



OLR RESEARCH REPORT

February 14, 2013

2013-R-0072

GOVERNOR'S ENERGY BILL (SB 839)

By: Kevin E. McCarthy, Principal Analyst

You asked for an analysis of [SB 839](#), “An Act Concerning Statutory Changes to Advance Connecticut’s Energy Policies”; OLR Report [2013-R-0147](#) analyzes the governor’s second energy bill, HB 6360, “An Act concerning Implementation of Connecticut’s Comprehensive Energy Strategy.”

SUMMARY

[SB 839](#) modifies the relationship between the Public Utilities Regulatory Authority (PURA) and the Department of Energy and Environmental Protection (DEEP). It expands the autonomy of PURA’s chairperson.

The bill eliminates a DEEP public hearing requirement for the integrated resources plan (IRP), which addresses how electric companies meet their customers’ needs. By law, PURA must hold a hearing on the plan. The bill renames the comprehensive energy plan the comprehensive energy strategy (CES) and potentially expands its scope. It requires PURA to comment on the strategy’s impacts on ratepayers after, rather than before, DEEP adopts it.

The bill makes procedural changes in PURA’s periodic reviews of rate principals and structures.

The bill makes several changes regarding the adoption of utility and energy-related regulations. It allows the DEEP and Department of Economic and Community Development commissioners and the Siting Council to be made parties to all electric and gas company rate cases, rather than just those based on an alleged need for funding for capital expansions. It also:

1. modifies who can enter the buildings of utilities and electric suppliers in performing their official duties; and
2. allows DEEP to electronically submit its annual report to the Energy and Technology Committee on the allocation of energy efficiency and renewable energy funding to lower income customers.

The bill also makes many minor and technical changes.

EFFECTIVE DATE: Upon passage

RELATIONSHIP BETWEEN DEEP AND PURA

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

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

PURA AUTONOMY

The bill expands the autonomy of PURA’s chairperson. Under current law, the PURA chairperson must, with the DEEP commissioner’s approval, prescribe the duties of staff assigned to PURA in its various areas of responsibility. The bill retains current law when dealing with

reviewing PURA's organization and planning its functions. But, the bill eliminates the need to obtain the commissioner's approval, while requiring the chairperson to act in a way that implements PURA's organization and comprehensive plan when:

1. prescribing the duties of staff assigned to PURA,
2. coordinating PURA's activities,
3. determining how staff are assigned in rate cases,
4. entering contracts,
5. receiving outside revenues, and
6. requiring PURA staff to have relevant expertise.

The bill (1) allows the PURA chairperson, rather than the DEEP commissioner, to appoint hearing officers; (2) places the Division of Adjudication, which houses these officers and related staff, in PURA rather than DEEP; and (3) eliminates the requirement that the division advise the commissioner.

ENERGY PLANS

Integrated Resources Plan

The bill eliminates the requirement that (1) DEEP hold a hearing on the IRP (PURA still must hold one) and (2) that the DEEP commissioner approve or reject the plan with comments. The removal of the hearing requirement means that the plan adoption is no longer a contested case, unless DEEP actually holds a hearing on it.

Comprehensive Energy Plan

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

RATE PRINCIPALS AND STRUCTURES

By law, PURA must periodically investigate new rate principles and structures for electric and gas companies. The bill requires that in doing so, it be guided by DEEP's statutory goals and specified energy plans, rather than requiring PURA to consider appropriate energy policies. The plans are the CES, IRP, and conservation and electric load management plan.

Under current law, PURA must require that new principles and structures be used when this is in the public interest. The bill specifies that the public interest is as determined by DEEP in the IRP and CES. Under current law, DEEP's actions must conform with, as far as possible, the state energy policy as described in CGS § [16a-35k](#). The bill additionally requires DEEP to act, as far as possible, in conformity with state energy policies as described in the laws governing the IRP and CES.

REGULATIONS

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

RIGHT OF ENTRY

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

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