981 resource plan developed pursuant to section 16a-3a, and (3) review,
982 within available resources, requests from the General Assembly.**]**

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

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

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

1000 **[**(f)**]** (e) The Connecticut Energy Advisory Board shall be within the
1001 Department of Energy and Environmental Protection for

1002 administrative purposes only.

1003 Sec. 20. Section 16a-3a of the general statutes is repealed and the
1004 following is substituted in lieu thereof (*Effective from passage*):

1005 (a) The **[**Department**]** Commissioner of Energy and Environmental
1006 Protection, in consultation with the **[**Connecticut Energy Advisory
1007 Board and the**]** electric distribution companies, shall review the state's
1008 energy and capacity resource assessment and **[**develop an integrated
1009 resources plan**]** approve the Integrated Resources Plan for the
1010 procurement of energy resources, including, but not limited to,
1011 conventional and renewable generating facilities, energy efficiency,
1012 load management, demand response, combined heat and power
1013 facilities, distributed generation and other emerging energy
1014 technologies to meet the projected requirements of **[**their**]** customers in
1015 a manner that minimizes the cost of **[**such**]** all energy resources to
1016 customers over time and maximizes consumer benefits consistent with
1017 the state's environmental goals and standards. **[**Such integrated
1018 resources plan**]** The Integrated Resources Plan shall seek to lower the
1019 cost of electricity.

1020 (b) On or before January 1, 2012, and biennially thereafter, the
1021 **[**Department**]** Commissioner of Energy and Environmental Protection,
1022 in consultation with the **[**Connecticut Energy Advisory Board and the**]**
1023 electric distribution companies, shall prepare an assessment of (1) the
1024 energy and capacity requirements of customers for the next three, five
1025 and ten years, (2) the manner of how best to eliminate growth in
1026 electric demand, (3) how best to level electric demand in the state by
1027 reducing peak demand and shifting demand to off-peak periods, (4)
1028 the impact of current and projected environmental standards,
1029 including, but not limited to, those related to greenhouse gas emissions
1030 and the federal Clean Air Act goals and how different resources could
1031 help achieve those standards and goals, (5) energy security and
1032 economic risks associated with potential energy resources, and (6) the
1033 estimated lifetime cost and availability of potential energy resources.

1034 (c) Resource needs shall first be met through all available energy
1035 efficiency and demand reduction resources that are cost-effective,
1036 reliable and feasible. The projected customer cost impact of any
1037 demand-side resources considered pursuant to this subsection shall be
1038 reviewed on an equitable basis with nondemand-side resources. The
1039 **[**integrated resources plan**]** Integrated Resources Plan shall specify (1)
1040 the total amount of energy and capacity resources needed to meet the
1041 requirements of all customers, (2) the extent to which demand-side
1042 measures, including efficiency, conservation, demand response and
1043 load management can cost-effectively meet these needs in a manner
1044 that ensures equity in benefits and cost reduction to all classes and
1045 subclasses of consumers, (3) needs for generating capacity and
1046 transmission and distribution improvements, (4) how the development
1047 of such resources will reduce and stabilize the costs of electricity to
1048 each class and subclass of consumers, and (5) the manner in which
1049 each of the proposed resources should be procured, including the
1050 optimal contract periods for various resources.

1051 (d) The **[**integrated resources plan**]** Integrated Resources Plan shall
1052 consider: (1) Approaches to maximizing the impact of demand-side
1053 measures; (2) the extent to which generation needs can be met by
1054 renewable and combined heat and power facilities; (3) the
1055 optimization of the use of generation sites and generation portfolio
1056 existing within the state; (4) fuel types, diversity, availability, firmness
1057 of supply and security and environmental impacts thereof, including
1058 impacts on meeting the state's greenhouse gas emission goals; (5)
1059 reliability, peak load and energy forecasts, system contingencies and
1060 existing resource availabilities; (6) import limitations and the
1061 appropriate reliance on such imports; (7) the impact of the
1062 **[**procurement plan**]** Integrated Resources Plan on the costs of electric
1063 customers; and (8) the effects on participants and nonparticipants.
1064 Such plan shall include options for lowering the rates and cost of
1065 electricity. **[**The Department of Energy and Environmental Protection
1066 shall hold a public hearing on such integrated resources plan pursuant
1067 to chapter 54. The commissioner may approve or reject such plan with

1068 comments.]

1069 (e) [The procurement manager of the Public Utilities Regulatory
1070 Authority, in consultation with the electric distribution companies, the
1071 regional independent system operator, and the Connecticut Energy
1072 Advisory Board, shall develop a procurement plan and hold public
1073 hearings on the proposed plan. Such hearings shall not constitute a
1074 contested case and shall be held in accordance with chapter 54. The
1075 Public Utilities Regulatory Authority shall give not less than fifteen
1076 days' notice of such proceeding by electronic publication on the
1077 department's Internet web site.] In approving the Integrated Resources
1078 Plan, the Commissioner of Energy and Environmental Protection shall
1079 conduct an uncontested proceeding that shall include not less than one
1080 public meeting and one technical meeting at which technical personnel
1081 shall be available to answer questions. Such meetings shall be
1082 transcribed and posted on the department's Internet web site. Not less
1083 than fifteen days before any such public meeting and thirty days
1084 before any such technical meeting, said commissioner shall publish
1085 notice of either such meeting and post the text of the proposed
1086 Integrated Resources Plan on the department's Internet web site.
1087 Notice of such [hearing] public meeting or technical meeting may also
1088 be published in one or more newspapers having state-wide circulation
1089 if deemed necessary by the commissioner. Such notice shall state the
1090 date, time, and place of the [hearing] meeting, the subject matter of the
1091 [hearing] meeting and time period during which comments may be
1092 submitted to said commissioner, the statutory authority for the
1093 proposed [integrated resources plan] Integrated Resources Plan and
1094 the location where a copy of the proposed [integrated resources] plan
1095 may be obtained or examined. [in addition to posting the plan on the
1096 department's Internet web site. The] Said commissioner shall provide a
1097 time period of not less than [forty-five] sixty days from the date the
1098 notice is published on the department's Internet web site for public
1099 review and comment. [The] Said commissioner shall consider fully [,
1100 after all public meetings,] all written and oral comments concerning
1101 the proposed [integrated resources plan and] Integrated Resources

1102 Plan after all public meetings and before approving the final plan. Said
1103 commissioner shall [post on the department's Internet web site and] (1)
1104 notify by electronic mail each person who requests such notice, [. The
1105 commissioner shall make available] and (2) post on the department's
1106 Internet web site the electronic text of the final [integrated resources
1107 plan or an Internet web site where the final integrated resources plan is
1108 posted,] Integrated Resources Plan and a report summarizing [(1)] all
1109 public comments [,] and [(2)] the changes made to the final [integrated
1110 resources] plan in response to such comments and the reasons
1111 therefor. The commissioner shall submit the final [integrated resources
1112 plan] Integrated Resources Plan by electronic means, or as requested,
1113 to the joint standing committees of the General Assembly having
1114 cognizance of matters relating to energy and the environment. [The
1115 department's Bureau of Energy shall, after the public hearing, make
1116 recommendations to the Commissioner of Energy and Environmental
1117 Protection regarding plan modifications. Said commissioner shall
1118 approve or reject the plan with comments.] Said commissioner may
1119 modify the Integrated Resources Plan to correct clerical errors at any
1120 time without following the procedures outlined in this subsection.

1121 (f) [On or before March 1, 2012] Not later than two years after the
1122 adoption of the Integrated Resources Plan, and every two years
1123 thereafter, the [Department] Commissioner of Energy and
1124 Environmental Protection shall report to the joint standing committees
1125 of the General Assembly having cognizance of matters relating to
1126 energy and the environment regarding goals established and progress
1127 toward implementation of [the integrated resources plan established
1128 pursuant to this section] said plan, as well as any recommendations
1129 [for the process] concerning such plan. Any such report may be
1130 submitted electronically.

1131 (g) All reasonable costs associated with the department's
1132 development of the resource assessment and [the development of the
1133 integrated resources plan and the procurement plan] the Integrated
1134 Resources Plan shall be recoverable through the assessment in section

1135 16-49. All electric distribution companies' reasonable costs associated
1136 with the development of the plan shall be recoverable through a
1137 reconciling nonbypassable component of electric rates as determined
1138 by the authority.

1139 (h) [The decisions of the Public Utilities Regulatory Authority shall
1140 be guided by the goals of the Department of Energy and
1141 Environmental Protection, as described in section 22a-2d, and with the
1142 goals of the integrated resources plan approved pursuant to this
1143 section and the comprehensive energy plan developed pursuant to
1144 section 16a-3d and shall be based on the evidence in the record of each
1145 proceeding.] In the event that the Integrated Resources Plan approved
1146 by the Commissioner of Energy and Environmental Protection
1147 contains any provision the implementation of which requires funding
1148 through new or amended rates or charges, the Public Utilities
1149 Regulatory Authority may open a proceeding to review such
1150 provision, in accordance with the procedures established in sections
1151 16-19 and 16-19e, as amended by this act, to ensure that rates remain
1152 just and reasonable.

1153 Sec. 21. Section 16a-3b of the general statutes is repealed and the
1154 following is substituted in lieu thereof (*Effective from passage*):

1155 (a) The Public Utilities Regulatory Authority shall oversee the
1156 implementation of the [integrated resources plan approved by the
1157 Commissioner of Energy and Environmental Protection pursuant to
1158 section 16a-3a] Integrated Resources Plan and the Procurement Plan.
1159 The electric distribution companies shall implement the demand-side
1160 measures, including, but not limited to, energy efficiency, load
1161 management, demand response, combined heat and power facilities,
1162 distributed generation and other emerging energy technologies,
1163 specified in [said plan through] the Integrated Resources Plan and
1164 included in the comprehensive [conservation and load management
1165 plan prepared pursuant to section 16-245m for review] Conservation
1166 and Load Management Plan approved by the Energy Conservation
1167 Management Board and the Commissioner of Energy and

1168 Environmental Protection. The electric distribution companies shall
1169 submit proposals to appropriate regulatory agencies to address
1170 transmission and distribution upgrades as specified in [said plan] the
1171 Integrated Resources Plan.

1172 (b) [If the integrated resources plan specifies the construction of a
1173 generating facility] When the Integrated Resources Plan contains an
1174 option to procure new sources of generation, the authority shall
1175 develop and issue a request for proposals, shall publish such request
1176 for proposals in one or more newspapers or periodicals, as selected by
1177 the authority, and shall post such request for proposals on its Internet
1178 web site. In considering proposals submitted pursuant to such request,
1179 the authority shall give preference to proposals for generation without
1180 any financial assistance, including, but not limited to, long-term
1181 contract financing or ratepayer guarantees. Pursuant to a
1182 nondisclosure agreement, the authority shall make available to the
1183 Commissioner of Energy and Environmental Protection, the Office of
1184 Consumer Counsel and the Attorney General all confidential bid
1185 information it receives pursuant to this subsection, provided the bids
1186 and any analysis of such bids shall not be subject to disclosure under
1187 the Freedom of Information Act. Three months after the authority
1188 issues a final decision, it shall make available all financial bid
1189 information, provided such information regarding the bidders not
1190 selected be presented in a manner that conceals the identities of such
1191 bidders.

1192 (1) On and after July 1, 2008, an electric distribution company may
1193 submit proposals in response to a request for proposals on the same
1194 basis as other respondents to the solicitation. A proposal submitted by
1195 an electric distribution company shall include its full projected costs
1196 such that any project costs recovered from or defrayed by ratepayers
1197 are included in the projected costs. An electric distribution company
1198 submitting any such bid shall demonstrate to the satisfaction of the
1199 authority that its bid is not supported in any form of cross
1200 subsidization by affiliated entities. If the authority approves such

1201 electric distribution company's proposal, the costs and revenues of
1202 such proposal shall not be included in calculating such company's
1203 earning for purposes of, or in determining whether its rates are just
1204 and reasonable under, sections 16-19, 16-19a and 16-19e, as amended
1205 by this act. An electric distribution company shall not recover more
1206 than the full costs identified in any approved proposal. Affiliates of the
1207 electric distribution company may submit proposals pursuant to
1208 section 16-244h, regulations adopted pursuant to section 16-244h and
1209 other requirements the authority may impose.

1210 (2) If the authority selects a nonelectric distribution company
1211 proposal, an electric distribution company shall, within thirty days of
1212 the selection of a proposal by the authority, negotiate in good faith the
1213 final terms of a contract with a generating facility and shall apply to
1214 the authority for approval of such contract. Upon authority approval,
1215 the electric distribution company shall enter into such contract.

1216 (3) The authority shall determine the appropriate manner of cost
1217 recovery for proposals selected pursuant to this section.

1218 (4) The authority may retain the services of a third-party entity with
1219 expertise in the area of energy procurement to oversee the
1220 development of the request for proposals and to assist the authority in
1221 its approval of proposals pursuant to this section. The reasonable and
1222 proper expenses for retaining such third-party entity shall be
1223 recoverable through the generation services charge.

1224 (c) The electric distribution companies shall issue requests for
1225 proposals to acquire any other resource needs not identified in
1226 subsection (a) or (b) of this section but specified in the **[**integrated
1227 resources plan**]** Integrated Resources Plan approved by the
1228 Commissioner of Energy and Environmental Protection pursuant to
1229 section 16a-3a, as amended by this act. Such requests for proposals
1230 shall be subject to approval by the authority.

1231 Sec. 22. Subsection (a) of section 16a-3c of the general statutes is

1232 repealed and the following is substituted in lieu thereof (*Effective from*
1233 *passage*):

1234 (a) On and after July 1, 2011, if the Public Utilities Regulatory
1235 Authority does not receive and approve proposals **[**pursuant to the
1236 requests for proposals processes, pursuant to section 16a-3b,**]** sufficient
1237 to reach the goal set by the **[**integrated resources plan approved
1238 pursuant to section 16a-3a**]** Integrated Resources Plan, the authority
1239 may order an electric distribution company to submit for the
1240 authority's review in a contested case proceeding, in accordance with
1241 chapter 54, a proposal to build and operate an electric generation
1242 facility in the state. An electric distribution company shall be eligible to
1243 recover its prudently incurred costs consistent with the principles set
1244 forth in section 16-19e, as amended by this act, for any generation
1245 project approved pursuant to this section.

1246 Sec. 23. Section 16a-3d of the general statutes is repealed and the
1247 following is substituted in lieu thereof (*Effective from passage*):

1248 (a) On or before **[**July 1, 2012**]** October 1, 2016, and every three years
1249 thereafter, the Commissioner of Energy and Environmental Protection
1250 **[**, in consultation with the Connecticut Energy Advisory Board,**]** shall
1251 prepare a **[**comprehensive energy plan. Such plan**]** Comprehensive
1252 Energy Strategy. Said strategy shall reflect the legislative findings and
1253 policy stated in section 16a-35k and shall incorporate (1) an assessment
1254 and plan for all energy needs in the state, including, but not limited to,
1255 electricity, heating, cooling, and transportation, (2) the findings of the
1256 **[**integrated resources plan**]** Integrated Resources Plan, (3) the findings
1257 of the plan for energy efficiency adopted pursuant to section 16-245m,
1258 as amended by this act, **[**and**]** (4) the findings of the plan for renewable
1259 energy adopted pursuant to section 16-245n, **[**. Such plan**]** and (5) the
1260 Energy Assurance Plan developed for the state of Connecticut
1261 pursuant to the American Recovery and Reinvestment Act of 2009, P.L.
1262 111-5, or any successor Energy Assurance Plan developed within a
1263 reasonable time prior to the preparation of any Comprehensive Energy
1264 Strategy. Said strategy shall further include, but not be limited to, (A)

1265 an assessment of current energy supplies, demand and costs, (B)
1266 identification and evaluation of the factors likely to affect future
1267 energy supplies, demand and costs, (C) a statement of progress made
1268 toward achieving the goals and milestones set in the preceding
1269 [comprehensive energy plan] Comprehensive Energy Strategy, (D) a
1270 statement of energy policies and long-range energy planning
1271 objectives and strategies appropriate to achieve, among other things, a
1272 sound economy, the least-cost mix of energy supply sources and
1273 measures that reduce demand for energy, giving due regard to such
1274 factors as consumer price impacts, security and diversity of fuel
1275 supplies and energy generating methods, protection of public health
1276 and safety, environmental goals and standards, conservation of energy
1277 and energy resources and the ability of the state to compete
1278 economically, (E) recommendations for administrative and legislative
1279 actions to implement such policies, objectives and strategies, (F) an
1280 assessment of the potential costs savings and benefits to ratepayers,
1281 including, but not limited to, carbon dioxide emissions reductions or
1282 voluntary joint ventures to repower some or all of the state's coal-fired
1283 and oil-fired generation facilities built before 1990, and (G) the benefits,
1284 costs, obstacles and solutions related to the expansion and use and
1285 availability of natural gas in Connecticut. If the department finds that
1286 such expansion is in the public interest, it shall develop a plan to
1287 increase the use and availability of natural gas. [for transportation
1288 purposes.]

1289 (b) In adopting the [comprehensive energy plan] Comprehensive
1290 Energy Strategy, the Commissioner of Energy and Environmental
1291 Protection [, or the commissioner's designee,] shall conduct a
1292 proceeding [and such proceeding] that shall not be considered a
1293 contested case under chapter 54, [provided a hearing pursuant to
1294 chapter 54 shall be held. The] but shall include not less than one public
1295 meeting and one technical meeting at which technical personnel shall
1296 be available to answer questions. Such meetings shall be transcribed
1297 and posted on the department's Internet web site. Said commissioner
1298 shall give not less than fifteen days' notice of such proceeding by

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

1333 (c) The [commissioner] Commissioner of Energy and Environmental
1334 Protection shall submit the final [plan] Comprehensive Energy
1335 Strategy electronically to the joint standing committees of the General
1336 Assembly having cognizance of matters relating to energy and the
1337 environment.

1338 (d) The [commissioner may, in consultation with the Connecticut
1339 Energy Advisory Board, modify the comprehensive energy plan]
1340 Commissioner of Energy and Environmental Protection may modify
1341 the Comprehensive Energy Strategy in accordance with the procedures
1342 outlined in subsections (b) and (c) of this section. [The commissioner
1343 may approve or reject such plan with comments.]

1344 [(e) The decisions of the Public Utilities Regulatory Authority shall
1345 be guided by the goals of the Department of Energy and
1346 Environmental Protection, as listed in section 22a-2d, and by the goals
1347 of the comprehensive energy plan and the integrated resources plan
1348 approved pursuant to section 16a-3a and shall be based on the
1349 evidence in the record of each proceeding.

1350 (f) All electric distribution companies' reasonable costs associated
1351 with the development of the resource assessment shall be recoverable
1352 through the systems benefits charge.]

1353 Sec. 24. Section 16a-3e of the general statutes is repealed and the
1354 following is substituted in lieu thereof (*Effective from passage*):

1355 [(a)] The [integrated resources plan, developed pursuant to section
1356 16a-3a,] Integrated Resources Plan to be adopted in 2012 and annually
1357 thereafter, shall (1) indicate specific options to reduce [the price of
1358 electricity] electric rates and costs. Such options may include the
1359 procurement of new sources of generation. In the review of new
1360 sources of generation, the [integrated resources plan] Integrated
1361 Resources Plan shall indicate whether the private wholesale market
1362 can supply such additional sources or whether state financial
1363 assistance, long-term purchasing of electricity contracts or other

1364 interventions are needed to achieve the goal; (2) analyze in-state
1365 renewable sources of electricity in comparison to transmission line
1366 upgrades or new projects and out-of-state renewable energy sources,
1367 provided such analysis also considers the benefits of additional jobs
1368 and other economic impacts and how they are created and subsidized;
1369 (3) include an examination of average consumption and other states'
1370 best practices to determine why electricity rates are lower elsewhere in
1371 the region; (4) assess and compare the cost of transmission line
1372 projects, new power sources, renewable sources of electricity,
1373 conservation and distributed generation projects to ensure the state
1374 pursues only the least-cost alternative projects; (5) continually monitor
1375 supply and distribution systems to identify potential need for
1376 transmission line projects early enough to identify alternatives; and (6)
1377 assess the least-cost alternative to address reliability concerns,
1378 including, but not limited to, lowering electricity demand through
1379 conservation and distributed generation projects before an electric
1380 distribution company submits a proposal for transmission lines or
1381 transmission line upgrades to the independent system operator or the
1382 Federal Energy Regulatory Commission, provided no provision of
1383 such plan shall be deemed to prohibit an electric distribution company
1384 from making any filing required by law or regulation.

1385 **[**(b) If, on and after July 1, 2012, the 2012 integrated resources plan
1386 or any subsequent plan contains an option to procure new sources of
1387 generation, the Department of Energy and Environmental Protection
1388 shall pursue the most cost-effective approach. If the department seeks
1389 new sources of generation, it shall issue a notice of interest for
1390 generation without any financial assistance, including, but not limited
1391 to, long-term contract financing or ratepayer guarantees. If the
1392 department fails to receive any responsive cost-effective proposal, it
1393 shall issue a request for proposals that may include such financial
1394 assistance.

1395 (c) On or before February 1, 2012, the department shall report to the
1396 joint standing committee of the General Assembly having cognizance

1397 of matters relating to energy regarding state policy and legislative
1398 changes the department feels would most likely lower the state's
1399 electricity rates.]

1400 Sec. 25. Subsection (b) of section 16a-7b of the general statutes is
1401 repealed and the following is substituted in lieu thereof (*Effective from*
1402 *passage*):

1403 (b) No municipality other than a municipality operating a plant
1404 pursuant to chapter 101 or any special act and acting for purposes
1405 thereto may take an action to condemn, in whole or in part, or restrict
1406 the operation of any existing and currently operating energy facility, if
1407 such facility is first determined by the Public Utilities Regulatory
1408 Authority, following a contested case proceeding, held in accordance
1409 with the provisions of chapter 54, to comprise a critical, unique and
1410 unmovable component of the state's energy infrastructure, unless the
1411 municipality first receives written approval from the [department, the
1412 Connecticut Energy Advisory Board] Commissioner of Energy and
1413 Environmental Protection and the Connecticut Siting Council that such
1414 taking would not have a detrimental impact on the state's or region's
1415 ability to provide a particular energy resource to its citizens.

1416 Sec. 26. Subsection (f) of section 16a-23t of the general statutes is
1417 repealed and the following is substituted in lieu thereof (*Effective from*
1418 *passage*):

1419 (f) The Commissioner of Social Services, or the commissioner's
1420 designee, [the chairperson of the Connecticut Energy Advisory Board,]
1421 and the Commissioner of Energy and Environmental Protection, or the
1422 commissioner's designee, shall constitute a Home Heating Oil
1423 Planning Council to address issues involving the supply, delivery and
1424 costs of home heating oil and state policies regarding the future of the
1425 state's home heating oil supply. The Commissioner of Energy and
1426 Environmental Protection shall convene the first meeting of the
1427 council.

1428 Sec. 27. Subsections (c) to (e), inclusive, of section 16a-37u of the
1429 general statutes are repealed and the following is substituted in lieu
1430 thereof (*Effective from passage*):

1431 (c) Any state agency or municipality may enter into an energy-
1432 savings performance contract, as defined in section 16a-37x, with a
1433 qualified energy service provider, as defined in said section 16a-37x, to
1434 produce utility cost savings, as defined in said section 16a-37x, or
1435 operation and maintenance cost savings, as defined in said section 16a-
1436 37x. Any energy-savings measure, as defined in said section 16a-37x,
1437 implemented under such contracts shall comply with state **[**or local**]**
1438 building **[**codes**]** code and local building requirements. Any state
1439 agency or municipality may implement other capital improvements in
1440 conjunction with an energy-savings performance contract as long as
1441 the measures that are being implemented to achieve utility and
1442 operation and maintenance cost savings and other capital
1443 improvements are in the aggregate cost effective over the term of the
1444 contract.

1445 (d) On or before January 1, 2013, and annually thereafter, the
1446 commissioner shall report, in accordance with the provisions of section
1447 11-4a, on the status of its implementation of the plan and provide
1448 recommendations regarding energy use in state buildings to the joint
1449 standing committee of the General Assembly having cognizance of
1450 matters relating to energy. Any such report may be submitted
1451 electronically.

1452 (e) Not later than January fifth, annually, the commissioner shall
1453 submit a report to the Governor and the joint standing committee of
1454 the General Assembly having cognizance of matters relating to energy
1455 planning and activities. The report shall (1) indicate the total number
1456 of energy audits and technical assistance audits of state-owned and
1457 leased buildings, (2) summarize the status of the energy conservation
1458 measures recommended by such audits, (3) summarize all energy
1459 conservation measures implemented during the preceding twelve
1460 months in state-owned and leased buildings which have not had such

1461 audits, (4) analyze the availability and allocation of funds to
1462 implement the measures recommended under subdivision (2) of this
1463 subsection, (5) list each budgeted agency, as defined in section 4-69,
1464 which occupies a state-owned or leased building and has not
1465 cooperated with the Commissioner of Administrative Services and the
1466 Commissioner of Energy and Environmental Protection in conducting
1467 energy and technical assistance audits of such building and
1468 implementing operational and maintenance improvements
1469 recommended by such audits and any other energy conservation
1470 measures required for such building by the **[**secretary**]** Commissioner
1471 of Energy and Environmental Protection, in consultation with the
1472 Secretary of the Office of Policy and Management, (6) summarize all
1473 life-cycle cost analyses prepared under section 16a-38 during the
1474 preceding twelve months, and summarize agency compliance with the
1475 life-cycle cost analyses, and (7) identify any state laws, regulations or
1476 procedures that impede innovative energy conservation and load
1477 management projects in state buildings. Any such report may be
1478 submitted electronically.

1479 Sec. 28. Section 16a-38*l* of the general statutes is repealed and the
1480 following is substituted in lieu thereof (*Effective from passage*):

1481 (a) Notwithstanding any provisions of the general statutes, the
1482 Department of Energy and Environmental Protection, in consultation
1483 with the Department of Construction Services, shall develop a strategic
1484 plan to improve the management of energy use in state facilities. Such
1485 plan shall include, but not be limited to: (1) A detailed description of
1486 the manner in which initiatives that make investments in energy
1487 efficiency, demand and load response, distributed generation,
1488 renewable energy and combined heat and power will be implemented;
1489 (2) options for having state agencies and institutions pursue
1490 competitive electric supply options through an integrated energy
1491 purchasing program; and (3) an outline of potential near-term
1492 budgetary savings targets that can be achieved through the
1493 implementation of said plan.

1494 (b) **[**On or before September 1, 2007, and annually thereafter, the
1495 Department of Energy and Environmental Protection shall file such
1496 strategic plan with the Connecticut Energy Advisory Board. On or
1497 before January 1, 2008, and annually thereafter, the board shall
1498 approve or modify and approve said plan. On or before March 15,
1499 2008, and annually thereafter, the board shall measure the success of
1500 the implementation of said plan and determine any actual financial
1501 benefits that have been derived by the overall electric system,
1502 including, but not limited to, state facilities.**]** Any savings achieved
1503 through the implementation of said plan shall be allocated as follows:
1504 (1) Seventy-five per cent shall be retained by electric ratepayers, and
1505 (2) twenty-five per cent shall be divided equally between (A)
1506 reinvestment into energy efficiency programs in state buildings, and
1507 (B) investment into energy efficiency programs and technologies on
1508 behalf of participants of energy assistance programs administered by
1509 the Department of Social Services. Any reinvestments or investments
1510 made in programs pursuant to this section shall be paid through the
1511 systems benefits charge.

1512 (c) To carry out the purposes of this section, the Department of
1513 Energy and Environmental Protection may perform all acts necessary
1514 for the negotiation, execution and administration of any contract that is
1515 reasonably incidental to and furthers the needs of the state and the
1516 purposes of this section. The Department of Energy and
1517 Environmental Protection may also retain the services of a third party
1518 entity possessing the requisite managerial, technical and financial
1519 capacity, to perform some or all of the duties necessary to implement
1520 the provisions of said plan.

1521 (d) Any costs incurred by the state in complying with the provisions
1522 of this section shall be paid from annual state appropriations.

1523 Sec. 29. Subsections (a) to (c), inclusive, of section 16a-40b of the
1524 general statutes are repealed and the following is substituted in lieu
1525 thereof (*Effective from passage*):

1526 (a) The commissioner, acting on behalf of the state, may, with
1527 respect to loans for which funds have been authorized by the State
1528 Bond Commission prior to July 1, 1992, in his discretion make low-cost
1529 loans or deferred loans to residents of this state for the purchase and
1530 installation in residential structures of insulation, alternative energy
1531 devices, energy conservation materials and replacement furnaces and
1532 boilers, approved in accordance with regulations to be adopted by the
1533 Commissioner of Energy and Environmental Protection. In the
1534 purchase and installation of insulation in new residential structures,
1535 only that insulation which exceeds the requirements of the State
1536 Building Code shall be eligible for such loans or deferred loans. The
1537 commissioner may also make low-cost loans or deferred loans to
1538 persons in the state residing in dwellings constructed not later than
1539 December 31, **[**1979**]** 1995, and for which the primary source of heating
1540 since such date has been electric resistance, for (1) the purchase and
1541 installation of a high-efficiency secondary heating system using a
1542 source of heat other than electric resistance, (2) the conversion of a
1543 primary electric heating system to a high-efficiency system using a
1544 source of heat other than electric resistance, or (3) the purchase and
1545 installation of a high-efficiency combination heating and cooling
1546 system. As used in this subsection, "high-efficiency" means having a
1547 seasonal energy efficiency ratio of 11.0 or higher, or a heating season
1548 performance factor of 7.2 or higher, as designated by the American
1549 Refrigeration Institute in the Directory of Certified Unitary Air
1550 Conditioners, Air Source Heat Pumps and Outdoor Unitary
1551 Equipment, as from time to time amended, or an equivalent ratio for a
1552 fossil fuel system.

1553 (b) Any such loan or deferred loan shall be available only for a
1554 residential structure containing not more than four dwelling units,
1555 shall be not less than four hundred dollars and not more than twenty-
1556 five thousand dollars per structure and, with respect to any application
1557 received on or after November 29, 1979, shall be made only to an
1558 applicant who submits evidence, satisfactory to the commissioner, that
1559 the adjusted gross income of the household member or members who

1560 contribute to the support of his household was not in excess of [two]
1561 one hundred ten per cent of the median area income by household
1562 size. In the case of a deferred loan, the contract shall require that
1563 payments on interest are due immediately but that payments on
1564 principal may be made at a later time. Repayment of loans made under
1565 this subsection shall be subject to (1) a rate of interest (A) of zero per
1566 cent for loans for natural gas furnaces or boilers that meet or exceed
1567 federal Energy Star standards and propane and oil furnaces and
1568 boilers that are not less than eighty-four per cent efficient or as may
1569 otherwise be provided in subsection (a) of section 16a-46e, or (B) to be
1570 determined in accordance with subsection (t) of section 3-20 and this
1571 subsection for loans for other purposes, and (2) such terms and
1572 conditions as the commissioner may establish. The State Bond
1573 Commission shall establish a range of rates of interest payable on loans
1574 pursuant to subparagraph (B) of subdivision (1) of this subsection and
1575 shall apply the range to applicants in accordance with a formula which
1576 reflects their income. Such range shall be not less than zero per cent for
1577 any applicant in the lowest income class and not more than one per
1578 cent above the rate of interest borne by the general obligation bonds of
1579 the state last issued prior to the most recent date such range was
1580 established for any applicant for whom the adjusted gross income of
1581 the household member or members who contribute to the support of
1582 his household does not exceed [two] one hundred ten per cent of the
1583 median area income by household size.

1584 (c) The commissioner shall establish a program under which he
1585 shall make funds deposited in the Energy Conservation Loan Fund
1586 available for low-cost loans or deferred loans under subsection (a) of
1587 this section for residential structures containing more than four
1588 dwelling units, or for contracts guaranteeing payment of loans or
1589 deferred loans provided by private institutions for such structures for
1590 the purposes specified under subsection (a) of this section. Any such
1591 loan or deferred loan shall be an amount equaling not more than [two]
1592 three thousand five hundred dollars multiplied by the number of
1593 dwelling units in such structure, provided no such loan or deferred

1594 loan shall exceed [sixty] one hundred thousand dollars. If the applicant
1595 seeks a loan or deferred loan for a structure containing more than
1596 thirty dwelling units, he shall include in his application a commitment
1597 to make comparable energy improvements of benefit to all dwelling
1598 units in the structure in addition to the thirty units which are eligible
1599 for the loan or deferred loan. Applications for contracts of guarantee
1600 shall be limited to structures containing not more than thirty dwelling
1601 units and the amount of the guarantee shall be not more than three
1602 thousand dollars for each dwelling unit benefiting from the loan or
1603 deferred loan. There shall not be an income eligibility limitation for
1604 applicants for such loans, deferred loans or guarantees, but the
1605 commissioner shall give preference to applications for loans, deferred
1606 loans or guarantees for such structures which are occupied by persons
1607 of low or moderate income. Repayment of such loans or deferred loans
1608 shall be subject to (1) a rate of interest (A) of zero per cent for loans for
1609 natural gas furnaces or boilers that meet or exceed federal Energy Star
1610 standards and propane and oil furnaces and boilers that are not less
1611 than eighty-four per cent efficient or as may otherwise be provided in
1612 subsection (a) of section 16a-46e, or (B) to be determined in accordance
1613 with subsection (t) of section 3-20 for loans for other purposes, and (2)
1614 such terms and conditions as the commissioner shall establish. The
1615 state shall have a lien on each property for which a loan, deferred loan
1616 or guarantee has been made under this section to ensure compliance
1617 with such terms and conditions.

1618 Sec. 30. Subsection (a) of section 16a-40*l* of the general statutes is
1619 repealed and the following is substituted in lieu thereof (*Effective from*
1620 *passage*):

1621 (a) On or before October 1, 2011, the Department of Energy and
1622 Environmental Protection shall establish a residential heating
1623 equipment financing program. Such program shall allow residential
1624 customers to finance, through on-bill financing or other mechanism,
1625 the installation of energy efficient natural gas or heating oil burners,
1626 boilers and furnaces or ductless heat pumps to replace (1) burners,

1627 boilers and furnaces that are not less than seven years old with an
1628 efficiency rating of not more than seventy-five per cent, or (2) electric
1629 heating systems. Eligible fuel oil furnaces shall have an efficiency
1630 rating of not less than eighty-six per cent. An eligible fuel oil burner
1631 shall have an efficiency rating of not less than eighty-six per cent with
1632 temperature reset controls. An eligible natural gas boiler shall have an
1633 annual fuel utilization efficiency rating of not less than ninety per cent
1634 and an eligible natural gas furnace shall have an annual fuel utilization
1635 efficiency rating of not less than ninety-five per cent. To participate in
1636 the program established pursuant to this subsection, a customer shall
1637 first have a home energy audit, the cost of which may be financed
1638 pursuant to subsection (b) of this section.

1639 Sec. 31. Section 16a-46h of the general statutes is repealed and the
1640 following is substituted in lieu thereof (*Effective from passage*):

1641 **[**(a)**]** Each electric, gas or heating fuel customer, regardless of
1642 heating source, shall be assessed fees, charges, co-pays or other similar
1643 terms to access any audits administered by the Home Energy Solutions
1644 program that reflect the contributions made to the Energy Efficiency
1645 Fund by each such customer's respective customer type, provided such
1646 fees, charges, copays and other similar terms shall not exceed a total
1647 **[**of ninety-nine dollars**]** <u>amount</u> for any such audit <u>as determined by</u>
1648 <u>the Energy Conservation Management Board for each such customer</u>
1649 <u>type</u>.

1650 **[**(b) After August 1, 2013, the costs of subsidizing such audits to
1651 ratepayers whose primary source of heat is not electricity or natural
1652 gas shall not exceed five hundred thousand dollars per year.**]**

1653 Sec. 32. Subsections (b) to (g), inclusive, of section 16a-48 of the
1654 general statutes are repealed and the following is substituted in lieu
1655 thereof (*Effective from passage*):

1656 (b) The provisions of this section apply to the testing, certification
1657 and enforcement of efficiency standards for the following types of new

1658 products sold, offered for sale or installed in the state: (1) Commercial
1659 clothes washers; (2) commercial refrigerators and freezers; (3)
1660 illuminated exit signs; (4) large packaged air-conditioning equipment;
1661 (5) low voltage dry-type distribution transformers; (6) torchiere
1662 lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)
1663 residential furnaces and boilers; (10) residential pool pumps; (11) metal
1664 halide lamp fixtures; (12) single voltage external AC to DC power
1665 supplies; (13) state regulated incandescent reflector lamps; (14) bottle-
1666 type water dispensers; (15) commercial hot food holding cabinets; (16)
1667 portable electric spas; (17) walk-in refrigerators and walk-in freezers;
1668 (18) pool heaters; (19) compact audio players; (20) televisions; (21)
1669 digital versatile disc players; (22) digital versatile disc recorders; and
1670 (23) any other products as may be designated by the **[**department**]**
1671 commissioner in accordance with subdivision (3) of subsection (d) of
1672 this section.

1673 (c) The provisions of this section do not apply to (1) new products
1674 manufactured in the state and sold outside the state, (2) new products
1675 manufactured outside the state and sold at wholesale inside the state
1676 for final retail sale and installation outside the state, (3) products
1677 installed in mobile manufactured homes at the time of construction, or
1678 (4) products designed expressly for installation and use in recreational
1679 vehicles.

1680 (d) (1) The **[**department**]** Commissioner of Energy and
1681 Environmental Protection shall adopt regulations, in accordance with
1682 the provisions of chapter 54, to implement the provisions of this
1683 section and to establish minimum energy efficiency standards for the
1684 types of new products set forth in subsection (b) of this section. The
1685 regulations shall provide for the following minimum energy efficiency
1686 standards:

1687 (A) Commercial clothes washers shall meet the requirements shown
1688 in Table P-3 of section 1605.3 of the California Code of Regulations,
1689 Title 20: Division 2, Chapter 4, Article 4;

1690 (B) Commercial refrigerators and freezers shall meet the August 1,
1691 2004, requirements shown in Table A-6 of said California regulation;

1692 (C) Illuminated exit signs shall meet the version 2.0 product
1693 specification of the "Energy Star Program Requirements for Exit Signs"
1694 developed by the United States Environmental Protection Agency;

1695 (D) Large packaged air-conditioning equipment having not more
1696 than seven hundred sixty thousand BTUs per hour of capacity shall
1697 meet a minimum energy efficiency ratio of 10.0 for units using both
1698 electric heat and air conditioning or units solely using electric air
1699 conditioning, and 9.8 for units using both natural gas heat and electric
1700 air conditioning;

1701 (E) Large packaged air-conditioning equipment having not less than
1702 seven hundred sixty-one thousand BTUs per hour of capacity shall
1703 meet a minimum energy efficiency ratio of 9.7 for units using both
1704 electric heat and air conditioning or units solely using electric air
1705 conditioning, and 9.5 for units using both natural gas heat and electric
1706 air conditioning;

1707 (F) Low voltage dry-type distribution transformers shall meet or
1708 exceed the energy efficiency values shown in Table 4-2 of the National
1709 Electrical Manufacturers Association Standard TP-1-2002;

1710 (G) Torchiere lighting fixtures shall not consume more than one
1711 hundred ninety watts and shall not be capable of operating with lamps
1712 that total more than one hundred ninety watts;

1713 (H) Traffic signal modules shall meet the product specification of
1714 the "Energy Star Program Requirements for Traffic Signals" developed
1715 by the United States Environmental Protection Agency that took effect
1716 in February, 2001, except where the department, in consultation with
1717 the Commissioner of Transportation, determines that such
1718 specification would compromise safe signal operation;

1719 (I) Unit heaters shall not have pilot lights and shall have either

1720 power venting or an automatic flue damper;

1721 (J) On or after January 1, 2009, residential furnaces and boilers
1722 purchased by the state shall meet or exceed the following annual fuel
1723 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
1724 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
1725 cent annual fuel utilization efficiency, (iii) for gas and propane hot
1726 water boilers, eighty-four per cent annual fuel utilization efficiency,
1727 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
1728 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
1729 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
1730 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
1731 for furnaces with furnace air handlers, an electricity ratio of not more
1732 than 2.0, except air handlers for oil furnaces with a capacity of less than
1733 ninety-four thousand BTUs per hour shall have an electricity ratio of
1734 2.3 or less;

1735 (K) On or after January 1, 2010, metal halide lamp fixtures designed
1736 to be operated with lamps rated greater than or equal to one hundred
1737 fifty watts but less than or equal to five hundred watts shall not
1738 contain a probe-start metal halide lamp ballast;

1739 (L) Single-voltage external AC to DC power supplies manufactured
1740 on or after January 1, 2008, shall meet the energy efficiency standards
1741 of table U-1 of section 1605.3 of the January 2006 California Code of
1742 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1743 Efficiency Regulations. This standard applies to single voltage AC to
1744 DC power supplies that are sold individually and to those that are sold
1745 as a component of or in conjunction with another product. This
1746 standard shall not apply to single-voltage external AC to DC power
1747 supplies sold with products subject to certification by the United States
1748 Food and Drug Administration. A single-voltage external AC to DC
1749 power supply that is made available by a manufacturer directly to a
1750 consumer or to a service or repair facility after and separate from the
1751 original sale of the product requiring the power supply as a service
1752 part or spare part shall not be required to meet the standards in said

1753 table U-1 until five years after the effective dates indicated in the table;

1754 (M) On or after January 1, 2009, state regulated incandescent
1755 reflector lamps shall be manufactured to meet the minimum average
1756 lamp efficacy requirements for federally regulated incandescent
1757 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
1758 indicate the date of manufacture;

1759 (N) On or after January 1, 2009, bottle-type water dispensers,
1760 commercial hot food holding cabinets, portable electric spas, walk-in
1761 refrigerators and walk-in freezers shall meet the efficiency
1762 requirements of section 1605.3 of the January 2006 California Code of
1763 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1764 Efficiency Regulations. On or after January 1, 2010, residential pool
1765 pumps shall meet said efficiency requirements;

1766 (O) On or after January 1, 2009, pool heaters shall meet the
1767 efficiency requirements of sections 1605.1 and 1605.3 of the January
1768 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
1769 Article 4: Appliance Efficiency Regulations;

1770 (P) By January 1, 2014, compact audio players, digital versatile disc
1771 players and digital versatile disc recorders shall meet the requirements
1772 shown in Table V-1 of Section 1605.3 of the November 2009
1773 amendments to the California Code of Regulations, Title 20, Division 2,
1774 Chapter 4, Article 4, unless the commissioner, in accordance with
1775 subparagraph (B) of subdivision (3) of this subsection, determines that
1776 such standards are unwarranted and may accept, reject or modify
1777 according to subparagraph (A) of subdivision (3) of this subsection;

1778 (Q) On or after January 1, 2014, televisions manufactured on or after
1779 July 1, 2011, shall meet the requirements shown in Table V-2 of Section
1780 1605.3 of the November 2009 amendments to the California Code of
1781 Regulations, Title 20, Division 2, Chapter 4, Article 4, unless the
1782 commissioner, in accordance with subparagraph (B) of subdivision (3)
1783 of this subsection, determines that such standards are unwarranted

1784 and may accept, reject or modify according to subparagraph (A) of
1785 subdivision (3) of this subsection; and

1786 (R) In addition to the requirements of subparagraph (Q) of this
1787 subdivision, televisions manufactured on or after January 1, 2014, shall
1788 meet the efficiency requirements of Sections 1605.3(v)(3)(A),
1789 1605.3(v)(3)(B) and 1605.3(v)(3)(C) of the November 2009 amendments
1790 to the California Code of Regulations, Title 20, Division 2, Chapter 4,
1791 Article 4, unless the commissioner, in accordance with subparagraph
1792 (B) of subdivision (3) of this subsection, determines that such
1793 standards are unwarranted and may accept, reject or modify according
1794 to subparagraph (A) of subdivision (3) of this subsection.

1795 (2) Such efficiency standards, where in conflict with the State
1796 Building Code, shall take precedence over the standards contained in
1797 the Building Code. Not later than July 1, 2007, and biennially
1798 thereafter, the **[**department**]** Commissioner of Energy and
1799 Environmental Protection shall review and increase the level of such
1800 efficiency standards by adopting regulations in accordance with the
1801 provisions of chapter 54 upon a determination that increased efficiency
1802 standards would serve to promote energy conservation in the state and
1803 would be cost-effective for consumers who purchase and use such new
1804 products, provided no such increased efficiency standards shall
1805 become effective within one year following the adoption of any
1806 amended regulations providing for such increased efficiency
1807 standards.

1808 (3) (A) The **[**department**]** Commissioner of Energy and
1809 Environmental Protection shall adopt regulations, in accordance with
1810 the provisions of chapter 54, to designate additional products to be
1811 subject to the provisions of this section and to establish efficiency
1812 standards for such products upon a determination that such efficiency
1813 standards (i) would serve to promote energy conservation in the state,
1814 (ii) would be cost-effective for consumers who purchase and use such
1815 new products, and (iii) would not impose an unreasonable burden on
1816 Connecticut businesses.

1817 (B) The [department] Commissioner of Energy and Environmental
1818 Protection, in consultation with the Multi-State Appliance Standards
1819 Collaborative, shall identify additional appliance and equipment
1820 efficiency standards. The commissioner shall review all California
1821 standards and may review standards from other states in such
1822 collaborative. The commissioner shall issue notice of such review in
1823 the Connecticut Law Journal, allow for public comment and may hold
1824 a public hearing within six months of adoption of an efficiency
1825 standard by a cooperative member state regarding a product for which
1826 no equivalent Connecticut or federal standard currently exists. The
1827 [department] commissioner shall adopt regulations in accordance with
1828 the provisions of chapter 54 adopting such efficiency standard unless
1829 the [department] commissioner makes a specific finding that such
1830 standard does not meet the criteria in subparagraph (A) of this
1831 subdivision.

1832 (e) On or after July 1, 2006, except for commercial clothes washers,
1833 for which the date shall be July 1, 2007, commercial refrigerators and
1834 freezers, for which the date shall be July 1, 2008, and large packaged
1835 air-conditioning equipment, for which the date shall be July 1, 2009, no
1836 new product of a type set forth in subsection (b) of this section or
1837 designated by the [department] Commissioner of Energy and
1838 Environmental Protection may be sold, offered for sale, or installed in
1839 the state unless the energy efficiency of the new product meets or
1840 exceeds the efficiency standards set forth in such regulations adopted
1841 pursuant to subsection (d) of this section.

1842 (f) The [department] Commissioner of Energy and Environmental
1843 Protection shall adopt procedures for testing the energy efficiency of
1844 the new products set forth in subsection (b) of this section or
1845 designated by the [department] commissioner if such procedures are
1846 not provided for in the State Building Code. The [department]
1847 commissioner shall use United States Department of Energy approved
1848 test methods, or in the absence of such test methods, other appropriate
1849 nationally recognized test methods. The manufacturers of such

1850 products shall cause samples of such products to be tested in
1851 accordance with the test procedures adopted pursuant to this
1852 subsection or those specified in the State Building Code.

1853 (g) Manufacturers of new products set forth in subsection (b) of this
1854 section or designated by the **[**department**]** Commissioner of Energy
1855 and Environmental Protection shall certify to the commissioner that
1856 such products are in compliance with the provisions of this section,
1857 except that certification is not required for single voltage external AC
1858 to DC power supplies and walk-in refrigerators and walk-in freezers.
1859 All single voltage external AC to DC power supplies shall be labeled as
1860 described in the January 2006 California Code of Regulations, Title 20,
1861 Section 1607 (9). The **[**department**]** commissioner shall promulgate
1862 regulations governing the certification of such products. The
1863 commissioner shall publish an annual list of such products.

1864 Sec. 33. Subsection (h) of section 2c-2h of the general statutes is
1865 repealed and the following is substituted in lieu thereof (*Effective from*
1866 *passage*):

1867 (h) Not later than July 1, 2021, and not later than every ten years
1868 thereafter, the joint standing committee of the General Assembly
1869 having cognizance of any of the following governmental entities or
1870 programs shall conduct a review of the applicable entity or program in
1871 accordance with the provisions of section 2c-3:

1872 (1) State Board of Examiners for Physical Therapists, established
1873 under section 20-67;

1874 (2) Commission on Medicolegal Investigations, established under
1875 subsection (a) of section 19a-401;

1876 (3) Program of regulation of occupational therapists, established
1877 under chapter 376a;

1878 (4) Commission of Pharmacy, established under section 20-572;

1879 (5) Architectural Licensing Board, established under section 20-289;

1880 **[**(6) Connecticut Energy Advisory Board, established under section
1881 16a-3; and**]**

1882 **[**(7)**]** (6) Board of Firearms Permit Examiners, established under
1883 section 29-32b.

1884 Sec. 34. Subsection (a) of section 16-243y of the general statutes is
1885 repealed and the following is substituted in lieu thereof (*Effective from*
1886 *passage*):

1887 (a) As used in this section:

1888 (1) "Municipality" has the same meaning as provided in section 7-
1889 233b;

1890 (2) "Critical facility" means any hospital, police station, fire station,
1891 water treatment plant, sewage treatment plant, public shelter, **[**or**]**
1892 correctional facility or production and transmission facility of a
1893 television or radio station, whether broadcast, cable or satellite,
1894 licensed by the Federal Communications Commission, any commercial
1895 area of a municipality, a municipal center, as identified by the chief
1896 elected official of any municipality, or any other facility or area
1897 identified by the Department of Energy and Environmental Protection
1898 as critical;

1899 (3) "Distributed energy generation" means the generation of
1900 electricity from a unit with a rating of not more than sixty-five
1901 megawatts on the premises of a retail end user within the transmission
1902 and distribution system;

1903 (4) "Electric distribution company" and "participating municipal
1904 electric utility" have the same meanings as provided in section 16-1, as
1905 amended by this act; and

1906 (5) "Microgrid" means a group of interconnected loads and

1907 distributed energy resources within clearly defined electrical
1908 boundaries that acts as a single controllable entity with respect to the
1909 grid and that connects and disconnects from such grid to enable it to
1910 operate in both grid-connected or island mode.

1911 Sec. 35. Section 16-244u of the general statutes is repealed and the
1912 following is substituted in lieu thereof (*Effective July 1, 2013*):

1913 (a) As used in this section:

1914 (1) "Beneficial account" means an in-state retail end user of an
1915 electric distribution company designated by a customer host or an
1916 agricultural customer host in such electric distribution company's
1917 service area to receive virtual net metering credits from a virtual net
1918 metering facility or an agricultural virtual net metering facility;

1919 (2) "Customer host" means an in-state retail end user of an electric
1920 distribution company that owns, leases or enters into a long-term
1921 contract for a virtual net metering facility and participates in virtual
1922 net metering;

1923 (3) "Agricultural customer host" means an in-state retail end user of
1924 an electric distribution company that uses electricity for the purpose of
1925 agriculture, as defined in subsection (q) of section 1-1, owns an
1926 agricultural virtual net metering facility and participates in
1927 agricultural virtual net metering;

1928 **[**(3)**]** (4) (A) "Unassigned virtual net metering credit" means, in any
1929 given electric distribution company monthly billing period, a virtual
1930 net metering credit that remains after both the customer host and its
1931 beneficial accounts have been billed for zero kilowatt hours related
1932 **[**solely**]** to the generation service charges and a declining percentage of
1933 the transmission and distribution charges on such billings through
1934 virtual net metering;

1935 (B) "Unassigned agricultural virtual net metering credit" means, in
1936 any given electric distribution company monthly billing period, an

1937 agricultural virtual net metering credit that remains after both the
1938 agricultural customer host and its beneficial accounts have been billed
1939 for zero kilowatt hours related to the generation service charges and a
1940 declining percentage of the transmission and distribution charges on
1941 such billings through agricultural virtual net metering;

1942 [(4)] (5) "Virtual net metering" means the process of combining the
1943 electric meter readings and billings, including any virtual net metering
1944 credits, for a municipal, state or agricultural customer host and a
1945 beneficial account related to such customer host's account through an
1946 electric distribution company billing process related [solely] to the
1947 generation service charges and a declining percentage of the
1948 transmission and distribution charges on such billings;

1949 [(5)] (6) "Virtual net metering credit" means a credit equal to the
1950 retail cost per kilowatt hour the customer host may have otherwise
1951 been charged for each kilowatt hour produced by a virtual net
1952 metering facility that exceeds the total amount of kilowatt hours used
1953 during an electric distribution company monthly billing period; and

1954 [(6)] (7) (A) "Virtual net metering facility" means a Class I renewable
1955 energy source or a Class III source that: [(A)] (i) Is served by an electric
1956 distribution company, owned, leased or subject to a long-term contract
1957 by a customer host and serves the electricity needs of the customer
1958 host and its beneficial accounts; [(B)] (ii) is within the same electric
1959 distribution company service territory as the customer host and its
1960 beneficial accounts; and [(C)] (iii) has a nameplate capacity rating of
1961 [two] three megawatts or less; and

1962 (B) "Agricultural virtual net metering facility" means a Class I
1963 renewable energy source that is operated as part of a business for the
1964 purpose of agriculture, as defined in subsection (q) of section 1-1, that:
1965 (i) Is served by an electric distribution company on land owned or
1966 controlled by an agricultural customer host and serves the electricity
1967 needs of the agricultural customer host and its beneficial accounts; (ii)
1968 is within the same electric distribution company service territory as the

1969 agricultural customer host and its beneficial accounts; and (iii) has a
1970 nameplate capacity rating of three megawatts or less.

1971 (8) "Declining percentage of the transmission and distribution
1972 charges" means, during the period commencing on the effective date of
1973 this section and ending July 1, 2014, eighty per cent of the transmission
1974 and distribution charges, during the period commencing on July 2,
1975 2014, and ending July 1, 2015, sixty per cent of the transmission and
1976 distribution charges, and commencing on and after July 2, 2015, forty
1977 per cent of the transmission and distribution charges.

1978 (b) Each electric distribution company shall provide virtual net
1979 metering to its municipal, [customers] state or agricultural customer
1980 hosts and shall make any necessary interconnections for a virtual net
1981 metering facility or an agricultural virtual net metering facility. Upon
1982 request by a municipal, state or agricultural customer host to
1983 implement the provisions of this section, an electric distribution
1984 company shall install metering equipment, if necessary. For each
1985 municipal, state or agricultural customer host, such metering
1986 equipment shall (1) measure electricity consumed from the electric
1987 distribution company's facilities; (2) deduct the amount of electricity
1988 produced but not consumed; and (3) register, for each monthly billing
1989 period, the net amount of electricity produced and, if applicable,
1990 consumed. If, in a given monthly billing period, a municipal, state or
1991 agricultural customer host supplies more electricity to the electric
1992 distribution system than the electric distribution company delivers to
1993 the municipal, state or agricultural customer host, the electric
1994 distribution company shall bill the municipal, state or agricultural
1995 customer host for zero kilowatt hours of generation and assign a
1996 virtual net metering credit to the municipal, state or agricultural
1997 customer host's beneficial accounts for the next monthly billing period.
1998 Such credit shall be applied against the generation service component
1999 [of] and a declining percentage of the transmission and distribution
2000 charges billed to the beneficial [account] accounts. Such credit shall be
2001 allocated among such accounts in proportion to their consumption for

2002 the previous twelve billing periods.

2003 (c) An electric distribution company shall carry forward any
2004 unassigned virtual net metering [generation] credits earned by the
2005 municipal or state customer host or unassigned agricultural virtual net
2006 metering credits earned by the agricultural customer host from one
2007 monthly billing period to the next until the end of the calendar year. At
2008 the end of each calendar year, the electric distribution company shall
2009 compensate the municipal, state or agricultural customer host for any
2010 unassigned virtual net metering generation credits at the rate the
2011 electric distribution company pays for power procured to supply
2012 standard service customers pursuant to section 16-244c, as amended
2013 by this act, and a declining percentage of the transmission and
2014 distribution charges.

2015 (d) At least sixty days before a municipal or state customer host's
2016 virtual net metering facility or an agricultural customer host's
2017 agricultural virtual net metering facility becomes operational, the
2018 municipal, state or agricultural customer host shall provide written
2019 notice to the electric distribution company of its beneficial accounts.
2020 The municipal, state or agricultural customer host may change its list
2021 of beneficial accounts not more than once annually by providing
2022 another sixty days' written notice. The municipal or state customer
2023 host shall not designate more than five beneficial accounts, except that
2024 such customer host may designate up to five additional nonstate or
2025 municipal beneficial accounts, provided such accounts are critical
2026 facilities, as defined in subdivision (2) of subsection (a) of section 16-
2027 243y, as amended by this act, and connected to a microgrid. The
2028 agricultural customer host shall not designate more than ten beneficial
2029 accounts each of which shall (1) use electricity for the purpose of
2030 agriculture, as defined in subsection (q) of section 1-1, (2) be a
2031 municipality, or (3) be a non-commercial critical facility, as defined in
2032 subdivision (2) of subsection (a) of section 16-243y, as amended by this
2033 act.

2034 (e) On or before [February 1, 2012] October 1, 2013, the [Department

2035 of Energy and Environmental Protection] Public Utilities Regulatory
2036 Authority shall conduct a proceeding to develop the administrative
2037 processes and program specifications, including, but not limited to, a
2038 cap of [one] ten million dollars per year apportioned to each electric
2039 distribution company based on consumer load for credits provided to
2040 beneficial accounts pursuant to subsection (c) of this section and
2041 payments made pursuant to subsection (d) of this section, provided
2042 the municipal, state and agricultural customer hosts, each in the
2043 aggregate, shall receive not more than forty per cent of the dollar
2044 amount established pursuant to this subsection.

2045 (f) On or before January 1, 2013, and annually thereafter, each
2046 electric distribution company shall report to the [department]
2047 authority on the cost of its virtual net metering program pursuant to
2048 this section and the [department] authority shall combine such
2049 information and report it annually, in accordance with the provisions
2050 of section 11-4a, to the joint standing committee of the General
2051 Assembly having cognizance of matters relating to energy.

2052 (g) A municipal, state or agricultural customer host shall be allowed
2053 to aggregate all electric meters that are billable to such customer host.

2054 Sec. 36. Section 16-19ff of the general statutes is repealed and the
2055 following is substituted in lieu thereof (*Effective July 1, 2013*):

2056 (a) Notwithstanding any provisions of the general statutes to the
2057 contrary, each electric company or electric distribution company shall
2058 allow the installation of submeters at (1) a recreational campground,
2059 (2) individual slips at marinas for metering the electric use by
2060 individual boat owners, (3) commercial, industrial, multifamily
2061 residential or multiuse buildings where the electric power or thermal
2062 energy is provided by a Class I renewable energy source, as defined in
2063 section 16-1, as amended by this act, or a combined heat and power
2064 system, as defined in section 16-1, as amended by this act, or (4) in any
2065 other location as approved by the authority [and] where submetering
2066 promotes the state's energy goals, as described in the Comprehensive

2067 Energy Strategy, while protecting consumers against termination of
2068 residential utility service or other related issues. Each entity approved
2069 to submeter by the Public Utilities Regulatory Authority, pursuant to
2070 subsection (c) of this section, shall provide electricity to [such
2071 campground] any allowed facility, as described in this subsection, at a
2072 rate no greater than the [residential] rate charged to that customer class
2073 for the service territory in which [the campground or marina is] such
2074 allowed facility is located, provided nothing in this section shall permit
2075 [the installation of submeters for nonresidential use including, but not
2076 limited to, general outdoor lighting marina operations, repair facilities,
2077 restaurants or other retail recreational facilities. Service to
2078 nonresidential facilities shall be separately metered and billed at the
2079 appropriate rate] such entity to charge a submetered account for (A)
2080 usage for any common areas of a commercial, industrial or multifamily
2081 residential building, or (B) other usage not solely for use by such
2082 account.

2083 (b) The Public Utilities Regulatory Authority shall adopt
2084 regulations, in accordance with the provisions of chapter 54, to carry
2085 out the purposes of this section. Such regulations shall: (1) Require a
2086 submetered customer to pay only his portion of the energy consumed,
2087 which cost shall not exceed the amount paid by the owner of the main
2088 meter for such energy; (2) establish standards for the safe and proper
2089 installation of submeters; (3) require that the ultimate services
2090 delivered to a submetered customer are consistent with any service
2091 requirements imposed upon the company; (4) establish standards that
2092 protect a submetered customer against termination of service or other
2093 related issues; and (5) establish standards for the locations of
2094 submeters. [and] The authority may adopt any other provisions [the
2095 authority] it deems necessary to carry out the purposes of this section
2096 and section 16-19ee.

2097 (c) The authority shall develop an application and approval process
2098 that allows for the reasonable implementation of submetering
2099 provisions at allowed facilities, as described in subsection (a) of this

2100 section, while protecting consumers against termination of residential
2101 utility service or other related issues.

2102 Sec. 37. Subsection (a) of section 16-41 of the general statutes is
2103 repealed and the following is substituted in lieu thereof (*Effective July*
2104 *1, 2013*):

2105 (a) Each (1) public service company and its officers, agents and
2106 employees, (2) electric supplier or person providing electric generation
2107 services without a license in violation of section 16-245, and its officers,
2108 agents and employees, (3) certified telecommunications provider or
2109 person providing telecommunications services without authorization
2110 pursuant to sections 16-247f to 16-247h, inclusive, and its officers,
2111 agents and employees, (4) person, public agency or public utility, as
2112 such terms are defined in section 16-345, subject to the requirements of
2113 chapter 293, (5) person subject to the registration requirements under
2114 section 16-258a, (6) cellular mobile telephone carrier, as described in
2115 section 16-250b, (7) Connecticut electric efficiency partner, as defined
2116 in section 16-243v, **[**and**]** (8) company, as defined in section 16-49, and
2117 (9) entity approved to submeter pursuant to section 16-19ff, as
2118 amended by this act, shall obey, observe and comply with all
2119 applicable provisions of this title and each applicable order made or
2120 applicable regulations adopted by the Public Utilities Regulatory
2121 Authority by virtue of this title as long as the same remains in force.
2122 Any such company, electric supplier, certified telecommunications
2123 provider, cellular mobile telephone carrier, Connecticut electric
2124 efficiency partner, entity approved to submeter, person, any officer,
2125 agent or employee thereof, public agency or public utility which the
2126 authority finds has failed to obey or comply with any such provision of
2127 this title, order or regulation shall be fined by order of the authority in
2128 accordance with the penalty prescribed for the violated provision of
2129 this title or, if no penalty is prescribed, not more than ten thousand
2130 dollars for each offense, except that the penalty shall be a fine of not
2131 more than forty thousand dollars for failure to comply with an order of
2132 the authority made in accordance with the provisions of section 16-19

2133 or 16-247k or within thirty days of such order or within any specific
2134 time period for compliance specified in such order. Each distinct
2135 violation of any such provision of this title, order or regulation shall be
2136 a separate offense and, in case of a continued violation, each day
2137 thereof shall be deemed a separate offense. Each such penalty and any
2138 interest charged pursuant to subsection (g) or (h) of section 16-49 shall
2139 be excluded from operating expenses for purposes of rate-making.

2140 Sec. 38. Subdivisions (8) and (9) of subsection (a) of section 16-1 of
2141 the general statutes are repealed and the following is substituted in
2142 lieu thereof (*Effective July 1, 2013*):

2143 (8) "Electric company" includes, until an electric company has been
2144 unbundled in accordance with the provisions of section 16-244e, every
2145 person owning, leasing, maintaining, operating, managing or
2146 controlling poles, wires, conduits or other fixtures, along public
2147 highways or streets, for the transmission or distribution of electric
2148 current for sale for light, heat or power within this state, or engaged in
2149 generating electricity to be so transmitted or distributed for such
2150 purpose, but shall not include (A) a private power producer, as
2151 defined in section 16-243b, (B) an exempt wholesale generator, as
2152 defined in 15 USC 79z-5a, (C) a municipal electric utility established
2153 under chapter 101, (D) a municipal electric energy cooperative
2154 established under chapter 101a, (E) an electric cooperative established
2155 under chapter 597, **[**or**]** (F) any other electric utility owned, leased,
2156 maintained, operated, managed or controlled by any unit of local
2157 government under any general statute or any public or special act, (G)
2158 an entity approved to submeter pursuant to section 16-19ff, as
2159 amended by this act, or (H) a municipality, state or federal
2160 governmental entity authorized to distribute electricity across a public
2161 highway or street pursuant to section 39 of this act;

2162 (9) "Gas company" includes every person owning, leasing,
2163 maintaining, operating, managing or controlling mains, pipes or other
2164 fixtures, in public highways or streets, for the transmission or
2165 distribution of gas for sale for heat or power within this state, or

2166 engaged in the manufacture of gas to be so transmitted or distributed
2167 for such purpose, but shall not include (A) a person manufacturing gas
2168 through the use of a biomass gasification plant provided such person
2169 does not own, lease, maintain, operate, manage or control mains, pipes
2170 or other fixtures in public highways or streets, (B) a municipal gas
2171 utility established under chapter 101 or any other gas utility owned,
2172 leased, maintained, operated, managed or controlled by any unit of
2173 local government under any general statute or any public or special
2174 act, or (C) an entity approved to submeter pursuant to section 16-19ff,
2175 as amended by this act;

2176 Sec. 39. (NEW) (*Effective July 1, 2013*) The Public Utilities Regulatory
2177 Authority shall authorize any municipality or state or federal
2178 governmental entity that owns, operates or leases any Class I
2179 renewable energy source, as defined in section 16-1 of the general
2180 statutes, as amended by this act, Class III source, as defined in section
2181 16-1 of the general statutes, as amended by this act, or generation
2182 source under five megawatts, to independently distribute electricity
2183 generated from any such source across a public highway or street,
2184 provided (1) any such source is connected to a municipal microgrid, as
2185 defined in subdivision (5) of subsection (a) of section 16-243y of the
2186 general statutes, as amended by this act, and (2) to ensure the
2187 reliability and availability of the microgrid delivery system and the
2188 safety of the public, such municipality or state or federal governmental
2189 entity shall engage the applicable electric distribution company, as
2190 defined in section 16-1 of the general statutes, as amended by this act,
2191 to complete the interconnection of such microgrid to the electric grid in
2192 accordance with the authority's interconnection standards. For
2193 purposes of this section, any such municipality or governmental entity
2194 shall not be considered an electric company, as defined in section 16-1
2195 of the general statutes, as amended by this act.

2196 Sec. 40. Subsection (a) of section 32-80a of the general statutes is
2197 repealed and the following is substituted in lieu thereof (*Effective July*
2198 *1, 2013*):

2199 (a) As used in this section and sections 32-80b and 32-80c:

2200 (1) "Energy improvement district distributed resources" means one
2201 or more of the following owned, leased, or financed by an Energy
2202 Improvement District Board: (A) Customer-side distributed resources,
2203 as defined in section 16-1, as amended by this act; (B) grid-side
2204 distributed resources, as defined in said section 16-1; (C) combined
2205 heat and power systems, as defined in said section 16-1; **[**and**]** (D)
2206 Class III sources, as defined in said section 16-1; and (E) microgrids, as
2207 defined in subdivision (5) of subsection (a) of section 16-243y, as
2208 amended by this act; and

2209 (2) "Project" means the acquisition, purchase, construction,
2210 reconstruction, improvement or extension of one or more energy
2211 improvement district distributed resources.

2212 Sec. 41. (NEW) (*Effective from passage*) (a) On or before January 1,
2213 2014, the Department of Energy and Environmental Protection may
2214 benchmark energy and water consumption of all nonresidential
2215 buildings owned or operated by the state or any state agency with a
2216 gross floor area of ten thousand square feet or more using the United
2217 States Environmental Protection Agency's Energy Star Portfolio
2218 Manager. On or before April 1, 2014, the Department of Energy and
2219 Environmental Protection shall make public information from said
2220 Portfolio Manager for all such nonresidential buildings.

2221 (b) On or before April 1, 2014, the department may benchmark
2222 energy and water consumption of all residential buildings owned or
2223 operated by the state or any state agency with a gross floor area of ten
2224 thousand square feet or more using the United States Environmental
2225 Protection Agency's Energy Star Portfolio Manager. On or before July
2226 1, 2014, the department shall make public information from said
2227 Portfolio Manager for all such residential buildings.

2228 Sec. 42. Subdivision (1) of subsection (e) of section 16a-40g of the
2229 general statutes is repealed and the following is substituted in lieu

2230 thereof (*Effective from passage*):

2231 (e) (1) The authority may enter into a financing agreement with the
2232 property owner of qualifying commercial real property. After such
2233 agreement is entered into, and upon notice from the authority, the
2234 participating municipality shall (A) place a caveat on the land records
2235 indicating that a benefit assessment and lien is anticipated upon
2236 completion of energy improvements for such property, or (B) at the
2237 direction of the authority, levy the benefit assessment and file a lien on
2238 the land records based on the estimated costs of the energy
2239 improvements prior to the completion or upon the completion of said
2240 improvements.

2241 Sec. 43. Subsection (g) of section 16a-40g of the general statutes is
2242 repealed and the following is substituted in lieu thereof (*Effective from*
2243 *passage*):

2244 (g) Benefit assessments levied pursuant to this section and the
2245 interest, fees and any penalties thereon shall constitute a lien against
2246 the qualifying commercial real property on which they are made until
2247 they are paid. Such lien, **[**shall be levied and**]** or if the financing
2248 agreement provides that the benefit assessments shall be paid in
2249 installments then each installment payment, shall be collected in the
2250 same manner as the property taxes of the participating municipality on
2251 real property, including, in the event of default or delinquency, with
2252 respect to any penalties, fees and remedies. **[**and lien priorities.**]** Each
2253 such lien may be **[**continued,**]** recorded and released in the manner
2254 provided for property tax liens and, subject to the consent of existing
2255 mortgage holders, **[**and**]** shall take precedence over all other liens or
2256 encumbrances except a lien for taxes of the municipality on real
2257 property, which lien for taxes shall have priority over such benefit
2258 assessment lien. To the extent benefit assessments are paid in
2259 installments and any such installment is not paid when due, the
2260 benefit assessment lien may be foreclosed to the extent of any unpaid
2261 installment payments and any penalties, interest and fees related
2262 thereto. In the event such benefit assessment lien is foreclosed, such

2263 benefit assessment lien shall survive the judgment of foreclosure to the
2264 extent of any unpaid installment payments of the benefit assessment
2265 secured by such benefit assessment lien that were not the subject of
2266 such judgment.

2267 Sec. 44. Section 16-50kk of the general statutes is repealed and the
2268 following is substituted in lieu thereof (*Effective from passage*):

2269 (a) On or before July 1, 2012, the Connecticut Siting Council, in
2270 consultation with the Department of Energy and Environmental
2271 Protection, shall adopt regulations, in accordance with the provisions
2272 of chapter 54, concerning the siting of wind turbines. Such regulations
2273 shall include, but not be limited to, (1) a consideration of (A) setbacks,
2274 including considerations of tower height and distance from
2275 neighboring properties; (B) flicker; (C) a requirement for the developer
2276 to decommission the facility at the end of its useful life; (D) **[**different
2277 requirements for projects of different sizes; (E)**]** ice throw; **[**(F)**]** (E)
2278 blade shear; **[**(G)**]** (F) noise; and **[**(H)**]** (G) impact on natural resources;
2279 and (2) a requirement for a public hearing for wind turbine projects.

2280 (b) The Connecticut Siting Council shall not act on any application
2281 or petition for siting of a wind turbine until after the adoption of
2282 regulations pursuant to subsection (a) of this section.

2283 Sec. 45. Section 29-252 of the general statutes is repealed and the
2284 following is substituted in lieu thereof (*Effective from passage*):

2285 (a) As used in this subsection, "geotechnical" means any geological
2286 condition, such as soil and subsurface soil condition, which may affect
2287 the structural characteristics of a building or structure. The State
2288 Building Inspector and the Codes and Standards Committee shall,
2289 jointly, with the approval of the Commissioner of Construction
2290 Services, adopt and administer a State Building Code based on a
2291 nationally recognized model building code for the purpose of
2292 regulating the design, construction and use of buildings or structures
2293 to be erected and the alteration of buildings or structures already

2294 erected and make such amendments thereto as they, from time to time,
2295 deem necessary or desirable. Such amendments shall be limited to
2296 administrative matters, geotechnical and weather-related portions of
2297 said code, amendments to said code necessitated by a provision of the
2298 general statutes and any other matter which, based on substantial
2299 evidence, necessitates an amendment to said code. The code shall be
2300 revised not later than January 1, 2005, and thereafter as deemed
2301 necessary to incorporate any subsequent revisions to the code not later
2302 than eighteen months following the date of first publication of such
2303 subsequent revisions to the code. The purpose of said Building Code
2304 shall also include, but not be limited to, promoting and ensuring that
2305 such buildings and structures are designed and constructed in such a
2306 manner as to conserve energy and, wherever practicable, facilitate the
2307 use of renewable energy resources, including provisions for electric
2308 circuits capable of supporting electric vehicle charging in any newly
2309 constructed residential garage in any code adopted after the effective
2310 date of this section. Said Building Code includes any code, rule or
2311 regulation incorporated therein by reference. **[**As used in this
2312 subsection, "geotechnical" means any geological condition, such as soil
2313 and subsurface soil conditions, which may affect the structural
2314 characteristics of a building or structure.**]**

2315 (b) The State Building Inspector shall be appointed by the Governor.
2316 He shall be an architect or professional engineer licensed by the state
2317 of Connecticut, shall have a thorough knowledge of building code
2318 administration and enforcement and shall have had not less than ten
2319 years practical experience in his profession.

2320 (c) The State Building Inspector or his designee may issue official
2321 interpretations of the State Building Code, including interpretations of
2322 the applicability of any provision of the code, upon the request of any
2323 person. The State Building Inspector shall compile and index each
2324 interpretation and shall publish such interpretations at periodic
2325 intervals not exceeding four months.

2326 (d) The State Building Inspector or his designee shall review a

2327 decision by a local building official or a board of appeals appointed
2328 pursuant to section 29-266 when he has reason to believe that such
2329 official or board has misconstrued or misinterpreted any provision of
2330 the State Building Code. If, upon review and after consultation with
2331 such official or board, he determines that a provision of the code has
2332 been misconstrued or misinterpreted, he shall issue an interpretation
2333 of said code and may issue any order he deems appropriate. Any such
2334 determination or order shall be in writing and be sent to such local
2335 building official or board by registered mail, return receipt requested.
2336 Any person aggrieved by any determination or order by the State
2337 Building Inspector under this subsection may appeal to the Codes and
2338 Standards Committee within fourteen days after mailing of the
2339 decision or order. Any person aggrieved by any ruling of the Codes
2340 and Standards Committee may appeal in accordance with the
2341 provisions of subsection (d) of section 29-266.

2342 Sec. 46. Section 16a-21a of the general statutes is repealed and the
2343 following is substituted in lieu thereof (*Effective from passage*):

2344 (a) (1) The amount of sulfur content of the following fuels sold,
2345 offered for sale, distributed or used in this state shall not exceed the
2346 following percentages by weight: (A) For number two heating oil,
2347 three-tenths of one per cent, and (B) for number two off-road diesel
2348 fuel, three-tenths of one per cent.

2349 (2) Notwithstanding subdivision (1) of this subsection, the amount
2350 of sulfur content of number two heating oil sold, offered for sale,
2351 distributed or used in this state shall not exceed the following
2352 percentages by weight: (A) For the period beginning July 1, **[**2011**]**
2353 2014, and ending June 30, **[**2014, fifty**]** 2018, five hundred parts per
2354 million, and (B) on and after July 1, **[**2014**]** 2018, fifteen parts per
2355 million.

2356 **[**(3) The provisions of subdivision (2) of this subsection shall not
2357 take effect until the states of New York, Massachusetts and Rhode
2358 Island each have adopted requirements that are substantially similar to

2359 the provisions of said subdivision.

2360 (b) As of the date on which the last of the states of New York,
2361 Massachusetts and Rhode Island limits the sulfur content of number
2362 two heating oil to one thousand five hundred parts per million, the
2363 sulfur content of number two heating oil sold, offered for sale,
2364 distributed or used in this state shall not exceed one thousand five
2365 hundred parts per million.

2366 (c) As of the date on which the last of the states of New York,
2367 Massachusetts and Rhode Island limits the sulfur content of number
2368 two heating oil to one thousand two hundred fifty parts per million,
2369 the sulfur content of number two heating oil sold, offered for sale,
2370 distributed or used in this state shall not exceed one thousand two
2371 hundred fifty parts per million.

2372 (d) As of the date on which the last of the states of New York,
2373 Massachusetts and Rhode Island limits the sulfur content of number
2374 two heating oil to five hundred parts per million, the sulfur content of
2375 number two heating oil sold, offered for sale, distributed or used in
2376 this state shall not exceed five hundred parts per million.

2377 (e) As of the date on which the last of the states of New York,
2378 Massachusetts and Rhode Island limits the sulfur content of number
2379 two off-road diesel fuel to five hundred parts per million, the sulfur
2380 content of number two off-road diesel fuel offered for sale, distributed
2381 or used in this state shall not exceed five hundred parts per million.**]**

2382 **[**(f)**]** (b) The Commissioner of Energy and Environmental Protection
2383 may suspend the requirements of **[**subsections (a) to (e), inclusive,**]**
2384 subsection (a) of this section if the commissioner finds that the physical
2385 availability of fuel which complies with such requirements is
2386 inadequate to meet the needs of residential, commercial or industrial
2387 users in this state and that such inadequate physical availability
2388 constitutes an emergency provided the commissioner shall specify in
2389 writing the period of time such suspension shall be in effect.

2390 Sec. 47. (*Effective from passage*) (a) The Public Utilities Regulatory
2391 Authority shall, in consultation with the Connecticut Water Planning
2392 Council and Department of Public Health, study the financial capacity
2393 and the system viability of small community water companies not
2394 included as part of a water supply plan pursuant to section 25-32d of
2395 the general statutes. The study shall include, but not be limited to, (1)
2396 potential factors affecting the costs necessary to maintain and operate
2397 such systems safely and effectively, and (2) potential benefits that
2398 could derive from creating a financial assistance account to help such
2399 systems defray the costs of essential infrastructure improvements.

2400 (b) The Public Utilities Regulatory Authority may, in consultation
2401 with the Connecticut Water Planning Council and Department of
2402 Public Health, retain a consultant to assist in developing such study
2403 pursuant to subsection (a) of this section. All reasonable and proper
2404 expenses for the services of such consultant shall be borne by each
2405 water company as defined in section 16-1 of the general statutes, as
2406 amended by this act, and paid at such times and in such manner as the
2407 authority directs, provided all such reasonable and proper expenses
2408 shall be limited to forty-nine thousand dollars. All such reasonable and
2409 proper costs and expenses shall be recognized by the authority for all
2410 purposes as proper business expenses of each such water company.

2411 (c) On or before February 1, 2014, the Public Utilities Regulatory
2412 Authority shall report the findings of such study to the joint standing
2413 committees of the General Assembly having cognizance of matters
2414 relating to energy, public health and planning and development in
2415 accordance with the provisions of section 11-4a of the general statutes.

2416 Sec. 48. (*Effective from passage*) On or before November 1, 2013, at the
2417 request of a municipality, the Commissioner of Energy and
2418 Environmental Protection, in consultation with the Commissioner of
2419 Public Health, shall examine the impact of such municipality's aquifer
2420 protection regulations on economic development within the
2421 municipality. Such an examination shall include, but not be limited to,
2422 any potential impact caused by the future expansion of an aquifer

2423 protection area upon the issuance of a diversion permit in accordance
2424 with section 22a-369 of the general statutes, or the issuance of a general
2425 permit in accordance with section 22a-378a of the general statutes. In
2426 any municipality where existing public drinking water supply wells
2427 are owned by a private water company serving one thousand or more
2428 persons and such wells also serve persons in other municipalities, the
2429 Commissioner of Energy and Environmental Protection shall
2430 recommend regulatory changes to cover the host municipality's costs
2431 associated with enforcement of its aquifer protection regulations and
2432 any potential economic development losses associated with an
2433 expansion of the aquifer protection area. On or before February 1, 2014,
2434 the Commissioner of Energy and Environmental Protection shall
2435 report the findings of such examination and any recommended
2436 regulatory changes to the joint standing committee of the General
2437 Assembly having cognizance of matters relating to energy, in
2438 accordance with the provisions of section 11-4a of the general statutes.

2439 Sec. 49. Section 1 of public act 13-78 is repealed and the following is
2440 substituted in lieu thereof (*Effective from passage*):

2441 The Public Utilities Regulatory Authority shall authorize rates for
2442 each water company, as defined in section 16-1 of the general statutes,
2443 as amended by this act, that promote comprehensive supply-side and
2444 demand-side water conservation. In establishing such rates, the
2445 authority shall take into consideration consumers who are low water
2446 users, including those consumers who have previously implemented
2447 conservation measures, state energy policies, the capital intensive
2448 nature of sustaining water systems that minimize water losses and the
2449 competition for capital for continued investments in such systems.
2450 Such rates shall (1) prioritize demand projections that recognize the
2451 effects of conservation and account for declining rates of water
2452 consumption in order to minimize the use of a revenue adjustment
2453 mechanism, as defined in section 3 of public act 13-78, following a
2454 general rate case, and (2) consider **[**(1) demand projections that
2455 recognize the effects of conservation, (2)**]** (A) implementation of

2456 metering and measures to provide timely price signals to consumers,
2457 **[**(3)**]** (B) multiyear rate plans, **[**(4)**]** (C) measures to reduce system water
2458 losses, and **[**(5)**]** (D) alternative rate designs that promote conservation.

2459 Sec. 50. Section 16-19oo of the general statutes is repealed and the
2460 following is substituted in lieu thereof (*Effective from passage*):

2461 In order to promote an electric, gas, telephone and water
2462 company's conservation and load management programs or other
2463 programs promoting the state's economic development, energy and
2464 other policy, the Public Utilities Regulatory Authority may approve
2465 rate amendments for any such company, pursuant to subsection (a) of
2466 section 16-19 or, upon the request of a company in a proceeding, other
2467 than a rate proceeding pursuant to said subsection. Upon filing by a
2468 gas company of a natural gas infrastructure expansion plan in
2469 accordance with section 51 of this act, the authority may approve in a
2470 contested proceeding new rate mechanisms to recover the costs of such
2471 plan.

2472 Sec. 51. (NEW) (*Effective from passage*) (a) On or before June 15, 2013,
2473 the gas companies, as defined in section 16-1 of the general statutes, as
2474 amended by this act, shall jointly submit to the Commissioner of
2475 Energy and Environmental Protection and the Public Utilities
2476 Regulatory Authority a natural gas infrastructure expansion plan to
2477 provide natural gas service to on and off-main gas customers
2478 consistent with the goals of the 2013 Comprehensive Energy Strategy
2479 approved by the Commissioner of Energy and Environmental
2480 Protection in accordance with section 16a-3d of the general statutes, as
2481 amended by this act. Such plan shall include steps to expand the
2482 natural gas distribution network, increase the rate of cost-effective
2483 customer conversions, provide natural gas access for industrial
2484 facilities in the state to the greatest extent feasible, lower the costs of
2485 adding new customers, ensure the reliability and timely addition of
2486 natural gas supply and limit the risk to existing gas customers by
2487 incorporating mechanisms to increase or decrease the rate of
2488 conversions over time in response to changes in energy prices. Such

2489 plan shall include, but not be limited to, the following components: (1)
2490 A customer conversion plan and schedule for a ten-year period, (2) an
2491 analysis demonstrating the feasibility of reaching the new customer
2492 conversion goals as directed by the Comprehensive Energy Strategy
2493 for on and off-main customers, (3) a plan for outreach and marketing
2494 tailored to each customer segment, (4) a description of steps the gas
2495 companies will take to reduce the costs of conversion, (5) a strategy for
2496 capacity procurement, (6) a strategy for leveraging third-party
2497 investment to finance equipment replacement and main extensions for
2498 new customers, (7) a plan to harmonize natural gas infrastructure
2499 expansion with steps to reduce methane leakage from existing gas
2500 infrastructure, (8) a description of steps the gas companies will take to
2501 ensure that potential customers targeted for conversion to natural gas
2502 are incented to install efficient equipment and improve the efficiency
2503 of the building envelope at the time of conversion, provided such
2504 steps include, but are not limited to, providing such customers with
2505 information regarding the Home Energy Solutions audit, and to the
2506 extent feasible, an application form of said audit, and (9) a proposal for
2507 rate changes consistent with the recommendations of the
2508 Comprehensive Energy Strategy, including specific cost recovery
2509 mechanisms for each customer segment and a description of the rate
2510 impact of any proposed rate changes.

2511 (b) Not later than thirty days after the natural gas infrastructure
2512 expansion plan is submitted to the commissioner pursuant to
2513 subsection (a) of this section, the commissioner shall review the plan
2514 and issue a preliminary determination as to whether the plan is
2515 consistent with the goals of the Comprehensive Energy Strategy.

2516 (c) In the event that the commissioner determines that the plan is
2517 consistent with the Comprehensive Energy Strategy pursuant to
2518 subsection (b) of this section, the Public Utilities Regulatory Authority
2519 shall, in a contested proceeding during which the authority shall hold
2520 a public hearing, approve or modify the plan not later than one
2521 hundred twenty days after such plan is submitted to the authority.

2522 (d) In reviewing the natural gas infrastructure expansion plan
2523 pursuant to subsection (c) of this section, in order to protect the
2524 interests of ratepayers and ensure revenue recovery for gas companies,
2525 and consistent with the recommendations of the Comprehensive
2526 Energy Strategy, the authority shall, in accordance with section 16-
2527 19oo of the general statutes, as amended by this act, (1) establish a
2528 hurdle rate utilizing a twenty-five-year payback period to compare the
2529 revenue requirement of connecting new customers to the gas
2530 distribution system to determine the level of new business capital
2531 expenditures that will be recoverable through rates, provided the
2532 authority shall develop a methodology that reasonably accounts for
2533 revenues that would be collected from new customers who signaled an
2534 intention to switch to natural gas over a period of at least three years
2535 within a common geographic location, (2) establish a new rate for new
2536 customers added pursuant to the natural gas infrastructure expansion
2537 plan to offset incremental costs of expanding natural gas infrastructure
2538 pursuant to such plan, (3) establish a rate mechanism for the gas
2539 companies to recover prudent investments made pursuant to the
2540 approved natural gas infrastructure expansion plan in a timely manner
2541 outside of a rate proceeding, provided such mechanism shall take into
2542 consideration the additional revenues that the gas companies will
2543 generate through implementation of such plan, and (4)
2544 notwithstanding the provisions of section 16-19b of the general
2545 statutes, effective for the period of the natural gas expansion plan, (A)
2546 assign at least half of the nonfirm margin credit to offset the rate base
2547 of the gas companies, and (B) assign the lesser of (i) an amount equal
2548 to half of the nonfirm margin credit, or (ii) an amount equal to fifteen
2549 million dollars from the nonfirm margin credit annually for all gas
2550 companies in the aggregate, apportioned to each gas company in
2551 proportion to revenues of and the existing and new capacity
2552 contracted for by each gas company, to offset expansion costs,
2553 including, but not limited to, the costs of adding new state, municipal,
2554 commercial and industrial customers where such additions provide
2555 societal benefits, including, but not limited to, increased or retained
2556 employment, local economic development, environmental benefits and

2557 transit-oriented development goals.

2558 (e) On or before June 15, 2014, and annually thereafter for a period
2559 of nine years, the gas companies shall jointly report to the
2560 commissioner and the authority the status and progress of such
2561 implementation. Such report shall include, but not be limited to (1) the
2562 number of customers added over the previous year, (2) a comparison
2563 of actual expenditures to estimated expenditures for the previous year,
2564 (3) a forecast of new customers and expenditures for the upcoming
2565 year, and (4) any additional information that either the authority or the
2566 commissioner deems appropriate.

2567 Sec. 52. (*Effective from passage*) (a) The Commissioner of Energy and
2568 Environmental Protection, the Clean Energy Finance and Investment
2569 Authority and the Energy Conservation Management Board shall, in
2570 coordination with the electric distribution and gas companies, as
2571 defined in section 16-1 of the general statutes, as amended by this act,
2572 establish a pilot program in at least four municipalities, consistent with
2573 the policy goals of the Comprehensive Energy Strategy, to (1) ensure
2574 that potential customers targeted for conversion to natural gas are
2575 incented to install efficient equipment and improve the efficiency of
2576 the building envelope at the time of conversion, (2) ensure that
2577 customers who cannot cost-effectively convert to natural gas are
2578 incented to install efficient equipment and improve the efficiency of
2579 the building envelope, and (3) provide access to low-cost financing for
2580 natural gas conversion or efficiency upgrades. The pilot program shall
2581 utilize a community-based marketing campaign and a competitive
2582 solicitation for volume pricing on high efficiency heating equipment
2583 and insulation.

2584 (b) The pilot program shall terminate on December 31, 2014, after
2585 which the department may evaluate the results of the pilot program
2586 and determine whether to reestablish the pilot program or establish a
2587 permanent program.

2588 Sec. 53. (NEW) (*Effective from passage*) The Department of Energy

2589 and Environmental Protection may, from resources available not
2590 included in state appropriated funds, provide grants or rebates to
2591 municipalities, academic institutions and other entities for the
2592 purchase or installation of alternative vehicles, alternative vehicle
2593 fueling equipment and energy efficient devices.

2594 Sec. 54. Subsection (b) of section 16-19kk of the general statutes is
2595 repealed and the following is substituted in lieu thereof (*Effective from*
2596 *passage*):

2597 (b) The authority shall complete, on or before December 31, 1991, an
2598 investigation into the relationship between a company's volume of
2599 sales and its earnings. The authority shall, on or before July 1, 1993,
2600 implement rate-making and other procedures and practices in order to
2601 encourage the implementation of conservation and load management
2602 programs and other programs authorized by the authority promoting
2603 the state's economic development, energy and other policy. Such
2604 procedures to implement a modification or elimination of any direct
2605 relationship between the volume of sales and the earnings of electric,
2606 gas, telephone and water companies may include the adoption of a
2607 sales adjustment clause pursuant to subsection **[**(i)**]** (j) of section 16-
2608 19b, or other adjustment clause similar thereto. The authority's
2609 investigation shall include a review of its regulations and policies to
2610 identify any existing disincentives to the development and
2611 implementation of cost effective conservation and load management
2612 programs and other programs promoting the state's economic
2613 development, energy and other policy.

2614 Sec. 55. Subsection (b) of section 16-245aa of the general statutes is
2615 repealed and the following is substituted in lieu thereof (*Effective from*
2616 *passage*):

2617 (b) The Clean Energy Finance and Investment Authority, in
2618 consultation with the Department of Energy and Environmental
2619 Protection, the Department of Economic and Community
2620 Development and the State Treasurer, shall establish a renewable

2621 energy and efficient energy finance program. Said authority shall make
2622 grants, investments, loans or other forms of financial assistance under
2623 said program to projects for the purchase and installation of (1)
2624 renewable energy sources, including solar energy, geothermal energy,
2625 thermal energy storage, electric storage and fuel cells or other energy-
2626 efficient hydrogen-fueled energy, or (2) energy-efficient generation
2627 sources, including units providing combined heat-and-power
2628 operations with greater than sixty-five per cent efficiency or such
2629 higher efficiency level as said authority may prescribe. Said authority
2630 may make grants under said program of up to two and one-half per
2631 cent of the balance in the account to support workforce development
2632 initiatives in connection with deployment of the projects. Said
2633 authority shall give priority to applications for grants, investments,
2634 loans or other forms of financial assistance to projects that use major
2635 system components manufactured or assembled in Connecticut. Each
2636 grant, investment, loan or other form of financial assistance shall be in
2637 an amount that makes the cost of purchasing, installing and operating
2638 the renewable energy or energy-efficient generation source
2639 competitive with the grid's or other end users' current electricity
2640 expenses.

2641 Sec. 56. (NEW) (*Effective from passage*) On or before July 1, 2014, the
2642 Department of Energy and Environmental Protection shall, in
2643 consultation with the Energy Conservation Management Board and
2644 the Department of Housing, develop weatherization standards for
2645 properties participating the rental assistance program. On and after the
2646 effective date of such standards, no property shall be eligible to
2647 participate in such program unless (1) such property has undergone an
2648 energy efficiency audit administered by the Home Energy Solutions
2649 program or a program deemed comparable by the Commissioner of
2650 Energy and Environmental Protection, and (2) the owner or operator of
2651 such property permits the installation of free weatherization measures
2652 pursuant to a program described in subdivision (1) of this section.

2653 Sec. 57. (NEW) (*Effective from passage*) On and after July 1, 2013,

2654 Operation Fuel, Incorporated and agencies administering state fuel
2655 assistance programs shall provide a recipient of funds (1) information
2656 regarding the Home Energy Solutions audit, and (2) an application
2657 form for said audit.

2658 Sec. 58. (NEW) (*Effective from passage*) (a) For purposes of this
2659 section, (1) "clean energy improvements" means improvements from
2660 the installation of clean energy, as defined in subsection (a) of section
2661 16-245n of the general statutes, and shall include smart meters,
2662 provided such improvements are applicable to a residential dwelling
2663 unit of a customer of an electric distribution company or gas company,
2664 and (2) "electric distribution company" and "gas company" have the
2665 same meanings as provided in section 16-1 of the general statutes, as
2666 amended by this act.

2667 (b) On or before April 1, 2014, the Energy Conservation
2668 Management Board and the Clean Energy Finance and Investment
2669 Authority, in consultation with the electric distribution companies and
2670 gas companies, shall establish a comprehensive residential clean
2671 energy on-bill repayment program financed by third-party private
2672 capital managed by the Clean Energy Finance and Investment
2673 Authority. Such program shall have the following features:

2674 (1) To establish a process for qualifying clean energy improvements;

2675 (2) To prioritize clean energy improvements for cost-effectiveness;

2676 (3) To reduce peak electricity demand;

2677 (4) To assist customers of electric distribution companies or gas
2678 companies in accessing incentives, other cost savings and financing for
2679 clean energy improvements, including natural gas furnaces or boilers
2680 that meet or exceed federal Energy Star standards and propane and oil
2681 furnaces and boilers that are not less than eighty-four per cent efficient;

2682 (5) To identify knowledgeable contractors for installation of clean
2683 energy improvements and to ensure successful installation of such

2684 improvements;

2685 (6) To finance clean energy improvements to the extent the tenor of
2686 such financing repayment does not exceed the average expected life of
2687 such improvements;

2688 (7) To provide that the repayment amount plus the anticipated
2689 periodic customer bill after installation of the clean energy
2690 improvements does not exceed the anticipated periodic bill for electric
2691 or gas service without installation of such improvements, including no
2692 energy savings improvements;

2693 (8) To authorize the disconnection for nonpayment by the customer
2694 of any financing repayment amount, except during the pendency of
2695 any complaint, investigation, hearing or appeal challenging the on-bill
2696 repayment loan, terms, accuracy or related matters, with any on-bill
2697 repayment amount treated as part of the customer's utility account
2698 subject to the protections provided in sections 16-262c, 16-262d, 16-
2699 262g to 16-262i, inclusive, and 16-262x of the general statutes;

2700 (9) To establish program guidelines to address the ramifications of
2701 on-bill repayment and the risks associated with disconnection of
2702 service of low-income and hardship customers;

2703 (10) To provide the assignment of repayment obligations to
2704 subsequent owners of the dwelling unit upon the development by the
2705 Energy Conservation Management Board and the Clean Energy
2706 Finance and Investment Authority of timely written notice guidelines
2707 to subsequent owners, except on-bill repayment amounts may not be
2708 directly charged to a tenant of a dwelling unit by a utility company
2709 pursuant to section 16-262e of the general statutes or a receiver
2710 pursuant to sections 16-262f, 16-262t, 47a-14h and 47a-56a to 47a-56k,
2711 inclusive, of the general statutes; and

2712 (11) To provide that the on-bill repayment billing and collection
2713 services shall be available without regard to whether the energy or fuel
2714 delivered by the utility is the customer's primary energy source.

2715 (c) The guidelines for the comprehensive residential clean energy
2716 on-bill repayment program pursuant to subdivisions (9) to (11),
2717 inclusive, of subsection (b) of this section shall be subject to review and
2718 approve by the Public Utilities Regulatory Authority, which review
2719 shall commence upon filing such guidelines with the authority and the
2720 review shall be deemed complete not later than ninety days after such
2721 filing. Such review shall be conducted in an uncontested proceeding.

2722 (d) On-bill repayment for any loan that is part of the comprehensive
2723 residential clean energy on-bill repayment program established
2724 pursuant to this section and utilized to improve efficiency or clean
2725 energy improvements for provision of heat to a dwelling unit shall be
2726 treated as part of the primary heating expense for the customer for
2727 purposes of (1) any energy assistance program funded or administered
2728 by the state or under any plan adopted pursuant to section 16a-41a of
2729 the general statutes, and (2) any matching payment program plan
2730 pursuant to subdivisions (4) to (6), inclusive, of subsection (b) of
2731 section 16-262c of the general statutes.

2732 Sec. 59. (NEW) (*Effective from passage*) (a) As used in this section, (1)
2733 "qualifying project" means a combined heat and power system, as
2734 described in subdivision (44) of subsection (a) of section 16-1 of the
2735 general statutes, as amended by this act, that (A) provides commercial,
2736 industrial or residential facilities with both electrical generation and
2737 heat output, (B) has a nameplate capacity of between five hundred and
2738 five thousand kilowatts, (C) is placed into service between January 1,
2739 2012, and January 1, 2015, and (D) is not eligible under section 16-
2740 245hh of the general statutes or section 103 of public act 11-80, and (2)
2741 "electric distribution company" has the same meaning as provided in
2742 section 16-1 of the general statutes, as amended by this act.

2743 (b) The Commissioner of Energy and Environmental Protection
2744 shall establish a pilot program to promote large combined heat and
2745 power systems by mitigating the economic disincentives for such
2746 systems created by the existing demand charge tariffs of the electric
2747 distribution companies.

2748 (c) On or after the effective date of this section, the Commissioner of
2749 Energy and Environmental Protection shall solicit applications from
2750 qualifying projects and shall select such projects for participation in the
2751 pilot program on a first-come, first-served basis. The commissioner
2752 shall select as many qualifying projects as is deemed appropriate, in
2753 the commissioner's discretion, up to a maximum of twenty megawatts
2754 of nameplate capacity for the entire pilot program. Qualifying projects
2755 selected for participation in the pilot program shall become operational
2756 within one year of such selection or that capacity shall be offered to at
2757 least one other qualifying project that participated in the solicitation.
2758 Qualifying projects selected pursuant to this subsection shall be
2759 eligible to continue the terms of the pilot program for a period of ten
2760 years from the time the project is placed into service.

2761 (d) A qualifying project selected to participate in the pilot program
2762 shall not be required to pay the demand charges pursuant to the
2763 distribution demand-ratchet provision of firm service due to an outage
2764 of service of such project. If a qualifying project that participates in the
2765 pilot program has an outage of service, the only demand charge that
2766 shall be assessed by an electric distribution company shall be based on
2767 daily demand pricing pro-rated from standard monthly rates,
2768 provided, however, that if the outage of service lasts for less than three
2769 hours, no demand charge shall be assessed by an electric distribution
2770 company.

2771 (e) Any qualifying project that participates in the pilot program
2772 shall provide to the Public Utilities Regulatory Authority and the
2773 Commissioner of Energy and Environmental Protection all system
2774 performance and supplemental utility data that the authority shall, in
2775 its reasonable discretion, deem to be appropriate for measuring the
2776 performance of the pilot program. Such data shall consist of (1) net
2777 electrical production from the qualifying project, measured in
2778 kilowatt-hours per fifteen minute interval, (2) net thermal production
2779 from the qualifying project, measured in million BTU per fifteen
2780 minute interval, (3) fuel consumed by the qualifying facility, measured

2781 in million BTU per fifteen minute interval, (4) supplemental electricity
2782 received from the electric distribution company, measured in kilowatt-
2783 hours and average kilovolt-ampere per fifteen minute interval, (5) each
2784 downtime of the qualifying project, including the time of day of the
2785 downtime, the duration of the downtime and the reasons therefor, and
2786 (6) other such data as the authority deems appropriate. Such data shall
2787 be provided on a form approved by the authority.

2788 (f) The authority shall, with the system performance and
2789 supplemental utility data received pursuant to subsection (e) of this
2790 section, analyze (1) the system performance of the qualifying projects,
2791 (2) the as-used daily demand charge versus standard distributed
2792 generation rider demand charges, and (3) the viability of conforming
2793 all distributed generation combined heat and power systems to an as-
2794 used daily time of use demand tariff.

2795 (g) After the authority and commissioner have received the system
2796 performance and supplemental utility data pursuant to subsection (e)
2797 of this section for a period of three years, the commissioner shall,
2798 within ninety days, submit a report, in accordance with section 11-4a
2799 of the general statutes, to the joint standing committee of the General
2800 Assembly having cognizance of matters relating to energy,
2801 recommending whether to continue, expand, modify or eliminate the
2802 pilot program.

2803 (h) Any electric customer of an electric distribution company, as
2804 defined in section 16-1 of the general statutes, as amended by this act,
2805 with a qualifying project that participates in the pilot program shall be
2806 allowed to aggregate all electric meters that are (1) on the same
2807 premises as such qualifying project, and (2) billable to such customer.

2808 Sec. 60. Section 16-234 of the general statutes is repealed and the
2809 following is substituted in lieu thereof (*Effective July 1, 2013*):

2810 **[**No telegraph, telephone or electric light company or association,
2811 nor any company or association engaged in distributing electricity by

2812 wires or similar conductors or in using an electric wire or conductor
2813 for any purpose, shall exercise any powers which may have been
2814 conferred upon it to change the location of, or to erect or place, wires,
2815 conductors, fixtures, structures or apparatus of any kind over, on or
2816 under any highway or public ground, without the consent of the
2817 adjoining proprietors, or, if such company or association is unable to
2818 obtain such consent, without the approval of the Public Utilities
2819 Regulatory Authority, which shall be given only after a hearing upon
2820 notice to such proprietors; or to cut or trim any tree on or overhanging
2821 any highway or public ground, without the consent of the owner
2822 thereof, or, if such company or association is unable to obtain such
2823 consent, without the approval of the tree warden or the consent of the
2824 authority, which consent shall be given only after a hearing upon
2825 notice to such owner; but the authority may, if it finds that public
2826 convenience and necessity require, authorize the changing of the
2827 location of, or the erection or placing of, such wires, conductors,
2828 fixtures, structures or apparatus over, on or under such highway or
2829 public ground; and the tree warden in any town or the authority may,
2830 if he or it finds that public convenience and necessity require,
2831 authorize the cutting and trimming and the keeping trimmed of any
2832 brush or tree in such town on or overhanging such highway or public
2833 ground, which action shall be taken only after notice and hearing as
2834 aforesaid, which hearing shall be held within a reasonable time after
2835 the application therefor.**]**

2836 (a) As used in this section:

2837 (1) "Utility" means a telephone, telecommunications, electric or
2838 electric distribution company, each as defined in section 16-1, as
2839 amended by this act;

2840 (2) "Utility protection zone" means any rectangular area extending
2841 horizontally for a distance of eight feet from any outermost electrical
2842 conductor or wire installed from pole to pole and vertically from the
2843 ground to the sky;

2844 (3) "Hazardous tree" means any tree or part of a tree that is (A)
2845 dead, (B) extensively decayed, or (C) structurally weak, which, if it
2846 falls, would endanger utility infrastructure, facilities or equipment;

2847 (4) "Vegetation management" means pruning or removal of trees,
2848 shrubs or other vegetation that pose a risk to the reliability of the
2849 utility infrastructure, and the retention of trees and shrubs that are
2850 compatible with the utility infrastructure. Until such time as the
2851 Department of Energy and Environmental Protection issues standards
2852 for identifying such compatible trees and shrubs, the standards and
2853 identification of such compatible trees and shrubs shall be as set forth
2854 in the 2012 final report of the State Vegetation Management Task
2855 Force; and

2856 (5) "Pruning" means the selective removal of plant parts to meet
2857 specific goals and objectives, when performed according to current
2858 professional tree care standards.

2859 (b) A utility may perform vegetation management within the utility
2860 protection zone to secure the reliability of utility services by protecting
2861 overhead wires, poles, conductors or other utility infrastructure from
2862 trees and shrubs, parts of trees and shrubs or other vegetation located
2863 within the utility protection zone.

2864 (c) (1) In conducting vegetation management, no utility shall prune
2865 or remove any tree or shrub within the utility protection zone, or on or
2866 overhanging any highway or public ground, without delivering notice
2867 to the abutting property owner. Notice shall be considered delivered
2868 when it is (A) mailed to the abutting property owner via first class
2869 mail, (B) delivered, in writing, at the location of the abutting property,
2870 or (C) simultaneously conveyed verbally and provided in writing to
2871 the abutting property owner. A utility shall deliver such notice to the
2872 abutting property owner if (i) pursuant to subparagraph (A) or (B) of
2873 this subdivision, at least fifteen business days before the starting date
2874 of any such pruning or removal, and (ii) pursuant to subparagraph (C)
2875 of this subdivision, at any time before any such pruning or removal,

2876 provided no utility may start such pruning or removal unless (I) the
2877 objection period pursuant to subdivision (2) of this subsection has been
2878 met, or (II) such property owner affirmatively waives, in writing, the
2879 right to object.

2880 (2) The notice shall indicate that (A) objection to pruning or removal
2881 shall be filed in writing with the utility and either the tree warden of
2882 the municipality or the Commissioner of Transportation, as
2883 appropriate, not later than ten business days after delivery of the
2884 notice, and (B) the objection may include a request for consultation
2885 with the tree warden or the Commissioner of Transportation, as
2886 appropriate.

2887 (3) If no objection is filed by the abutting property owner in
2888 accordance with subdivision (2) of this subsection, the utility may
2889 prune or remove the trees or shrubs for which notice of pruning or
2890 removal has been delivered.

2891 (4) If the abutting property owner files an objection pursuant to
2892 subdivision (2) of this subsection, the tree warden of the municipality
2893 or the Commissioner of Transportation, as appropriate, shall issue a
2894 written decision as to the disposition of the tree or shrub not later than
2895 ten business days after the filing date of such objection. This decision
2896 shall not be issued before a consultation with the abutting property
2897 owner if such a consultation has been requested. The abutting property
2898 owner or the utility may appeal the tree warden's decision to the
2899 Public Utilities Regulatory Authority within ten business days after the
2900 tree warden's decision. The authority shall hold a hearing within sixty
2901 business days of receipt of the abutting property owner's or utility's
2902 written appeal of the tree warden's decision and shall provide notice of
2903 such hearing to the abutting property owner, the tree warden and the
2904 utility. The authority may authorize the pruning or removal of any tree
2905 or shrub whose pruning or removal has been at issue in the hearing if
2906 it finds that public convenience and necessity require such action.

2907 (5) When an objection has been filed pursuant to subdivision (2) of

2908 this subsection, no tree or shrub subject to the objection shall be
2909 pruned or removed until a final decision has been reached pursuant to
2910 subdivision (4) of this subsection.

2911 (d) No utility shall be required to provide notice pursuant to
2912 subsection (c) of this section if the tree warden of the municipality or
2913 the Commissioner of Transportation, as appropriate, authorizes, in
2914 writing, pruning or removal by the utility of a hazardous tree within
2915 the utility protection zone or on or overhanging any public highway or
2916 public ground. Nothing in this subsection shall be construed to require
2917 a utility to prune or remove a tree.

2918 (e) No utility shall be required to obtain a permit pursuant to
2919 subsection (f) of section 23-65 or provide notice under subsection (c) of
2920 this section to prune or remove a tree, as necessary, if any part of a tree
2921 is in direct contact with an energized electrical conductor or has visible
2922 signs of burning. Nothing in this subsection shall be construed to
2923 require a utility to prune or remove a tree.

2924 (f) No utility shall exercise any powers which may have been
2925 conferred upon it to change the location of, or to erect or place, wires,
2926 conductors, fixtures, structures or apparatus of any kind over, on or
2927 under any highway or public ground, without the consent of the
2928 adjoining proprietors or, if such company is unable to obtain such
2929 consent, without the approval of the Public Utilities Regulatory
2930 Authority, which shall be given only after a hearing upon notice to
2931 such proprietors. The authority may, if it finds that public convenience
2932 and necessity require, authorize the changing of the location of, or the
2933 erection or placing of, such wires, conductors, fixtures, structures or
2934 apparatus over, on or under such highway or public ground.

2935 Sec. 61. Subsections (a) and (b) of section 16-50p of the general
2936 statutes are repealed and the following is substituted in lieu thereof
2937 (*Effective July 1, 2013*):

2938 (a) (1) In a certification proceeding, the council shall render a

2939 decision upon the record either granting or denying the application as
2940 filed, or granting it upon such terms, conditions, limitations or
2941 modifications of the construction or operation of the facility as the
2942 council may deem appropriate.

2943 (2) The council's decision shall be rendered in accordance with the
2944 following:

2945 (A) Not later than twelve months after the deadline for filing an
2946 application following the request for proposal process for a facility
2947 described in subdivision (1) or (2) of subsection (a) of section 16-50i or
2948 subdivision (4) of said subsection (a) if the application was
2949 incorporated in an application concerning a facility described in
2950 subdivision (1) of said subsection (a);

2951 (B) Not later than one hundred eighty days after the deadline for
2952 filing an application following the request for proposal process for a
2953 facility described in subdivision (4) of subsection (a) of section 16-50i
2954 and an application concerning a facility described in subdivision (3) of
2955 said subsection (a), provided the council may extend such period by
2956 not more than one hundred eighty days with the consent of the
2957 applicant; and

2958 (C) Not later than one hundred eighty days after the filing of an
2959 application for a facility described in subdivision (5) or (6) of
2960 subsection (a) of section 16-50i, provided the council may extend such
2961 period by not more than one hundred eighty days with the consent of
2962 the applicant.

2963 (3) The council shall file, with its order, an opinion stating in full its
2964 reasons for the decision. The council shall not grant a certificate, either
2965 as proposed or as modified by the council, unless it shall find and
2966 determine:

2967 (A) Except as provided in subsection <u>(b) or</u> (c) of this section, a
2968 public need for the facility and the basis of the need;

2969 (B) The nature of the probable environmental impact of the facility
2970 alone and cumulatively with other existing facilities, including a
2971 specification of every significant adverse effect, including, but not
2972 limited to, electromagnetic fields that, whether alone or cumulatively
2973 with other effects, impact on, and conflict with the policies of the state
2974 concerning the natural environment, ecological balance, public health
2975 and safety, scenic, historic and recreational values, forests and parks,
2976 air and water purity and fish, aquaculture and wildlife;

2977 (C) Why the adverse effects or conflicts referred to in subparagraph
2978 (B) of this subdivision are not sufficient reason to deny the application;

2979 (D) In the case of an electric transmission line, (i) what part, if any,
2980 of the facility shall be located overhead, (ii) that the facility conforms to
2981 a long-range plan for expansion of the electric power grid of the
2982 electric systems serving the state and interconnected utility systems
2983 and will serve the interests of electric system economy and reliability,
2984 and (iii) that the overhead portions, if any, of the facility are cost
2985 effective and the most appropriate alternative based on a life-cycle cost
2986 analysis of the facility and underground alternatives to such facility,
2987 are consistent with the purposes of this chapter, with such regulations
2988 or standards as the council may adopt pursuant to section 16-50t,
2989 including, but not limited to, the council's best management practices
2990 for electric and magnetic fields for electric transmission lines and with
2991 the Federal Power Commission "Guidelines for the Protection of
2992 Natural Historic Scenic and Recreational Values in the Design and
2993 Location of Rights-of-Way and Transmission Facilities" or any
2994 successor guidelines and any other applicable federal guidelines and
2995 are to be contained within an area that provides a buffer zone that
2996 protects the public health and safety, as determined by the council. In
2997 establishing such buffer zone, the council shall consider, among other
2998 things, residential areas, private or public schools, licensed child day
2999 care facilities, licensed youth camps or public playgrounds adjacent to
3000 the proposed route of the overhead portions and the level of the
3001 voltage of the overhead portions and any existing overhead

3002 transmission lines on the proposed route. At a minimum, the existing
3003 right-of-way shall serve as the buffer zone;

3004 (E) In the case of an electric or fuel transmission line, that the
3005 location of the line will not pose an undue hazard to persons or
3006 property along the area traversed by the line;

3007 (F) In the case of an application that was heard under a consolidated
3008 hearing process with other applications that were common to a request
3009 for proposal, that the facility proposed in the subject application
3010 represents the most appropriate alternative among such applications
3011 based on the findings and determinations pursuant to this subsection;

3012 (G) In the case of a facility described in subdivision (6) of subsection
3013 (a) of section 16-50i that is (i) proposed to be installed on land under
3014 agricultural restriction, as provided in section 22-26cc, that the facility
3015 will not result in a material decrease of acreage and productivity of the
3016 arable land, **[**or**]** (ii) proposed to be installed on land near a building
3017 containing a school, as defined in section 10-154a, or a commercial
3018 child day care center, as described in subdivision (1) of subsection (a)
3019 of section 19a-77, that the facility will not be less than two hundred
3020 fifty feet from such school or commercial child day care center unless
3021 the location is acceptable to the chief elected official of the municipality
3022 or the council finds that the facility will not have a substantial adverse
3023 effect on the aesthetics or scenic quality of the neighborhood in which
3024 such school or commercial child day care center is located, **[**provided
3025 the council shall**]** <u>or (iii) proposed to be installed on land owned by a</u>
3026 <u>water company, as defined in section 25-32a, and which involves a</u>
3027 <u>new ground mounted telecommunications tower, that such land</u>
3028 <u>owned by a water company is preferred over any alternative</u>
3029 <u>telecommunications tower sites provided the council shall, pursuant to</u>
3030 <u>clause (iii) of this subparagraph, consult with the Department of Public</u>
3031 <u>Health to determine potential impacts to public drinking water</u>
3032 <u>supplies in considering all the environmental impacts identified</u>
3033 <u>pursuant to subparagraph (B) of this subdivision. The council shall</u> not
3034 render any decision pursuant to this subparagraph that is inconsistent

3035 with federal law or regulations; and

3036 (H) That, for a facility described in subdivision (5) or (6) of
3037 subsection (a) of section 16-50i, the council has considered the
3038 manufacturer's recommended safety standards for any equipment,
3039 machinery or technology for the facility.

3040 (b) (1) Prior to granting an applicant's certificate for a facility
3041 described in subdivision (5) or (6) of subsection (a) of section 16-50i,
3042 the council shall examine, in addition to its consideration of
3043 subdivisions (1) to (3), inclusive, of subsection (a) of this section: (A)
3044 The feasibility of requiring an applicant to share an existing facility, as
3045 defined in subsection (b) of section 16-50aa, within a technically
3046 derived search area of the site of the proposed facility, provided such
3047 shared use is technically, legally, environmentally and economically
3048 feasible and meets public safety concerns, (B) whether such facility, if
3049 constructed, may be shared with any public or private entity that
3050 provides telecommunications or community antenna television service
3051 to the public, provided such shared use is technically, legally,
3052 environmentally and economically feasible at fair market rates, meets
3053 public safety concerns, and the parties' interests have been considered,
3054 (C) whether the proposed facility would be located in an area of the
3055 state which the council, in consultation with the Department of Energy
3056 and Environmental Protection and any affected municipalities, finds to
3057 be a relatively undisturbed area that possesses scenic quality of local,
3058 regional or state-wide significance, and (D) the latest facility design
3059 options intended to minimize aesthetic and environmental impacts.
3060 The council may deny an application for a certificate if it determines
3061 that (i) shared use under the provisions of subparagraph (A) of this
3062 subdivision is feasible, (ii) the applicant would not cooperate relative
3063 to the future shared use of the proposed facility, **[**or**]** (iii) the proposed
3064 facility would substantially affect the scenic quality of its location or
3065 surrounding neighborhood and no public safety concerns require that
3066 the proposed facility be constructed in such a location<u>, or (iv) no public</u>
3067 <u>safety concerns require that a proposed facility owned or operated by</u>

3068 the state be constructed in that location. In evaluating the public need
3069 for a cellular facility described in subdivision (6) of subsection (a) of
3070 section 16-50i, there shall be a presumption of public need for personal
3071 wireless services and the council shall be limited to consideration of a
3072 specific need for any proposed facility to be used to provide such
3073 services to the public.

3074 (2) When issuing a certificate for a facility described in subdivision
3075 (5) or (6) of subsection (a) of section 16-50i, the council may impose
3076 such reasonable conditions as it deems necessary to promote
3077 immediate and future shared use of such facilities and avoid the
3078 unnecessary proliferation of such facilities in the state. The council
3079 shall, prior to issuing a certificate, provide notice of the proposed
3080 facility to the municipality in which the facility is to be located. Upon
3081 motion of the council, written request by a public or private entity that
3082 provides telecommunications or community antenna television service
3083 to the public or upon written request by an interested party, the
3084 council may conduct a preliminary investigation to determine whether
3085 the holder of a certificate for such a facility is in compliance with the
3086 certificate. Following its investigation, the council may initiate a
3087 certificate review proceeding, which shall include a hearing, to
3088 determine whether the holder of a certificate for such a facility is in
3089 compliance with the certificate. In such proceeding, the council shall
3090 render a decision and may issue orders it deems necessary to compel
3091 compliance with the certificate, which may include, but not be limited
3092 to, revocation of the certificate. Such orders may be enforced in
3093 accordance with the provisions of section 16-50u.

3094 Sec. 62. Section 25-32 of the general statutes is amended by adding
3095 subsection (q) as follows (*Effective July 1, 2013*):

3096 (NEW) (q) Notwithstanding any provision of this section, the
3097 commissioner may grant a permit for the lease or change in use of
3098 water company land to allow for telecommunications antennas,
3099 telecommunications towers, ancillary equipment, related access drives
3100 or utilities, used in the provision of personal wireless services, as

3101 defined in 47 USC 332(c)(7), if the commissioner determines such lease
3102 or change in use will not have an adverse impact on the purity and
3103 adequacy of the public drinking water supply and that any use
3104 restrictions which the commissioner requires as a condition of granting
3105 a permit can be enforced against subsequent owners, lessees and
3106 assignees. The permit application shall include, but not be limited to,
3107 documentation on the extent of other alternative sites considered
3108 unsuitable by the provider of wireless services and a finding by the
3109 commissioner that such lease or change in use of water company land
3110 will not have a significant adverse impact upon the purity and
3111 adequacy of the public drinking supply. Any permit granted under
3112 this subsection shall be subject to any conditions or restrictions which
3113 the commissioner may deem necessary to maintain the purity and
3114 adequacy of the public drinking water supply.

3115 Sec. 63. Section 16-245p of the general statutes, as amended by
3116 section 45 of public act 13-5, is repealed and the following is
3117 substituted in lieu thereof (*Effective from passage*):

3118 (a) An electric supplier and an electric distribution company
3119 providing standard service or back-up electric generation service,
3120 pursuant to section 16-244c, <u>as amended by this act,</u> shall submit
3121 information to the Public Utilities Regulatory Authority that the
3122 authority **[**, after consultation with the Consumer Education Advisory
3123 Council, established under section 16-244d,**]** determines will assist
3124 customers in making informed decisions when choosing an electric
3125 supplier, including, but not limited to, the information provided in
3126 subsection (b) of this section. Each supplier or electric distribution
3127 company providing standard service or back-up electric generation
3128 service, pursuant to section 16-244c, <u>as amended by this act,</u> shall, at
3129 such times as the authority requires, but not less than annually, submit
3130 in a form prescribed by the authority, information that the authority
3131 must make available pursuant to subsection (b) of this section and any
3132 other information the authority considers relevant. After the authority
3133 has received the information required pursuant to this subsection, the

3134 supplier shall be eligible to receive customer marketing information
3135 from electric or electric distribution companies, as provided in section
3136 16-245o.

3137 (b) The Public Utilities Regulatory Authority shall maintain and
3138 make available to customers upon request, a list of electric aggregators
3139 and the following information about each electric supplier and each
3140 electric distribution company providing standard service or back-up
3141 electric generation service, pursuant to section 16-244c, as amended by
3142 this act: (1) Rates and charges; (2) applicable terms and conditions of a
3143 contract for electric generation services; (3) the percentage of the total
3144 electric output derived from each of the categories of energy sources,
3145 the total emission rates of nitrogen oxides, sulfur oxides, carbon
3146 dioxide, carbon monoxide, particulates, heavy metals and other wastes
3147 the disposal of which is regulated under state or federal law at the
3148 facilities operated by or under long-term contract to the electric
3149 supplier or providing electric generation services to an electric
3150 distribution company providing standard service or back-up electric
3151 generation service, pursuant to section 16-244c, as amended by this act,
3152 and the analysis of the environmental characteristics of each such
3153 category of energy source [prepared pursuant to subsection (e) of said
3154 section 16-244d] and to the extent such information is unknown, the
3155 estimated percentage of the total electric output for which such
3156 information is unknown, along with the word "unknown" for that
3157 percentage; (4) a record of customer complaints and the disposition of
3158 each complaint; and (5) any other information the authority
3159 determines will assist customers in making informed decisions when
3160 choosing an electric supplier. The authority shall make available to
3161 customers the information filed pursuant to subsection (a) of this
3162 section not later than thirty days after its receipt. The authority shall
3163 put such information in a standard format so that a customer can
3164 readily understand and compare the services provided by each electric
3165 supplier.

3166 (c) Each electric supplier and electric distribution company shall

3167 disclose to customers, in a manner prescribed by the authority and not
3168 less than annually, such information as the authority considers
3169 relevant. The authority may adopt regulations, in accordance with the
3170 provisions of chapter 54, to implement the provisions of this
3171 subsection.

3172 Sec. 64. Section 16-19f of the general statutes is repealed and the
3173 following is substituted in lieu thereof (*Effective from passage*):

3174 (a) As used in this section:

3175 (1) "Cost of service" means an electric utility rate for a class of
3176 consumer which is designed, to the maximum extent practicable, to
3177 reflect the cost to the utility in providing electric service to such class;

3178 (2) "Declining block rate" means an electric utility rate for a class of
3179 consumer which prices successive blocks of electricity consumed by
3180 such consumer at lower per-unit prices;

3181 (3) "Time of day rate" means an electric utility rate for a class of
3182 consumer which is designed to reflect the cost to the utility of
3183 providing electricity to such consumer at different times of the day;

3184 (4) "Seasonal rate" means an electric utility rate for a class of
3185 consumer designed to reflect the cost to the utility in providing
3186 electricity to such consumer during different seasons of the year;

3187 (5) "Electric vehicle time of day rate" means an electric utility rate
3188 for a class of consumer designed to reflect the cost to the utility of
3189 providing electricity to such consumer charging an electric vehicle at a
3190 public electric vehicle charging station at different times of the day, but
3191 shall not include demand charges;

3192 (6) "Public electric vehicle charging station" means an electric
3193 vehicle charging station, electric recharging point, charging point or
3194 electric vehicle supply equipment, which is an element in an
3195 infrastructure that supplies electricity for the recharging of plug-in

3196 electric vehicles, including all-electric cars, neighborhood electric
3197 vehicles and plug-in hybrids, and which allows any electric vehicle
3198 owner or operator to access and use the charging station free of charge;

3199 [(5)] (7) "Interruptible rate" means an electric utility rate designed to
3200 reflect the cost to the utility in providing service to a consumer where
3201 such consumer permits his service to be interrupted during periods of
3202 peak electrical demand;

3203 [(6)] (8) "Load management techniques" means cost-effective
3204 techniques used by an electric utility to reduce the maximum kilowatt
3205 demand on the utility.

3206 (b) The Public Utilities Regulatory Authority, with respect to each
3207 electric public service company and each municipal electric company,
3208 shall [,] (1) within two years, consider and determine whether it is
3209 appropriate to implement any of the following rate design standards:
3210 [(1)] (A) Cost of service; [(2)] (B) prohibition of declining block rates;
3211 [(3)] (C) time of day rates; [(4)] (D) seasonal rates; [(5)] (E) interruptible
3212 rates; and [(6)] (F) load management techniques, and (2) within one
3213 year, consider and determine whether it is appropriate to implement
3214 electric vehicle time of day rates. The consideration of said standards
3215 by the authority and each municipal electric company shall be made
3216 after public notice and hearing. Such hearing may be held concurrently
3217 with a hearing required pursuant to subsection (b) of section 16-19e.
3218 The authority and each municipal company shall make a
3219 determination on whether it is appropriate to implement any of said
3220 standards. Said determination shall be in writing, shall take into
3221 consideration the evidence presented at the hearing and shall be
3222 available to the public. A standard shall be deemed to be appropriate
3223 for implementation if such implementation would encourage energy
3224 conservation, optimal and efficient use of facilities and resources by an
3225 electric public service company or municipal electric company and
3226 equitable rates for electric consumers.

3227 (c) The Public Utilities Regulatory Authority, with respect to each

3228 electric public service company, and each municipal electric company
3229 may implement any standard determined under subsection (b) of this
3230 section to be appropriate or decline to implement any such standard. If
3231 the authority or a municipal electric company declines to implement
3232 any standard determined to be appropriate, it shall state in writing its
3233 reasons for doing so and make such statement available to the public.

3234 (d) The provisions of this section shall not apply to any municipal
3235 electric company which has total annual sales of electricity for
3236 purposes other than resale of five hundred million kilowatt-hours or
3237 less.

3238 Sec. 65. Section 42-133bb of the general statutes is repealed and the
3239 following is substituted in lieu thereof (*Effective from passage*):

3240 Notwithstanding the terms, provisions or conditions of any
3241 franchise agreement or other agreement between a manufacturer or
3242 distributor and a dealer, no manufacturer or distributor shall require
3243 that a dealer:

3244 (1) Order or accept delivery of any new motor vehicle, part or
3245 accessory, equipment or any other commodity not required by law in
3246 connection with warranty service or a recall campaign or voluntarily
3247 ordered by the dealer, except that the provisions of this subdivision
3248 shall not affect terms or provisions of a franchise requiring dealers to
3249 market a representative line of motor vehicles which the manufacturer
3250 or distributor is publicly advertising;

3251 (2) Order or accept delivery of any new motor vehicle with special
3252 features, accessories or equipment not included in the list price of such
3253 motor vehicles as publicly advertised by the manufacturer or
3254 distributor;

3255 (3) Pay all or part of the cost of an advertising campaign or contest,
3256 or purchase any promotional materials, training material, showroom
3257 or other display decorations or materials at the expense of the new
3258 motor vehicle dealer without the consent of the new motor vehicle

3259 dealer;

3260 (4) Enter into any agreement with the manufacturer or distributor or
3261 do any other act prejudicial to the dealer under threat of termination or
3262 cancellation of a franchise or agreement between the dealer and the
3263 manufacturer or distributor, except that this subdivision shall not
3264 preclude the manufacturer or distributor from insisting on compliance
3265 with the reasonable terms or provisions of the franchise or agreement,
3266 and notice in good faith to any dealer of the dealer's violation of such
3267 terms or provisions shall not constitute a violation of sections 42-133r
3268 to 42-133ee, inclusive;

3269 (5) Change the capital structure of the dealer or the means by which
3270 the dealer finances the operation of the dealership provided the dealer
3271 meets reasonable capital standards established by the manufacturer or
3272 distributor in accordance with uniformly applied criteria, and
3273 provided further that no change in the capital structure shall cause a
3274 change in the principal management or have the effect of a sale of the
3275 franchise without the consent of the manufacturer or distributor and
3276 such consent shall not be unreasonably withheld;

3277 (6) Refrain from participation in the management of, investment in,
3278 or acquisition of any other line of new motor vehicles or related
3279 products, provided this subdivision shall not apply unless the dealer
3280 maintains a reasonable line of credit for each line make of new motor
3281 vehicle, the dealer remains in compliance with any reasonable facilities
3282 requirements of the manufacturer or distributor, and no change is
3283 made in the principal management of the dealer;

3284 (7) Prospectively assent to a release, assignment, novation, waiver
3285 or estoppel which would relieve any person from liability to be
3286 imposed by sections 42-133r to 42-133ee, inclusive, or require any
3287 controversy between a dealer and a manufacturer or distributor, to be
3288 referred to any forum other than the Superior Court or the United
3289 States District Court;

3290 (8) Construct, renovate or make substantial alterations to the
3291 dealer's facilities unless the manufacturer or distributor can
3292 demonstrate that such construction, renovation or alteration
3293 requirements are reasonable and justifiable in light of current and
3294 reasonably foreseeable projections of economic conditions, financial
3295 expectations, availability of additional vehicle allocation and such
3296 dealer's market for the sale of vehicles; **[.]**

3297 (9) Purchase goods or services including, but not limited to, vehicle
3298 battery charging stations, from a vendor chosen by the manufacturer
3299 or distributor if substantially similar items of like appearance, function
3300 and quality are available from other sources, provided the provisions
3301 of this subdivision shall not be construed to (A) allow a dealer to
3302 impair or eliminate the intellectual property rights of the manufacturer
3303 or distributor, or (B) permit the dealer to erect or maintain signs that
3304 do not conform to the intellectual property usage guidelines of the
3305 manufacturer or distributor.

3306 Sec. 66. Section 16a-41i of the general statutes is repealed. (*Effective*
3307 *from passage*)"

| This act shall take effect as follows and shall amend the following sections: | | |
|---|---|---|
| Section 1 | *from passage* | 16-1(a)(2) |
| Sec. 2 | *from passage* | 16-1(a)(52) |
| Sec. 3 | *from passage* | 16-2 |
| Sec. 4 | *from passage* | 16-2c |
| Sec. 5 | *from passage* | 16-3 |
| Sec. 6 | *from passage* | 16-6b |
| Sec. 7 | *from passage* | 16-7 |
| Sec. 8 | *July 1, 2013* | 16-18a |
| Sec. 9 | *from passage* | New section |
| Sec. 10 | *from passage* | 16-19e |
| Sec. 11 | *from passage* | 16-19tt |
| Sec. 12 | *from passage* | 16-35 |
| Sec. 13 | *from passage* | 16-244c(c)(5) |
| Sec. 14 | *from passage* | 16-244m |

| | | |
|---|---|---|
| Sec. 15 | *from passage* | 16-32f |
| Sec. 16 | *from passage* | 16-245m |
| Sec. 17 | *from passage* | 16-245ee |
| Sec. 18 | *from passage* | 16-245hh |
| Sec. 19 | *from passage* | 16a-3 |
| Sec. 20 | *from passage* | 16a-3a |
| Sec. 21 | *from passage* | 16a-3b |
| Sec. 22 | *from passage* | 16a-3c(a) |
| Sec. 23 | *from passage* | 16a-3d |
| Sec. 24 | *from passage* | 16a-3e |
| Sec. 25 | *from passage* | 16a-7b(b) |
| Sec. 26 | *from passage* | 16a-23t(f) |
| Sec. 27 | *from passage* | 16a-37u(c) to (e) |
| Sec. 28 | *from passage* | 16a-38*l* |
| Sec. 29 | *from passage* | 16a-40b(a) to (c) |
| Sec. 30 | *from passage* | 16a-40l(a) |
| Sec. 31 | *from passage* | 16a-46h |
| Sec. 32 | *from passage* | 16a-48(b) to (g) |
| Sec. 33 | *from passage* | 2c-2h(h) |
| Sec. 34 | *from passage* | 16-243y(a) |
| Sec. 35 | *July 1, 2013* | 16-244u |
| Sec. 36 | *July 1, 2013* | 16-19ff |
| Sec. 37 | *July 1, 2013* | 16-41(a) |
| Sec. 38 | *July 1, 2013* | 16-1(a)(8) and (9) |
| Sec. 39 | *July 1, 2013* | New section |
| Sec. 40 | *July 1, 2013* | 32-80a(a) |
| Sec. 41 | *from passage* | New section |
| Sec. 42 | *from passage* | 16a-40g(e)(1) |
| Sec. 43 | *from passage* | 16a-40g(g) |
| Sec. 44 | *from passage* | 16-50kk |
| Sec. 45 | *from passage* | 29-252 |
| Sec. 46 | *from passage* | 16a-21a |
| Sec. 47 | *from passage* | New section |
| Sec. 48 | *from passage* | New section |
| Sec. 49 | *from passage* | PA 13-78, Sec. 1 |
| Sec. 50 | *from passage* | 16-19oo |
| Sec. 51 | *from passage* | New section |
| Sec. 52 | *from passage* | New section |
| Sec. 53 | *from passage* | New section |
| Sec. 54 | *from passage* | 16-19kk(b) |

| | | |
|---|---|---|
| Sec. 55 | *from passage* | 16-245aa(b) |
| Sec. 56 | *from passage* | New section |
| Sec. 57 | *from passage* | New section |
| Sec. 58 | *from passage* | New section |
| Sec. 59 | *from passage* | New section |
| Sec. 60 | *July 1, 2013* | 16-234 |
| Sec. 61 | *July 1, 2013* | 16-50p(a) and (b) |
| Sec. 62 | *July 1, 2013* | 25-32 |
| Sec. 63 | *from passage* | 16-245p |
| Sec. 64 | *from passage* | 16-19f |
| Sec. 65 | *from passage* | 42-133bb |
| Sec. 66 | *from passage* | Repealer section |