



General Assembly

Amendment

January Session, 2021

LCO No. 8566



Offered by:

SEN. FORMICA, 20th Dist.
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To: Subst. Senate Bill No. 882

File No. 283

Cal. No. 185

"AN ACT CONCERNING CLIMATE CHANGE MITIGATION AND HOME ENERGY AFFORDABILITY."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (a) of section 16-2 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective July 1,*
5 *2021*):

6 (a) There shall continue to be a Public Utilities Regulatory Authority
7 within the Department of Energy and Environmental Protection for
8 administrative purposes only, which shall consist of five electors of this
9 state, appointed by the Governor with the advice and consent of both
10 houses of the General Assembly. Not more than three members of said
11 authority in office at any one time shall be members of any one political
12 party. The Governor shall appoint five members to the authority. The
13 procedure prescribed in section 4-7 shall apply to such appointments,

14 except that the Governor shall submit each nomination on or before May
15 first, and both houses shall confirm or reject it before adjournment sine
16 die. Any utility commissioner appointed by the Governor and
17 confirmed by both chambers of the General Assembly between
18 February 1, 2019, and June 1, 2019, shall serve a term expiring on March
19 1, 2024. Any utility commissioner appointed by the Governor and
20 confirmed by both houses of the General Assembly between February
21 1, 2018, and June 1, 2018, shall serve a term expiring on March 1, 2022.
22 Between July 1, 2019, and May 1, 2020, the Governor shall appoint three
23 utility commissioners, provided one such commissioner shall serve a
24 term expiring on March 1, 2021, and two such commissioners shall serve
25 terms expiring on March 1, 2023. Any utility commissioner appointed
26 on or after May 1, 2020, shall serve a term of four years. The utility
27 commissioners shall be sworn to the faithful performance of their duties.

28 Sec. 502. Subsection (f) of section 16-2 of the general statutes is
29 repealed and the following is substituted in lieu thereof (*Effective July 1,*
30 *2021*):

31 (f) (1) The chairperson of the authority [, with the approval of the
32 Commissioner of Energy and Environmental Protection,] shall prescribe
33 the duties of the staff assigned to the authority in order to (A) conduct
34 comprehensive planning with respect to the functions of the authority;
35 (B) cause the administrative organization of the authority to be
36 examined with a view to promoting economy and efficiency; and (C)
37 organize the authority into such divisions, bureaus or other units as
38 necessary for the efficient conduct of the business of the authority. [and
39 may from time to time make recommendations to the Commissioner of
40 Energy and Environmental Protection regarding staff and resources.]

41 (2) The chairperson of the Public Utilities Regulatory Authority, in
42 order to implement the comprehensive planning and organizational
43 structure established pursuant to subdivision (1) of this subsection, shall
44 (A) coordinate the activities of the authority and prescribe the duties of
45 the staff assigned to the authority; (B) for any proceeding on a proposed
46 rate amendment in which staff of the authority are to be made a party

47 pursuant to section 16-19j, determine which staff shall appear and
48 participate in the proceedings and which shall serve the members of the
49 authority; (C) enter into such contractual agreements, in accordance
50 with established procedures, as may be necessary for the discharge of
51 the authority's duties; (D) subject to the provisions of section 4-32, and
52 unless otherwise provided by law, receive any money, revenue or
53 services from the federal government, corporations, associations or
54 individuals, including payments from the sale of printed matter or any
55 other material or services; and (E) require the staff of the authority to
56 have expertise in public utility engineering and accounting, finance,
57 economics, computers and rate design.

58 Sec. 503. Section 4-67e of the general statutes is repealed and the
59 following is substituted in lieu thereof (*Effective July 1, 2021*):

60 The Secretary of the Office of Policy and Management shall
61 coordinate the activity of the Commissioner of Public Health and the
62 Commissioner of Energy and Environmental Protection and the
63 chairperson of the Public Utilities Regulatory Authority in the
64 following: (1) The review of the authority of each agency for consistency
65 with the policies established by section 22a-380, (2) the preparation of a
66 memorandum of understanding, not more than six months after
67 October 1, 1991, intended to avoid inconsistency, overlap and
68 redundancy in requirements and authority of each agency in water
69 conservation issues, emergency contingency plans and regulatory
70 authority under chapters 283, 446i, 446j and 474, (3) the review of
71 exercise of regulatory authority over water companies, as defined in
72 section 25-32a, to determine whether inconsistency, overlap or
73 redundancy exist in the statutory requirements or regulatory authority
74 of such agencies under chapters 283, 446i, 446j, and 474, (4) the
75 assessment of the necessity of a memorandum of understanding to
76 avoid such inconsistency, overlap or redundancy, and, if determined to
77 be necessary, the preparation of such a memorandum by July 1, 1995,
78 and (5) the development of recommendations for legislation and
79 amendments to regulations to implement the provisions of a
80 memorandum of understanding prepared pursuant to this section, or

81 for consistency with the policies established by section 22a-380. There
82 shall be a period of public review and comment on a memorandum of
83 understanding prior to final agreement. On or before January 1, 1995,
84 the secretary shall submit to the joint standing committees of the
85 General Assembly having cognizance of matters relating to public
86 health, energy and public utilities and the environment, written
87 findings, and any recommendations, concerning the review and
88 assessment conducted pursuant to subdivisions (3) and (4) of this
89 section.

90 Sec. 504. Section 16-6b of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective July 1, 2021*):

92 The Public Utilities Regulatory Authority may, in accordance with
93 chapter 54, adopt such regulations with respect to: (1) Rates and charges,
94 services, accounting practices, safety and the conduct of operations
95 generally of public service companies subject to its jurisdiction as it
96 deems reasonable and necessary; (2) services, accounting practices,
97 safety and the conduct of operations generally of electric suppliers
98 subject to its jurisdiction as it deems reasonable and necessary; and (3)
99 standards for systems utilizing cogeneration technology and renewable
100 fuel resources. [, in accordance with the Department of Energy and
101 Environmental Protection's policies.]

102 Sec. 505. Subsections (c) and (d) of section 16-245m of the general
103 statutes are repealed and the following is substituted in lieu thereof
104 (*Effective July 1, 2021*):

105 (c) The [Commissioner of Energy and Environmental Protection]
106 chairperson of the Public Utilities Regulatory Authority shall appoint
107 and convene an Energy Conservation Management Board which shall
108 include the Commissioner of Energy and Environmental Protection, or
109 the commissioner's designee, the Consumer Counsel, or the Consumer
110 Counsel's designee, the Attorney General, or the Attorney General's
111 designee, and a representative of: (1) An environmental group
112 knowledgeable in energy conservation program collaboratives; (2) the

113 electric distribution companies in whose territories the activities take
114 place for such programs; (3) a state-wide manufacturing association; (4)
115 a chamber of commerce; (5) a state-wide business association; (6) a state-
116 wide retail organization; (7) a state-wide farm association; (8) a
117 municipal electric energy cooperative created pursuant to chapter 101a;
118 and (9) residential customers. The board shall also include two
119 representatives selected by the gas companies. The members of the
120 board shall serve for a period of five years and may be reappointed.
121 Representatives of gas companies, electric distribution companies and
122 the municipal electric energy cooperative shall be nonvoting members
123 of the board. The members of the board shall elect a chairperson from
124 its voting members. If any vote of the board results in an equal division
125 of its voting members, such vote shall fail.

126 (d) (1) Not later than November 1, 2012, and every three years
127 thereafter, electric distribution companies, as defined in section 16-1, in
128 coordination with the gas companies, as defined in section 16-1, shall
129 submit to the Energy Conservation Management Board a combined
130 electric and gas Conservation and Load Management Plan, in
131 accordance with the provisions of this section, to implement cost-
132 effective energy conservation programs, demand management and
133 market transformation initiatives. All supply and conservation and load
134 management options shall be evaluated and selected within an
135 integrated supply and demand planning framework. Services provided
136 under the plan shall be available to all customers of electric distribution
137 companies and gas companies, provided a customer of an electric
138 distribution company may not be denied such services based on the fuel
139 such customer uses to heat such customer's home. The Energy
140 Conservation Management Board shall advise and assist the electric
141 distribution companies and gas companies in the development of such
142 plan. The Energy Conservation Management Board shall approve the
143 plan before transmitting it to the [Commissioner of Energy and
144 Environmental Protection] chairperson of the Public Utilities
145 Regulatory Authority for approval. The [commissioner] authority shall,
146 in an uncontested proceeding during which the [commissioner]

147 authority may hold a public meeting, approve, modify or reject said
148 plan prepared pursuant to this subsection. Following approval by the
149 [commissioner] authority, the board shall assist the companies in
150 implementing the plan and collaborate with the Connecticut Green
151 Bank to further the goals of the plan. Said plan shall include a detailed
152 budget sufficient to fund all energy efficiency that is cost-effective or
153 lower cost than acquisition of equivalent supply, and shall be reviewed
154 and approved by the [commissioner] authority. The [Public Utilities
155 Regulatory Authority] authority shall, not later than sixty days after the
156 plan is approved, [by the commissioner,] ensure that the balance of
157 revenues required to fund such plan is provided through fully
158 reconciling conservation adjustment mechanisms. Electric distribution
159 companies shall collect a conservation adjustment mechanism that
160 ensures the plan is fully funded by collecting an amount that is not more
161 than the sum of six mills per kilowatt hour of electricity sold to each end
162 use customer of an electric distribution company during the three years
163 of any Conservation and Load Management Plan. The authority shall
164 ensure that the revenues required to fund such plan with regard to gas
165 companies are provided through a fully reconciling conservation
166 adjustment mechanism for each gas company of not more than the
167 equivalent of four and six-tenth cents per hundred cubic feet during the
168 three years of any Conservation and Load Management Plan. Said plan
169 shall include steps that would be needed to achieve the goal of
170 weatherization of eighty per cent of the state's residential units by 2030
171 and to reduce energy consumption by 1.6 million MMBtu, or the
172 equivalent megawatts of electricity, as defined in subdivision (4) of
173 section 22a-197, annually each year for calendar years commencing on
174 and after January 1, 2020, up to and including calendar year 2025. Each
175 program contained in the plan shall be reviewed by such companies and
176 accepted, modified or rejected by the Energy Conservation
177 Management Board prior to submission to the [commissioner] authority
178 for approval. The Energy Conservation Management Board shall, as
179 part of its review, examine opportunities to offer joint programs
180 providing similar efficiency measures that save more than one fuel
181 resource or otherwise to coordinate programs targeted at saving more

182 than one fuel resource. Any costs for joint programs shall be allocated
183 equitably among the conservation programs. The Energy Conservation
184 Management Board shall give preference to projects that maximize the
185 reduction of federally mandated congestion charges.

186 (2) There shall be a joint committee of the Energy Conservation
187 Management Board and the board of directors of the Connecticut Green
188 Bank. The boards shall each appoint members to such joint committee.
189 The joint committee shall examine opportunities to coordinate the
190 programs and activities funded by the Clean Energy Fund pursuant to
191 section 16-245n with the programs and activities contained in the plan
192 developed under this subsection and to provide financing to increase
193 the benefits of programs funded by the plan so as to reduce the long-
194 term cost, environmental impacts and security risks of energy in the
195 state. Such joint committee shall hold its first meeting on or before
196 August 1, 2005.

197 (3) Programs included in the plan developed under subdivision (1) of
198 this subsection shall be screened through cost-effectiveness testing that
199 compares the value and payback period of program benefits for all
200 energy savings to program costs to ensure that programs are designed
201 to obtain energy savings and system benefits, including mitigation of
202 federally mandated congestion charges, whose value is greater than the
203 costs of the programs. Program cost-effectiveness shall be reviewed by
204 the [Commissioner of Energy and Environmental Protection] authority
205 annually, or otherwise as is practicable, and shall incorporate the results
206 of the evaluation process set forth in subdivision (4) of this subsection.
207 If a program is determined to fail the cost-effectiveness test as part of
208 the review process, it shall either be modified to meet the test or shall be
209 terminated, unless it is integral to other programs that in combination
210 are cost-effective. On or before March 1, 2005, and on or before March
211 first annually thereafter, the board shall provide a report, in accordance
212 with the provisions of section 11-4a, to the joint standing committees of
213 the General Assembly having cognizance of matters relating to energy
214 and the environment that documents (A) expenditures and fund
215 balances and evaluates the cost-effectiveness of such programs

216 conducted in the preceding year, and (B) the extent to and manner in
217 which the programs of such board collaborated and cooperated with
218 programs, established under section 7-233y, of municipal electric energy
219 cooperatives. To maximize the reduction of federally mandated
220 congestion charges, programs in the plan may allow for
221 disproportionate allocations between the amount of contributions
222 pursuant to this section by a certain rate class and the programs that
223 benefit such a rate class. Before conducting such evaluation, the board
224 shall consult with the board of directors of the Connecticut Green Bank.
225 The report shall include a description of the activities undertaken
226 during the reporting period.

227 (4) The [Commissioner of Energy and Environmental Protection]
228 chairperson of the authority shall adopt an independent,
229 comprehensive program evaluation, measurement and verification
230 process to ensure the Energy Conservation Management Board's
231 programs are administered appropriately and efficiently, comply with
232 statutory requirements, programs and measures are cost effective,
233 evaluation reports are accurate and issued in a timely manner,
234 evaluation results are appropriately and accurately taken into account
235 in program development and implementation, and information
236 necessary to meet any third-party evaluation requirements is provided.
237 An annual schedule and budget for evaluations as determined by the
238 board shall be included in the plan filed with the [commissioner]
239 authority pursuant to subdivision (1) of this subsection. The electric
240 distribution and gas company representatives and the representative of
241 a municipal electric energy cooperative may not vote on board plans,
242 budgets, recommendations, actions or decisions regarding such process
243 or its program evaluations and their implementation. Program and
244 measure evaluation, measurement and verification shall be conducted
245 on an ongoing basis, with emphasis on impact and process evaluations,
246 programs or measures that have not been studied, and those that
247 account for a relatively high percentage of program spending.
248 Evaluations shall use statistically valid monitoring and data collection
249 techniques appropriate for the programs or measures being evaluated.

250 All evaluations shall contain a description of any problems encountered
251 in the process of the evaluation, including, but not limited to, data
252 collection issues, and recommendations regarding addressing those
253 problems in future evaluations. The board shall contract with one or
254 more consultants not affiliated with the board members to act as an
255 evaluation administrator, advising the board regarding development of
256 a schedule and plans for evaluations and overseeing the program
257 evaluation, measurement and verification process on behalf of the
258 board. Consistent with board processes and approvals and the
259 [Commissioner of Energy and Environmental Protection's] authority's
260 decisions regarding evaluation, such evaluation administrator shall
261 implement the evaluation process by preparing requests for proposals
262 and selecting evaluation contractors to perform program and measure
263 evaluations and by facilitating communications between evaluation
264 contractors and program administrators to ensure accurate and
265 independent evaluations. In the evaluation administrator's discretion
266 and at his or her request, the electric distribution and gas companies
267 shall communicate with the evaluation administrator for purposes of
268 data collection, vendor contract administration, and providing
269 necessary factual information during the course of evaluations. The
270 evaluation administrator shall bring unresolved administrative issues
271 or problems that arise during the course of an evaluation to the board
272 for resolution, but shall have sole authority regarding substantive and
273 implementation decisions regarding any evaluation. Board members,
274 including electric distribution and gas company representatives, may
275 not communicate with an evaluation contractor about an ongoing
276 evaluation except with the express permission of the evaluation
277 administrator, which may only be granted if the administrator believes
278 the communication will not compromise the independence of the
279 evaluation. The evaluation administrator shall file evaluation reports
280 with the board and with the [Commissioner of Energy and
281 Environmental Protection] chairperson of the authority in its most
282 recent uncontested proceeding pursuant to subdivision (1) of this
283 subsection and the board shall post a copy of each report on its Internet
284 web site. The board and its members, including electric distribution and

285 gas company representatives, may file written comments regarding any
286 evaluation with the [commissioner] authority or for posting on the
287 board's Internet web site. Within fourteen days of the filing of any
288 evaluation report, the [commissioner] authority, members of the board
289 or other interested persons may request in writing, and the
290 [commissioner] authority shall conduct, a transcribed technical meeting
291 to review the methodology, results and recommendations of any
292 evaluation. Participants in any such transcribed technical meeting shall
293 include the evaluation administrator, the evaluation contractor and the
294 Office of Consumer Counsel at its discretion. On or before November 1,
295 2011, and annually thereafter, the board shall report to the joint standing
296 committee of the General Assembly having cognizance of matters
297 relating to energy, with the results and recommendations of completed
298 program evaluations.

299 (5) Programs included in the plan developed under subdivision (1) of
300 this subsection may include, but not be limited to: (A) Conservation and
301 load management programs, including programs that benefit low-
302 income individuals; (B) research, development and commercialization
303 of products or processes which are more energy-efficient than those
304 generally available; (C) development of markets for such products and
305 processes; (D) support for energy use assessment, real-time monitoring
306 systems, engineering studies and services related to new construction
307 or major building renovation; (E) the design, manufacture,
308 commercialization and purchase of energy-efficient appliances and
309 heating, air conditioning and lighting devices; (F) program planning
310 and evaluation; (G) indoor air quality programs relating to energy
311 conservation; (H) joint fuel conservation initiatives programs targeted
312 at reducing consumption of more than one fuel resource; (I)
313 conservation of water resources; (J) public education regarding
314 conservation; and (K) demand-side technology programs
315 recommended by the Conservation and Load Management Plan.
316 Support for such programs may be by direct funding, manufacturers'
317 rebates, sale price and loan subsidies, leases and promotional and
318 educational activities. The Energy Conservation Management Board

319 shall periodically review contractors to determine whether they are
320 qualified to conduct work related to such programs and to ensure that
321 in making the selection of contractors to deliver programs, a fair and
322 equitable process is followed. There shall be a rebuttable presumption
323 that such contractors are deemed technically qualified if certified by the
324 Building Performance Institute, Inc. or by an organization selected by
325 the commissioner. The plan shall also provide for expenditures by the
326 board for the retention of expert consultants and reasonable
327 administrative costs provided such consultants shall not be employed
328 by, or have any contractual relationship with, an electric distribution
329 company or a gas company. Such costs shall not exceed five per cent of
330 the total cost of the plan.

331 Sec. 506. Subsection (l) of section 16-244c of the general statutes is
332 repealed and the following is substituted in lieu thereof (*Effective July 1,*
333 *2021*):

334 (l) The authority shall conduct a proceeding to determine the cost of
335 billing, collection and other services provided by the electric
336 distribution companies or the department solely for the benefit of
337 participating electric suppliers and aggregators. The [department]
338 authority shall order an equitable allocation of such costs among electric
339 suppliers and aggregators. As part of this same proceeding, the
340 [department] authority shall also determine the costs that the electric
341 distribution companies incur solely for the benefit of standard service
342 and last resort service customers. After such determination, the
343 [department] authority shall allocate and provide for the equitable
344 recovery of such costs from standard service or last resort service
345 customers.

346 Sec. 507. Subsection (a) of section 16-244m of the general statutes is
347 repealed and the following is substituted in lieu thereof (*Effective July 1,*
348 *2021*):

349 (a) (1) On or before January 1, 2012, and annually thereafter, the
350 procurement manager of the Public Utilities Regulatory Authority, in

351 consultation with each electric distribution company, and others at the
 352 procurement manager's discretion, including, but not limited to, [the
 353 Commissioner of Energy and Environmental Protection,] a municipal
 354 energy cooperative established pursuant to chapter 101a, other than
 355 entities, individuals and companies or their affiliates potentially
 356 involved in bidding on standard service, shall develop a plan for the
 357 procurement of electric generation services and related wholesale
 358 electricity market products that will enable each electric distribution
 359 company to manage a portfolio of contracts to reduce the average cost
 360 of standard service while maintaining standard service cost volatility
 361 within reasonable levels. Each Procurement Plan shall provide for the
 362 competitive solicitation for load-following electric service and may
 363 include a provision for the use of other contracts, including, but not
 364 limited to, contracts for generation or other electricity market products
 365 and financial contracts, and may provide for the use of varying lengths
 366 of contracts. If such plan includes the purchase of full requirements
 367 contracts, it shall include an explanation of why such purchases are in
 368 the best interests of standard service customers.

369 (2) All reasonable costs associated with the development of the
 370 Procurement Plan by the authority shall be recoverable through the
 371 assessment in section 16-49. All electric distribution companies'
 372 reasonable costs associated with the development of the Procurement
 373 Plan shall be recoverable through a reconciling bypassable component
 374 of the electric rates as determined by the authority."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>July 1, 2021</i>	16-2(a)
Sec. 502	<i>July 1, 2021</i>	16-2(f)
Sec. 503	<i>July 1, 2021</i>	4-67e
Sec. 504	<i>July 1, 2021</i>	16-6b
Sec. 505	<i>July 1, 2021</i>	16-245m(c) and (d)
Sec. 506	<i>July 1, 2021</i>	16-244c(l)
Sec. 507	<i>July 1, 2021</i>	16-244m(a)