

**SECTIONS OF AN ACT CONCERNING ELECTRICITY AND ENERGY EFFICIENCY
IMPACTING THE CONNECTICUT ENERGY ADVISORY BOARD**

Sec. 51. (NEW) (*Effective from passage*) (a) The electric distribution companies, in consultation with the Connecticut Energy Advisory Board, established pursuant to section 16a-3 of the general statutes, as amended by this act, shall review the state's energy and capacity resource assessment and develop a comprehensive plan for the procurement of energy resources, including, but not limited to, conventional and renewable generating facilities, energy efficiency, load management, demand response, combined heat and power facilities, distributed generation and other emerging energy technologies to meet the projected requirements of their customers in a manner that minimizes the cost of such resources to customers over time and maximizes consumer benefits consistent with the state's environmental goals and standards.

(b) On or before January 1, 2008, and annually thereafter, the companies shall submit to the Connecticut Energy Advisory Board an assessment of (1) the energy and capacity requirements of customers for the next three, five and ten years, (2) the manner of how best to eliminate growth in electric demand, (3) how best to level electric demand in the state by reducing peak demand and shifting demand to off-peak periods, (4) the impact of current and projected environmental standards, including, but not limited to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different resources could help achieve those standards and goals, (5) energy security and economic risks associated with potential energy resources, and (6) the estimated lifetime cost and availability of potential energy resources.

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

(d) The procurement plan shall consider: (1) Approaches to maximizing the impact of demand-side measures; (2) the extent to which generation needs can be met by renewable and combined heat and power facilities; (3) the optimization of the use of generation sites and generation portfolio existing within the state; (4) fuel types,

diversity, availability, firmness of supply and security and environmental impacts thereof, including impacts on meeting the state's greenhouse gas emission goals; (5) reliability, peak load and energy forecasts, system contingencies and existing resource availabilities; (6) import limitations and the appropriate reliance on such imports; and (7) the impact of the procurement plan on the costs of electric customers.

(e) The board, in consultation with the regional independent system operator, shall review and approve or review, modify and approve the proposed procurement plan as submitted not later than one hundred twenty days after receipt. For calendar years 2009 and thereafter, the board shall conduct such review not later than sixty days after receipt. For the purpose of reviewing the plan, the Commissioners of Transportation and Agriculture and the chairperson of the Public Utilities Control Authority, or their respective designees, shall not participate as members of the board. The electric distribution companies shall provide any additional information requested by the board that is relevant to the consideration of the procurement plan. In the course of conducting such review, the board shall conduct a public hearing, may retain the services of a third-party entity with experience in the area of energy procurement and may consult with the regional independent system operator. The board shall submit the reviewed procurement plan, together with a statement of any unresolved issues, to the Department of Public Utility Control. The department shall consider the procurement plan in an uncontested proceeding and shall conduct a hearing and provide an opportunity for interested parties to submit comments regarding the procurement plan. Not later than one hundred twenty days after submission of the procurement plan, the department shall approve, or modify and approve, the procurement plan. For calendar years 2009 and thereafter, the department shall approve, or modify and approve, said procurement plan not later than sixty days after submission.

(f) On or before September 30, 2009, and every two years thereafter, the Department of Public Utility Control shall report to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment regarding goals established and progress toward implementation of the procurement plan established pursuant to this section, as well as any recommendations for the process.

(g) All electric distribution companies' costs associated with the development of the resource assessment and the development of the procurement plan shall be recoverable through the systems benefits charge.

Sec. 53. Section 16a-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There is established a Connecticut Energy Advisory Board consisting of [nine] [fifteen](#) members, including the Commissioner of Environmental Protection, the chairperson of

the Public Utilities Control Authority, the Commissioner of Transportation, the Consumer Counsel, the Commissioner of Agriculture, and the Secretary of the Office of Policy and Management, or their respective designees. The Governor shall appoint [~~one member, the~~] a representative of an environmental organization knowledgeable in energy efficiency programs, a representative of a consumer advocacy organization and a representative of a state-wide business association. The president pro tempore of the Senate shall appoint [~~one member, and the~~] a representative of a chamber of commerce, a representative of a state-wide manufacturing association and a member of the public considered to be an expert in electricity, generation, procurement or conservation programs. The speaker of the House of Representatives shall appoint [~~one member, all of whom~~] a representative of low-income ratepayers, a representative of state residents, in general, with expertise in energy issues and a member of the public considered to be an expert in electricity, generation, procurement or conservation programs. All appointed members shall serve in accordance with section 4-1a. No appointee may be employed by, or a consultant of, a public service company, as defined in section 16-1, as amended by this act, or an electric supplier, as defined in section 16-1, as amended by this act, or an affiliate or subsidiary of such company or supplier.

(b) The board shall [~~(1) prepare an annual report pursuant to section 16a-7a; (2)~~] (1) represent the state in regional energy system planning processes conducted by the regional independent system operator, as defined in section 16-1, as amended by this act; (3) (2) encourage representatives from the municipalities that are affected by a proposed project of regional significance to participate in regional energy system planning processes conducted by the regional independent system operator; (4) issue a request-for-proposal in accordance with subsections (b) and (c) of section 16a-7c; (5) evaluate the proposals received pursuant to the request-for-proposal in accordance with subsection (f) of section 16a-7c; (6) (3) participate in a forecast proceeding conducted pursuant to subsection (a) of section 16-50r; [and (7)] (4) participate in a life-cycle proceeding conducted pursuant to subsection (b) of section 16-50r; and (5) review the procurement plan submitted by the electric distribution companies pursuant to section 51 of this act.

(c) The board shall elect a chairman and a vice-chairman from among its members and shall adopt such rules of procedure as are necessary to carry out its functions.

(d) The board shall convene its first meeting not later than September 1, 2003. A quorum of the board shall consist of two-thirds of the members currently serving on the board.

(e) The board shall employ such staff as is required for the proper discharge of its duties. The board may also retain any third-party consultants it deems necessary to accomplish the goals set forth in subsection (b) of this section. The board shall annually submit to the Department of Public Utility Control a proposal regarding the level of

funding required for the discharge of its duties, which proposal shall be approved by the department either as submitted or as modified by the department.

(f) The Connecticut Energy Advisory Board shall be within the Office of Policy and Management for administrative purposes only.

Sec. 54. Section 16a-7c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) Not later than fifteen days after receiving information pursuant to subsection (e) of section 16-50l, the Connecticut Energy Advisory Board shall publish such information in one or more newspapers or periodicals, as selected by the board.

(b) On or after December 1, 2004, not later than fifteen days after the filing of an application pursuant to subdivision (1) of subsection (a) of section 16-50i, except for an application for a facility described in subdivision (5) or (6) of subsection (a) of section 16-50i, the Connecticut Energy Advisory Board shall issue a request-for-proposal to seek alternative solutions to the need that will be addressed by the proposed facility in such application. Such request-for-proposal shall, where relevant, solicit proposals that include distributed generation or energy efficiency measures. The board shall publish such request-for-proposal in one or more newspapers or periodicals, as selected by the board. Any facility generating not more than five megawatts and any electric transmission line, electric generation facility or electric substation otherwise constituting a facility as described in subsection (a) of section 16-50i that, as part of the proceeding conducted pursuant to section 8 of this act and in accordance with this subsection, shall be determined by the Connecticut Siting Council and the Department of Public Utility Control to be required for the reliability of electric supply to critical national defense and homeland security infrastructure shall be exempt from the request for proposal process described in this subsection and exempt from the municipal participation fee requirements of subdivision (1) of subsection (a) of section 16-50l, as amended by this act. Such determination shall be made on or before December 31, 2007. Notwithstanding the provisions of this subsection, the board, by a vote of two-thirds of the members present and voting, may determine that a request for proposal is unnecessary for a specific application because the process is not likely to result in a reasonable alternative to the proposed facility. On or before December 1, 2007, after seeking public comment, the board shall approve additional criteria for considering whether a request for proposal process should not be required for a specific application. Any determination that a request-for-proposal is not required shall include the board's reasons for such determination.

(c) The board may issue a request-for-proposal for solutions to a need for new energy resources, new energy transmission facilities in the state, and new energy conservation initiatives in the state identified **[in the annual comprehensive energy report prepared**

[under section 16a-7a or identified](#)] in regional energy system planning processes conducted by the regional independent system operator, as defined in section 16-1, [as amended by this act](#). Such request-for-proposal shall, where relevant, solicit proposals that include distributed generation or energy efficiency measures. The board shall publish such request-for-proposal in one or more newspapers or periodicals, as selected by the board.

(d) Not later than sixty days after the first date of publication of a request-for-proposal, a person or any legal entity may submit a proposal by filing with the board information as such person or entity may consider relevant to such proposal. The board may request further information from the person or entity that it deems necessary to evaluate the proposal pursuant to subsection (f) of this section.

(e) Upon the submission of a proposal pursuant to a request-for-proposal, the person or entity submitting the proposal shall consult with the municipality in which the facility may be located and with any other municipality that would be required to be served with a copy of an application for such proposal under subdivision (1) of subsection (b) of section 16-50l concerning the proposed and alternative sites of the facility. Such consultation with the municipality shall include, but not be limited to, good faith efforts to meet with the chief elected official of the municipality. At the time of the consultation, the person or entity submitting the proposal shall provide the chief elected official with any technical reports concerning the public need, the site selection process and the environmental effects of the proposed facility. The municipality may conduct public hearings and meetings as it deems necessary for it to advise the person or entity submitting the proposal of its recommendations concerning the proposed facility. Within sixty days of the initial consultation, the municipality shall issue its recommendations to the person or entity submitting the proposal. If a person or entity chooses to file an application pursuant to subdivision (3) of subsection (a) of section 16-50l, then such person or entity shall provide to the Connecticut Siting Council a summary of the consultations with the municipality, including all recommendations issued by the municipality. A person or entity that has complied with this subsection shall be exempt from the provisions of subsection (e) of section 16-50l.

(f) Not later than forty-five days after the deadline for submissions in response to a request-for-proposal, the board shall issue a report that evaluates each proposal received, including any proposal contained in an application to the council that initiated a request-for-proposal, based on the materials received pursuant to subsection (d) of this section, or information contained in the application, as required by section 16-50l, for conformance with the infrastructure criteria guidelines created pursuant to section 6a-7b. The board shall forward the results of such evaluation process to the Connecticut Siting Council.

(g) When evaluating submissions pursuant to subsection (f) of this section for a facility described in subdivision (3) of subsection (a) of section 16-50i that are in excess of sixty-five megawatts, the board shall perform a net energy analysis for each proposal. Such analysis shall include calculations of all embodied energy requirements used in the materials for initial construction of the facility over its projected useful lifetime. The analysis shall be expressed in a dimensionless unit as an energy profit ratio of energy generated by the facility to the calculated net energy expended in plant construction, maintenance and total fuel cycle energy requirements over the projected useful lifetime of the facility. The boundary for both the net energy calculations of the fuel cycle and materials for the facility construction and maintenance shall both be at the point of primary material extraction and include the energy consumed through the entire supply chain to final, but not be limited to, such subsequent steps as transportation, refinement and energy for delivery to the end consumer. The results of said net energy analysis shall be included in the results forwarded to the Connecticut Siting Council pursuant to subsection (f) of this section. For purposes of this subsection, "facility net energy" means the heat energy delivered by the facility contained in a fuel minus the life cycle energy used to produce the facility. "Fuel net energy" means the heat energy contained in a fuel minus the energy used to extract the fuel from the environment, refine it to a socially useful state and deliver it to consumers, and "embodied energy" means the total energy used to build and maintain a process, expressed in calorie equivalents of one type of energy.

Sec. 58. (*Effective July 1, 2007*) Not later than January 1, 2008, the Connecticut Energy Advisory Board shall conduct a study to develop recommendations on how to (1) coordinate and integrate the state's energy entities; (2) achieve the goals of (A) the Regional Greenhouse Gas Initiative, and (B) the state, with regard to the reduction of emissions of greenhouse gas, as provided by section 22a-200a of the general statutes; and (3) promote indigenous alternative fuel resources. The board shall submit a report containing its recommendations, including recommendations for legislation, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology not later than January 1, 2009.

Sec. 59. (*Effective from passage*) (a) Not later than July 1, 2007, the Connecticut Energy Advisory Board shall conduct a study on the efficacy, innovativeness and customer focus on electric conservation programs. The board shall hold a public hearing on such matters. In the study, the board shall investigate the options of (1) selecting a state-wide provider of conservation programs through a competitive process, which shall be open to electric distribution companies, the Connecticut Municipal Electrical Energy Cooperative and other entities; (2) retaining the current delivery system for conservation programs; and (3) having a nonprofit organization provide the conservation programs.

(b) The board shall submit a report containing its findings to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology not later than February 1, 2008.

Sec. 76. Section 16a-2 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in this chapter and sections 16a-45a, 16a-46, 16a-46a and 16a-46b:

(a) "Office" means the Office of Policy and Management;

(b) "Board" means the Connecticut Energy Advisory Board;

(c) "Secretary" means the Secretary of the Office of Policy and Management;

(d) "Energy" means work or heat that is, or may be, produced from any fuel or source whatsoever;

(e) "Energy emergency" means a situation where the health, safety or welfare of the citizens of the state is threatened by an actual or impending acute shortage in usable energy resources;

(f) "Energy resource" means natural gas, petroleum products, coal and coal products, wood fuels, geothermal sources, radioactive materials and any other resource yielding energy;

(g) "Person" means any individual, firm, partnership, association, syndicate, company, trust, corporation, limited liability company, municipality, agency or political or administrative subdivision of the state, or other legal entity of any kind;

(h) "Service area" means any geographic area serviced by the same energy-producing public service company, as defined in section 16-1, [as amended by this act](#);

(i) "Renewable resource" means solar, wind, water, wood or other biomass source of energy and geothermal energy;

(j) "Energy-related products" means (1) energy systems and equipment that utilize renewable resources to provide space heating or cooling, water heating, electricity or other useful energy, (2) insulation materials, and (3) equipment designed to conserve energy or increase the efficiency of its use, including that used for residential, commercial, industrial and transportation purposes;

(k) "Energy-related services" means (1) the design, construction, installation, inspection, maintenance, adjustment or repair of energy-related products, (2) inspection,

adjustment, maintenance or repair of any conventional energy system, (3) the performance of energy audits or the provision of energy management consulting services, and (4) weatherization activities carried out under any federal, state or municipal program;

(l) "Conventional energy system" means any system for supplying space heating or cooling, ventilation or domestic or commercial hot water which is not included in subdivision (1) of subsection (j) of this section; **[and]**

(m) "Energy supply" means any energy resource capable of being used to perform useful work and any form of energy such as electricity produced or derived from energy resources which may be so used; and

(n) "Energy facility" means a structure that generates, transmits or stores electricity, natural gas, refined petroleum products, renewable fuels, coal and coal products, wood fuels, geothermal sources, radioactive material and other resources yielding energy.

Sec. 77. Section 16a-7b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Not later than December 1, 2004, the Connecticut Energy Advisory Board shall develop infrastructure criteria guidelines for the evaluation process under subsection (f) of section 16a-7c, which guidelines shall be consistent with state environmental policy, state economic development policy, the state's policy regarding the restructuring of the electric industry, as set forth in section 16-244, and the findings in the comprehensive energy plan prepared pursuant to section 16a-7a, and shall include, but not be limited to, the following: (1) Environmental preference standards; (2) efficiency standards, including, but not limited to, efficiency standards for transmission, generation and demand-side management; (3) generation preference standards; (4) electric capacity, use trends and forecasted resource needs; (5) natural gas capacity, use trends and forecasted resource needs; and (6) national and regional reliability criteria applicable to the regional bulk power grid, as determined in consultation with the regional independent system operator, as defined in section 16-1, as amended by this act. In developing environmental preference standards, the board shall consider the recommendations and findings of the task force established pursuant to section 25-157a and Executive Order Number 26 of Governor John G. Rowland.

(b) No municipality other than a municipality operating a plant pursuant to chapter 101 or any special act and acting for purposes thereto may take an action to condemn, in whole or in part, or restrict the operation of any existing and currently operating energy facility, if such facility is first determined by the Department of Public Utility Control, following a contested case proceeding, held in accordance with the provisions of chapter 54, to comprise a critical, unique and unmovable component of the state's

energy infrastructure, unless the municipality first receives written approval from the department, the Office of Policy and Management, the Connecticut Energy Advisory Board and the Connecticut Siting Council that such taking would not have a detrimental impact on the state's or region's ability to provide a particular energy resource to its citizens.

Sec. 101. (NEW) (*Effective from passage*) (a) Notwithstanding any provisions of the general statutes, the Office of Policy and Management, in consultation with the Department of Public Works, shall develop a strategic plan to improve the management of energy use in state facilities. Such plan shall include, but not be limited to: (1) A detailed description of the manner in which initiatives that make investments in energy efficiency, demand and load response, distributed generation, renewable energy and combined heat and power will be implemented; (2) options for having state agencies and institutions pursue competitive electric supply options through an integrated energy purchasing program; and (3) an outline of potential near-term budgetary savings targets that can be achieved through the implementation of said plan.

(b) On or before September 1, 2007, and annually thereafter, the Office of Policy and Management shall file such strategic plan with the Connecticut Energy Advisory Board. On or before January 1, 2008, and annually thereafter, the board shall approve or modify and approve said plan. On or before March 15, 2008, and annually thereafter, the board shall measure the success of the implementation of said plan and determine any actual financial benefits that have been derived by the overall electric system, including, but not limited to, state facilities. Any savings shall be allocated as follows: (1) Seventy-five per cent shall be retained by electric ratepayers, and (2) twenty-five per cent shall be divided equally between (A) reinvestment into energy efficiency programs in state buildings, and (B) investment into energy efficiency programs and technologies on behalf of participants of energy assistance programs administered by the Department of Social Services. Any reinvestments or investments made in programs pursuant to this section shall be paid through the systems benefits charge.

(c) To carry out the purposes of this section, the Office of Policy and Management may perform all acts necessary for the negotiation, execution and administration of any contract that is reasonably incidental to and furthers the needs of the state and the purposes of this section. The Office of Policy and Management may also retain the services of a third party entity possessing the requisite managerial, technical and financial capacity, to perform some or all of the duties necessary to implement the provisions of said plan.

(d) Any costs incurred by the state in complying with the provisions of this section shall be paid from annual state appropriations.

Sec. 129. Section 16a-7a of the general statutes is repealed. (*Effective July 1, 2007*)