

Energy and Technology Committee JOINT FAVORABLE REPORT

Bill No.: SB-960

AN ACT CONCERNING MEMBERS OF THE CONNECTICUT GREEN BANK BOARD OF DIRECTORS AND THE PUBLIC UTILITIES REGULATORY AUTHORITY'S REVIEW OF CLAIMS ARISING FROM CONTRACTS

Title: PREVIOUSLY APPROVED BY THE AUTHORITY.

Vote Date: 3/19/2019

Vote Action: Joint Favorable Substitute

PH Date: 3/5/2019

File No.: 374

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SPONSORS OF BILL:

Energy and Technology Committee

REASONS FOR BILL:

Senate bill 960, 887 and 888 were all asks from the Public Utilities Regulatory Agency (PURA). During the committee process Energy and Technology decided to blend these three bills into SB960 through a joint favorable substitute language vote. The reasons for these three bills are as follows:

SB 960 – Was offered to allow PURA to have the authority to have an additional review of contracts when a dispute occurs. Under current law PURA does not have the authority to review contract disputes and the bill helps clarify this process while not stripping the parties the opportunity to go to the CT Supreme Court if necessary.

SB 887 – Was offered for PURA to create additional safety and oversight regulations for the natural gas industry. The bill was created in reaction to recent tragedies and accidents in and around the country. The bill's intention is to add safety and oversight measures that should help prevent accidents in the natural gas industry and give PURA the authority to create these new safety measures.

SB 888 – Was offered to set up incentives for Call Before You Dig contractors to higher the most qualified individuals to survey and mark underground utilities to ensure safety when digging. The bill also sets up a penalty structure that fines the municipality for non-compliance to help pressure the towns to oversee the proper safety markings are made by the most qualified employees.

RESPONSE FROM ADMINISTRATION/AGENCY:

[John Betkoski & Michael Caron – Public Utilities Regulatory Authority \(PURA\) \(SB960\)](#): PURA is in support of this bill which will restore PURA's ability to settle conflicts among companies which result from contracts that were sanctioned by PURA. PURA feels that due to the experience, knowledge, and capability of the staff and organization, the association is the most suitable to handle these contract disagreements. PURA brings up a recent legal case from the Connecticut Supreme Court to provide background information on the matter of contracts. The Supreme Court's ruling on PURA's case stated, "PURA lacked jurisdiction to adjudicate a dispute between an electric distribution company and a power generator arising out of a PURA-approved contract." PURA feels this bill will state, with specific language, that PURA can assess and make decisions on the contract disagreements.

[Elin Katz – Office of Consumer Counsel \(OCC\) \(SB960\)](#): OCC is in support of the proposed legislation and agrees with Section 2 of the language that will uphold PURA's capability to review issues between public service companies and the contracts surrounding them. OCC feels the knowledge and experience held by PURA allows a clear and practical decision to be made on these concerns revolving around contracts. The OCC refers to the recent case from the Connecticut Supreme Court where the ruling removed some of PURA's jurisdiction on resolving contract disputes between various entities they work with and hope this bill will help restore their capacity to correct the contracts.

[John W. Betkoski – Public Utilities Regulatory Authority \(PURA\) \(SB887\)](#): The Authority is in support of this bill which will help regulate the propane industry and create new safety regulations in an effort to prevent accidents like the one that occurred in Massachusetts. This bill proposes to standardize the propane delivery system, control training programs for personnel servicing propane supply systems, and will require gas companies to provide information regarding their electronic databases. PURA supports the bill because it will also require gas companies to register their pipelines in geographic information systems which should increase safety of all people.

[John W. Betkoski – Public Utilities Regulatory Authority \(PURA\) \(SB 888\)](#): PURA is in support of the bill as it relates to regulating the underground system of pipes and wires to protect them from incorrect excavation and maintenance on the underground network. PURA believes the law will protect the public from damaged property and loss of utility service while also incentivizing the companies that operate in Call Before You Dig to hire qualified contractors to mark the pipes safely. PURA also supports updating the statutes to align properly with federal laws regarding utilities. They believe in doing so we can streamline state level policy changes and ensure PURA isn't at risk of lawsuit because of confusion when complying with federal PURPA regulations.

[Katie S. Dykes – Department of Energy & Environment Protection \(DEEP\) \(SB 888\)](#): DEEP believes this bill is necessary to reform and regulate Connecticut's electric industry. DEEP brings up the federal Public Utility Regulatory Policies Act of 1978 (PURPA) requirements and that must be met. DEEP believes this bill will move Connecticut forward allowing the directions of Connecticut's Comprehensive Energy Strategy and Integrated Energy Plan to be implemented properly.

[Katie Dykes – Department of Energy & Environmental Protection \(DEEP\) \(SB960\)](#): DEEP is in support of the bill. They believe PURA is best suited to handle issues of contract resolution

between energy companies and best equipped to reach agreements that will provide the most benefit to ratepayers. DEEP states that a number of the contracts reviewed by PURA originate from contract arrangement programs organized by DEEP and therefore DEEP will also be impacted by the bill's language. DEEP mentions the favorable and mutual relationship DEEP and PURA have held for many years in the management of the clean energy programs approved by previous legislation. DEEP believes the legislation clarifies PURA would be the best agency to resolve any contract resolution and this is best for the state.

[Connecticut Green Bank \(CT Green Bank\) \(SB960\)](#): CT Green Bank feels this bill elucidates the current position of the Board of Directors accurately mirroring the number of nonvoting board members presently sitting on the board. CT Green Bank provides a list of the Board Members and the power assigned to them to verify the authority appointed to them by Connecticut General Statute Section 16-245n(e)(1). CT Green Bank states that as a result of a Public Act No. 16-212, a board member was taken off the Board of Directors however when the Public Act was amended that board member was not readmitted to the Board of Directors. CT Green bank calls for the issue to be resolved through this bill.

NATURE AND SOURCES OF SUPPORT:

[Nate Brown – International Union of Operating Engineers \(SB887\)](#): The Union is in support of the proposed bill which will place a focus on safety measures on the propane service industry along with regulating the installment and maintenance of the pipelines. The Union recommends amendments to the current language that would protect the workers and contractors while providing training and proper compensation for their positions. They also suggest that increased oversight be implemented for the gas line repairs because many employees are from multiple out of state contractors due to the high demand for the repairs. They support how the bill can help secure that the work is done in a safe and effective manner.

[Vincent Pace – Eversource Energy \(SB887\)](#): Eversource suggests modifications to the current proposal to improve the existing mandates and education for staff working on pipelines and with the transportation of natural gas. Eversource states that PURA's obligation to safety and protecting the workers and residents can be improved through clarifying the language of the bill to help them as they implement the new safety procedures outlined in the bill.

[Vincent Pace – Eversource \(SB888\)](#): Eversource states they are in strong favor of the motions PURA has made to make sure utility customers and the utility company staff are protected when dealing with the Call Before You Dig program (CBYD). Eversource states they have handled the cases brought to them regarding violations with CBYD and the penalties that go along with the damages. Eversource says that continuing forward they will work with the State, PURA, and investors to deal with all future issues.

[Utility Contractors Association of Connecticut \(UCAC\) \(SB888\)](#): The UCAC is in support of this proposal for the reason that the proper assessment of damages dealing with utility markings and who is responsible for the violation is clarified. UCAC is in favor of PURA guaranteeing utility facilities are liable for the transgression and the cost of those

indiscretions. The UCAC wishes to protect customers, municipalities, and contractors from wrongful penalties when a Call Before You Dig statutes become violated.

NATURE AND SOURCES OF OPPOSITION:

[Donna Hamzy Carroccia – Connecticut Conference of Municipalities \(CCM\) \(SB888\)](#): CCM opposes the proposed bill since the language states that if a violation occurs, PURA may charge the utility company up to \$40,000. This bill places the fine on the local towns for the breaking of the Call Before You Dig mandates and they do not support this language. CCM feels the towns should have the right to recuperate the penalty through the company or contractors that are responsible for the damage.

[Elizabeth Gara – Connect Water Works Association \(CWWA\) \(SB888\)](#): The CWWA is in opposition to this bill due to the financial penalties its places on water companies and their customers for damages they were not their responsibility. CWWA states this proposed bill does not include any mention of PURA evaluating violations and the acceptable giving of penalties to the guilty parties.

[Kathryn Dube – Connecticut Council of Small Towns \(COST\) \(SB888\)](#): COST is in opposition to the bill regarding the penalties for violating the current Call Before You Dig guidelines. COST does not agree that the violation payments are the municipality and utility's responsibility when the violation has been committed by someone other than them.

Reported by: Ethan J. Meskill

Date: 3/26/19