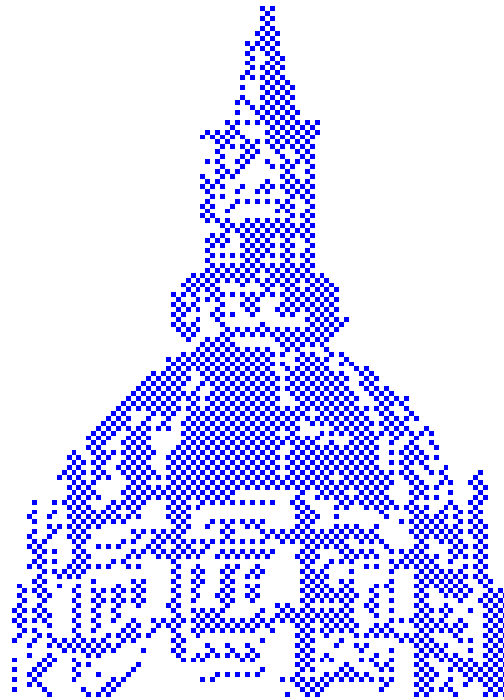




ACTS AFFECTING ENERGY AND UTILITIES



2014-R-0170

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NOTICE TO READERS

This report provides highlights of new laws (public acts) affecting energy and public utilities enacted during the 2014 regular legislative session. In each summary, we indicate the public act (**PA**) number, if available. The report does not cover vetoed public acts unless the veto was overridden.

Not all provisions of the acts are included here. Complete summaries of all 2014 public acts are available on [OLR's webpage](http://www.cga.ct.gov/olr/) (<http://www.cga.ct.gov/olr/>).

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.ct.gov) (<http://www.cga.ct.gov>).

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ALTERNATIVE FUEL AND RENEWABLE ENERGY

Clean Energy Finance and Investment Authority

[PA 14-94](#) (§§ 23, 24, 29) renames the Clean Energy Finance and Investment Authority as the Connecticut Green Bank. It also expands its commercial property assessed clean energy program (C-**PACE**) to include microgrids. Under C-**PACE**, the Connecticut Green Bank can enter into an agreement with certain commercial property owners to finance energy efficiency or renewable energy improvements backed by a lien on the property. The act also requires the Connecticut Green Bank, by January 1, 2015, to submit a report on a residential property assessed clean energy program.

[PA 14-94](#) (§ 31) also allows electric companies to recover their costs, investments, and lost revenues incurred as a result of on-bill repayment programs established for residential clean energy and heating equipment financing programs.

EFFECTIVE DATE: Upon passage

Connecticut Resources Recovery Authority

[PA 14-94](#) (§§ 1-17) dissolves the Connecticut Resources Recovery Authority (CRRRA) and establishes the Materials Innovation and Recycling Authority (MIRA) as a successor

authority. It revises the authority's activities, powers, and purposes by, among other things:

1. eliminating its (a) power to condemn real property for public purposes and (b) ability to assist the Department of Energy and Environmental Protection (DEEP) in preparing and revising the solid waste management plan;
2. expanding on its ability to do anything necessary to conduct its comprehensive solid waste disposal and resources recovery program by including reuse and recycling; and
3. decreasing, from 75 to 45 people, the statutory cap on how many people the authority may employ.

The CRRRA was a quasi-public agency that planned, designed, built, and operated solid waste disposal, volume reduction, recycling, intermediate processing, and resource recovery facilities. It also managed member towns' solid waste through regional trash-to-energy systems.

EFFECTIVE DATE: Upon passage

Electricity Purchasing Pool

By law, DEEP operates a purchasing pool to buy electricity for state operations and certain low-income households. [PA 14-94](#) (§ 9):

1. expands the pool's purpose to include buying electricity for municipal operations in participating municipalities, and
2. authorizes the DEEP commissioner to (a) provide grants to municipalities that join the pool and commit to achieve

the state's diversion, recycling, and reuse goals and (b) solicit proposals, on behalf of any state agency, municipality, or institution of higher education, to buy electricity for state and municipal operations and meet the state's energy policy goals.

The act also requires the commissioner to solicit proposals that supply the purchasing pool with at least 60% of their energy from Class II trash-to-energy facilities.

EFFECTIVE DATE: Upon passage

Limits on Property Tax Exemptions for Energy Improvements

[PA 14-94](#) (§§ 56, 57) limits property tax exemptions for solar thermal and geothermal energy systems to the difference between the property's value with the installed system and with only the system's conventional portion.

EFFECTIVE DATE: Upon passage and applicable to assessment years starting on and after October 1, 2014.

Project 150 Extensions

By law, electric companies must enter into long-term contracts to buy 150 megawatts of power produced at renewable energy plants (Project 150). [PA 14-94](#) (§ 25) increases the in-service date extension, from 24 to 36 months, which the Public Utilities Regulatory Authority (PURA) must grant to certain requesting Project 150 projects with less than a 5 megawatt capacity.

EFFECTIVE DATE: Upon passage

Vehicles

[PA 14-136](#) allows the Department of Administrative Services commissioner to give up to 10% price preference when awarding state contracts to (1) vehicles fueled by hydrogen or propane and (2) equipment to convert a conventionally powered vehicle to one powered by such fuels.

EFFECTIVE DATE: October 1, 2014

CALL BEFORE YOU DIG

The state's Call Before You Dig program requires utility companies to file the locations of their underground facilities (e.g., pipelines) with a central clearinghouse operated by PURA. People must notify the clearinghouse before commencing certain projects. The clearinghouse notifies the utility, which provides the person, public agency, or other utility with its facilities' approximate underground location. [PA 14-94](#) (§§ 38-47) expands the scope of this program by requiring any person, public agency, or public utility to notify the central clearinghouse when they propose to discharge explosives or demolish any structure, regardless of location. Prior law only required notification if the discharge of explosives was at or near the location of public utility facilities, or if the demolition contained a public utility facility. The act also:

1. changes the definition of "public utility" to (a) include owners or operators of underground facilities that furnish communications and fire signal

services and (b) exclude owners of facilities that provide a utility service solely for the owner's private residence;

2. extends hand-digging requirements to cover facilities containing any combustible or hazardous fluids or gasses, and requires such precautions whenever excavation is in the approximate location of these facilities;
3. deletes statutory requirements concerning the timeline and methods for notifying the clearinghouse and instead directs PURA to promulgate regulations to govern this process; and
4. makes several other technical and substantive changes.

EFFECTIVE DATE: October 1, 2015

CONSUMER PROTECTIONS

Electricity Consumers

[PA 14-75](#) changes laws concerning the electricity market for residential customers. The act prohibits suppliers from raising rates for the first three billing cycles of new supplier contracts entered into on or after July 1, 2014. It also requires electric suppliers to notify residential customers in advance of certain rate changes and prohibits them from charging cancellation or early termination fees to residents who (1) move within the state and do not change suppliers or (2) lack a contract with a supplier and receive month-to-month variable rates. The act decreases the cap on such fees. It also requires

electric companies to transfer eligible residential customers to standard service within 72 hours of their request.

The act requires PURA to redesign the (1) standard billing format for residential customers' electricity bills; (2) customer account summaries on the electric companies' websites; and (3) rate board, the website that provides information on the rates of electric companies and electric suppliers. PURA must also develop a standard summary form of the terms and conditions of the contracts between electric suppliers and residential customers.

The act requires electric companies and electric suppliers to distribute certain rate information in bills and mailings, and to facilitate transfer of customers in a timely manner. It requires electric suppliers to disclose information on their highest and lowest rates charged in the previous year, and distribute that information online and with certain notices. It prohibits and restricts certain electric supplier marketing practices.

[PA 14-94](#) (§§ 58-62) made minor changes to provisions in [PA 14-75](#).

EFFECTIVE DATE: Upon passage, except for provisions (1) requiring supplier disclosure of the highest and lowest electric generation service rates and (2) prohibiting suppliers from increasing rates in the first three billing cycles, which are effective July 1, 2014.

Heating Fuel Consumers

[PA 14-51](#) prohibits heating fuel dealers from offering prepaid heating fuel guaranteed price plan contracts (i.e., plans offering a guaranteed price paid in advance of delivery) to consumers between November 1 and March 31 of the next year. It also (1) requires dealers to disclose certain information to consumers, (2) requires the Department of Revenue Services (DRS) commissioner to notify the Department of Consumer Protections annually of any outstanding tax delinquencies a heating fuel dealer owes to the state, and (3) lowers the minimum fuel oil delivery amount on which dealers may impose a surcharge.

EFFECTIVE DATE: July 1, 2014, except for the DRS notification which is effective on passage.

ENERGY EFFICIENCY

Building Energy Efficiency Standards

[PA 14-94](#) (§ 19) requires the adoption of new regulations, by January 1, 2015, for state building energy efficiency standards based on the U.S. Environmental Protection Agency's (EPA) national energy performance rating system and Energy Star Target Finder tool.

EFFECTIVE DATE: Upon passage

Exclusion for Certain State Facilities

[PA 14-199](#) excludes salt sheds, parking garages, and any type of maintenance facilities from energy

efficiency building requirements for state facilities, provided they incorporate the best economically feasible energy efficiency standards.

EFFECTIVE DATE: Upon passage

Product Energy Efficiency Standards

[PA 14-94](#) (§ 18) limits the requirement that manufacturers of certain products (e.g., commercial clothes washers, DVD players) certify their compliance with state energy efficiency standards with DEEP to only those products (1) for which DEEP has adopted energy efficiency standards and (2) that do not have energy efficiency standards in California.

EFFECTIVE DATE: October 1, 2014

METERING

Meter Aggregation Study

[PA 14-94](#) (§ 54) requires PURA to study the feasibility of allowing a nonprofit entity to aggregate its billable electric meters and report to the Energy and Technology Committee by January 1, 2015.

EFFECTIVE DATE: Upon passage

Virtual Net Metering

By law, municipal, state agency, and agricultural electric customers that install specified renewable generation systems ("hosts") are eligible to receive a billing credit for power they generate and provide to the grid. The customers can share this credit with certain other customers ("beneficial accounts"). The total amount of the credits is capped at \$10 million, and each of the three hosts

is limited to 40% of this amount. [PA 14-134](#) specifies that the 40% limit also applies to the beneficial accounts of these three categories of hosts.

EFFECTIVE DATE: Upon passage

NATURAL GAS COMPANIES

Lost and Unaccounted for Gas (LUAF)

[PA 14-152](#) requires PURA to (1) submit an annual report to the Energy and Technology Committee on the gas companies' lost and unaccounted for (LUAF) gas, (2) investigate a gas company if its LUAF gas exceeds 3% in any calendar year, and (3) establish a cost mechanism to encourage such a company to reduce its LUAF gas.

EFFECTIVE DATE: Upon passage

Natural Gas Expansion

[PA 14-94](#) (§ 51) modifies how certain gas company revenues are used to offset costs of expanding gas company infrastructure. Among other things, the act requires at least half of the nonfirm margin credits (i.e., credits gas companies receive for providing gas on an interruptible basis to some of their nonresidential customers) to be credited to ratepayers through a purchased gas adjustment clause, rather than being used to offset the rate base of the gas companies. It also directs PURA to consider the nonfirm margin credits used to offset expansion costs when establishing a hurdle rate (i.e., whether the projected new

distribution revenues will equal or exceed the cost of the expansion over a 25-year period).

EFFECTIVE DATE: Upon passage

TELECOMMUNICATIONS

Cable Television

[PA 14-94](#) (§ 27) changes the maximum cable television late charge to 8% of the balance due instead of 8% of the balance due per year.

EFFECTIVE DATE: Upon passage

High-Speed Network

[PA 14-217](#) authorizes the Office of Policy and Management to use funds in FY 15 from the regional planning incentive account to give a grant to the Capital Region Council of Governments and the Connecticut Center for Advanced Technology to create statewide high-speed network-related demonstration projects.

EFFECTIVE DATE: July 1, 2014

Siting of Telecommunication Towers

[PA 14-19](#) repeals a requirement for municipalities to annually report to the Connecticut Siting Council on the location, type, and height of existing telecommunication towers and existing and proposed antennae subject to local jurisdiction.

EFFECTIVE DATE: July 1, 2014

UTILITY TREE TRIMMING

[PA 14-151](#) makes several changes to the process utilities must follow before pruning or removing any trees or

shrubs around their poles and wires (i.e., vegetation management). Among other things, it:

1. requires a utility to obtain written affirmative consent from private property owners, including municipalities, before conducting vegetation management on the owner's property;
2. expands the information a utility must include in its notice to a property owner;
3. standardizes the deadlines to object to proposed vegetation management;
4. requires any utility pruning to be done in a manner that retains the pruned vegetation's structural integrity and health;
5. places the burden of proof on a utility if an abutting property owner objects to its proposed vegetation management and the case is appealed to PURA;
6. requires PURA to study, and eventually allow, parties to mediate their disputes over proposed vegetation management; and
7. requires each utility to operate an e-mail account to receive objections, modification requests, questions, and complaints about the vegetation management process.

EFFECTIVE DATE: Upon passage

WATER AND SEWER

Appeals of Sewer System Benefits Assessments

Prior law required anyone contesting a sewer benefit assessment (i.e., sewer charges not related to a customer's

usage) to appeal directly to the Superior Court. [PA 14-183](#) instead allows municipalities to adopt an ordinance authorizing their boards of assessment appeals to hear appeals of such assessments.

EFFECTIVE DATE: October 1, 2014

Clean Water Fund

[PA 14-13](#) expands the number of municipalities eligible to receive increased Clean Water Fund grants for phosphorus removal projects.

EFFECTIVE DATE: Upon passage

[PA 14-217](#) (§ 86) makes an eligible water quality project in Norwich eligible for five types of Clean Water funding and increases the funding amount by 5% for design and construction costs.

EFFECTIVE DATE: July 1, 2014

Metropolitan District (MDC)

The MDC is a non-profit municipal corporation chartered by the legislature in 1929 to provide potable water and sewerage services in the Hartford area. [SA 14-21](#) prohibits the MDC from charging higher surcharges to nonmember customers or assessing certain costs against them. It adds (1) various reporting requirements and (2) several members to the board of commissioners governing the MDC to represent nonmember municipalities.

EFFECTIVE DATE: January 1, 2015 for the reporting requirement and provision prohibiting higher surcharges for nonmembers, October 1, 2014 for membership changes to the board of commissioners.

State Water Plan

[PA 14-163](#) requires the state's Water Planning Council (WPC) to prepare a state water plan by July 1, 2017, while also expanding the allowed composition of the WPC's advisory group. It expands the Department of Public Health (DPH) commissioner's authority to declare a public drinking water supply emergency.

EFFECTIVE DATE: July 1, 2014

Water System Extensions

[PA 14-94](#) (§§ 50, 53) allows PURA, under certain circumstances and in consultation with DPH, to order a water company to extend its system to supply water to properties served by a deficient well system.

EFFECTIVE DATE: Upon passage

MISCELLANEOUS PROVISIONS

Connecticut Energy Advisory Board

[PA 14-94](#) dissolves the Connecticut Energy Advisory Board (CEAB) and eliminates all its duties. Under prior law, the CEAB was a nine-member board required to, among other things, (1) report to the General Assembly on the status of DEEP programs, (2) review requests from the General Assembly, and (3) issue a request for proposals for alternative sites when applications for siting certain electric transmission lines, fuel transmission facilities, or large electric generation facilities were filed with the Connecticut Siting Council.

EFFECTIVE DATE: Upon passage

Fracking Moratorium

[PA 14-200](#) establishes a moratorium on storing, disposing, treating, or otherwise transferring hydraulic fracturing waste (i.e., fracking waste) in Connecticut until the DEEP commissioner adopts regulations, which he has discretion not to do under certain circumstances. The act excludes from this requirement small amounts of fracking waste for use in research.

EFFECTIVE DATE: July 1, 2014

Wood-Burning Furnaces

[PA 14-93](#) (1) makes permanent a ban on outdoor wood-burning furnaces that do not meet certain requirements and (2) extends the requirement to burn only non-chemically treated wood to all outdoor wood-burning furnaces.

EFFECTIVE DATE: Upon passage

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