AN ACT CONCERNING EMERGENCY RESPONSE BY ELECTRIC DISTRIBUTION COMPANIES AND REVISING THE REGULATION OF OTHER PUBLIC UTILITIES.

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

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

(2) "Resilience" means the ability to prepare for and adapt to changing conditions and withstand and recover rapidly from deliberate attacks, accidents or naturally occurring threats or incidents, including, but not limited to, threats or incidents associated with the impacts of climate...
(b) Not later than September 1, 2022, the Public Utilities Regulatory Authority shall initiate a proceeding to investigate, develop and adopt a framework for implementing performance-based regulation of each electric distribution company. Such framework adopted by the authority shall: (1) Establish standards and metrics for measuring such electric distribution company's performance of objectives that are in the interest of ratepayers or benefit the public, which may include, but not be not limited to, safety, reliability, emergency response, cost efficiency, affordability, equity, customer satisfaction, municipal engagement, resilience and advancing the state's environmental and policy goals, including, but not limited to, those goals established in section 22a-200a of the general statutes, in the Integrated Resources Plan approved pursuant to section 16a-3a of the general statutes and in the Comprehensive Energy Strategy prepared pursuant to section 16a-3d of the general statutes; (2) identify the manner, including the timeframe and extent, in which such standards and metrics shall be used to apply the principles and guidelines set forth in section 16-19e of the general statutes and to determine the relative adequacy of the company's service and the reasonableness and adequacy of rates proposed and considered pursuant to section 16-19a of the general statutes; and (3) identify specific mechanisms to be implemented to align utility performance with the standards and metrics adopted pursuant to this section and subsection (b) of section 16-19a of the general statutes, including, but not limited to, reviewing the effectiveness of the electric distribution company's revenue decoupling mechanism. The authority may also initiate a proceeding to investigate, develop and adopt a framework for implementation of performance-based regulation for gas and water companies, as defined by section 16-1 of the general statutes, consistent with the requirements and provisions of this section.
(a) No public service company may charge rates in excess of those previously approved by the Public Utilities Control Authority or the Public Utilities Regulatory Authority, except that any rate approved by the Public Utilities Commission, the Public Utilities Control Authority or the Public Utilities Regulatory Authority shall be permitted until amended by the Public Utilities Regulatory Authority, that rates not approved by the Public Utilities Regulatory Authority may be charged pursuant to subsection (b) of this section, and that the hearing requirements with respect to adjustment clauses are as set forth in section 16-19b. For water companies, existing rates shall include the amount of any adjustments approved pursuant to section 16-262w since the company’s most recent general rate case, provided any adjustment amount shall be separately identified in any customer bill. Each public service company shall file any proposed amendment of its existing rates with the authority in such form and in accordance with such reasonable regulations as the authority may prescribe. Each electric distribution, gas or telephone company filing a proposed amendment shall also file with the authority an estimate of the effects of the amendment, for various levels of consumption, on the household budgets of high and moderate income customers and customers having household incomes not more than one hundred fifty per cent of the federal poverty level. Each electric distribution company shall also file such an estimate for space heating customers. Each water company, except a water company that provides water to its customers less than six consecutive months in a calendar year, filing a proposed amendment, shall also file with the authority a plan for promoting water conservation by customers in such form and in accordance with a memorandum of understanding entered into by the authority pursuant to section 4-67e. Each public service company shall notify each customer who would be affected by the proposed amendment, by mail, at least one week prior to the first public hearing thereon, but not earlier than six weeks prior to such first public hearing, that an amendment has been or will be requested. Such notice
shall also indicate (1) the date, time and location of any scheduled public
hearing, (2) a statement that customers may provide written comments
regarding the proposed amendment to the Public Utilities Regulatory
Authority or appear in person at any scheduled public hearing, (3) the
Public Utilities Regulatory Authority telephone number for obtaining
information concerning the schedule for public hearings on the
proposed amendment, and (4) whether the proposed amendment
would, in the company's best estimate, increase any rate or charge by
twenty per cent or more, and, if so, describe in general terms any such
rate or charge and the amount of the proposed increase, provided no
such company shall be required to provide more than one form of the
notice to each class of its customers. In the case of a proposed
amendment to the rates of any public service company, the authority
shall hold one or more public hearings thereon, except as permitted with
respect to interim rate amendments by subsections (d) and (g) of this
section, and shall make such investigation of such proposed amendment
of rates as is necessary to determine whether such rates conform to the
principles and guidelines set forth in section 16-19e, or are unreasonably
discriminatory or more or less than just, reasonable and adequate, or
that the service furnished by such company is inadequate to or in excess
of public necessity and convenience, provided the authority may (A)
evaluate the reasonableness and adequacy of the performance or service
of the public service company using any applicable metrics or standards
adopted by the authority pursuant to section 1 of this act, and (B)
determine the reasonableness of the allowed rate of return of the public
service company based on such performance evaluation. The authority,
if in its opinion such action appears necessary or suitable in the public
interest may, and, upon written petition or complaint of the state, under
direction of the Governor, shall, make the aforesaid investigation of any
such proposed amendment which does not involve an alteration in
rates. If the authority finds any proposed amendment of rates to not
conform to the principles and guidelines set forth in section 16-19e, or
to be unreasonably discriminatory or more or less than just, reasonable
and adequate to enable such company to provide properly for the public
convenience, necessity and welfare, or the service to be inadequate or excessive, it shall determine and prescribe, as appropriate, an adequate service to be furnished or just and reasonable maximum rates and charges to be made by such company. In the case of a proposed amendment filed by an electric distribution, gas or telephone company, the authority shall also adjust the estimate filed under this subsection of the effects of the amendment on the household budgets of the company’s customers, in accordance with the rates and charges approved by the authority. The authority shall issue a final decision on each rate filing within one hundred fifty days from the proposed effective date thereof, provided it may, before the end of such period and upon notifying all parties and intervenors to the proceedings, extend the period by thirty days.

Sec. 3. Subsections (a) and (b) of section 16-19a of the general statutes are repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

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

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

(b) In any proceeding required under subdivision (1) of subsection (a) of this section, or in any rate hearing pursuant to section 16-19, the authority may approve performance-based incentives to encourage a gas or electric distribution company to operate efficiently and provide high quality service at fair and reasonable prices] shall consider the implementation of financial performance-based incentives and penalties and performance-based metrics. Notwithstanding subsection (a) of this section, if the authority approves such performance-based incentives and penalties for a particular company, the authority shall include in such approval a framework for periodic monitoring and review of the company's performance [in regard to criteria specified by the authority, which shall include, but not be limited to, the company's return on equity, reliability and quality of service. The authority's periodic monitoring and review shall be used in lieu of the periodic review and investigation proceedings required under subdivision (1) of subsection (a) of this section. If the authority determines in the periodic monitoring and review that a more extensive review of company performance is necessary, the authority may institute a further proceeding in accordance with the purposes of this chapter, including a complete review and investigation described in subdivision (1) of subsection (a) of this section] pursuant to metrics developed by the authority.

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

(b) The authority shall not permit the recovery through rates of any
portion of a compensation package for the chief executive officer of any
electric distribution company that exceeds the mean or median, as
determined by the authority, compensation package for chief executive
officers of electric distribution companies in Delaware, Maine,
Maryland, Massachusetts, New Hampshire, New Jersey, New York,
Pennsylvania, Rhode Island, Vermont, Virginia or West Virginia that
have similar service areas or numbers of ratepayers.

Sec. 5. (NEW) (Effective from passage) Not later than November 1, 2020,
the Public Utilities Regulatory Authority shall initiate a proceeding to
consider the implementation of an interim rate decrease, low-income
rates and economic development rates for nonresidential customers,
pursuant to its authority in subsection (g) of section 16-19 of the general
statutes and sections 16-19e and 16-19oo of the general statutes.

Sec. 6. Subsections (a) and (b) of section 16-19 of the general statutes
are repealed and the following is substituted in lieu thereof (Effective
October 1, 2020):

(a) No public service company may charge rates in excess of those
previously approved by the Public Utilities Control Authority or the
Public Utilities Regulatory Authority, except that any rate approved by
the Public Utilities Commission, the Public Utilities Control Authority
or the Public Utilities Regulatory Authority shall be permitted until
amended by the Public Utilities Regulatory Authority, that rates not
approved by the Public Utilities Regulatory Authority may be charged
pursuant to subsection (b) of this section, and that the hearing
requirements with respect to adjustment clauses are as set forth in
section 16-19b. For water companies, existing rates shall include the amount of any adjustments approved pursuant to section 16-262w since the company's most recent general rate case, provided any adjustment amount shall be separately identified in any customer bill. Each public service company shall file any proposed amendment of its existing rates with the authority in such form and in accordance with such reasonable regulations as the authority may prescribe. Each electric distribution, gas or telephone company filing a proposed amendment shall also file with the authority an estimate of the effects of the amendment, for various levels of consumption, on the household budgets of high and moderate income customers and customers having household incomes not more than one hundred fifty per cent of the federal poverty level. Each electric distribution company shall also file such an estimate for space heating customers. Each water company, except a water company that provides water to its customers less than six consecutive months in a calendar year, filing a proposed amendment, shall also file with the authority a plan for promoting water conservation by customers in such form and in accordance with a memorandum of understanding entered into by the authority pursuant to section 4-67e. Each public service company shall notify each customer who would be affected by the proposed amendment, by mail, at least one week prior to the first public hearing thereon, but not earlier than six weeks prior to such first public hearing, that an amendment has been or will be requested. Such notice shall also indicate (1) the date, time and location of any scheduled public hearing, (2) a statement that customers may provide written comments regarding the proposed amendment to the Public Utilities Regulatory Authority or appear in person at any scheduled public hearing, (3) the Public Utilities Regulatory Authority telephone number for obtaining information concerning the schedule for public hearings on the proposed amendment, and (4) whether the proposed amendment would, in the company's best estimate, increase any rate or charge by twenty per cent or more, and, if so, describe in general terms any such rate or charge and the amount of the proposed increase, provided no such company shall be required to provide more than one form of the
notice to each class of its customers. In the case of a proposed
amendment to the rates of any public service company, the authority
shall hold one or more public hearings thereon, except as permitted with
respect to interim rate amendments by subsections (d) and (g) of this
section, and shall make such investigation of such proposed amendment
of rates as is necessary to determine whether such rates conform to the
principles and guidelines set forth in section 16-19e, or are unreasonably
discriminatory or more or less than just, reasonable and adequate, or
that the service furnished by such company is inadequate to or in excess
of public necessity and convenience. The authority, if in its opinion such
action appears necessary or suitable in the public interest may, and,
upon written petition or complaint of the state, under direction of the
Governor, shall, make the aforesaid investigation of any such proposed
amendment which does not involve an alteration in rates. If the
authority finds any proposed amendment of rates to not conform to the
principles and guidelines set forth in section 16-19e, or to be
unreasonably discriminatory or more or less than just, reasonable and
adequate to enable such company to provide properly for the public
convenience, necessity and welfare, or the service to be inadequate or
excessive, it shall determine and prescribe, as appropriate, an adequate
service to be furnished or just and reasonable maximum rates and
charges to be made by such company. In the case of a proposed
amendment filed by an electric distribution, gas or telephone company,
the authority shall also adjust the estimate filed under this subsection of
the effects of the amendment on the household budgets of the
company's customers, in accordance with the rates and charges
approved by the authority. The authority shall issue a final decision on
each rate filing within [one] three hundred fifty days from the proposed
effective date thereof, [provided it may, before the end of such period
and upon notifying all parties and intervenors to the proceedings,
extend the period by thirty days.]

(b) If the authority has not made its finding respecting an amendment
of any rate within [one] three hundred fifty days from the proposed
effective date of such amendment thereof, [or within one hundred
eighty days if the authority extends the period in accordance with the
provisions of subsection (a) of this section.] such amendment may
become effective pending the authority's finding with respect to such
amendment upon the filing by the company with the authority of
assurance satisfactory to the authority, which may include a bond with
surety, of the company's ability and willingness to refund to its
customers with interest such amounts as the company may collect from
them in excess of the rates fixed by the authority in its finding or fixed
at the conclusion of any appeal taken as a result of a finding by the
authority.

Sec. 7. Subsection (b) of section 16-43 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective October
1, 2020):

(b) A public service company shall obtain the approval of the Public
Utilities Regulatory Authority to (1) issue any notes, bonds or other
evidences of indebtedness or securities of any nature, (2) lend or borrow
any moneys for a period of more than one year for any purpose other
than paying the expenses, including taxes, of conducting its business or
for the payment of dividends, or (3) amend any provision of an
indenture or similar financial instrument if such amendment would
affect the issuance or terms of any such notes, bonds or other evidences
of indebtedness or securities. The authority shall approve or disapprove
each such issue or amendment within [thirty] ninety days after the filing
of a written application for such approval unless the applicant agrees to
an extension of time. If not disapproved within said [thirty] ninety days
or within such extension, such issue shall be deemed to be approved.
The authority shall not require a company to issue its common stock
under terms or conditions not required by the general statutes. The
provisions of this subsection shall apply to a community antenna
television company only with regard to any noncable communications
services which the company may provide.
Sec. 8. Subsection (d) of section 16-47 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(d) The Public Utilities Regulatory Authority shall investigate and hold a public hearing on the question of granting its approval with respect to any application made under subsection (b) or (c) of this section and thereafter may approve or disapprove any such application in whole or in part and upon such terms and conditions as it deems necessary or appropriate. In connection with its investigation, the authority may request the views of the gas, electric distribution, water, telephone or community antenna television company or holding company which is the subject of the application with respect to the proposed acquisition. After the filing of an application satisfying the requirements of such regulations as the authority may adopt in accordance with the provisions of chapter 54, but not later than thirty business days after the filing of such application, the authority shall give prompt notice of the public hearing to the person required to file the application and to the subject company or holding company. Such hearing shall be commenced as promptly as practicable after the filing of the application, but not later than [thirty] ninety business days after the filing, and the authority shall make its determination as soon as practicable, but not later than [one] three hundred [twenty] fifty days after the filing of the application unless the person required to file the application agrees to an extension of time. The authority may, in its discretion, grant the subject company or holding company the opportunity to participate in the hearing by presenting evidence and oral and written argument. If the authority fails to give notice of its determination to hold a hearing, commence the hearing, or render its determination after the hearing within the time limits specified in this subdivision, the proposed acquisition shall be deemed approved. In each proceeding on a written application submitted under said subsection (b) or (c), the authority shall, in a manner which treats all parties to the proceeding on an equal basis, take into consideration (1)
the financial, technological and managerial suitability and responsibility of the applicant, (2) the ability of the gas, electric distribution, water, telephone or community antenna television company or holding company which is the subject of the application to provide safe, adequate and reliable service to the public through the company's plant, equipment and manner of operation if the application were to be approved, and (3) for an application concerning a telephone company, the effect of approval on the location and accessibility of management and operations and on the proportion and number of state resident employees.

Sec. 9. Section 16-243p of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

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

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

[(b)] (c) Electric distribution companies shall be authorized to earn an incentive, as provided in section 16-19kk, for costs prudently incurred by such companies pursuant to this section.
Sec. 10. Section 16-32i of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to any emergency occurring on or after July 1, 2020):

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

Sec. 11. (NEW) (Effective from passage and applicable to any emergency occurring on or after July 1, 2020) (a) For the purposes of this section, "emergency" has the same meaning as provided in section 16-32e of the general statutes and "electric distribution company" has the same meaning as provided in section 16-1 of the general statutes.

(b) Notwithstanding any other provision of the general statutes, each
electric distribution company shall provide to each residential customer
of such company a credit of one hundred twenty-five dollars on the
balance of such customer's account for each day of service outage that
occurs more than seventy-two consecutive hours after the occurrence of
an emergency.

(c) This section shall not apply to an emergency resulting in a number
of service outages greater than eight hundred seventy thousand.

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

Sec. 12. (NEW) (Effective from passage) (a) For the purposes of this
section, "electric distribution company" has the same meaning as
provided in section 16-1 of the general statutes.

(b) Each electric distribution company shall provide compensation in
an amount not to exceed five hundred dollars for any medication that
expires or spoils due to a service outage that lasts more than seventy-
two consecutive hours in duration.

(c) Each electric distribution company shall provide compensation in
an amount not to exceed five hundred dollars for any food that expires
or spoils due to a service outage that lasts more than seventy-two
consecutive hours in duration. For food losses greater than two hundred
fifty dollars, evidence of actual payment for the food shall be submitted
to the electric distribution company. Upon receipt of such evidence, the
electric distribution company shall provide the compensation to the
residential customer. Such evidence shall include, but is not limited to,
itemized receipts.

(d) Not later than March 1, 2021, each electric distribution company
shall submit to the Public Utilities Regulatory Authority for approval a
proposed plan for its administrative process to implement the
compensation reimbursement pursuant to this section.
(e) Any costs incurred by an electric distribution company pursuant to this section shall not be recoverable.

(f) Any person aggrieved by an electric distribution company's violation of this section may bring a civil action to recover damages in the Superior Court.

Sec. 13. (NEW) (Effective from passage) (a) As used in this section, "electric distribution company" has the same meaning as provided in section 16-1 of the general statutes.

(b) Not later than January 1, 2021, each electric distribution company shall submit to the joint standing committee of the General Assembly having cognizance of matters relating to energy, in accordance with the provisions of section 11-4a of the general statutes, and the Public Utilities Regulatory Authority the following:

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

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

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

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

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

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

Sec. 14. (NEW) (Effective October 1, 2020) (a) Not later than January 1, 2021, each electric distribution company shall open, operate and staff all regional service centers available to such company.

(b) Such regional service centers shall be staffed with Connecticut-based grid and powerline service workers directly employed by the electric distribution company and supervised by a permanent, Connecticut-based incident command management team.

(c) The authority may, in accordance with subsection (b) of this section, require an independent audit concerning the retainment or hiring of Connecticut-based grid and powerline service workers directly employed by the electric distribution company and supervised by a permanent, Connecticut-based incident command management team.

Sec. 15. Subsection (a) of section 16-41 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Each (1) public service company and its officers, agents and employees, (2) electric supplier or person providing electric generation services without a license in violation of section 16-245, and its officers, agents and employees, (3) certified telecommunications provider or person providing telecommunications services without authorization pursuant to sections 16-247f to 16-247h, inclusive, and its officers, agents and employees, (4) person, public agency or public utility, as such terms
are defined in section 16-345, subject to the requirements of chapter 293, (5) person subject to the registration requirements under section 16-258a, (6) cellular mobile telephone carrier, as described in section 16-250b, (7) Connecticut electric efficiency partner, as defined in section 16-243v, (8) company, as defined in section 16-49, and (9) entity approved to submeter pursuant to section 16-19ff shall obey, observe and comply with all applicable provisions of this title and each applicable order made or applicable regulations adopted by the Public Utilities Regulatory Authority by virtue of this title as long as the same remains in force. Any such company, electric supplier, certified telecommunications provider, cellular mobile telephone carrier, Connecticut electric efficiency partner, entity approved to submeter, person, any officer, agent or employee thereof, public agency or public utility which the authority finds has failed to obey or comply with any such provision of this title, order or regulation shall be fined, ordered to pay restitution to customers or ordered to pay a combination of a fine and restitution by order of the authority in accordance with the penalty prescribed for the violated provision of this title or, if no penalty is prescribed, not more than ten thousand dollars for each offense, except that the penalty shall be a fine, restitution to customers or a combination of a fine and restitution of not more than forty thousand dollars for failure to comply with an order of the authority made in accordance with the provisions of section 16-19 or 16-247k or within thirty days of such order or within any specific time period for compliance specified in such order. The authority may direct a portion of any fine levied pursuant to this section to be paid to a nonprofit agency engaged in energy assistance programs named by the authority in its decision or notice of violation. Each distinct violation of any such provision of this title, order or regulation shall be a separate offense and, in case of a continued violation, each day thereof shall be deemed a separate offense. Each such penalty and any interest charged pursuant to subsection (g) or (h) of section 16-49 shall be excluded from operating expenses for purposes of rate-making.
Sec. 16. Section 16a-3a of the 2020 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(a) The Commissioner of Energy and Environmental Protection [in consultation with the electric distribution companies,] shall consider, in its review of the state's energy and capacity resource assessment [and approve] in the Integrated Resources Plan, whether there is a need for the procurement of energy resources, including, but not limited to, conventional and renewable generating facilities, energy efficiency, load management, demand response, combined heat and power facilities, distributed generation and other emerging energy technologies to meet the projected requirements of customers in a manner that minimizes the cost of all energy resources to customers over time and maximizes consumer benefits consistent with the state's environmental goals and standards, including, but not limited to, the state's greenhouse gas reduction goals established in section 22a-200a. The Integrated Resources Plan shall seek to lower the cost of electricity while meeting such environmental goals and standards in the most cost-effective manner.

(b) On or before January 1, 2020, and biennially thereafter, the Commissioner of Energy and Environmental Protection [in consultation with the electric distribution companies,] shall prepare an assessment of (1) the energy and capacity requirements of customers for the next three, five and ten years, (2) the manner of how best to eliminate growth in electric demand, (3) how best to level electric demand in the state by reducing peak demand and shifting demand to off-peak periods, (4) the impact of current and projected environmental standards, including, but not limited to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different resources could help achieve those standards and goals, (5) energy security and economic risks associated with potential energy resources, [and] (6) the estimated lifetime cost and availability of potential energy resources, and (7) in the next Integrated Resources Plan adopted after
September 15, 2020, whether the wholesale market structure in effect at the time of such plan's adoption is compatible with achieving the policy objectives assessed pursuant to this section.

(c) Resource needs shall first be met through all available energy efficiency and demand reduction resources that are cost-effective, reliable and feasible. The projected customer cost impact of any demand-side resources considered pursuant to this subsection shall be reviewed on an equitable basis with nondemand-side resources. The Integrated Resources Plan shall specify (1) the total amount of energy and capacity resources needed to meet the requirements of all customers, (2) the extent to which demand-side measures, including efficiency, conservation, demand response and load management can cost-effectively meet these needs in a manner that ensures equity in benefits and cost reduction to all classes and subclasses of consumers, (3) needs for generating capacity and transmission and distribution improvements, (4) how the development of such resources will reduce and stabilize the costs of electricity to each class and subclass of consumers, and (5) the manner in which each of the proposed resources should be procured, including the optimal contract periods for various resources.

(d) The Integrated Resources Plan shall consider: (1) Approaches to maximizing the impact of demand-side measures; (2) the extent to which generation needs can be met by renewable and combined heat and power facilities; (3) the optimization of the use of generation sites and generation portfolio existing within the state; (4) fuel types, diversity, availability, firmness of supply and security and environmental impacts thereof, including impacts on meeting the state's greenhouse gas emission goals; (5) reliability, peak load and energy forecasts, system contingencies and existing resource availabilities; (6) import limitations and the appropriate reliance on such imports; (7) the impact of the Integrated Resources Plan on the costs of electric customers; and (8) the effects on participants and nonparticipants. Such plan shall include options for lowering the rates and cost of electricity.
In approving the Integrated Resources Plan, the Commissioner of Energy and Environmental Protection shall conduct an uncontested proceeding that shall include not less than one public meeting and one technical meeting at which technical personnel shall be available to answer questions. Such meetings shall be transcribed and posted on the department's Internet web site. Not less than fifteen days before any such public meeting and thirty days before any such technical meeting, said commissioner shall publish notice of either such meeting and post the text of the proposed Integrated Resources Plan on the department's Internet web site. Notice of such public meeting or technical meeting may also be published in one or more newspapers having state-wide circulation if deemed necessary by the commissioner. Such notice shall state the date, time, and place of the meeting, the subject matter of the meeting and time period during which comments may be submitted to said commissioner, the statutory authority for the proposed Integrated Resources Plan and the location where a copy of the proposed plan may be obtained or examined. Said commissioner shall provide a time period of not less than sixty days from the date the notice is published on the department's Internet web site for public review and comment. Said commissioner shall consider fully all written and oral comments concerning the proposed Integrated Resources Plan after all public meetings and before approving the final plan. Said commissioner shall (1) notify by electronic mail each person who requests such notice, and (2) post on the department's Internet web site the electronic text of the final Integrated Resources Plan and a report summarizing all public comments and the changes made to the final plan in response to such comments and the reasons therefor. The commissioner shall submit the final Integrated Resources Plan by electronic means, or as requested, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment. Said commissioner may modify the Integrated Resources Plan to correct clerical errors at any time without following the procedures outlined in this subsection.
(f) Not later than two years after the adoption of the Integrated Resources Plan, and every two years thereafter, the Commissioner of Energy and Environmental Protection shall report to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment regarding goals established and progress toward implementation of said plan, as well as any recommendations concerning such plan. Any such report may be submitted electronically.

(g) All reasonable costs associated with the department's development of the resource assessment and the Integrated Resources Plan shall be recoverable through the assessment in section 16-49. All electric distribution companies' reasonable and prudent costs associated with the development of the plan shall be recoverable through a reconciling nonbypassable component of electric rates as determined by the [authority] Public Utilities Regulatory Authority.

(h) In the event that the Integrated Resources Plan approved by the Commissioner of Energy and Environmental Protection contains any provision the implementation of which requires funding through new or amended rates or charges, the [Public Utilities Regulatory Authority] authority may open a proceeding to review such provision, in accordance with the procedures established in sections 16-19 and 16-19e, to ensure that rates remain just and reasonable.

(i) For the Integrated Resources Plan next approved after June 14, 2018, the department shall include recommendations for the creation of a portfolio standard for thermal energy that may include, but not be limited to, biodiesel that is blended into home heating oil, provided the department shall consult with representatives of the heating oil industry and biodiesel producers during the development of such recommendations.

(j) For the Integrated Resources Plan next approved after January 1, 2019, the department shall determine (1) the quantity of energy the
Commissioner of Energy and Environmental Protection may seek in any solicitation or solicitations of proposals initiated on or after January 1, 2020, pursuant to section 16a-3n, provided the quantity of energy sought in any such solicitations in the aggregate shall be from resources that have a total nameplate capacity rating of not more than two thousand megawatts in the aggregate, less any energy purchased pursuant to section 16a-3n on or before December 31, 2019; and (2) the timing and schedule of any solicitation or solicitations of proposals initiated on or after January 1, 2020, pursuant to section 16a-3n, provided such schedule shall provide for the solicitation of resources with a nameplate capacity rating of two thousand megawatts in the aggregate, less any energy purchased pursuant to section 16a-3n on or before December 31, 2019, by December 31, 2030. Such determinations shall be based on factors including, but not limited to, electricity system needs identified by the Integrated Resources Plan, including, but not limited to, capacity, winter reliability, progress in meeting the goals in the Global Warming Solutions Act pursuant to section 22a-200a, the priorities of the Comprehensive Energy Strategy adopted pursuant to section 16a-3d, positive impacts on the state's economic development, opportunities to coordinate procurement with other states, forecasted trends in technology costs and impacts on the state's ratepayers.

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

Sec. 17. Subsection (h) of section 16-245o of the general statutes is
repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(h) (1) Any third-party agent who contracts with or is otherwise compensated by an electric supplier to sell electric generation services, or contracts with or is compensated by an agent or third-party marketer of the electric supplier to sell electric generation services for the electric supplier, shall be a legal agent of the electric supplier. No third-party agent may sell electric generation services on behalf of an electric supplier unless (A) the third-party agent is an employee or independent contractor of such electric supplier, and (B) the third-party agent has received appropriate training directly from such electric supplier.

(2) All sales and solicitations of electric generation services by an electric supplier, aggregator or agent of an electric supplier or aggregator to a customer with a maximum demand of one hundred kilowatts or less conducted and consummated entirely by mail, door-to-door sale, telephone or other electronic means, during a scheduled appointment at the premises of a customer or at a fair, trade or business show, convention or exposition in addition to complying with the provisions of subsection (e) of this section shall:

(A) For any sale or solicitation, including from any person representing such electric supplier, aggregator or agent of an electric supplier or aggregator (i) identify the person and the electric generation services company or companies the person represents; (ii) provide a statement that the person does not represent an electric distribution company; (iii) explain the purpose of the solicitation; and (iv) explain all rates, fees, variable charges and terms and conditions for the services provided; and

(B) For door-to-door sales to customers with a maximum demand of one hundred kilowatts, which shall include the sale of electric generation services in which the electric supplier, aggregator or agent of an electric supplier or aggregator solicits the sale and receives the
customer's agreement or offer to purchase at a place other than the seller's place of business, be conducted (i) in accordance with any municipal and local ordinances regarding door-to-door solicitations, (ii) between the hours of ten o'clock a.m. and six o'clock p.m. unless the customer schedules an earlier or later appointment, and (iii) with both English and Spanish written materials available. Any representative of an electric supplier, aggregator or agent of an electric supplier or aggregator shall prominently display or wear a photo identification badge stating the name of such person's employer or the electric supplier the person represents and shall not wear apparel, carry equipment or distribute materials that includes the logo or emblem of an electric distribution company or contains any language suggesting a relationship that does not exist with an electric distribution company, government agency or other supplier.

(3) No electric supplier, aggregator or agent of an electric supplier or aggregator shall (A) advertise or disclose the price of electricity to mislead a reasonable person into believing that the electric generation services portion of the bill will be the total bill amount for the delivery of electricity to the customer's location, or (B) make any statement, oral or written, suggesting a prospective customer is required to choose a supplier. When advertising or disclosing the price for electricity, the electric supplier, aggregator or agent of an electric supplier or aggregator shall (i) disclose the electric distribution company's current charges, including the competitive transition assessment and the systems benefits charge, for that customer class, and (ii) indicate, using at least a ten-point font size, in a conspicuous part of any advertisement or disclosure that includes an advertised price, (I) the expiration of such advertised price, and (II) any fixed or recurring charge, including, but not limited to, any minimum monthly charge.

(4) No entity, including an aggregator or agent of an electric supplier or aggregator, who sells or offers for sale any electric generation services for or on behalf of an electric supplier, shall engage in any deceptive acts or practices in the marketing, sale or solicitation of electric generation
(5) Each electric supplier shall disclose to the Public Utilities Regulatory Authority in a standardized format (A) the amount of additional renewable energy credits, if any, such supplier will purchase other than required credits, (B) where such additional credits are being sourced from, and (C) the types of renewable energy sources that will be purchased. Each electric supplier shall only advertise renewable energy credits pursuant to the methodology approved by the authority and shall report to the authority the renewable energy sources of such credits and any changes to the types of renewable energy sources offered.

(6) Any electric supplier offering any services or products that contain renewable energy attributes other than the minimum renewable energy credits used for compliance with the renewable portfolio standards pursuant to section 16-245a shall disclose in each customer contract and marketing materials for each such service or product the renewable energy content of the product or service offering and shall make available, on the electric supplier's Internet web site, information sufficient to substantiate the marketing claims about such content.

(7) (A) No contract for electric generation services by an electric supplier shall require a residential customer to pay any fee for termination or early cancellation of a contract, [in excess of fifty dollars, provided when an electric supplier offers a contract, it provides the residential customer an estimate of such customer's average monthly bill, and provided further it] It shall not be considered a termination or early cancellation of a contract if a residential customer moves from one dwelling within the state and remains with the same electric supplier.

(B) If a residential customer does not have a contract for electric generation services with an electric supplier and is receiving a month-to-month variable rate from such supplier, there shall be no fee for termination or early cancellation.
(8) An electric supplier shall not make a material change in the terms or duration of any contract for the provision of electric generation services by an electric supplier without the express consent of the customer. Nothing in this subdivision shall restrict an electric supplier from renewing a contract by clearly informing the customer, in writing, not less than thirty days or more than sixty days before the renewal date, of the renewal terms, including a summary of any new or altered terms, and of the option not to accept the renewal offer. Provided no fee pursuant to subdivision (7) of this subsection shall be charged to a customer who terminates or cancels such renewal within the first two billing cycles of the renewed contract.

(9) Each electric supplier shall file annually with the authority a list of any aggregator or agent working on behalf of such supplier.

(10) Each electric supplier shall develop and implement standards and qualifications for employees and third-party agents who are engaged in the sale or solicitation of electric generation services by such supplier.

Sec. 18. Subsection (j) of section 16-245 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(j) No license may be transferred, and no customer may be assigned or transferred, without the prior approval of the authority. Notice of the assignment or transfer of a customer shall be provided to the authority at least thirty days prior to the effective date of the assignment or transfer of a customer from one electric supplier to another electric supplier. The Public Utilities Regulatory Authority may, upon its review of such notice, require certain conditions or deny assignment or transfer of the customer. The authority shall approve such customer assignment or transfer within thirty business days of the authority's receipt of notice from the electric supplier unless the authority and electric supplier agree to a specified extension of time. The authority
may assess additional licensing fees to pay the administrative costs of
reviewing a request for such transfer.

Sec. 19. Section 16-243y of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2020):

(a) As used in this section:

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

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

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

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

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

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

(7) "Vulnerable communities" means, but is not limited to, areas where at least fifty-one per cent of residents are low and moderate income persons as defined by the most recent federal decennial census.

(b) The Department of Energy and Environmental Protection shall establish a microgrid and resilience grant and loan pilot program to support local distributed energy generation for critical facilities or resilience projects. The department shall develop and issue a request for proposals from municipalities, electric distribution companies, participating municipal electric utilities, energy improvement districts, and nonprofit, academic and private entities seeking to develop microgrid distributed energy generation, or to repurpose existing distributed energy generation for use with microgrids, to support critical facilities or to develop resilience projects. Any entity eligible to submit a proposal pursuant to this section may collaborate with any other such entity in submitting such proposal. The department may hire a technical consultant to support the implementation of this section using any bond funds authorized in support of microgrids or resilience.

(c) The department shall award grants or loans under the microgrid and resilience grant and loan pilot program to any number of recipients. The department shall prioritize proposals that benefit vulnerable communities. To the extent possible, the amount of loans and grants awarded under the program shall be evenly distributed between small, medium and large municipalities. Such grants and loans may provide:

(1) Assistance with community planning that includes, but is not limited to, microgrid or resilience project feasibility, including benefit-cost analyses, (2) assistance to recipients for the cost of design, engineering services and interconnection infrastructure for any such microgrid, and (2) or resilience project, (3) matching funds or low interest loans for an energy storage system or systems, as defined in section 16-1, or
distributed energy generation projects first placed in service on or after July 1, 2016, provided such generation is derived from a Class I renewable energy source, as defined in section 16-1, or a Class III energy source, as defined in section 16-1, for any such microgrid or resilience project, and (4) nonfederal cost share for grant or loan applications for projects or programs that include microgrids or resilience. The department may establish any financing mechanism to provide or leverage additional funding to support the development of interconnection infrastructure, distributed energy generation, microgrids and resilience projects.

(d) Not later than January first, annually, for a period of five years after receiving a grant or loan under the microgrid and resilience grant and loan pilot program, the recipient of such grant or loan shall submit a report to the Public Utilities Regulatory Authority, the Office of Consumer Counsel and the Department of Energy and Environmental Protection and, in accordance with section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and energy. Such report shall include information concerning the status of such recipient's microgrid or resilience project.

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

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

Sec. 20. (NEW) (Effective October 1, 2020) Not later than July 1, 2021, the Department of Energy and Environmental Protection, the Public Utilities Regulatory Authority, the Office of Consumer Counsel and the joint standing committee of the General Assembly having cognizance of matters relating to energy shall (1) review the provisions of the Northeast Utilities and NSTAR merger settlement agreement, (2) evaluate the company’s commitment to those provisions, and (3) recommend if any of those provisions need reinstatement or codification.

Sec. 21. (NEW) (Effective October 1, 2020) (a) There is established an Independent Consumer Advocate to act as an independent advocate for ratepayer interests in all matters that may affect the ratepayers of each electric distribution company, as defined in section 16-1 of the general statutes. Such Independent Consumer Advocate shall be instituted on the board of directors for each electric distribution company.

(b) (1) Not later than November 1, 2020, and prior to January first in each even-numbered year thereafter, the Consumer Counsel, appointed pursuant to section 16-2a of the general statutes, shall select the Independent Consumer Advocate to serve for a two-year term commencing on the following January first. The Independent Consumer Advocate may be terminated by the Consumer Counsel prior to the completion of a two-year term only for misconduct, material neglect of duty or incompetence.

(2) The Independent Consumer Advocate may not be removed by the
electric distribution company's board of directors for any reason. The electric distribution company's board of directors shall not direct or oversee the activities of the Independent Consumer Advocate. The electric distribution company's board of directors shall cooperate with reasonable requests of the Independent Consumer Advocate to enable the Independent Consumer Advocate to effectively perform his or her duties and functions.

(c) Each electric distribution company shall promptly adopt any changes to its rules, regulations or other governing documents necessary to carry out the requirements of this section.

Sec. 22. Section 16-245m of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(a) (1) Repealed by P.A. 18-50, S. 32.

(2) Repealed by P.A. 14-134, S. 130.


(b) Repealed by P.A. 18-50, S. 32.

(c) The Commissioner of Energy and Environmental Protection shall appoint and convene an Energy Conservation Management Board which shall include the Commissioner of Energy and Environmental Protection, or the commissioner's designee, the Consumer Counsel, or the Consumer Counsel's designee, the Attorney General, or the Attorney General's designee, and a representative of: (1) An environmental group knowledgeable in energy conservation program collaboratives; (2) the electric distribution companies in whose territories the activities take place for such programs; (3) a state-wide manufacturing association; (4) a chamber of commerce; (5) a state-wide business association; (6) a state-wide retail organization; (7) a state-wide farm association; (8) a municipal electric energy cooperative created pursuant to chapter 101a; and (9) residential customers. The board shall
also include two representatives selected by the gas companies. The members of the board shall serve for a period of five years and may be reappointed. Representatives of gas companies, electric distribution companies and the municipal electric energy cooperative shall be nonvoting members of the board. The members of the board shall elect a chairperson from its voting members. If any vote of the board results in an equal division of its voting members, such vote shall fail.

(d) (1) Not later than November 1, 2012, and every three years thereafter, electric distribution companies, as defined in section 16-1, in coordination with the gas companies, as defined in section 16-1, shall submit to the Energy Conservation Management Board a combined electric and gas Conservation and Load Management Plan, in accordance with the provisions of this section, to implement cost-effective energy conservation programs, demand management and market transformation initiatives. All supply and conservation and load management options shall be evaluated and selected within an integrated supply and demand planning framework. Services provided under the plan shall be available to all customers of electric distribution companies and gas companies, provided a customer of an electric distribution company may not be denied such services based on the fuel such customer uses to heat such customer's home. The Energy Conservation Management Board shall advise and assist the electric distribution companies and gas companies in the development of such plan. The Energy Conservation Management Board shall approve the plan before transmitting it to the Commissioner of Energy and Environmental Protection for approval, modification or rejection. The commissioner shall, in an uncontested proceeding during which the commissioner may hold a public meeting, approve, modify or reject said plan prepared pursuant to this subsection. Following approval by the commissioner, the board shall assist the companies in implementing the plan and collaborate with the Connecticut Green Bank to further the goals of the plan. Said plan shall include a detailed budget sufficient to fund all energy efficiency that is cost-effective or lower cost than
acquisition of equivalent supply, and shall be [reviewed and] approved, modified or rejected by the commissioner. The commissioner may, in consultation with the Energy and Conservation Management Board, issue a solicitation for conservation and load management plans administered by third parties, and may select any such plan that meets the goals of this section. Any such selected plan shall be funded by the revenues collected pursuant to this section. The Public Utilities Regulatory Authority shall, not later than sixty days after the plan or plans [is] are approved by the commissioner, ensure that the balance of revenues required to fund such [plan is] plans are provided through fully reconciling conservation adjustment mechanisms. Electric distribution companies shall collect a conservation adjustment mechanism that ensures the plan is fully funded by collecting an amount that is not more than the sum of six mills per kilowatt hour of electricity sold to each end use customer of an electric distribution company during the three years of any Conservation and Load Management Plan. The authority shall ensure that the revenues required to fund such [plan] any plan or plans approved by the commissioner pursuant to this section with regard to gas companies are provided through a fully reconciling conservation adjustment mechanism for each gas company of not more than the equivalent of four and six-tenth cents per hundred cubic feet during the three years of any Conservation and Load Management Plan. Said [plan] plans, collectively, shall include steps that would be needed to achieve the goal of weatherization of eighty per cent of the state's residential units by 2030 and to reduce energy consumption by 1.6 million MMBtu, or the equivalent megawatts of electricity, as defined in subdivision (4) of section 22a-197, annually each year for calendar years commencing on and after January 1, 2020, up to and including calendar year 2025. Each program contained in the plan submitted by the electric distribution companies and gas companies shall be reviewed [by such companies] and accepted, modified or rejected by the Energy Conservation Management Board prior to submission to the commissioner for approval. The Energy Conservation Management Board shall, as part of
its review, examine opportunities to offer joint programs providing
similar efficiency measures that save more than one fuel resource or
otherwise to coordinate programs targeted at saving more than one fuel
resource. Any costs for joint programs shall be allocated equitably
among the conservation programs. The Energy Conservation
Management Board shall give preference to projects that maximize the
reduction of federally mandated congestion charges.

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

(3) Programs included in the plan or plans developed under
subdivision (1) of this subsection shall be screened through cost-
effectiveness testing that compares the value and payback period of
program benefits for all energy savings to program costs to ensure that
programs are designed to obtain energy savings and [system] societal
benefits, including mitigation of federally mandated congestion
charges, whose value is greater than the costs of the programs. Program
cost-effectiveness shall be reviewed by the Commissioner of Energy and
Environmental Protection annually, or otherwise as is practicable, and
shall incorporate the results of the evaluation process set forth in
subdivision (4) of this subsection. If a program is determined to fail the
cost-effectiveness test as part of the review process, it shall either be
modified to meet the test or shall be terminated, unless it is integral to
other programs that in combination are cost-effective. On or before
March 1, 2005, and on or before March first annually thereafter, the
board shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment that documents (A) expenditures and fund balances and evaluates the cost-effectiveness of such programs conducted in the preceding year, and (B) the extent to and manner in which the programs of such board collaborated and cooperated with programs, established under section 7-233y, of municipal electric energy cooperatives. To maximize the reduction of federally mandated congestion charges, programs in the plan may allow for disproportionate allocations between the amount of contributions pursuant to this section by a certain rate class and the programs that benefit such a rate class. Before conducting such evaluation, the board shall consult with the board of directors of the Connecticut Green Bank. The report shall include a description of the activities undertaken during the reporting period.

(4) The Commissioner of Energy and Environmental Protection shall adopt an independent, comprehensive program evaluation, measurement and verification process to ensure the Energy Conservation Management Board's programs, and any other plan or plans approved by the commissioner pursuant to subdivision (1) of this subsection, are administered appropriately and efficiently, comply with statutory requirements, programs and measures are cost effective, evaluation reports are accurate and issued in a timely manner, evaluation results are appropriately and accurately taken into account in program development and implementation, and information necessary to meet any third-party evaluation requirements is provided.

An annual schedule and budget for evaluations as determined by the board shall be included in the plan or plans filed with or selected by the commissioner pursuant to subdivision (1) of this subsection. The electric distribution and gas company representatives and the representative of a municipal electric energy cooperative may not vote on board plans, budgets, recommendations, actions or decisions regarding such process or its program evaluations and their implementation. Program and
measure evaluation, measurement and verification shall be conducted on an ongoing basis, with emphasis on impact and process evaluations, programs or measures that have not been studied, and those that account for a relatively high percentage of program spending. Evaluations shall use statistically valid monitoring and data collection techniques appropriate for the programs or measures being evaluated. All evaluations shall contain a description of any problems encountered in the process of the evaluation, including, but not limited to, data collection issues, and recommendations regarding addressing those problems in future evaluations. The board shall contract with one or more consultants not affiliated with the board members to act as an evaluation administrator, advising the board regarding development of a schedule and plans for evaluations and overseeing the program evaluation, measurement and verification process on behalf of the board. Consistent with board processes and approvals and the Commissioner of Energy and Environmental Protection's decisions regarding evaluation, such evaluation administrator shall implement the evaluation process by preparing requests for proposals and selecting evaluation contractors to perform program and measure evaluations and by facilitating communications between evaluation contractors and program administrators to ensure accurate and independent evaluations. In the evaluation administrator's discretion and at his or her request, the [electric distribution and gas companies] administrators of the program under review shall communicate with the evaluation administrator for purposes of data collection, vendor contract administration, and providing necessary factual information during the course of evaluations. The evaluation administrator shall bring unresolved administrative issues or problems that arise during the course of an evaluation to the board for resolution, but shall have sole authority regarding substantive and implementation decisions regarding any evaluation. Board members, including electric distribution and gas company representatives, may not communicate with an evaluation contractor about an ongoing evaluation except with the express permission of the evaluation administrator, which may only
be granted if the administrator believes the communication will not compromise the independence of the evaluation. The evaluation administrator shall file evaluation reports with the board and with the Commissioner of Energy and Environmental Protection in its most recent uncontested proceeding pursuant to subdivision (1) of this subsection and the board shall post a copy of each report on its Internet web site. The board and its members, including electric distribution and gas company representatives, may file written comments regarding any evaluation with the commissioner or for posting on the board's Internet web site. Within fourteen days of the filing of any evaluation report, the commissioner, members of the board or other interested persons may request in writing, and the commissioner shall conduct, a transcribed technical meeting to review the methodology, results and recommendations of any evaluation. Participants in any such transcribed technical meeting shall include the evaluation administrator, the evaluation contractor and the Office of Consumer Counsel at its discretion. On or before November 1, 2011, and annually thereafter, the board shall report to the joint standing committee of the General Assembly having cognizance of matters relating to energy, with the results and recommendations of completed program evaluations.

(5) Programs included in the plan or plans [developed] approved by the commissioner under subdivision (1) of this subsection may include, but not be limited to: (A) Conservation and load management programs, including programs that benefit low-income individuals; (B) research, development and commercialization of products or processes which are more energy-efficient than those generally available; (C) development of markets for such products and processes; (D) support for energy use assessment, real-time monitoring systems, engineering studies and services related to new construction or major building renovation; (E) the design, manufacture, commercialization and purchase of energy-efficient appliances and heating, air conditioning and lighting devices; (F) program planning and evaluation; (G) indoor air quality programs relating to energy conservation; (H) joint fuel conservation initiatives
programs targeted at reducing consumption of more than one fuel resource; (l) conservation of water resources; (j) public education regarding conservation; and (K) demand-side technology programs, [recommended by the Conservation and Load Management Plan.]

Support for such programs may be by direct funding, manufacturers’ rebates, sale price and loan subsidies, leases and promotional and educational activities. The Energy Conservation Management Board shall periodically review contractors to determine whether they are qualified to conduct work related to such programs and to ensure that in making the selection of contractors to deliver programs, a fair and equitable process is followed. There shall be a rebuttable presumption that such contractors are deemed technically qualified if certified by the Building Performance Institute, Inc. or by an organization selected by the commissioner. The plan or plans shall also provide for expenditures by the board for the retention of expert consultants and reasonable administrative costs provided such consultants shall not be employed by, or have any contractual relationship with, an electric distribution company or a gas company. Such costs shall not exceed five per cent of the total cost of the plan.

(e) Deleted by P.A. 11-80, S. 33.

(f) Not later than December 31, 2006, and not later than December thirty-first every five years thereafter, the Energy Conservation Management Board shall, after consulting with the Connecticut Green Bank, conduct an evaluation of the performance of the programs and activities specified in the plan or plans approved by the commissioner pursuant to subsection (d) of this section and submit a report, in accordance with the provisions of section 11-4a, of the evaluation to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

(g) Repealed by P.A. 06-186, S. 91.
This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>from passage</th>
<th>New section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 2</td>
<td>from passage</td>
<td>16-19(a)</td>
</tr>
<tr>
<td>Sec. 3</td>
<td>October 1, 2020</td>
<td>16-19a(a) and (b)</td>
</tr>
<tr>
<td>Sec. 4</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 5</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 6</td>
<td>October 1, 2020</td>
<td>16-19(a) and (b)</td>
</tr>
<tr>
<td>Sec. 7</td>
<td>October 1, 2020</td>
<td>16-43(b)</td>
</tr>
<tr>
<td>Sec. 8</td>
<td>October 1, 2020</td>
<td>16-47(d)</td>
</tr>
<tr>
<td>Sec. 9</td>
<td>October 1, 2020</td>
<td>16-243p</td>
</tr>
<tr>
<td>Sec. 10</td>
<td>from passage and applicable to any emergency occurring on or after July 1, 2020</td>
<td>16-32i</td>
</tr>
<tr>
<td>Sec. 11</td>
<td>from passage and applicable to any emergency occurring on or after July 1, 2020</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 12</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 13</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 14</td>
<td>October 1, 2020</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 15</td>
<td>from passage</td>
<td>16-41(a)</td>
</tr>
<tr>
<td>Sec. 16</td>
<td>October 1, 2020</td>
<td>16a-3a</td>
</tr>
<tr>
<td>Sec. 17</td>
<td>October 1, 2020</td>
<td>16-245o(h)</td>
</tr>
<tr>
<td>Sec. 18</td>
<td>October 1, 2020</td>
<td>16-245(j)</td>
</tr>
<tr>
<td>Sec. 19</td>
<td>October 1, 2020</td>
<td>16-243y</td>
</tr>
<tr>
<td>Sec. 20</td>
<td>October 1, 2020</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 21</td>
<td>October 1, 2020</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 22</td>
<td>October 1, 2020</td>
<td>16-245m</td>
</tr>
</tbody>
</table>