



Working Draft

General Assembly

Bill No.

February Session, 2020

LCO No. 3920

Referred to Committee on

Introduced by:

REP. ARCONTI, 109th Dist.

SEN. NEEDLEMAN, 33rd Dist.

REP. FERRARO, 117th Dist.

SEN. FORMICA, 20th Dist.

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:

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

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

WORKING DRAFT

Bill No.

9 change.

10 (b) Not later than September 1, 2022, the Public Utilities
11 Regulatory Authority shall initiate a proceeding to investigate, develop
12 and adopt a framework for implementing performance-based
13 regulation of each electric distribution company. Such framework
14 adopted by the authority shall: (1) Establish standards and metrics for
15 measuring such electric distribution company's performance of
16 objectives that are in the interest of ratepayers or benefit the public,
17 which may include, but not be not limited to, safety,
18 reliability, emergency response, cost efficiency, affordability, equity,
19 customer satisfaction, municipal engagement, resilience
20 and advancing the state's environmental and policy goals, including,
21 but not limited to, those goals established in section 22a-200a of the
22 general statutes, in the Integrated Resources Plan approved pursuant to
23 section 16a-3a of the general statutes and in the Comprehensive Energy
24 Strategy prepared pursuant to section 16a-3d of the general statutes; (2)
25 identify the manner, including the timeframe and extent, in which such
26 standards and metrics shall be used to apply the principles and
27 guidelines set forth in section 16-19e of the general statutes and to
28 determine the relative adequacy of the company's service and the
29 reasonableness and adequacy of rates proposed and considered
30 pursuant to section 16-19a of the general statutes; and (3) identify
31 specific mechanisms to be implemented to align utility performance
32 with the standards and metrics adopted pursuant to this section and
33 subsection (b) of section 16-19a of the general statutes, including, but not
34 limited to, reviewing the effectiveness of the electric distribution
35 company's revenue decoupling mechanism. The authority may
36 also initiate a proceeding to investigate, develop and adopt a framework
37 for implementation of performance-based regulation for gas and water
38 companies, as defined by section 16-1 of the general statutes, consistent
39 with the requirements and provisions of this section.

40 Sec. 2. Subsection (a) of section 16-19 of the general statutes is
41 repealed and the following is substituted in lieu thereof (*Effective from*

WORKING DRAFT

Bill No.

42 *passage*):

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

WORKING DRAFT

Bill No.

75 shall also indicate (1) the date, time and location of any scheduled public
76 hearing, (2) a statement that customers may provide written comments
77 regarding the proposed amendment to the Public Utilities Regulatory
78 Authority or appear in person at any scheduled public hearing, (3) the
79 Public Utilities Regulatory Authority telephone number for obtaining
80 information concerning the schedule for public hearings on the
81 proposed amendment, and (4) whether the proposed amendment
82 would, in the company's best estimate, increase any rate or charge by
83 twenty per cent or more, and, if so, describe in general terms any such
84 rate or charge and the amount of the proposed increase, provided no
85 such company shall be required to provide more than one form of the
86 notice to each class of its customers. In the case of a proposed
87 amendment to the rates of any public service company, the authority
88 shall hold one or more public hearings thereon, except as permitted with
89 respect to interim rate amendments by subsections (d) and (g) of this
90 section, and shall make such investigation of such proposed amendment
91 of rates as is necessary to determine whether such rates conform to the
92 principles and guidelines set forth in section 16-19e, or are unreasonably
93 discriminatory or more or less than just, reasonable and adequate, or
94 that the service furnished by such company is inadequate to or in excess
95 of public necessity and convenience, provided the authority may (A)
96 evaluate the reasonableness and adequacy of the performance or service
97 of the public service company using any applicable metrics or standards
98 adopted by the authority pursuant to section 1 of this act, and (B)
99 determine the reasonableness of the allowed rate of return of the public
100 service company based on such performance evaluation. The authority,
101 if in its opinion such action appears necessary or suitable in the public
102 interest may, and, upon written petition or complaint of the state, under
103 direction of the Governor, shall, make the aforesaid investigation of any
104 such proposed amendment which does not involve an alteration in
105 rates. If the authority finds any proposed amendment of rates to not
106 conform to the principles and guidelines set forth in section 16-19e, or
107 to be unreasonably discriminatory or more or less than just, reasonable
108 and adequate to enable such company to provide properly for the public

WORKING DRAFT

Bill No.

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

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

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

WORKING DRAFT

Bill No.

142 pertinent.

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

147 (b) In [the] any proceeding required under subdivision (1) of
148 subsection (a) of this section, or in any rate hearing pursuant to section
149 16-19, the authority [may approve performance-based incentives to
150 encourage a gas or electric distribution company to operate efficiently
151 and provide high quality service at fair and reasonable prices] shall
152 consider the implementation of financial performance-based incentives
153 and penalties and performance-based metrics. Notwithstanding
154 subsection (a) of this section, if the authority approves such
155 performance-based incentives and penalties for a particular company,
156 the authority shall include in such approval a framework for periodic
157 monitoring and review of the company's performance [in regard to
158 criteria specified by the authority, which shall include, but not be
159 limited to, the company's return on equity, reliability and quality of
160 service. The authority's periodic monitoring and review shall be used in
161 lieu of the periodic review and investigation proceedings required
162 under subdivision (1) of subsection (a) of this section. If the authority
163 determines in the periodic monitoring and review that a more extensive
164 review of company performance is necessary, the authority may
165 institute a further proceeding in accordance with the purposes of this
166 chapter, including a complete review and investigation described in
167 subdivision (1) of subsection (a) of this section] pursuant to metrics
168 developed by the authority.

169 Sec. 4. (NEW) (*Effective from passage*) (a) Notwithstanding any
170 provision of the general statutes, in exercising its discretion regarding
171 whether to allow the recovery through rates of any portion of the
172 compensation package for executives or officers or of any portion of any
173 incentive compensation for employees of any electric distribution

WORKING DRAFT

Bill No.

174 company, gas company or water company, as defined in section 16-1 of
175 the general statutes, the Public Utilities Regulatory Authority shall
176 consider whether to require that any such compensation that is
177 recoverable through rates be dependent upon the achievement of
178 performance targets established pursuant to section 1 of this act.

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

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

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

196 (a) No public service company may charge rates in excess of those
197 previously approved by the Public Utilities Control Authority or the
198 Public Utilities Regulatory Authority, except that any rate approved by
199 the Public Utilities Commission, the Public Utilities Control Authority
200 or the Public Utilities Regulatory Authority shall be permitted until
201 amended by the Public Utilities Regulatory Authority, that rates not
202 approved by the Public Utilities Regulatory Authority may be charged
203 pursuant to subsection (b) of this section, and that the hearing
204 requirements with respect to adjustment clauses are as set forth in

WORKING DRAFT

Bill No.

205 section 16-19b. For water companies, existing rates shall include the
206 amount of any adjustments approved pursuant to section 16-262w since
207 the company's most recent general rate case, provided any adjustment
208 amount shall be separately identified in any customer bill. Each public
209 service company shall file any proposed amendment of its existing rates
210 with the authority in such form and in accordance with such reasonable
211 regulations as the authority may prescribe. Each electric distribution,
212 gas or telephone company filing a proposed amendment shall also file
213 with the authority an estimate of the effects of the amendment, for
214 various levels of consumption, on the household budgets of high and
215 moderate income customers and customers having household incomes
216 not more than one hundred fifty per cent of the federal poverty level.
217 Each electric distribution company shall also file such an estimate for
218 space heating customers. Each water company, except a water company
219 that provides water to its customers less than six consecutive months in
220 a calendar year, filing a proposed amendment, shall also file with the
221 authority a plan for promoting water conservation by customers in such
222 form and in accordance with a memorandum of understanding entered
223 into by the authority pursuant to section 4-67e. Each public service
224 company shall notify each customer who would be affected by the
225 proposed amendment, by mail, at least one week prior to the first public
226 hearing thereon, but not earlier than six weeks prior to such first public
227 hearing, that an amendment has been or will be requested. Such notice
228 shall also indicate (1) the date, time and location of any scheduled public
229 hearing, (2) a statement that customers may provide written comments
230 regarding the proposed amendment to the Public Utilities Regulatory
231 Authority or appear in person at any scheduled public hearing, (3) the
232 Public Utilities Regulatory Authority telephone number for obtaining
233 information concerning the schedule for public hearings on the
234 proposed amendment, and (4) whether the proposed amendment
235 would, in the company's best estimate, increase any rate or charge by
236 twenty per cent or more, and, if so, describe in general terms any such
237 rate or charge and the amount of the proposed increase, provided no
238 such company shall be required to provide more than one form of the

WORKING DRAFT

Bill No.

239 notice to each class of its customers. In the case of a proposed
240 amendment to the rates of any public service company, the authority
241 shall hold one or more public hearings thereon, except as permitted with
242 respect to interim rate amendments by subsections (d) and (g) of this
243 section, and shall make such investigation of such proposed amendment
244 of rates as is necessary to determine whether such rates conform to the
245 principles and guidelines set forth in section 16-19e, or are unreasonably
246 discriminatory or more or less than just, reasonable and adequate, or
247 that the service furnished by such company is inadequate to or in excess
248 of public necessity and convenience. The authority, if in its opinion such
249 action appears necessary or suitable in the public interest may, and,
250 upon written petition or complaint of the state, under direction of the
251 Governor, shall, make the aforesaid investigation of any such proposed
252 amendment which does not involve an alteration in rates. If the
253 authority finds any proposed amendment of rates to not conform to the
254 principles and guidelines set forth in section 16-19e, or to be
255 unreasonably discriminatory or more or less than just, reasonable and
256 adequate to enable such company to provide properly for the public
257 convenience, necessity and welfare, or the service to be inadequate or
258 excessive, it shall determine and prescribe, as appropriate, an adequate
259 service to be furnished or just and reasonable maximum rates and
260 charges to be made by such company. In the case of a proposed
261 amendment filed by an electric distribution, gas or telephone company,
262 the authority shall also adjust the estimate filed under this subsection of
263 the effects of the amendment on the household budgets of the
264 company's customers, in accordance with the rates and charges
265 approved by the authority. The authority shall issue a final decision on
266 each rate filing within [one] three hundred fifty days from the proposed
267 effective date thereof. [, provided it may, before the end of such period
268 and upon notifying all parties and intervenors to the proceedings,
269 extend the period by thirty days.]

270 (b) If the authority has not made its finding respecting an amendment
271 of any rate within [one] three hundred fifty days from the proposed

WORKING DRAFT

Bill No.

272 effective date of such amendment thereof, [or within one hundred
273 eighty days if the authority extends the period in accordance with the
274 provisions of subsection (a) of this section,] such amendment may
275 become effective pending the authority's finding with respect to such
276 amendment upon the filing by the company with the authority of
277 assurance satisfactory to the authority, which may include a bond with
278 surety, of the company's ability and willingness to refund to its
279 customers with interest such amounts as the company may collect from
280 them in excess of the rates fixed by the authority in its finding or fixed
281 at the conclusion of any appeal taken as a result of a finding by the
282 authority.

283 Sec. 7. Subsection (b) of section 16-43 of the general statutes is
284 repealed and the following is substituted in lieu thereof (*Effective October*
285 *1, 2020*):

286 (b) A public service company shall obtain the approval of the Public
287 Utilities Regulatory Authority to (1) issue any notes, bonds or other
288 evidences of indebtedness or securities of any nature, (2) lend or borrow
289 any moneys for a period of more than one year for any purpose other
290 than paying the expenses, including taxes, of conducting its business or
291 for the payment of dividends, or (3) amend any provision of an
292 indenture or similar financial instrument if such amendment would
293 affect the issuance or terms of any such notes, bonds or other evidences
294 of indebtedness or securities. The authority shall approve or disapprove
295 each such issue or amendment within [~~thirty~~ ninety] days after the filing
296 of a written application for such approval unless the applicant agrees to
297 an extension of time. If not disapproved within said [~~thirty~~ ninety] days
298 or within such extension, such issue shall be deemed to be approved.
299 The authority shall not require a company to issue its common stock
300 under terms or conditions not required by the general statutes. The
301 provisions of this subsection shall apply to a community antenna
302 television company only with regard to any noncable communications
303 services which the company may provide.

WORKING DRAFT

Bill No.

304 Sec. 8. Subsection (d) of section 16-47 of the general statutes is
305 repealed and the following is substituted in lieu thereof (*Effective October*
306 *1, 2020*):

307 (d) The Public Utilities Regulatory Authority shall investigate and
308 hold a public hearing on the question of granting its approval with
309 respect to any application made under subsection (b) or (c) of this
310 section and thereafter may approve or disapprove any such application
311 in whole or in part and upon such terms and conditions as it deems
312 necessary or appropriate. In connection with its investigation, the
313 authority may request the views of the gas, electric distribution, water,
314 telephone or community antenna television company or holding
315 company which is the subject of the application with respect to the
316 proposed acquisition. After the filing of an application satisfying the
317 requirements of such regulations as the authority may adopt in
318 accordance with the provisions of chapter 54, but not later than thirty
319 business days after the filing of such application, the authority shall give
320 prompt notice of the public hearing to the person required to file the
321 application and to the subject company or holding company. Such
322 hearing shall be commenced as promptly as practicable after the filing
323 of the application, but not later than ~~[thirty]~~ ninety business days after
324 the filing, and the authority shall make its determination as soon as
325 practicable, but not later than ~~[one]~~ three hundred ~~[twenty]~~ fifty days
326 after the filing of the application unless the person required to file the
327 application agrees to an extension of time. The authority may, in its
328 discretion, grant the subject company or holding company the
329 opportunity to participate in the hearing by presenting evidence and
330 oral and written argument. If the authority fails to give notice of its
331 determination to hold a hearing, commence the hearing, or render its
332 determination after the hearing within the time limits specified in this
333 subdivision, the proposed acquisition shall be deemed approved. In
334 each proceeding on a written application submitted under said
335 subsection (b) or (c), the authority shall, in a manner which treats all
336 parties to the proceeding on an equal basis, take into consideration (1)

WORKING DRAFT

Bill No.

337 the financial, technological and managerial suitability and
338 responsibility of the applicant, (2) the ability of the gas, electric
339 distribution, water, telephone or community antenna television
340 company or holding company which is the subject of the application to
341 provide safe, adequate and reliable service to the public through the
342 company's plant, equipment and manner of operation if the application
343 were to be approved, and (3) for an application concerning a telephone
344 company, the effect of approval on the location and accessibility of
345 management and operations and on the proportion and number of state
346 resident employees.

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

349 (a) An electric distribution company may recover its costs and
350 investments that have been prudently incurred as well as its revenues
351 lost resulting from the provisions of sections 16-1, 16-19ff, 16-50k, 16-
352 50x, 16-243h to 16-243q, inclusive, 16-244c, 16-244u, 16-244x, 16-245d, 16-
353 245m, 16-245n, 16-245z, 16-262i, 16a-40l and 16a-40m and section 21 of
354 public act 05-1 of the June special session. The Public Utilities
355 Regulatory Authority shall, after a hearing held pursuant to the
356 provisions of chapter 54, determine the appropriate mechanism to
357 obtain such recovery in a timely manner which mechanism may be one
358 or more of the following: (1) Approval of rates as provided in sections
359 16-19 and 16-19e; (2) the energy adjustment clause as provided in section
360 16-19b; or (3) the federally mandated congestion charges, as defined in
361 section 16-1.

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

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

WORKING DRAFT

Bill No.

368 Sec. 10. Section 16-32i of the general statutes is repealed and the
369 following is substituted in lieu thereof (*Effective from passage and*
370 *applicable to any emergency occurring on or after July 1, 2020*):

371 The Public Utilities Regulatory Authority shall review the
372 performance of each electric distribution company and gas company, as
373 those terms are defined in section 16-1, after any emergency, as defined
374 in section 16-32e, (1) in which more than ten per cent of any such
375 company's customers were without service for more than forty-eight
376 consecutive hours, or (2) at the authority's discretion. The authority,
377 upon a finding that any such company failed to comply with any
378 standard of acceptable performance in emergency preparation or
379 restoration of service in an emergency, adopted pursuant to section 16-
380 32h, or with any order of the authority, shall make orders, after a hearing
381 that is conducted as a contested case in accordance with chapter 54, to
382 enforce such standards or orders and may levy civil penalties against
383 such company, pursuant to section 16-41, not to exceed a total of [two
384 and one-half] ten per cent of such electric distribution or gas company's
385 annual distribution revenue, for noncompliance in any such emergency.
386 In determining the amount of any penalty, the authority shall consider
387 whether such company received approval and reasonable funding
388 allowances, as determined by the authority, from the authority to meet
389 infrastructure resiliency efforts to improve such company's
390 performance. Any such penalty shall be assessed in the form of [a credit
391 to] credits to the accounts of ratepayers of such electric distribution or
392 gas company. Any such penalty shall not be included as an operating
393 expense of such company for purposes of ratemaking.

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

399 (b) Notwithstanding any other provision of the general statutes, each

WORKING DRAFT

Bill No.

400 electric distribution company shall provide to each residential customer
401 of such company a credit of one hundred twenty-five dollars on the
402 balance of such customer's account for each day of service outage that
403 occurs more than seventy-two consecutive hours after the occurrence of
404 an emergency.

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

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

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

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

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

425 (d) Not later than March 1, 2021, each electric distribution company
426 shall submit to the Public Utilities Regulatory Authority for approval a
427 proposed plan for its administrative process to implement the
428 compensation reimbursement pursuant to this section.

WORKING DRAFT

Bill No.

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

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

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

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

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

450 (2) An analysis of any such company's (A) estimates concerning
451 potential damage and service outages prior to the last five storm events
452 classified as a level three, four or five, (B) damage and service outage
453 assessments after the last five storm events classified as a level three,
454 four or five, (C) restoration management after the last five storm events
455 classified as a level three, four or five, including access to alternate
456 restoration resources via regional and reciprocal aid contracts, (D)
457 planning for at-risk and vulnerable customers, (E) communication
458 policies with state and local officials and customers, including
459 individual customer restoration estimates and the accuracy of such

WORKING DRAFT

Bill No.

460 estimates, (F) infrastructure, facilities and equipment, which shall
461 include, but not be limited to, an examination of (i) whether such
462 infrastructure, facilities and equipment are in good repair and capable
463 of meeting operational standards, (ii) whether such company is
464 following standard industry practice concerning operation and
465 maintenance of such infrastructure, facilities and equipment, (iii) the age
466 and condition of such infrastructure, facilities and equipment, (iv)
467 whether maintenance of such infrastructure, facilities and equipment
468 has been delayed, and (v) whether such company had access to
469 adequate replacement equipment for such infrastructure, facilities and
470 equipment during the course of the last five storm events classified as a
471 level three, four or five, and (G) compliance with any emergency
472 response standards adopted by the authority.

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

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

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

WORKING DRAFT

Bill No.

492 disruptions caused by such emergency.

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

500 Sec. 14. (NEW) (*Effective October 1, 2020*) (a) Not later than January 1,
501 2021, each electric distribution company shall open, operate and staff all
502 regional service centers available to such company.

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

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

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

515 (a) Each (1) public service company and its officers, agents and
516 employees, (2) electric supplier or person providing electric generation
517 services without a license in violation of section 16-245, and its officers,
518 agents and employees, (3) certified telecommunications provider or
519 person providing telecommunications services without authorization
520 pursuant to sections 16-247f to 16-247h, inclusive, and its officers, agents
521 and employees, (4) person, public agency or public utility, as such terms

WORKING DRAFT

Bill No.

522 are defined in section 16-345, subject to the requirements of chapter 293,
523 (5) person subject to the registration requirements under section 16-
524 258a, (6) cellular mobile telephone carrier, as described in section 16-
525 250b, (7) Connecticut electric efficiency partner, as defined in section 16-
526 243v, (8) company, as defined in section 16-49, and (9) entity approved
527 to submeter pursuant to section 16-19ff shall obey, observe and comply
528 with all applicable provisions of this title and each applicable order
529 made or applicable regulations adopted by the Public Utilities
530 Regulatory Authority by virtue of this title as long as the same remains
531 in force. Any such company, electric supplier, certified
532 telecommunications provider, cellular mobile telephone carrier,
533 Connecticut electric efficiency partner, entity approved to submeter,
534 person, any officer, agent or employee thereof, public agency or public
535 utility which the authority finds has failed to obey or comply with any
536 such provision of this title, order or regulation shall be fined, ordered to
537 pay restitution to customers or ordered to pay a combination of a fine
538 and restitution by order of the authority in accordance with the penalty
539 prescribed for the violated provision of this title or, if no penalty is
540 prescribed, not more than ten thousand dollars for each offense, except
541 that the penalty shall be a fine, restitution to customers or a combination
542 of a fine and restitution of not more than forty thousand dollars for
543 failure to comply with an order of the authority made in accordance
544 with the provisions of section 16-19 or 16-247k or within thirty days of
545 such order or within any specific time period for compliance specified
546 in such order. The authority may direct a portion of any fine levied
547 pursuant to this section to be paid to a nonprofit agency engaged in
548 energy assistance programs named by the authority in its decision or
549 notice of violation. Each distinct violation of any such provision of this
550 title, order or regulation shall be a separate offense and, in case of a
551 continued violation, each day thereof shall be deemed a separate
552 offense. Each such penalty and any interest charged pursuant to
553 subsection (g) or (h) of section 16-49 shall be excluded from operating
554 expenses for purposes of rate-making.

WORKING DRAFT

Bill No.

555 Sec. 16. Section 16a-3a of the 2020 supplement to the general statutes
556 is repealed and the following is substituted in lieu thereof (*Effective*
557 *October 1, 2020*):

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

574 (b) On or before January 1, 2020, and biennially thereafter, the
575 Commissioner of Energy and Environmental Protection [, in
576 consultation with the electric distribution companies,] shall prepare an
577 assessment of (1) the energy and capacity requirements of customers for
578 the next three, five and ten years, (2) the manner of how best to eliminate
579 growth in electric demand, (3) how best to level electric demand in the
580 state by reducing peak demand and shifting demand to off-peak
581 periods, (4) the impact of current and projected environmental
582 standards, including, but not limited to, those related to greenhouse gas
583 emissions and the federal Clean Air Act goals and how different
584 resources could help achieve those standards and goals, (5) energy
585 security and economic risks associated with potential energy resources,
586 [and] (6) the estimated lifetime cost and availability of potential energy
587 resources, and (7) in the next Integrated Resources Plan adopted after

WORKING DRAFT

Bill No.

588 September 15, 2020, whether the wholesale market structure in effect at
589 the time of such plan's adoption is compatible with achieving the policy
590 objectives assessed pursuant to this section.

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

608 (d) The Integrated Resources Plan shall consider: (1) Approaches to
609 maximizing the impact of demand-side measures; (2) the extent to
610 which generation needs can be met by renewable and combined heat
611 and power facilities; (3) the optimization of the use of generation sites
612 and generation portfolio existing within the state; (4) fuel types,
613 diversity, availability, firmness of supply and security and
614 environmental impacts thereof, including impacts on meeting the state's
615 greenhouse gas emission goals; (5) reliability, peak load and energy
616 forecasts, system contingencies and existing resource availabilities; (6)
617 import limitations and the appropriate reliance on such imports; (7) the
618 impact of the Integrated Resources Plan on the costs of electric
619 customers; and (8) the effects on participants and nonparticipants. Such
620 plan shall include options for lowering the rates and cost of electricity.

WORKING DRAFT

Bill No.

621 (e) In approving the Integrated Resources Plan, the Commissioner of
622 Energy and Environmental Protection shall conduct an uncontested
623 proceeding that shall include not less than one public meeting and one
624 technical meeting at which technical personnel shall be available to
625 answer questions. Such meetings shall be transcribed and posted on the
626 department's Internet web site. Not less than fifteen days before any
627 such public meeting and thirty days before any such technical meeting,
628 said commissioner shall publish notice of either such meeting and post
629 the text of the proposed Integrated Resources Plan on the department's
630 Internet web site. Notice of such public meeting or technical meeting
631 may also be published in one or more newspapers having state-wide
632 circulation if deemed necessary by the commissioner. Such notice shall
633 state the date, time, and place of the meeting, the subject matter of the
634 meeting and time period during which comments may be submitted to
635 said commissioner, the statutory authority for the proposed Integrated
636 Resources Plan and the location where a copy of the proposed plan may
637 be obtained or examined. Said commissioner shall provide a time period
638 of not less than sixty days from the date the notice is published on the
639 department's Internet web site for public review and comment. Said
640 commissioner shall consider fully all written and oral comments
641 concerning the proposed Integrated Resources Plan after all public
642 meetings and before approving the final plan. Said commissioner shall
643 (1) notify by electronic mail each person who requests such notice, and
644 (2) post on the department's Internet web site the electronic text of the
645 final Integrated Resources Plan and a report summarizing all public
646 comments and the changes made to the final plan in response to such
647 comments and the reasons therefor. The commissioner shall submit the
648 final Integrated Resources Plan by electronic means, or as requested, to
649 the joint standing committees of the General Assembly having
650 cognizance of matters relating to energy and the environment. Said
651 commissioner may modify the Integrated Resources Plan to correct
652 clerical errors at any time without following the procedures outlined in
653 this subsection.

WORKING DRAFT

Bill No.

654 (f) Not later than two years after the adoption of the Integrated
655 Resources Plan, and every two years thereafter, the Commissioner of
656 Energy and Environmental Protection shall report to the joint standing
657 committees of the General Assembly having cognizance of matters
658 relating to energy and the environment regarding goals established and
659 progress toward implementation of said plan, as well as any
660 recommendations concerning such plan. Any such report may be
661 submitted electronically.

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

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

676 (i) For the Integrated Resources Plan next approved after June 14,
677 2018, the department shall include recommendations for the creation of
678 a portfolio standard for thermal energy that may include, but not be
679 limited to, biodiesel that is blended into home heating oil, provided the
680 department shall consult with representatives of the heating oil industry
681 and biodiesel producers during the development of such
682 recommendations.

683 (j) For the Integrated Resources Plan next approved after January 1,
684 2019, the department shall determine (1) the quantity of energy the

WORKING DRAFT

Bill No.

685 Commissioner of Energy and Environmental Protection may seek in any
686 solicitation or solicitations of proposals initiated on or after January 1,
687 2020, pursuant to section 16a-3n, provided the quantity of energy sought
688 in any such solicitations in the aggregate shall be from resources that
689 have a total nameplate capacity rating of not more than two thousand
690 megawatts in the aggregate, less any energy purchased pursuant to
691 section 16a-3n on or before December 31, 2019; and (2) the timing and
692 schedule of any solicitation or solicitations of proposals initiated on or
693 after January 1, 2020, pursuant to section 16a-3n, provided such
694 schedule shall provide for the solicitation of resources with a nameplate
695 capacity rating of two thousand megawatts in the aggregate, less any
696 energy purchased pursuant to section 16a-3n on or before December 31,
697 2019, by December 31, 2030. Such determinations shall be based on
698 factors including, but not limited to, electricity system needs identified
699 by the Integrated Resources Plan, including, but not limited to, capacity,
700 winter reliability, progress in meeting the goals in the Global Warming
701 Solutions Act pursuant to section 22a-200a, the priorities of the
702 Comprehensive Energy Strategy adopted pursuant to section 16a-3d,
703 positive impacts on the state's economic development, opportunities to
704 coordinate procurement with other states, forecasted trends in
705 technology costs and impacts on the state's ratepayers.

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

717 Sec. 17. Subsection (h) of section 16-245o of the general statutes is

WORKING DRAFT

Bill No.

718 repealed and the following is substituted in lieu thereof (*Effective October*
719 *1, 2020*):

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

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

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

745 (B) For door-to-door sales to customers with a maximum demand of
746 one hundred kilowatts, which shall include the sale of electric
747 generation services in which the electric supplier, aggregator or agent of
748 an electric supplier or aggregator solicits the sale and receives the

WORKING DRAFT

Bill No.

749 customer's agreement or offer to purchase at a place other than the
750 seller's place of business, be conducted (i) in accordance with any
751 municipal and local ordinances regarding door-to-door solicitations, (ii)
752 between the hours of ten o'clock a.m. and six o'clock p.m. unless the
753 customer schedules an earlier or later appointment, and (iii) with both
754 English and Spanish written materials available. Any representative of
755 an electric supplier, aggregator or agent of an electric supplier or
756 aggregator shall prominently display or wear a photo identification
757 badge stating the name of such person's employer or the electric
758 supplier the person represents and shall not wear apparel, carry
759 equipment or distribute materials that includes the logo or emblem of
760 an electric distribution company or contains any language suggesting a
761 relationship that does not exist with an electric distribution company,
762 government agency or other supplier.

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

778 (4) No entity, including an aggregator or agent of an electric supplier
779 or aggregator, who sells or offers for sale any electric generation services
780 for or on behalf of an electric supplier, shall engage in any deceptive acts
781 or practices in the marketing, sale or solicitation of electric generation

WORKING DRAFT

Bill No.

782 services.

783 (5) Each electric supplier shall disclose to the Public Utilities
784 Regulatory Authority in a standardized format (A) the amount of
785 additional renewable energy credits, if any, such supplier will purchase
786 other than required credits, (B) where such additional credits are being
787 sourced from, and (C) the types of renewable energy sources that will
788 be purchased. Each electric supplier shall only advertise renewable
789 energy credits pursuant to the methodology approved by the authority
790 and shall report to the authority the renewable energy sources of such
791 credits and any changes to the types of renewable energy sources
792 offered.

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

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

809 (B) If a residential customer does not have a contract for electric
810 generation services with an electric supplier and is receiving a month-
811 to-month variable rate from such supplier, there shall be no fee for
812 termination or early cancellation.

WORKING DRAFT

Bill No.

813 (8) An electric supplier shall not make a material change in the terms
814 or duration of any contract for the provision of electric generation
815 services by an electric supplier without the express consent of the
816 customer. Nothing in this subdivision shall restrict an electric supplier
817 from renewing a contract by clearly informing the customer, in writing,
818 not less than thirty days or more than sixty days before the renewal date,
819 of the renewal terms, including a summary of any new or altered terms,
820 and of the option not to accept the renewal offer. [provided no fee
821 pursuant to subdivision (7) of this subsection shall be charged to a
822 customer who terminates or cancels such renewal within the first two
823 billing cycles of the renewed contract.]

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

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

830 Sec. 18. Subsection (j) of section 16-245 of the general statutes is
831 repealed and the following is substituted in lieu thereof (*Effective October*
832 *1, 2020*):

833 (j) No license may be transferred, and no customer may be assigned
834 or transferred, without the prior approval of the authority. Notice of the
835 assignment or transfer of a customer shall be provided to the authority
836 at least thirty days prior to the effective date of the assignment or
837 transfer of a customer from one electric supplier to another electric
838 supplier. The Public Utilities Regulatory Authority may, upon its
839 review of such notice, require certain conditions or deny assignment or
840 transfer of the customer. The authority shall approve such customer
841 assignment or transfer within thirty business days of the authority's
842 receipt of notice from the electric supplier unless the authority and
843 electric supplier agree to a specified extension of time. The authority

WORKING DRAFT

Bill No.

844 may assess additional licensing fees to pay the administrative costs of
845 reviewing a request for such transfer.

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

848 (a) As used in this section:

849 (1) "Municipality" has the same meaning as provided in section 7-
850 233b;

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

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

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

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

871 (6) "Resilience" means the ability to prepare for and adapt to changing
872 conditions and withstand and recover rapidly from deliberate attacks,

WORKING DRAFT

Bill No.

873 accidents or naturally occurring threats or incidents, including, but not
874 limited to, threats or incidents associated with the impacts of climate
875 change; and

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

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

893 (c) The department shall award grants or loans under the microgrid
894 and resilience grant and loan pilot program to any number of recipients.
895 The department shall prioritize proposals that benefit vulnerable
896 communities. To the extent possible, the amount of loans and grants
897 awarded under the program shall be evenly distributed between small,
898 medium and large municipalities. Such grants and loans may provide:
899 (1) Assistance with community planning that includes, but is not limited
900 to, microgrid or resilience project feasibility, including benefit-cost
901 analyses, (2) assistance to recipients for the cost of design, engineering
902 services and interconnection infrastructure for any such microgrid [,
903 and (2)] or resilience project, (3) matching funds or low interest loans for
904 an energy storage system or systems, as defined in section 16-1, or

WORKING DRAFT

Bill No.

905 distributed energy generation projects first placed in service on or after
906 July 1, 2016, provided such generation is derived from a Class I
907 renewable energy source, as defined in section 16-1, or a Class III energy
908 source, as defined in section 16-1, for any such microgrid or resilience
909 project, and (4) nonfederal cost share for grant or loan applications for
910 projects or programs that include microgrids or resilience. The
911 department may establish any financing mechanism to provide or
912 leverage additional funding to support the development of
913 interconnection infrastructure, distributed energy generation, [and]
914 microgrids and resilience projects.

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

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

932 (f) The Department of Energy and Environmental Protection, in
933 consultation with the Connecticut Academy of Science and Engineering,
934 shall study the methods of providing reliable electric services to critical
935 facilities, taking into consideration the location of such critical facilities.
936 Such study shall evaluate the costs and benefits of such methods,

WORKING DRAFT

Bill No.

937 including, but not limited to, the use of microgrids, undergrounding
938 and portable turbine generation, and shall make recommendations
939 identifying the most cost-effective and reliable of such methods. Not
940 later than January 1, 2013, the department shall submit the findings of
941 such study, in accordance with section 11-4a, to the joint standing
942 committee of the General Assembly having cognizance of matters
943 relating to energy and technology.

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

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

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

967 (2) The Independent Consumer Advocate may not be removed by the

WORKING DRAFT

Bill No.

968 electric distribution company's board of directors for any reason. The
969 electric distribution company's board of directors shall not direct or
970 oversee the activities of the Independent Consumer Advocate. The
971 electric distribution company's board of directors shall cooperate with
972 reasonable requests of the Independent Consumer Advocate to enable
973 the Independent Consumer Advocate to effectively perform his or her
974 duties and functions.

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

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

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

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

982 (3) Repealed by P.A. 11-61, S. 187.

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

984 (c) The Commissioner of Energy and Environmental Protection shall
985 appoint and convene an Energy Conservation Management Board
986 which shall include the Commissioner of Energy and Environmental
987 Protection, or the commissioner's designee, the Consumer Counsel, or
988 the Consumer Counsel's designee, the Attorney General, or the
989 Attorney General's designee, and a representative of: (1) An
990 environmental group knowledgeable in energy conservation program
991 collaboratives; (2) the electric distribution companies in whose
992 territories the activities take place for such programs; (3) a state-wide
993 manufacturing association; (4) a chamber of commerce; (5) a state-wide
994 business association; (6) a state-wide retail organization; (7) a state-wide
995 farm association; (8) a municipal electric energy cooperative created
996 pursuant to chapter 101a; and (9) residential customers. The board shall

WORKING DRAFT

Bill No.

997 also include two representatives selected by the gas companies. The
998 members of the board shall serve for a period of five years and may be
999 reappointed. Representatives of gas companies, electric distribution
1000 companies and the municipal electric energy cooperative shall be
1001 nonvoting members of the board. The members of the board shall elect
1002 a chairperson from its voting members. If any vote of the board results
1003 in an equal division of its voting members, such vote shall fail.

1004 (d) (1) Not later than November 1, 2012, and every three years
1005 thereafter, electric distribution companies, as defined in section 16-1, in
1006 coordination with the gas companies, as defined in section 16-1, shall
1007 submit to the Energy Conservation Management Board a combined
1008 electric and gas Conservation and Load Management Plan, in
1009 accordance with the provisions of this section, to implement cost-
1010 effective energy conservation programs, demand management and
1011 market transformation initiatives. All supply and conservation and load
1012 management options shall be evaluated and selected within an
1013 integrated supply and demand planning framework. Services provided
1014 under the plan shall be available to all customers of electric distribution
1015 companies and gas companies, provided a customer of an electric
1016 distribution company may not be denied such services based on the fuel
1017 such customer uses to heat such customer's home. The Energy
1018 Conservation Management Board shall advise and assist the electric
1019 distribution companies and gas companies in the development of such
1020 plan. The Energy Conservation Management Board shall approve the
1021 plan before transmitting it to the Commissioner of Energy and
1022 Environmental Protection for approval, modification or rejection. The
1023 commissioner shall, in an uncontested proceeding during which the
1024 commissioner may hold a public meeting, approve, modify or reject said
1025 plan prepared pursuant to this subsection. Following approval by the
1026 commissioner, the board shall assist the companies in implementing the
1027 plan and collaborate with the Connecticut Green Bank to further the
1028 goals of the plan. Said plan shall include a detailed budget sufficient to
1029 fund all energy efficiency that is cost-effective or lower cost than

WORKING DRAFT

Bill No.

1030 acquisition of equivalent supply, and shall be [reviewed and] approved,
1031 modified or rejected by the commissioner. The commissioner may, in
1032 consultation with the Energy and Conservation Management Board,
1033 issue a solicitation for conservation and load management plans
1034 administered by third parties, and may select any such plan that meets
1035 the goals of this section. Any such selected plan shall be funded by the
1036 revenues collected pursuant to this section. The Public Utilities
1037 Regulatory Authority shall, not later than sixty days after the plan or
1038 plans [is] are approved by the commissioner, ensure that the balance of
1039 revenues required to fund such [plan is] plans are provided through
1040 fully reconciling conservation adjustment mechanisms. Electric
1041 distribution companies shall collect a conservation adjustment
1042 mechanism that ensures the plan is fully funded by collecting an
1043 amount that is not more than the sum of six mills per kilowatt hour of
1044 electricity sold to each end use customer of an electric distribution
1045 company during the three years of any Conservation and Load
1046 Management Plan. The authority shall ensure that the revenues
1047 required to fund such [plan] any plan or plans approved by the
1048 commissioner pursuant to this section with regard to gas companies are
1049 provided through a fully reconciling conservation adjustment
1050 mechanism for each gas company of not more than the equivalent of
1051 four and six-tenth cents per hundred cubic feet during the three years of
1052 any Conservation and Load Management Plan. Said [plan] plans,
1053 collectively, shall include steps that would be needed to achieve the goal
1054 of weatherization of eighty per cent of the state's residential units by
1055 2030 and to reduce energy consumption by 1.6 million MMBtu, or the
1056 equivalent megawatts of electricity, as defined in subdivision (4) of
1057 section 22a-197, annually each year for calendar years commencing on
1058 and after January 1, 2020, up to and including calendar year 2025. Each
1059 program contained in the plan submitted by the electric distribution
1060 companies and gas companies shall be reviewed [by such companies]
1061 and accepted, modified or rejected by the Energy Conservation
1062 Management Board prior to submission to the commissioner for
1063 approval. The Energy Conservation Management Board shall, as part of

WORKING DRAFT

Bill No.

1064 its review, examine opportunities to offer joint programs providing
1065 similar efficiency measures that save more than one fuel resource or
1066 otherwise to coordinate programs targeted at saving more than one fuel
1067 resource. Any costs for joint programs shall be allocated equitably
1068 among the conservation programs. The Energy Conservation
1069 Management Board shall give preference to projects that maximize the
1070 reduction of federally mandated congestion charges.

1071 (2) There shall be a joint committee of the Energy Conservation
1072 Management Board and the board of directors of the Connecticut Green
1073 Bank. The boards shall each appoint members to such joint committee.
1074 The joint committee shall examine opportunities to coordinate the
1075 programs and activities funded by the Clean Energy Fund pursuant to
1076 section 16-245n with the programs and activities contained in the plan
1077 or plans developed under this subsection and to provide financing to
1078 increase the benefits of programs funded by the plan or plans so as to
1079 reduce the long-term cost, environmental impacts and security risks of
1080 energy in the state. Such joint committee shall hold its first meeting on
1081 or before August 1, 2005.

1082 (3) Programs included in the plan or plans developed under
1083 subdivision (1) of this subsection shall be screened through cost-
1084 effectiveness testing that compares the value and payback period of
1085 program benefits for all energy savings to program costs to ensure that
1086 programs are designed to obtain energy savings and [system] societal
1087 benefits, including mitigation of federally mandated congestion
1088 charges, whose value is greater than the costs of the programs. Program
1089 cost-effectiveness shall be reviewed by the Commissioner of Energy and
1090 Environmental Protection annually, or otherwise as is practicable, and
1091 shall incorporate the results of the evaluation process set forth in
1092 subdivision (4) of this subsection. If a program is determined to fail the
1093 cost-effectiveness test as part of the review process, it shall either be
1094 modified to meet the test or shall be terminated, unless it is integral to
1095 other programs that in combination are cost-effective. On or before
1096 March 1, 2005, and on or before March first annually thereafter, the

WORKING DRAFT

Bill No.

1097 board shall provide a report, in accordance with the provisions of
1098 section 11-4a, to the joint standing committees of the General Assembly
1099 having cognizance of matters relating to energy and the environment
1100 that documents (A) expenditures and fund balances and evaluates the
1101 cost-effectiveness of such programs conducted in the preceding year,
1102 and (B) the extent to and manner in which the programs of such board
1103 collaborated and cooperated with programs, established under section
1104 7-233y, of municipal electric energy cooperatives. To maximize the
1105 reduction of federally mandated congestion charges, programs in the
1106 plan may allow for disproportionate allocations between the amount of
1107 contributions pursuant to this section by a certain rate class and the
1108 programs that benefit such a rate class. Before conducting such
1109 evaluation, the board shall consult with the board of directors of the
1110 Connecticut Green Bank. The report shall include a description of the
1111 activities undertaken during the reporting period.

1112 (4) The Commissioner of Energy and Environmental Protection shall
1113 adopt an independent, comprehensive program evaluation,
1114 measurement and verification process to ensure the Energy
1115 Conservation Management Board's programs, and any other plan or
1116 plans approved by the commissioner pursuant to subdivision (1) of this
1117 subsection, are administered appropriately and efficiently, comply with
1118 statutory requirements, programs and measures are cost effective,
1119 evaluation reports are accurate and issued in a timely manner,
1120 evaluation results are appropriately and accurately taken into account
1121 in program development and implementation, and information
1122 necessary to meet any third-party evaluation requirements is provided.
1123 An annual schedule and budget for evaluations as determined by the
1124 board shall be included in the plan or plans filed with or selected by the
1125 commissioner pursuant to subdivision (1) of this subsection. The electric
1126 distribution and gas company representatives and the representative of
1127 a municipal electric energy cooperative may not vote on board plans,
1128 budgets, recommendations, actions or decisions regarding such process
1129 or its program evaluations and their implementation. Program and

WORKING DRAFT

Bill No.

1130 measure evaluation, measurement and verification shall be conducted
1131 on an ongoing basis, with emphasis on impact and process evaluations,
1132 programs or measures that have not been studied, and those that
1133 account for a relatively high percentage of program spending.
1134 Evaluations shall use statistically valid monitoring and data collection
1135 techniques appropriate for the programs or measures being evaluated.
1136 All evaluations shall contain a description of any problems encountered
1137 in the process of the evaluation, including, but not limited to, data
1138 collection issues, and recommendations regarding addressing those
1139 problems in future evaluations. The board shall contract with one or
1140 more consultants not affiliated with the board members to act as an
1141 evaluation administrator, advising the board regarding development of
1142 a schedule and plans for evaluations and overseeing the program
1143 evaluation, measurement and verification process on behalf of the
1144 board. Consistent with board processes and approvals and the
1145 Commissioner of Energy and Environmental Protection's decisions
1146 regarding evaluation, such evaluation administrator shall implement
1147 the evaluation process by preparing requests for proposals and selecting
1148 evaluation contractors to perform program and measure evaluations
1149 and by facilitating communications between evaluation contractors and
1150 program administrators to ensure accurate and independent
1151 evaluations. In the evaluation administrator's discretion and at his or
1152 her request, the [electric distribution and gas companies] administrators
1153 of the program under review shall communicate with the evaluation
1154 administrator for purposes of data collection, vendor contract
1155 administration, and providing necessary factual information during the
1156 course of evaluations. The evaluation administrator shall bring
1157 unresolved administrative issues or problems that arise during the
1158 course of an evaluation to the board for resolution, but shall have sole
1159 authority regarding substantive and implementation decisions
1160 regarding any evaluation. Board members, including electric
1161 distribution and gas company representatives, may not communicate
1162 with an evaluation contractor about an ongoing evaluation except with
1163 the express permission of the evaluation administrator, which may only

WORKING DRAFT

Bill No.

1164 be granted if the administrator believes the communication will not
1165 compromise the independence of the evaluation. The evaluation
1166 administrator shall file evaluation reports with the board and with the
1167 Commissioner of Energy and Environmental Protection in its most
1168 recent uncontested proceeding pursuant to subdivision (1) of this
1169 subsection and the board shall post a copy of each report on its Internet
1170 web site. The board and its members, including electric distribution and
1171 gas company representatives, may file written comments regarding any
1172 evaluation with the commissioner or for posting on the board's Internet
1173 web site. Within fourteen days of the filing of any evaluation report, the
1174 commissioner, members of the board or other interested persons may
1175 request in writing, and the commissioner shall conduct, a transcribed
1176 technical meeting to review the methodology, results and
1177 recommendations of any evaluation. Participants in any such
1178 transcribed technical meeting shall include the evaluation
1179 administrator, the evaluation contractor and the Office of Consumer
1180 Counsel at its discretion. On or before November 1, 2011, and annually
1181 thereafter, the board shall report to the joint standing committee of the
1182 General Assembly having cognizance of matters relating to energy, with
1183 the results and recommendations of completed program evaluations.

1184 (5) Programs included in the plan or plans [developed] approved by
1185 the commissioner under subdivision (1) of this subsection may include,
1186 but not be limited to: (A) Conservation and load management programs,
1187 including programs that benefit low-income individuals; (B) research,
1188 development and commercialization of products or processes which are
1189 more energy-efficient than those generally available; (C) development
1190 of markets for such products and processes; (D) support for energy use
1191 assessment, real-time monitoring systems, engineering studies and
1192 services related to new construction or major building renovation; (E)
1193 the design, manufacture, commercialization and purchase of energy-
1194 efficient appliances and heating, air conditioning and lighting devices;
1195 (F) program planning and evaluation; (G) indoor air quality programs
1196 relating to energy conservation; (H) joint fuel conservation initiatives

WORKING DRAFT

Bill No.

1197 programs targeted at reducing consumption of more than one fuel
1198 resource; (I) conservation of water resources; (J) public education
1199 regarding conservation; and (K) demand-side technology programs,
1200 [recommended by the Conservation and Load Management Plan.]
1201 Support for such programs may be by direct funding, manufacturers'
1202 rebates, sale price and loan subsidies, leases and promotional and
1203 educational activities. The Energy Conservation Management Board
1204 shall periodically review contractors to determine whether they are
1205 qualified to conduct work related to such programs and to ensure that
1206 in making the selection of contractors to deliver programs, a fair and
1207 equitable process is followed. There shall be a rebuttable presumption
1208 that such contractors are deemed technically qualified if certified by the
1209 Building Performance Institute, Inc. or by an organization selected by
1210 the commissioner. The plan or plans shall also provide for expenditures
1211 by the board for the retention of expert consultants and reasonable
1212 administrative costs provided such consultants shall not be employed
1213 by, or have any contractual relationship with, an electric distribution
1214 company or a gas company. Such costs shall not exceed five per cent of
1215 the total cost of the plan.

1216 (e) Deleted by P.A. 11-80, S. 33.

1217 (f) Not later than December 31, 2006, and not later than December
1218 thirty-first every five years thereafter, the Energy Conservation
1219 Management Board shall, after consulting with the Connecticut Green
1220 Bank, conduct an evaluation of the performance of the programs and
1221 activities specified in the plan or plans approved by the commissioner
1222 pursuant to subsection (d) of this section and submit a report, in
1223 accordance with the provisions of section 11-4a, of the evaluation to the
1224 joint standing committee of the General Assembly having cognizance of
1225 matters relating to energy.

1226 (g) Repealed by P.A. 06-186, S. 91.

WORKING DRAFT

Bill No.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16-19(a)
Sec. 3	<i>October 1, 2020</i>	16-19a(a) and (b)
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>October 1, 2020</i>	16-19(a) and (b)
Sec. 7	<i>October 1, 2020</i>	16-43(b)
Sec. 8	<i>October 1, 2020</i>	16-47(d)
Sec. 9	<i>October 1, 2020</i>	16-243p
Sec. 10	<i>from passage and applicable to any emergency occurring on or after July 1, 2020</i>	16-32i
Sec. 11	<i>from passage and applicable to any emergency occurring on or after July 1, 2020</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>October 1, 2020</i>	New section
Sec. 15	<i>from passage</i>	16-41(a)
Sec. 16	<i>October 1, 2020</i>	16a-3a
Sec. 17	<i>October 1, 2020</i>	16-245o(h)
Sec. 18	<i>October 1, 2020</i>	16-245(j)
Sec. 19	<i>October 1, 2020</i>	16-243y
Sec. 20	<i>October 1, 2020</i>	New section
Sec. 21	<i>October 1, 2020</i>	New section
Sec. 22	<i>October 1, 2020</i>	16-245m