OLR Bill Analysis
sHB 7154

AN ACT CONCERNING A SUSTAINABLE CONSTRUCTION CODE AND THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION'S RETENTION OF CONSULTANTS FOR PROCEEDINGS BEFORE THE PUBLIC UTILITIES REGULATORY AUTHORITY.

SUMMARY

This bill requires the Department of Energy and Environmental Protection (DEEP) commissioner, in consultation with the Department of Administrative Services (DAS), to adopt state building construction standards that are based on a nationally recognized model for sustainable construction codes and meet other criteria. The standards apply to certain projects involving state facilities, facilities built with state funds, and renovation of public school facilities.

Current law allows the Public Utilities Regulatory Authority (PURA) and the Office of Consumer Counsel (OCC) to retain consultants for PURA proceedings. The bill additionally allows DEEP to retain consultants to assist DEEP staff during PURA proceedings under the same circumstances and limits that apply to PURA and OCC consultants (see BACKGROUND). As under current law for OCC and PURA, DEEP generally may not hire a consultant for telecommunications proceedings that is also consulting for the affected company.

Current law already allows DEEP, in consultation with PURA and OCC, to retain consultants to supplement staff expertise for proceedings before or negotiations with various federal agencies (e.g., the Federal Energy Regulatory Commission (FERC), the U.S. Department of Energy). The bill additionally allows DEEP, in consultation with PURA and OCC, to retain consultants for Federal Communications Commission (FCC) proceedings, under the same circumstances and limits that apply to DEEP and PURA consultants.
for other federal agency proceedings (see BACKGROUND).

EFFECTIVE DATE: Upon passage, except provisions on consultants are effective October 1, 2019.

STATE BUILDING CONSTRUCTION STANDARDS

The law requires DEEP’s regulations to establish construction standards that apply to the following types of projects:

1. new state facility construction projected to cost at least $5 million for which all budgeted project bond funds are allocated by the State Bond Commission on or after January 1, 2008;

2. state facility renovation projected to cost at least $2 million in state funding, approved and funded after January 1, 2008;

3. new public school building construction projected to cost at least $5 million, on which at least $2 million is state funding authorized by the legislature on or after January 1, 2009; and

4. renovation of public school facilities projected to cost at least $2 million in state funding authorized by the legislature on or after January 1, 2009.

Under current law, DEEP’s regulations must establish state building construction standards that achieve at least 75 points on the U.S. Environmental Protection Agency’s national energy performance rating system, as determined by its Energy Star Target Finder Tool. Current law also allows DEEP, in consultation with DAS, to exempt facilities from complying with these standards if the facility cannot be defined as an eligible building type in the Energy Star Target Finder tool and establishes a separate standard for exempted facilities.

The bill instead requires DEEP’s regulations to establish state building construction standards by January 1, 2020, but retains previously adopted regulations until the new ones are adopted. Under the bill, the standards must be based on a nationally recognized model for sustainable construction codes that promotes the construction of
high performance green buildings that:

1. have reduced emissions;
2. have enhanced building occupant health and comfort;
3. are designed to conserve water resources;
4. are designed to promote sustainable and regenerative materials cycles; and
5. provide enhanced resilience to natural, technological, and human-caused hazards.

The bill retains provisions from current law that require standards (1) to include a standard for inclusion of electric vehicle charging stations and (2) allowing DEEP to update the standards as the commissioner deems necessary.

BACKGROUND

Consultants for PURA Proceedings

By law, PURA and OCC may retain consultants to assist in PURA proceedings if they lack existing staff expertise. Expenses for the consultants are borne by the companies affected by the proceeding and must be paid as PURA or OCC directs. The companies may comment on the need for a consultant and request a hearing. Unless there is good cause, the agencies’ expenses for the consultants cannot exceed:

1. $200,000 per agency per proceeding for companies with more than 15,000 customers and
2. $50,000 per agency per proceeding for companies with less than 15,000 customers.

The law requires PURA to consider these expenses proper business expenses for purposes of rate making (which allows those companies subject to rate regulation to recover these expenses through their rates) (CGS § 16-18a(a)).
Consultants for Federal Proceedings

The law authorizes DEEP, in consultation with PURA and OCC, to retain consultants to assist in proceedings before the following federal agencies:

1. FERC,
2. U.S. Department of Energy,
3. U.S. Nuclear Regulatory Commission,
4. U.S. Securities and Exchange Commission,
5. Federal Trade Commission, and

PURA may also retain consultants for FCC proceedings.

For both agencies, the law requires companies affected by the proceedings to bear the cost in proportion to their revenues and limits such expenses to $2.5 million per year, unless PURA finds good cause to exceed that limit. PURA must consider these expenses proper business expenses for purposes of rate making (for those companies subject to rate regulation) (CGS § 16-18a(c)).

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 21 Nay 4  (03/19/2019)