

Office of Legislative Research  
Connecticut General Assembly



**ACTS AFFECTING ENERGY AND UTILITIES**



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## NOTICE TO READERS

This report provides highlights of new laws (public acts) affecting energy and public utilities enacted during the 2010 regular and special legislative sessions. In each summary we indicate the public act (PA) number. The report does not cover special acts and public acts that were vetoed unless the veto was overridden. Notably, it does not cover PA 10-97, An Act Reducing Electricity Costs and Promoting Renewable Energy. OLR report [2010-R-0215](#) summarizes this vetoed act.

Not all provisions of the acts are included here. Complete summaries of all 2010 public acts are available on OLR's webpage: <http://www.cga.state.ct.us/olr/publicactsummaries.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, the House Clerk's Office, or the General Assembly's website: <http://www.cga.state.ct.us/default.asp>.

## TABLE OF CONTENTS

Green Industries And Jobs .....	4
Green Technologies .....	4
Green Connecticut Loan Guaranty Program.....	4
Education For Green Jobs .....	5
Renewable Energy .....	5
Biodiesel .....	5
Contracts With Renewable Generators.....	5
Solar Energy.....	6
Miscellaneous.....	6
Energy Assistance .....	6
Heating Oil.....	6
Securitization Of Electric Charges .....	7
Utility Company Deposits .....	7
Telecommunications Companies.....	7

## **GREEN INDUSTRIES AND JOBS**

### ***Green Technologies***

A comprehensive new law to promote new jobs has several provisions to promote green technologies. It exempts from the sales and use tax items sold, stored, used, or consumed in the renewable and clean energy technology industry. This industry produces, improves, or develops solar energy electricity generating systems, passive or active solar water or space heating systems, and wind power electric generation systems and related equipment. The exemption applies to machines, equipment, tools, material, supplies, and fuel sold, stored, used, or consumed in these industries.

The act also establishes loan reimbursements and grants to Connecticut students seeking jobs in alternative energy technology and other related fields funded by transferring \$3 million from the quasi-public Connecticut Health and Educational Facilities Authority (CHEFA) to the General Fund.

Finally, the act authorizes \$500,000 in bonds with up to 20-year terms for a pilot program to help manufacturers convert their facilities into green operations or implement energy efficiency measures by using lean manufacturing strategies. Manufacturers qualify for

assistance if they are principally located in Connecticut and have fewer than 250 employees, at least 75% of whom work here. The Department of Economic and Community Development (DECD) must implement the program.

**(PA 10-75**, effective upon passage for the training provisions, except the provision transferring funds to the General Fund takes effect January 1, 2012, and the tax and financing provisions take effect July 1, 2010)

### ***Green Connecticut Loan Guaranty Program***

New legislation requires the CHEFA to use state bond money to guarantee loans made by participating lending institutions to eligible participants for energy conservation projects. Eligible participants are individuals, nonprofits, and businesses employing up to 50 full-time workers. In consultation with the Office of Policy and Management (OPM), CHEFA must identify types of projects eligible for the program. These can include the purchase or installation of insulation, alternative energy devices, energy conservation material, replacement furnaces and boilers, and technologically advanced energy conservation equipment.

**(PA 10-179**, effective July 1, 2010)

## ***Education for Green Jobs***

A new law requires higher education institutions in Connecticut to publicize green technology initiatives in higher education and collaborate in furthering these initiatives.

The act requires the Department of Higher Education, in consultation with the Department of Education, to develop annually and publish on its website (1) a list of every green jobs course and academic program in a public higher education institution or a regional vocational-technical school in the state and (2) an inventory of green jobs-related equipment in these schools. Additionally, the act requires the Community-Technical Colleges (CTC) Board of Trustees to have uniformly named green jobs academic programs in the CTCs.

The act also requires institutions to (1) hold meetings to explore possible ways to collaborate on green initiatives and (2) support efforts to develop career ladders in the green technology industry.

(PA 10-156, effective October 1, 2010)

## **RENEWABLE ENERGY**

### ***Biodiesel***

A new law qualifies entities intending to actively produce or store and distribute biodiesel fuel for grants from the Connecticut

Qualified Biodiesel Producer Incentive account, which is administered by DECD. Prior law limited the grants to entities actively producing or storing and distributing this fuel.

The grants for producers are based on the amount of fuel produced according to a statutory schedule. The act substitutes a reduced grant schedule when funds fall below specified amounts.

The act also requires the Department of Environmental Protection commissioner to sell carbon dioxide allowances from a separately established account to combined heat and power generators that meet specific conditions, and sets the price of these allowances.

(PA 10-64, effective upon passage)

### ***Contracts with Renewable Generators***

By law, electric companies must enter long-term power purchase contracts with certain renewable energy producers, subject to the Department of Public Utility Control (DPUC) approval. A new law permits a fuel cell project with an electricity purchase agreement that meets certain criteria to request a change in the agreement.

(PA 10-152, effective upon passage)

## ***Solar Energy***

New legislation requires the administrator of the solar photovoltaic rebate program funded by the Clean Energy Fund to allow E-1 and E-2 electrical licensees to be eligible photovoltaic rebate program contractors if they are qualified by experience or training in photovoltaic system siting, design, and electrical services. It specifies that such electricians are not exempt from a rebate program's insurance or inspection requirements.

(PA 10-80, effective upon passage)

## **MISCELLANEOUS**

### ***Energy Assistance***

New legislation reduces, by \$1 million, an appropriation to OPM for an emergency energy assistance program for Connecticut households with incomes over 150% and not more than 200% of the federal poverty level who cannot make timely payments on deliverable fuel, electricity, or natural gas bills. Under the program, Operation Fuel, Inc., a nonprofit organization, pays the assistance directly to the fuel vendor, electric or gas company, or municipal electric or gas utility.

(PA 10-3, effective upon passage)

## ***Heating Oil***

A new law (1) reduces the maximum allowable sulfur content in heating oil and (2) establishes biodiesel blending requirements for such oil. It reduces the heating oil sulfur standard from 3,000 parts per million (ppm) to 50 ppm beginning July 1, 2011, and to 15 ppm beginning July 1, 2014.

The biodiesel blending requirements begin at 2% in 2011, increasing in steps to 20% by 2020, if certain conditions are met. The act provides for a waiver from these requirements.

The maximum allowable sulfur content and the biodiesel blending provisions do not take effect until Massachusetts, New York, and Rhode Island each has adopted substantially similar requirements.

The act establishes a Distillate Advisory Board within the Department of Consumer Protection to advise the commissioner on progress in meeting the act's requirements. It act also establishes reporting requirements.

(PA 10-74, effective July 1, 2011 for the heating oil sulfur provision; October 1, 2010 for the biodiesel provisions)

### ***Securitization of Electric Charges***

To help fund the FY 11 General Fund budget plan, the legislature authorized the state to issue bonds backed by two charges imposed on electric bills (the competitive transaction charge and the conservation charge). It also required DPUC, from January 1, 2011 through June 30, 2011, to have electric companies assess their customers a per kilowatt-hour charge to raise revenue for the General Fund.

(PA 10-179, effective on passage)

### ***Utility Company Deposits***

Legislation passed this session prohibits a utility company, other than a telephone company, from requiring nonresidential customers to pay a deposit greater than the amount the company charges for 1.5 months of service. It requires DPUC to study utilities' use of service deposits from nonresidential customers.

(PA 10-190, effective upon passage)

### **TELECOMMUNICATIONS COMPANIES**

A new law eliminates the option for companies providing mobile telecommunications services to have their personal property taxed at a statewide mill rate and specifies how this

property must be taxed. It also specifies how property that was fully depreciated as of the October 1, 2009 grand list must be treated.

(PA 10-171, effective on, and applicable to assessment years beginning on or after October 1, 2010)

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