



General Assembly  
September Special Session, 2020

**Bill No. 7006**

LCO No. 4364



Referred to Committee on No Committee

Introduced by:

REP. ARESIMOWICZ, 30<sup>th</sup> Dist.

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. DUFF, 25<sup>th</sup> Dist.

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**AN ACT CONCERNING EMERGENCY RESPONSE BY ELECTRIC DISTRIBUTION COMPANIES, THE REGULATION OF OTHER PUBLIC UTILITIES AND NEXUS PROVISIONS FOR CERTAIN DISASTER-RELATED OR EMERGENCY-RELATED WORK PERFORMED IN THE STATE.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) (1) For the purposes of this  
2 section, "electric distribution company" has the same meaning as  
3 provided in section 16-1 of the general statutes and "emergency" has the  
4 same meaning as provided in section 16-32e of the general statutes.

5 (2) "Resilience" means the ability to prepare for and adapt to changing  
6 conditions and withstand and recover rapidly from deliberate attacks,  
7 accidents or naturally occurring threats or incidents, including, but not  
8 limited to, threats or incidents associated with the impacts of climate  
9 change.

10 (b) Not later than June 1, 2021, the Public Utilities  
11 Regulatory Authority shall initiate a proceeding to investigate, develop  
12 and adopt a framework for implementing performance-based  
13 regulation of each electric distribution company. Such framework  
14 adopted by the authority shall: (1) Establish standards and metrics for  
15 measuring such electric distribution company's performance of  
16 objectives that are in the interest of ratepayers or benefit the public,  
17 which may include, but not be not limited to, safety,  
18 reliability, emergency response, cost efficiency, affordability, equity,  
19 customer satisfaction, municipal engagement, resilience  
20 and advancing the state's environmental and policy goals, including,  
21 but not limited to, those goals established in section 22a-200a of the  
22 general statutes, in the Integrated Resources Plan approved pursuant to  
23 section 16a-3a of the general statutes and in the Comprehensive Energy  
24 Strategy prepared pursuant to section 16a-3d of the general statutes; (2)  
25 identify the manner, including the timeframe and extent, in which such  
26 standards and metrics shall be used to apply the principles and  
27 guidelines set forth in section 16-19e of the general statutes and to  
28 determine the relative adequacy of the company's service and the  
29 reasonableness and adequacy of rates proposed and considered  
30 pursuant to section 16-19a of the general statutes; and (3) identify  
31 specific mechanisms to be implemented to align utility performance  
32 with the standards and metrics adopted pursuant to this section and  
33 subsection (b) of section 16-19a of the general statutes, including, but not  
34 limited to, reviewing the effectiveness of the electric distribution  
35 company's revenue decoupling mechanism. The authority may  
36 also initiate a proceeding to investigate, develop and adopt a framework  
37 for implementation of performance-based regulation for gas and water  
38 companies, as defined by section 16-1 of the general statutes, consistent  
39 with the requirements and provisions of this section.

40 Sec. 2. Subsections (a) and (b) of section 16-19 of the general statutes  
41 are repealed and the following is substituted in lieu thereof (*Effective*  
42 *from passage*):

43 (a) No public service company may charge rates in excess of those  
44 previously approved by the Public Utilities Control Authority or the  
45 Public Utilities Regulatory Authority, except that any rate approved by  
46 the Public Utilities Commission, the Public Utilities Control Authority  
47 or the Public Utilities Regulatory Authority shall be permitted until  
48 amended by the Public Utilities Regulatory Authority, that rates not  
49 approved by the Public Utilities Regulatory Authority may be charged  
50 pursuant to subsection (b) of this section, and that the hearing  
51 requirements with respect to adjustment clauses are as set forth in  
52 section 16-19b. For water companies, existing rates shall include the  
53 amount of any adjustments approved pursuant to section 16-262w since  
54 the company's most recent general rate case, provided any adjustment  
55 amount shall be separately identified in any customer bill. Each public  
56 service company shall file any proposed amendment of its existing rates  
57 with the authority in such form and in accordance with such reasonable  
58 regulations as the authority may prescribe. Each electric distribution,  
59 gas or telephone company filing a proposed amendment shall also file  
60 with the authority an estimate of the effects of the amendment, for  
61 various levels of consumption, on the household budgets of high and  
62 moderate income customers and customers having household incomes  
63 not more than one hundred fifty per cent of the federal poverty level.  
64 Each electric distribution company shall also file such an estimate for  
65 space heating customers. Each water company, except a water company  
66 that provides water to its customers less than six consecutive months in  
67 a calendar year, filing a proposed amendment, shall also file with the  
68 authority a plan for promoting water conservation by customers in such  
69 form and in accordance with a memorandum of understanding entered  
70 into by the authority pursuant to section 4-67e. Each public service  
71 company shall notify each customer who would be affected by the  
72 proposed amendment, by mail, at least one week prior to the first public  
73 hearing thereon, but not earlier than six weeks prior to such first public  
74 hearing, that an amendment has been or will be requested. Such notice  
75 shall also indicate (1) the date, time and location of any scheduled public  
76 hearing, (2) a statement that customers may provide written comments

77 regarding the proposed amendment to the Public Utilities Regulatory  
78 Authority or appear in person at any scheduled public hearing, (3) the  
79 Public Utilities Regulatory Authority telephone number for obtaining  
80 information concerning the schedule for public hearings on the  
81 proposed amendment, and (4) whether the proposed amendment  
82 would, in the company's best estimate, increase any rate or charge by  
83 twenty per cent or more, and, if so, describe in general terms any such  
84 rate or charge and the amount of the proposed increase, provided no  
85 such company shall be required to provide more than one form of the  
86 notice to each class of its customers. In the case of a proposed  
87 amendment to the rates of any public service company, the authority  
88 shall hold one or more public hearings thereon, except as permitted with  
89 respect to interim rate amendments by subsections (d) and (g) of this  
90 section, and shall make such investigation of such proposed amendment  
91 of rates as is necessary to determine whether such rates conform to the  
92 principles and guidelines set forth in section 16-19e, or are unreasonably  
93 discriminatory or more or less than just, reasonable and adequate, or  
94 that the service furnished by such company is inadequate to or in excess  
95 of public necessity and convenience, provided the authority may (A)  
96 evaluate the reasonableness and adequacy of the performance or service  
97 of the public service company using any applicable metrics or standards  
98 adopted by the authority pursuant to section 1 of this act, and (B)  
99 determine the reasonableness of the allowed rate of return of the public  
100 service company based on such performance evaluation. The authority,  
101 if in its opinion such action appears necessary or suitable in the public  
102 interest may, and, upon written petition or complaint of the state, under  
103 direction of the Governor, shall, make the aforesaid investigation of any  
104 such proposed amendment which does not involve an alteration in  
105 rates. If the authority finds any proposed amendment of rates to not  
106 conform to the principles and guidelines set forth in section 16-19e, or  
107 to be unreasonably discriminatory or more or less than just, reasonable  
108 and adequate to enable such company to provide properly for the public  
109 convenience, necessity and welfare, or the service to be inadequate or  
110 excessive, it shall determine and prescribe, as appropriate, an adequate

111 service to be furnished or just and reasonable maximum rates and  
112 charges to be made by such company. In the case of a proposed  
113 amendment filed by an electric distribution, gas or telephone company,  
114 the authority shall also adjust the estimate filed under this subsection of  
115 the effects of the amendment on the household budgets of the  
116 company's customers, in accordance with the rates and charges  
117 approved by the authority. The authority shall issue a final decision on  
118 each electric distribution or gas company rate filing within [one] three  
119 hundred fifty days from the proposed effective date thereof. [, provided  
120 it may, before the end of such period and upon notifying all parties and  
121 intervenors to the proceedings, extend the period by thirty days.] The  
122 authority shall issue a final decision on all public service company rate  
123 filings, except electric distribution or gas company rate filings, within  
124 two hundred days from the proposed effective date thereof.

125 (b) If the authority has not made its finding respecting an amendment  
126 of any electric distribution or gas company rate within [one] three  
127 hundred fifty days from the proposed effective date of such amendment  
128 thereof, or [within one hundred eighty days if the authority extends the  
129 period in accordance with the provisions of subsection (a) of this  
130 section] if the authority has not made its finding respecting an  
131 amendment of any public service company rate, except electric  
132 distribution or gas company rate, within two hundred days from the  
133 proposed effective date of such amendment thereof, such amendment  
134 may become effective pending the authority's finding with respect to  
135 such amendment upon the filing by the company with the authority of  
136 assurance satisfactory to the authority, which may include a bond with  
137 surety, of the company's ability and willingness to refund to its  
138 customers with interest such amounts as the company may collect from  
139 them in excess of the rates fixed by the authority in its finding or fixed  
140 at the conclusion of any appeal taken as a result of a finding by the  
141 authority.

142 Sec. 3. Subsections (a) and (b) of section 16-19a of the general statutes  
143 are repealed and the following is substituted in lieu thereof (*Effective*

144 *November 1, 2020*):

145 (a) (1) The Public Utilities Regulatory Authority shall, at intervals of  
146 not more than four years from the last previous general rate hearing of  
147 each gas and electric distribution company having more than seventy-  
148 five thousand customers, conduct a complete review and investigation  
149 of the financial and operating records of each such company and hold a  
150 public hearing to determine whether the rates of each such company are  
151 unreasonably discriminatory or more or less than just, reasonable and  
152 adequate, or that the service furnished by such company is inadequate  
153 to or in excess of public necessity and convenience or that the rates do  
154 not conform to the principles and guidelines set forth in section 16-19e.  
155 In making such determination, the authority shall consider the gross  
156 and net earnings of such company since its last previous general rate  
157 hearing, its retained earnings, its actual and proposed capital  
158 expenditures, its advertising expenses, the dividends paid to its  
159 stockholders, the rate of return paid on its preferred stock, bonds,  
160 debentures and other obligations, its credit rating, and such other  
161 financial and operating information as the authority may deem  
162 pertinent.

163 (2) The authority may conduct a general rate hearing in accordance  
164 with subsection (a) of section 16-19, in lieu of the periodic review and  
165 investigation proceedings required under subdivision (1) of this  
166 subsection.

167 (b) In [the] any proceeding required under subdivision (1) of  
168 subsection (a) of this section, or in any rate hearing pursuant to section  
169 16-19, the authority [may approve performance-based incentives to  
170 encourage a gas or electric distribution company to operate efficiently  
171 and provide high quality service at fair and reasonable prices] shall  
172 consider the implementation of financial performance-based incentives  
173 and penalties and performance-based metrics. Notwithstanding  
174 subsection (a) of this section, if the authority approves such  
175 performance-based incentives and penalties for a particular company,

176 the authority shall include in such approval a framework for periodic  
177 monitoring and review of the company's performance [in regard to  
178 criteria specified by the authority, which shall include, but not be  
179 limited to, the company's return on equity, reliability and quality of  
180 service. The authority's periodic monitoring and review shall be used in  
181 lieu of the periodic review and investigation proceedings required  
182 under subdivision (1) of subsection (a) of this section. If the authority  
183 determines in the periodic monitoring and review that a more extensive  
184 review of company performance is necessary, the authority may  
185 institute a further proceeding in accordance with the purposes of this  
186 chapter, including a complete review and investigation described in  
187 subdivision (1) of subsection (a) of this section] pursuant to metrics  
188 developed by the authority.

189 Sec. 4. (NEW) (*Effective from passage*) Notwithstanding any provision  
190 of the general statutes, in exercising its discretion regarding whether to  
191 allow the recovery through rates of any portion of the compensation  
192 package for executives or officers or of any portion of any incentive  
193 compensation for employees of any electric distribution company, gas  
194 company or water company, as defined in section 16-1 of the general  
195 statutes, the Public Utilities Regulatory Authority shall consider  
196 whether to require that any such compensation that is recoverable  
197 through rates be dependent upon the achievement of performance  
198 targets established pursuant to section 1 of this act.

199 Sec. 5. (NEW) (*Effective from passage*) Not later than November 1, 2020,  
200 the Public Utilities Regulatory Authority may initiate a proceeding or  
201 proceedings to consider the implementation of an interim rate decrease,  
202 low-income rates and economic development rates for customers of  
203 electric distribution companies, pursuant to its authority in subsection  
204 (g) of section 16-19 of the general statutes and sections 16-19e and 16-  
205 1900 of the general statutes.

206 Sec. 6. Subsection (b) of section 16-43 of the general statutes is  
207 repealed and the following is substituted in lieu thereof (*Effective*

208 *November 1, 2020*):

209 (b) A public service company shall obtain the approval of the Public  
210 Utilities Regulatory Authority to (1) issue any notes, bonds or other  
211 evidences of indebtedness or securities of any nature, (2) lend or borrow  
212 any moneys for a period of more than one year for any purpose other  
213 than paying the expenses, including taxes, of conducting its business or  
214 for the payment of dividends, or (3) amend any provision of an  
215 indenture or similar financial instrument if such amendment would  
216 affect the issuance or terms of any such notes, bonds or other evidences  
217 of indebtedness or securities. The authority shall approve or disapprove  
218 each such issue or amendment within [thirty] sixty days after the filing  
219 of a written application for such approval unless the applicant agrees to  
220 an extension of time. If not disapproved within said [thirty] sixty days  
221 or within such extension, such issue shall be deemed to be approved.  
222 The authority shall not require a company to issue its common stock  
223 under terms or conditions not required by the general statutes. The  
224 provisions of this subsection shall apply to a community antenna  
225 television company only with regard to any noncable communications  
226 services which the company may provide.

227 Sec. 7. Subsection (d) of section 16-47 of the general statutes is  
228 repealed and the following is substituted in lieu thereof (*Effective January*  
229 *1, 2021*):

230 (d) The Public Utilities Regulatory Authority shall investigate and  
231 hold a public hearing on the question of granting its approval with  
232 respect to any application made under subsection (b) or (c) of this  
233 section and thereafter may approve or disapprove any such application  
234 in whole or in part and upon such terms and conditions as it deems  
235 necessary or appropriate. In connection with its investigation, the  
236 authority may request the views of the gas, electric distribution, water,  
237 telephone or community antenna television company or holding  
238 company which is the subject of the application with respect to the  
239 proposed acquisition. After the filing of an application satisfying the

240 requirements of such regulations as the authority may adopt in  
241 accordance with the provisions of chapter 54, but not later than thirty  
242 business days after the filing of such application, the authority shall give  
243 prompt notice of the public hearing to the person required to file the  
244 application and to the subject company or holding company. Such  
245 hearing shall be commenced as promptly as practicable after the filing  
246 of the application, but not later than [thirty] sixty business days after the  
247 filing, and the authority shall make its determination as soon as  
248 practicable, but not later than [one] two hundred [twenty] days after the  
249 filing of the application, provided it may, before the end of such period  
250 and upon notifying all parties and intervenors to the proceedings,  
251 extend the period by thirty days, or unless the person required to file  
252 the application agrees to an extension of time. The authority may, in its  
253 discretion, grant the subject company or holding company the  
254 opportunity to participate in the hearing by presenting evidence and  
255 oral and written argument. If the authority fails to give notice of its  
256 determination to hold a hearing, commence the hearing, or render its  
257 determination after the hearing within the time limits specified in this  
258 subdivision, the proposed acquisition shall be deemed approved. In  
259 each proceeding on a written application submitted under said  
260 subsection (b) or (c), the authority shall, in a manner which treats all  
261 parties to the proceeding on an equal basis, take into consideration (1)  
262 the financial, technological and managerial suitability and  
263 responsibility of the applicant, (2) the ability of the gas, electric  
264 distribution, water, telephone or community antenna television  
265 company or holding company which is the subject of the application to  
266 provide safe, adequate and reliable service to the public through the  
267 company's plant, equipment and manner of operation if the application  
268 were to be approved, and (3) for an application concerning a telephone  
269 company, the effect of approval on the location and accessibility of  
270 management and operations and on the proportion and number of state  
271 resident employees. The authority shall only grant its approval of an  
272 application filed on or after January 1, 2021, made under subsection (c)  
273 of this section, if the holding company effects a change in the

274 composition of the board of directors to include a proportional  
275 percentage of Connecticut-based directors equivalent to the percentage  
276 that Connecticut service areas represent of the total service areas  
277 covered by the holding company.

278 Sec. 8. Section 16-243p of the general statutes is repealed and the  
279 following is substituted in lieu thereof (*Effective November 1, 2020*):

280 (a) An electric distribution company may recover its costs and  
281 investments that have been prudently incurred as well as its revenues  
282 lost resulting from the provisions of sections 16-1, 16-19ff, 16-50k, 16-  
283 50x, 16-243h to 16-243q, inclusive, 16-244c, 16-244u, 16-244x, 16-245d, 16-  
284 245m, 16-245n, 16-245z, 16-262i, 16a-40l and 16a-40m and section 21 of  
285 public act 05-1 of the June special session. The Public Utilities  
286 Regulatory Authority shall, after a hearing held pursuant to the  
287 provisions of chapter 54, determine the appropriate mechanism to  
288 obtain such recovery in a timely manner which mechanism may be one  
289 or more of the following: (1) Approval of rates as provided in sections  
290 16-19 and 16-19e; (2) the energy adjustment clause as provided in section  
291 16-19b; or (3) the federally mandated congestion charges, as defined in  
292 section 16-1.

293 (b) No electric distribution company shall recover its costs associated  
294 with its attendance or participation in any rate-making hearing before  
295 the authority.

296 ~~[(b)]~~ (c) Electric distribution companies shall be authorized to earn an  
297 incentive, as provided in section 16-19kk, for costs prudently incurred  
298 by such companies pursuant to this section.

299 Sec. 9. Section 16-32i of the general statutes is repealed and the  
300 following is substituted in lieu thereof (*Effective from passage*):

301 The Public Utilities Regulatory Authority shall review the  
302 performance of each electric distribution company and gas company, as  
303 those terms are defined in section 16-1, after any emergency, as defined

304 in section 16-32e, (1) in which more than ten per cent of any such  
305 company's customers were without service for more than forty-eight  
306 consecutive hours, or (2) at the authority's discretion. The authority,  
307 upon a finding that any such company failed to comply with any  
308 standard of acceptable performance in emergency preparation or  
309 restoration of service in an emergency, adopted pursuant to section 16-  
310 32h, or with any order of the authority, shall make orders, after a hearing  
311 that is conducted as a contested case in accordance with chapter 54, to  
312 enforce such standards or orders and may levy civil penalties against  
313 such company, pursuant to section 16-41, not to exceed a total of [two  
314 and one-half] four per cent of such electric distribution or gas company's  
315 annual distribution revenue, for noncompliance in any such emergency.  
316 In determining the amount of any penalty, the authority shall consider  
317 whether such company received approval and reasonable funding  
318 allowances, as determined by the authority, from the authority to meet  
319 infrastructure resiliency efforts to improve such company's  
320 performance. Any such penalty shall be assessed in the form of [a credit  
321 to] credits to the accounts of ratepayers of such electric distribution or  
322 gas company. Any such penalty shall not be included as an operating  
323 expense of such company for purposes of ratemaking.

324 Sec. 10. (NEW) (*Effective from passage*) (a) For the purposes of this  
325 section, "emergency" has the same meaning as provided in subdivision  
326 (1) of subsection (a) of section 16-32e of the general statutes and "electric  
327 distribution company" has the same meaning as provided in section 16-  
328 1 of the general statutes.

329 (b) Notwithstanding any other provision of the general statutes, on  
330 and after July 1, 2021, each electric distribution company shall provide  
331 to residential customers of such company a credit of twenty-five dollars,  
332 on the balance of such customer's account, for each day of distribution-  
333 system service outage that occurs for such customers for more than  
334 ninety-six consecutive hours after the occurrence of an emergency.

335 (c) Any costs incurred by an electric distribution company pursuant

336 to this section shall not be recoverable.

337 (d) Not later than fourteen calendar days after the occurrence of an  
338 emergency, an electric distribution company may petition the authority  
339 for a waiver of the requirements of this section. Any petition for a waiver  
340 made under this subsection shall include the severity of the emergency,  
341 employee safety issues and conditions on the ground, and shall be  
342 conducted as a contested case proceeding. The burden of proving that  
343 such waiver is reasonable and warranted shall be on the electric  
344 distribution company. In determining whether to grant such waiver, the  
345 authority shall consider whether the electric distribution company  
346 received approval and reasonable funding allowances, as determined  
347 by the authority, to meet infrastructure resiliency efforts to improve  
348 such company's performance.

349 (e) On or before January 1, 2021, the Public Utilities Regulatory  
350 Authority shall initiate a proceeding to consider the implementation of  
351 the residential customer credit and waiver provisions of this section and  
352 establish circumstances, standards and methodologies applicable to  
353 each electric distribution company and necessary to implement the  
354 provisions of this section, including any modifications to the ninety-six-  
355 consecutive-hour standard in subsection (b) of this section. The  
356 authority shall issue a final decision in such proceeding on or before July  
357 1, 2021.

358 Sec. 11. (NEW) (*Effective from passage*) (a) For the purposes of this  
359 section, "emergency" has the same meaning as provided in subdivision  
360 (1) of subsection (a) of section 16-32e of the general statutes and "electric  
361 distribution company" has the same meaning as provided in section 16-  
362 1 of the general statutes.

363 (b) On and after July 1, 2021, each electric distribution company shall  
364 provide to each residential customer compensation in an amount of two  
365 hundred fifty dollars, in the aggregate, for any medication and food that  
366 expires or spoils due to a distribution-system service outage that lasts

367 more than ninety-six consecutive hours in duration after the occurrence  
368 of an emergency.

369 (c) Any costs incurred by an electric distribution company pursuant  
370 to this section shall not be recoverable.

371 (d) Not later than fourteen calendar days after the occurrence of an  
372 emergency, an electric distribution company may petition the authority  
373 for a waiver of the requirements of this section. Any petition for a waiver  
374 made under this subsection shall include the severity of the emergency,  
375 employee safety issues and conditions on the ground, and shall be  
376 conducted as a contested case proceeding. The burden of proving that  
377 such waiver is reasonable and warranted shall be on the electric  
378 distribution company. In determining whether to grant such waiver, the  
379 authority shall consider whether the electric distribution company  
380 received approval and reasonable funding allowances, as determined  
381 by the authority, to meet infrastructure resiliency efforts to improve  
382 such company's performance.

383 (e) On or before January 1, 2021, the Public Utilities Regulatory  
384 Authority shall initiate a proceeding to consider the implementation of  
385 the compensation reimbursement and waiver provisions of this section  
386 and establish circumstances, standards and methodologies applicable to  
387 each electric distribution company and necessary to implement the  
388 provisions of this section, including any modifications to the ninety-six-  
389 consecutive-hour standard in subsection (b) of this section. The  
390 authority shall issue a final decision in such proceeding on or before July  
391 1, 2021.

392 Sec. 12. (NEW) (*Effective from passage*) (a) As used in this section,  
393 "electric distribution company" has the same meaning as provided in  
394 section 16-1 of the general statutes.

395 (b) Not later than January 1, 2021, each electric distribution company  
396 shall submit to the joint standing committee of the General Assembly  
397 having cognizance of matters relating to energy, in accordance with the

398 provisions of section 11-4a of the general statutes, and the Public  
399 Utilities Regulatory Authority the following:

400 (1) A cost-benefit analysis identifying the resources expended in  
401 response to the last five storm events classified as a level three, four or  
402 five. Such analysis shall include a review of the number of line crew  
403 workers and shall distinguish between line crew workers (A) directly  
404 employed by the electric distribution company and working full time  
405 within the state, (B) directly employed by the electric distribution  
406 company working primarily in another state, and (C) hired as  
407 contractors or subcontractors.

408 (2) An analysis of any such company's (A) estimates concerning  
409 potential damage and service outages prior to the last five storm events  
410 classified as a level three, four or five, (B) damage and service outage  
411 assessments after the last five storm events classified as a level three,  
412 four or five, (C) restoration management after the last five storm events  
413 classified as a level three, four or five, including access to alternate  
414 restoration resources via regional and reciprocal aid contracts, (D)  
415 planning for at-risk and vulnerable customers, (E) communication  
416 policies with state and local officials and customers, including  
417 individual customer restoration estimates and the accuracy of such  
418 estimates, (F) infrastructure, facilities and equipment, which shall  
419 include, but not be limited to, an examination of (i) whether such  
420 infrastructure, facilities and equipment are in good repair and capable  
421 of meeting operational standards, (ii) whether such company is  
422 following standard industry practice concerning operation and  
423 maintenance of such infrastructure, facilities and equipment, (iii) the age  
424 and condition of such infrastructure, facilities and equipment, (iv)  
425 whether maintenance of such infrastructure, facilities and equipment  
426 has been delayed, and (v) whether such company had access to  
427 adequate replacement equipment for such infrastructure, facilities and  
428 equipment during the course of the last five storm events classified as a  
429 level three, four or five, and (G) compliance with any emergency  
430 response standards adopted by the authority.

431 (c) Not later than January 1, 2021, the authority shall initiate a docket,  
432 or incorporate into an existing docket, to review the report provided by  
433 each electric distribution company pursuant to subsection (b) of this  
434 section. The authority shall submit the final decision of such docket, in  
435 accordance with the provisions of section 11-4a of the general statutes,  
436 to the joint standing committee of the General Assembly having  
437 cognizance of matters relating to energy.

438 (d) After issuing its final decision in the docket initiated pursuant to  
439 subsection (c) of this section, the authority shall establish standards for  
440 minimum staffing levels for any electric distribution company for  
441 outage planning and restoration personnel, including linemen,  
442 technicians and system engineers, tree trimming crews and personnel  
443 responsible for directing operations and communicating with state,  
444 municipal and regional officials. Such staffing standards may reflect  
445 different staffing levels based on the severity of any emergency.

446 (e) The authority may establish as it deems fit any other standards for  
447 acceptable performance by any electric distribution company to ensure  
448 the reliability of such company's services in any emergency and to  
449 prevent, minimize and restore any long-term service outages or  
450 disruptions caused by such emergency.

451 (f) The authority, upon a finding that any electric distribution  
452 company failed to comply with any standard of acceptable performance  
453 adopted pursuant to this section or any order of the authority, shall  
454 make orders to enforce such standards and may levy civil penalties  
455 against such company, pursuant to section 16-41 of the general statutes.  
456 Any such penalty shall not be included as an operating expense of such  
457 company for purposes of ratemaking.

458 Sec. 13. Subsection (a) of section 16-41 of the general statutes is  
459 repealed and the following is substituted in lieu thereof (*Effective from*  
460 *passage*):

461 (a) Each (1) public service company and its officers, agents and

462 employees, (2) electric supplier or person providing electric generation  
463 services without a license in violation of section 16-245, and its officers,  
464 agents and employees, (3) certified telecommunications provider or  
465 person providing telecommunications services without authorization  
466 pursuant to sections 16-247f to 16-247h, inclusive, and its officers, agents  
467 and employees, (4) person, public agency or public utility, as such terms  
468 are defined in section 16-345, subject to the requirements of chapter 293,  
469 (5) person subject to the registration requirements under section 16-  
470 258a, (6) cellular mobile telephone carrier, as described in section 16-  
471 250b, (7) Connecticut electric efficiency partner, as defined in section 16-  
472 243v, (8) company, as defined in section 16-49, and (9) entity approved  
473 to submeter pursuant to section 16-19ff shall obey, observe and comply  
474 with all applicable provisions of this title and each applicable order  
475 made or applicable regulations adopted by the Public Utilities  
476 Regulatory Authority by virtue of this title as long as the same remains  
477 in force. Any such company, electric supplier, certified  
478 telecommunications provider, cellular mobile telephone carrier,  
479 Connecticut electric efficiency partner, entity approved to submeter,  
480 person, any officer, agent or employee thereof, public agency or public  
481 utility which the authority finds has failed to obey or comply with any  
482 such provision of this title, order or regulation shall be fined, ordered to  
483 pay restitution to customers or ordered to pay a combination of a fine  
484 and restitution by order of the authority in accordance with the penalty  
485 prescribed for the violated provision of this title or, if no penalty is  
486 prescribed, not more than ten thousand dollars for each offense, except  
487 that the penalty shall be a fine, restitution to customers or a combination  
488 of a fine and restitution of not more than forty thousand dollars for  
489 failure to comply with an order of the authority made in accordance  
490 with the provisions of section 16-19 or 16-247k or within thirty days of  
491 such order or within any specific time period for compliance specified  
492 in such order. The authority may direct a portion of any fine levied  
493 pursuant to this section to be paid to a nonprofit agency engaged in  
494 energy assistance programs named by the authority in its decision or  
495 notice of violation. Each distinct violation of any such provision of this

496 title, order or regulation shall be a separate offense and, in case of a  
497 continued violation, each day thereof shall be deemed a separate  
498 offense. Each such penalty and any interest charged pursuant to  
499 subsection (g) or (h) of section 16-49 shall be excluded from operating  
500 expenses for purposes of rate-making.

501       Sec. 14. (NEW) (*Effective from passage*) Not later than January 15, 2021,  
502 the Commissioner of Energy and Environmental Protection shall submit  
503 a report to the joint standing committee of the General Assembly having  
504 cognizance of matters relating to energy (1) evaluating whether  
505 Connecticut's reliance on the wholesale energy markets administered by  
506 the regional independent system operator, as defined in section 16-1 of  
507 the general statutes, benefits Connecticut ratepayers, and (2)  
508 recommending alternative approaches to better meet Connecticut's  
509 need for clean, reliable and affordable electricity generation supply in a  
510 manner that leverages competition, reduces ratepayer risk and achieves  
511 the state's public policy goals, including, but not limited to, pursuant to  
512 section 22a-200a of the general statutes.

513       Sec. 15. Section 16-243y of the general statutes is repealed and the  
514 following is substituted in lieu thereof (*Effective from passage*):

515       (a) As used in this section:

516       (1) "Municipality" has the same meaning as provided in section 7-  
517 233b;

518       (2) "Critical facility" means any hospital, police station, fire station,  
519 water treatment plant, sewage treatment plant, public shelter,  
520 correctional facility or production and transmission facility of a  
521 television or radio station, whether broadcast, cable or satellite, licensed  
522 by the Federal Communications Commission, any commercial area of a  
523 municipality, a municipal center, as identified by the chief elected  
524 official of any municipality, or any other facility or area identified by the  
525 Department of Energy and Environmental Protection as critical;

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

530 (4) "Electric distribution company" and "participating municipal  
531 electric utility" have the same meanings as provided in section 16-1;  
532 [and]

533 (5) "Microgrid" means a group of interconnected loads and  
534 distributed energy resources within clearly defined electrical  
535 boundaries that acts as a single controllable entity with respect to the  
536 grid and that connects and disconnects from such grid to enable it to  
537 operate in both grid-connected or island mode; [.]

538 (6) "Resilience" means the ability to prepare for and adapt to changing  
539 conditions and withstand and recover rapidly from deliberate attacks,  
540 accidents or naturally occurring threats or incidents, including, but not  
541 limited to, threats or incidents associated with the impacts of climate  
542 change; and

543 (7) "Vulnerable communities" means populations that may be  
544 disproportionately impacted by the effects of climate change, including,  
545 but not limited to, low and moderate income communities,  
546 environmental justice communities pursuant to section 22a-20a,  
547 communities eligible for community reinvestment pursuant to section  
548 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et  
549 seq., as amended from time to time, populations with increased risk and  
550 limited means to adapt to the effects of climate change, or as further  
551 defined by the Department of Energy and Environmental Protection in  
552 consultation with community representatives.

553 (b) The Department of Energy and Environmental Protection shall  
554 establish a microgrid and resilience grant and loan pilot program to  
555 support local distributed energy generation for critical facilities or  
556 resilience projects. The department shall develop and issue a request for

557 proposals from municipalities, electric distribution companies,  
558 participating municipal electric utilities, energy improvement districts,  
559 and nonprofit, academic and private entities seeking to develop  
560 microgrid distributed energy generation, or to repurpose existing  
561 distributed energy generation for use with microgrids, to support  
562 critical facilities or to develop resilience projects. Any entity eligible to  
563 submit a proposal pursuant to this section may collaborate with any  
564 other such entity in submitting such proposal. The department may hire  
565 a technical consultant to support the implementation of this section  
566 using any bond funds authorized in support of microgrids or resilience.

567 (c) The department shall award grants or loans under the microgrid  
568 and resilience grant and loan pilot program to any number of recipients.  
569 The department shall prioritize proposals that benefit vulnerable  
570 communities. To the extent possible, the amount of loans and grants  
571 awarded under the program shall be evenly distributed between small,  
572 medium and large municipalities. Such grants and loans may provide:  
573 (1) Assistance with community planning that includes, but is not limited  
574 to, microgrid or resilience project feasibility, including benefit-cost  
575 analyses, (2) assistance to recipients for the cost of design, engineering  
576 services and interconnection infrastructure for any such microgrid [,  
577 and (2)] or resilience project, (3) matching funds or low interest loans for  
578 an energy storage system or systems, as defined in section 16-1, or  
579 distributed energy generation projects first placed in service on or after  
580 July 1, 2016, provided such generation is derived from a Class I  
581 renewable energy source, as defined in section 16-1, or a Class III energy  
582 source, as defined in section 16-1, for any such microgrid or resilience  
583 project, and (4) nonfederal cost share for grant or loan applications for  
584 projects or programs that include microgrids or resilience. The  
585 department may establish any financing mechanism to provide or  
586 leverage additional funding to support the development of  
587 interconnection infrastructure, distributed energy generation, [and]  
588 microgrids and resilience projects.

589 (d) Not later than January first, annually, for a period of five years

590 after receiving a grant or loan under the microgrid and resilience grant  
591 and loan pilot program, the recipient of such grant or loan shall submit  
592 a report to the Public Utilities Regulatory Authority, the Office of  
593 Consumer Counsel and the Department of Energy and Environmental  
594 Protection and, in accordance with section 11-4a, to the joint standing  
595 committees of the General Assembly having cognizance of matters  
596 relating to appropriations and energy. Such report shall include  
597 information concerning the status of such recipient's microgrid or  
598 resilience project.

599 [(e) On or before January 1, 2013, the department shall file a report,  
600 in accordance with the provisions of section 11-4a, with the joint  
601 standing committee of the General Assembly having cognizance of  
602 matters relating to energy, identifying other funding sources necessary  
603 to expand the microgrid grant and loan pilot program established  
604 pursuant to this section and any legislative changes necessary to access  
605 such funding.]

606 [(f)] (e) The Department of Energy and Environmental Protection, in  
607 consultation with the Connecticut Academy of Science and Engineering,  
608 shall study the methods of providing reliable electric services to critical  
609 facilities, taking into consideration the location of such critical facilities.  
610 Such study shall evaluate the costs and benefits of such methods,  
611 including, but not limited to, the use of microgrids, undergrounding  
612 and portable turbine generation, and shall make recommendations  
613 identifying the most cost-effective and reliable of such methods. Not  
614 later than January 1, 2013, the department shall submit the findings of  
615 such study, in accordance with section 11-4a, to the joint standing  
616 committee of the General Assembly having cognizance of matters  
617 relating to energy and technology.

618 Sec. 16. (NEW) (*Effective from passage*) (a) As used in this section:

619 (1) "Public service company" and "telecommunications company"  
620 have the same meanings as provided in section 16-1 of the general  
621 statutes;

622 (2) "Critical infrastructure" means real property and tangible personal  
623 property, including, but not limited to, buildings, conduits, lines, fiber  
624 optic cables, poles, pipes, structures and equipment, owned or used by  
625 a public service company or a telecommunications company to  
626 generate, transmit or distribute such company's product or service in  
627 the state;

628 (3) "State disaster or emergency" means a disaster or an emergency  
629 event for which (A) the Governor has issued a proclamation of a disaster  
630 or an emergency pursuant to chapter 517 of the general statutes, or (B)  
631 the President of the United States has issued a declaration of the  
632 existence in the state of a major disaster or an emergency;

633 (4) "Disaster-related or emergency-related work" means repairing,  
634 renovating, installing, constructing or rendering services to critical  
635 infrastructure in the state that has been damaged, impaired or destroyed  
636 by a state disaster or emergency;

637 (5) "Disaster response period" means the period (A) commencing ten  
638 calendar days prior to the date of issuance of the proclamation or  
639 declaration of a state disaster or emergency, and (B) ending sixty  
640 calendar days after the Governor has proclaimed or the President has  
641 declared, as applicable, the end of such disaster or emergency;

642 (6) (A) "Out-of-state business" means a business entity that, in the  
643 income or taxable year immediately preceding the income year or  
644 taxable year in which the state disaster or emergency occurred, (i) was  
645 not registered with the state or any political subdivision thereof, (ii) did  
646 not submit any tax filings to the state, and (iii) did not derive income  
647 from sources within the state.

648 (B) "Out-of-state business" includes a business entity that (i) was  
649 present in the state or conducted operations in the state, to perform  
650 disaster-related or emergency-related work, but otherwise satisfies the  
651 provisions of this subdivision, or (ii) is affiliated with a registered  
652 business solely through common ownership but otherwise satisfies the  
653 provisions of this subdivision;

654 (7) "Out-of-state employee" means an employee of an out-of-state  
655 business, who does not work in the state other than performing disaster-  
656 related or emergency-related work during a disaster response period for  
657 such out-of-state business;

658 (8) "Registered business" means a business entity that is registered  
659 with the Secretary of the State to do business in the state prior to the  
660 state disaster or emergency; and

661 (9) "Business entity" means any person that would be subject to the  
662 tax under chapter 208, 211, 212, 212b or 228z of the general statutes, if  
663 such person conducted business in the state or derived income from  
664 sources within the state.

665 (b) Notwithstanding any provision of title 12 of the general statutes  
666 or subsection (c) of section 14-34a of the general statutes, no out-of-state  
667 business or out-of-state employee that is present in the state or conducts  
668 operations in the state, to perform disaster-related or emergency-related  
669 work during a disaster response period, shall be deemed to have  
670 established sufficient presence in the state to require such business or  
671 employee to (1) register with the state or any political subdivision  
672 thereof; (2) be licensed by the state, provided such business or employee  
673 is properly registered, licensed or otherwise authorized under the laws  
674 of another state to perform disaster-related or emergency-related work;  
675 (3) be subject to property tax, tax on the income derived from the  
676 performance of disaster-related or emergency-related work during a  
677 disaster response period or use tax on tangible personal property  
678 temporarily in the state to aid such employee in the performance of such

679 work; or (4) submit any tax filing to the state; except that, with respect  
680 to out-of-state employees, the provisions of subdivisions (3) and (4) of  
681 this subsection shall apply only to an out-of-state employee who is a  
682 resident of a state that has a law substantially similar to the provisions  
683 of this subsection and subsection (c) of this section or that does not  
684 impose a personal income tax.

685 (c) The activities associated with disaster-related or emergency-  
686 related work performed in the state by an out-of-state business that is  
687 present in the state or conducts operations in the state solely to perform  
688 such work shall be disregarded for purposes of any filing required for a  
689 tax imposed on income or gross receipts, including, but not limited to, a  
690 combined unitary tax return.

691 (d) Except as specified under subsections (b) and (c) of this section,  
692 any out-of-state business or out-of-state employee that is present in the  
693 state or conducts operations in the state, to perform disaster-related or  
694 emergency-related work during a disaster response period, shall be  
695 subject to all other applicable state taxes and fees during such period.

696 (e) (1) Any out-of-state business that is present in the state or  
697 conducts operations in the state, to perform disaster-related or  
698 emergency-related work during a disaster response period, shall  
699 provide, upon request by the Secretary of the State, a written statement  
700 that such business is in the state for purposes of responding to the state  
701 disaster or emergency. Such statement shall include the out-of-state  
702 business's name, state of domicile, principal business address, telephone  
703 number, electronic mail address, federal tax identification number and  
704 date of entry into the state, and may be provided electronically.

705 (2) The Secretary of the State may request a registered business that  
706 is an affiliate of such out-of-state business to provide the written  
707 statement and information set forth in subdivision (1) of this subsection.  
708 Such registered business shall also include the registered business's

709 name, principal business address, telephone number and electronic mail  
710 address.

711 (3) No out-of-state business that has received a request from the  
712 Secretary of the State for a written statement or is an affiliate of a  
713 registered business that has received such request shall be prevented  
714 from commencing disaster-related or emergency-related work in the  
715 state prior to the provision of the written statement.

716 (f) Any out-of-state business or out-of-state employee who remains  
717 in the state after the disaster response period shall be subject to all other  
718 laws that provide standards to establish presence in the state and shall  
719 comply with any provision of the general statutes that becomes  
720 applicable to such business or employee due to such presence.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16-19(a) and (b)
Sec. 3	<i>November 1, 2020</i>	16-19a(a) and (b)
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>November 1, 2020</i>	16-43(b)
Sec. 7	<i>January 1, 2021</i>	16-47(d)
Sec. 8	<i>November 1, 2020</i>	16-243p
Sec. 9	<i>from passage</i>	16-32i
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	16-41(a)
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	16-243y
Sec. 16	<i>from passage</i>	New section