

Advisory

UTILITIES AND REGULATED INDUSTRIES DEPARTMENT | OCTOBER 2007

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2007 *Utility Act Summary*

In 2007, the Connecticut General Assembly enacted significant legislation affecting the energy and utilities sector. The session addressed a variety of topics including electricity and energy efficiency, cellular towers, water company infrastructure and competitive video service, among other measures. The following is a summary of public acts we believe are likely to have an impact on utilities, regulated industries and customers who purchase their services.

Public Acts

AN ACT CONCERNING THE CONSOLIDATION OF ENERGY CONSERVATION LOAN PROGRAM STATUTES

PUBLIC ACT NO. 07-64

Section 1 of this Act, effective October 1, 2007, amends Connecticut General Statutes (“CGS”) § 16a-40b to make loans available only for high-efficiency systems for those who use electric heat as their primary heating source. This Section increases the maximum loan from \$6,000 to \$15,000 per residential structure with no more than four dwelling units and increases the income threshold at which the highest interest rate applies. This Section also incorporates the higher loan limits for loans from the Energy Conservation Loan Fund (“ECLF”) contained in CGS § 32-317.

Section 2, effective October 1, 2007, repeals CGS §§ 32-315 to 32-318, inclusive, which established loan limits for ECLF now incorporated into CGS § 16a-40b.

AN ACT CONCERNING WATER COMPANY INFRASTRUCTURE PROJECTS

PUBLIC ACT NO. 07-139

Section 1 of this Act, effective from passage, defines a series of terms for the purpose of Section 2 of this Act.

Section 2, effective from passage, authorizes the Department of Public Utility Control (“DPUC”) to permit a water company to use a Water Infrastructure and Conservation Adjustment (“WICA”) for eligible projects completed and in service for the benefit of customers based on the company’s infrastructure assessment report, as approved by the DPUC, and semi-annual findings by the company. Within 90 days of the effective date of this Section, the DPUC shall initiate a generic docket. The DPUC shall provide public notice and set a deadline for comments and shall issue a decision within 180 days of such deadline. A water company shall file its individual infrastructure assessment report with the DPUC identifying water system infrastructure needs and the company’s criteria for determining priority for eligible projects. The DPUC shall approve the assessment report if the company has demonstrated that the projects are eligible, the projects will benefit customers, the projects adhere to the criteria established for determining priority for infrastructure projects and there is a sufficient level of investment in infrastructure. A water company may impose a WICA for eligible projects at intervals of six months commencing on either January, April, July or October 1st in any year, subject to specified procedural requirements. Customers shall be notified through a bill insert or other direct communication when the adjustment is first applied and the WICA shall appear as a separate item on the bill. The amount of the WICA shall not exceed 7.5 percent of annual retail revenues approved in the most recent rate filing and shall not exceed five percent of such revenues for any

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12-month period. By February 28th of each year, the water company shall submit to the DPUC an annual reconciliation report for any WICA charges applied through December 31st of the previous year.

**AN ACT CONCERNING
THE RENEWABLE ENERGY
INVESTMENT FUND**

PUBLIC ACT NO. 07-152

Section 1 of this Act, effective October 1, 2007, amends CGS § 16-245n to create the Renewable Energy Investment Board within Connecticut Innovations, Inc. for administrative purposes only, replacing the Renewable Energy Investment Advisory Committee. The board is responsible for the Renewable Energy Investment Fund, and shall draft a comprehensive plan for the expenditure of funds. The DPUC shall conduct an uncontested proceeding to consider the plan. The board shall have 15 members whose qualifications are specified in this Section and shall issue an annual report to the DPUC, the General Assembly, and the Office of Consumer Counsel (“OCC”) reviewing the board’s activities.

Section 2, effective from passage, amends CGS § 32-39 by adding subdivision (39), and gives Connecticut Innovations, Inc. the statutory authority to administer the Renewable Energy Investment Fund.

Section 3, effective October 1, 2007, amends CGS § 16-245m to require the DPUC to initiate an uncontested proceeding to approve, modify or reject the comprehensive plan developed by the Electric Distribution Companies (“EDCs”) in consultation with the Energy Conservation Management Board (“ECMB”).

**AN ACT CONCERNING
THE CONNECTICUT SITING COUNCIL
AND CELLULAR TOWERS**

PUBLIC ACT NO. 07-222

Section 1 of this Act, effective from passage, requires the Connecticut Siting Council (“CSC”) on or before January 1, 2008, upon request of a municipality, to develop a local telecommunications coverage assessment for that municipality. Providers of telecommunications service shall submit information to the CSC for the sole purpose of assisting the CSC with its assessment.

Section 2, effective from passage, requires the CSC to include in its notification pursuant to CGS § 16-50l of an application for a telecommunications tower in a municipality, a request that the municipality provide to the CSC, within 30 days, any location preferences or criteria for the siting of the tower.

Section 3, effective from passage, amends CGS § 16-50x(a) to require the CSC to consider location preferences or criteria provided to the CSC pursuant to Section 2 of this Act or preferences or criteria that may exist in the zoning regulations of said municipality as of the submission date of the application.

Section 4, effective from passage, allows the CSC, as part of its supervision of construction activity in connection with any transmission line project, to order restoration or revegetation of the right-of-way occupied by the overhead transmission facilities as it deems necessary to promote the long-term restoration of vegetation in portions of the right-of-way in residential areas where there has been significant and material loss of screening as a result of clearing activities.

Section 5, effective from passage, amends CGS § 16-50v(b)(1) to increase the maximum assessment on electric retailers from \$1 million to \$1.5 million.

Section 6, effective from passage, amends CGS § 16-50v(b)(2) to apportion the assessment in proportion to the percentage of the CSC's direct costs and includes persons who have provided, but no longer are providing, communications services facilities and have come before the CSC in the preceding calendar year.

Section 7, effective from passage, amends CGS § 16-50v to add subsection (i) and requires the CSC to charge late fees or penalties of 1.5 percent per month against invoiced amounts not received by the CSC within 30 days after the due date on the CSC's invoice.

Section 8, effective July 1, 2007, amends CGS § 16-50j(c) to increase the per diem CSC members receive for attending CSC hearings and other CSC business from \$150 to \$200 and eliminates the annual cap of \$12,000 on the per diem.

**AN ACT CONCERNING
RESOURCE RECOVERY OUTPUT
PURCHASE REQUIREMENTS AND
INDIRECT COSTS AND REMEDIES FOR
PUBLIC COMPANIES**

PUBLIC ACT NO. 07-228

Section 1 of this Act, effective from passage, amends CGS § 16-243e to remove the requirement that EDCs enter into long-term contracts with resource recovery facilities. EDCs are still required to pay the contract price for existing contracts, or for contracts entered into in 1999, the price established by the DPUC, for the remainder of the contracts.

Section 2, effective July 1, 2007, amends CGS § 16-262f(a)(3) to expand the scope

of the Section and allow a court-appointed receiver to receive rents paid on behalf of a building or facility's residents or occupants.

**AN ACT CONCERNING
GEOTHERMAL HEAT SYSTEMS**

PUBLIC ACT NO. 07-240

Section 1 of this Act, effective from passage, requires the Renewable Energy Investments Advisory Committee (now known as the Renewable Energy Investments Board) in consultation with the DPUC and ECMB to study geothermal technology, and provides that the ECMB shall report its findings to the General Assembly by February 1, 2008.

Section 2, effective October 1, 2007, amends CGS § 12-81(57) to allow municipalities to exempt from property tax electric generating facilities that use Class I renewable energy resources or hydropower on a farm.

**AN ACT CONCERNING
ELECTRICITY AND ENERGY EFFICIENCY**

PUBLIC ACT NO. 07-242

This Act addresses many aspects of the state's energy laws. It establishes new energy efficiency programs, creates tax incentives and restores a level of conservation funding. The Act also expands "green building" requirements, implements measures to promote power plant development and integrated resource planning and modifies rules with respect to power procurement and renewable energy, among other measures. Due to the length of PA 07-242, a summary table of this Act is included as Appendix 2.

Section 1 of this Act, effective July 1, 2007, provides for the Office of Policy Management ("OPM") to give rebates of up to \$500 for the purchase and installation in residential structures of

replacement natural gas furnaces or boilers that meet or exceed federal Energy Star standards and propane and oil furnaces and boilers that are not less than 84 percent efficient. The bill caps the annual rebate amount at \$5 million per year for the years July 1, 2007 through July 1, 2017. The ECMB shall report to the General Assembly on the cost effectiveness of this program by January 1, 2009.

Section 2, effective from passage, amends § 6 of Public Act 05-02 and provides for the State Bond Commission to issue bonds up to \$5 million a year in support of the rebates permitted in Section 1 of this Act.

Section 3, effective from passage, requires the ECMB, in consultation with the EDCs, to develop a rebate program effective from January 1, 2008 to September 1, 2008, for the replacement of less efficient air conditioners with air conditioners that meet federal Energy Star standards. The ECMB shall report to the General Assembly the results of this program by January 1, 2009.

Section 4, effective from passage, requires the DPUC to issue an order to each intermediate or baseload gas or oil-fired generating facility, owned by or under contract with an electricity company with a rating of 65 megawatts or more to have dual fuel capability, unless such requirement is not in the best interest of Connecticut consumers.

Section 5, effective from passage, requires the DPUC to initiate an uncontested proceeding and submit a report to the General Assembly by February 1, 2008, analyzing the appropriate number of EDC linemen, the effectiveness of centralization of line facilities and personnel, the greater use of newer technologies on the reduction of power outages, and the most

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effective way to notify customers concerning power outages.

Section 6, effective October 1, 2007, amends CGS § 16-32g to require that annual EDC maintenance plans address appropriate staffing levels, commencing with the report due on January 1, 2008.

Section 7, effective October 1, 2007, amends CGS § 16-19e(a) to add review of staffing levels and energy security to the factors considered by the DPUC when regulating the level and structure of rates.

Section 8, effective from passage, requires the CSC, in consultation with the Emergency Management and Homeland Security Coordinating Council and the DPUC, to initiate a contested case proceeding to investigate energy security with regard to the siting of generating facilities and transmission facilities.

Section 9, effective from passage, requires the DPUC to initiate an uncontested proceeding by July 1, 2007 and produce a report by February 1, 2008 to assess the reliability of electric generation during periods of peak demand. Factors to be considered include current compliance with dual fuel and operational requirements, fuel storage and delivery resources, firm delivery contracts, and reliability incentives.

Section 10, effective January 1, 2008, amends CGS § 16a-38k and expands the state's "green building" requirements in connection with projects that receive specified levels of state financing.

Section 11, effective October 1, 2007, amends CGS § 10-285a and increases the percentage of grants for school building projects by two percentage points, for buildings that are constructed pursuant to CGS § 16a-38k, as amended by Section 10 of this Act.

Section 12, effective October 1, 2007, amends CGS § 16a-48 to establish energy efficiency standards for energy consuming products such as lamps, furnaces, and air conditioners. Most standards go into effect January 1, 2009. This Section also assigns certain implementation responsibilities to OPM.

Section 13, effective from passage, amends CGS § 16-245l(a) to recover the costs of the Connecticut Electric Efficiency Partner Program established by Section 94 of this Act, reinvestment and investments in energy efficiency programs and technologies pursuant to Section 101 of this Act, and the electricity conservation incentive program established pursuant to Section 119 of this Act, through the system benefits charge.

Section 14, effective July 1, 2007, requires the ECMB, on or before October 1, 2007, to develop and estimate the cost of a comprehensive residential conservation program. The ECMB is required to consult with the EDCs and gas companies, and the Section specifies the program requirements. The ECMB must provide the General Assembly a report by February 1, 2008.

Section 15, effective from passage, amends CGS § 16-245n to expand the definition of "renewable energy" and allows additional investment options for the Clean Energy Fund.

Section 16, effective October 1, 2007, amends CGS § 4a-67c to require equipment and appliances purchased by the state to meet federal Energy Star performance standards.

Section 17, effective from passage, requires the DPUC to initiate a contested proceeding by July 1, 2007, to determine a municipal electric utility's share of the

one-time awards made to customer-side distributed resources pursuant to CGS § 16-243i(a), as amended by this Act.

Section 18, effective July 1, 2007, amends CGS § 16-243r with respect to the eligibility for incentives for customer-side and grid-side distributed resources developed in this state, including those that: (1) have undergone upgrades that increase operating efficiencies; (2) operate at a thermal efficiency level of at least 50 percent; and (3) add electric capacity on or after January 1, 2007. The DPUC is required to report to the General Assembly on this program by January 1, 2009.

Section 19, effective January 1, 2008, allows any municipality to provide a tax exemption for vehicles that are exempt from sales and use taxes under subdivision 110 or 115 of CGS § 12-412, as amended by this Act.

Section 20, effective January 1, 2008, amends CGS § 12-412(110) to exempt from sales and use taxes passenger cars sold between January 1, 2008 and January 1, 2010 with a gas mileage rating of at least 40 miles per gallon.

Section 21, effective from passage, defines “energy improvement district distributed resources” as any resource owned, leased, or financed by an Energy Improvement District Board (“EIDB”) that includes: (1) customer-side distributed resources; (2) grid-side distributed resources; (3) combined heat and power systems; or (4) Class III sources. The Section also defines “project” as the acquisition, purchase, construction, reconstruction, improvement or extension of one or more energy improvement district distributed resources for Sections 22 to 36, inclusive, of this Act.

Section 22, effective from passage, allows any municipality to establish an energy improvement district (“EID”) within such municipality, the affairs of which shall be administered by an EIDB whose members are to be appointed by the chief elected official of the municipality. The chief elected official shall notify, by mail, property owners within the district of the creation of the EID.

Section 23, effective from passage, requires an EIDB to fund energy improvement district distributed resources within its district consistent with a comprehensive plan prepared by the EIDB. Any such plan must be consistent with the state-wide procurement and deployment plan prepared and approved pursuant to Section 54 of this Act and the siting determinations of the CSC. This Section also grants the EIDB certain powers to carry out its purpose. The Act does not authorize an EID to: (1) operate or act as an EDC, provide electric distribution or electric transmission services, or to own or operate assets to provide such services; (2) be a municipal electric utility, or provide the services of a municipal electric utility; (3) sell electricity to persons or entities in its municipality outside of the EID; (4) undertake any authority or jurisdiction granted to the CSC, the DPUC, or any other state agency, or to undertake any actions under the jurisdiction of any federal agency; or (5) acquire property by eminent domain.

Section 24, effective from passage, empowers EIDBs to issue bonds subject to the approval of the legislative body in the municipality in which the EIDB is located.

Section 25, effective from passage, empowers EIDBs to secure any bonds it

issues by a trust indenture by way of conveyance, deed of trust or mortgage of any project or any other property of the board, or by a trust agreement by and between the board and a corporate trustee.

Section 26, effective from passage, empowers EIDBs to impose charges for the use of and for the services furnished by each project.

Section 27, effective from passage, empowers holders of EIDB debt to protect and enforce their rights.

Section 28, effective from passage, provides for certain tax exemptions for EIDB projects and debt.

Section 29, effective from passage, allows for public officers, public bodies, insurance companies, trust companies, banking associations, investment companies and executors, administrators, trustees and other fiduciaries to invest in EIDB debt.

Section 30, effective from passage, allows municipalities, other governmental units, and any other persons to sell or lease any real or personal property to an EIDB to be used as part of a distributed resources facility, and creates other rights with respect to such transactions.

Section 31, effective from passage, allows municipalities, other governmental units, and persons to enter into leases or other agreements for EIDB distributed resources or facilities.

Section 32, effective from passage, empowers municipalities to appropriate money and provide other means of support to EIDBs.

Section 33, effective from passage, empowers municipalities to guarantee bonds issued by EIDBs.

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Section 34, effective from passage, empowers an EIDB to pledge or assign any lease or other agreement to secure bonds.

Section 35, effective from passage, exempts EIDB property from levy and sale by virtue of execution and exempts EIDB property from liens.

Section 36, effective from passage, allows EIDBs to make payments in lieu of taxes.

Section 37, effective October 1, 2007, amends CGS § 16-243a(b) to require EDCs and municipal energy utilities to interconnect private power producers in accordance with regulations adopted pursuant to new subsection (h) of CGS § 16-243a.

Section 38, effective October 1, 2007, adds subsection (h) to CGS § 16-243a to require the DPUC to approve interconnection standards for private power producers by January 1, 2008 that meet or exceed national standards. If the DPUC does not issue such decision by October 1, 2008, certain New Jersey code provisions shall apply.

Section 39, effective October 1, 2007, amends CGS § 16-243h to require electric suppliers and EDCs to give credit to all customers that generate electricity from a Class I renewable energy or hydropower source that has a nameplate capacity rating of two megawatts or less, expanding eligibility beyond residential customers. If a customer generates more energy than it consumes over an annualized billing period, the energy supplier or EDC shall compensate the customer for the avoided cost of wholesale power.

Section 40, effective October 1, 2007, amends CGS § 16-245a to extend renewable portfolio standards by increasing percentages from 2011-2020,

such that on and after January 1, 2020 not less than 20 percent of the total output or services of any electric supplier or EDC providing standard service of last resort shall be generated from Class I renewable energy sources and an additional three percent shall be from Class I or Class II renewable energy sources.

Section 41, effective July 1, 2007, requires each municipal electric cooperative to submit a comprehensive report to the Renewable Energy Investment Advisory Committee (now known as the Renewable Energy Investment Board) on the activities of the cooperative with regard to the promotion of renewable energy resources, 90 days after the end of the calendar year. Cooperatives are required to develop and submit standards for the promotion of renewable sources on or before January 1, 2008 and annually thereafter to said committee.

Section 42, effective from passage, provides Class III credits for customers who implement energy conservation or customer-side distributed resources on or after January 1, 2008. For non-residential projects, the value of the credits shall be divided between the customer and the Conservation and Load Management Fund. The DPUC shall initiate a contested case proceeding by July 1, 2007 to implement this Section. Customers shall submit applications to the DPUC to determine eligibility.

Section 43, effective October 1, 2007, amends CGS § 16-244q to require that the electricity EDCs and electricity suppliers obtain from Class III sources as required by this Section meet air and water quality standards as established by the Department of Environmental Protection (“DEP”). The DPUC is

required to conduct a contested proceeding and issue a final decision by February 1, 2008, to develop the administrative processes and program specifications that are necessary to implement a Class III sources conservation and distributed resources trading program.

Section 44, effective from passage, amends CGS § 16-1(a)(44), to define “Class III source” to include certain waste heat recovery systems installed on or after April 1, 2007.

Section 45, effective October 1, 2007, amends CGS § 22a-6(a) to allow the DEP to enter into a lease agreement with a private entity owning a facility to allow the private entity to generate hydroelectricity provided the project meets the certification standards of the Low Impact Hydropower Institute.

Section 46, effective October 1, 2007 and applicable to assessment years thereafter, amends CGS § 12-81(57) to expand tax exemptions for private residential energy resources to include passive or active solar water or space heating systems and geothermal energy resources. The section also removes the requirement that the exemptions for this subdivision be authorized by ordinance.

Section 47, effective October 1, 2007 and applicable to assessment years thereafter, amends CGS § 12-81(63) to make conforming statutory changes with respect to solar energy electricity systems.

Section 48, effective from passage, amends CGS § 20-340 to add employees and contractors employed or operating under the direction of a licensed solar contractor installing solar collectors, photovoltaic panels, towers or turbines to the list of persons exempted from the licensing requirements of CGS § 20-331.

Section 49, effective July 1, 2007, amends CGS § 16-244c(e) to remove limitations on the ability of customers to switch between supplier of last resort service and electric suppliers, and requires EDCs to procure electricity for last resort customers at least every calendar quarter.

Section 50, effective January 1, 2008, allows any person, and requires EDCs, to submit a plan in January 2008 to build peaking generation. An approved plan must (1) include a requirement that the owner of the peaking generation is compensated at cost of service plus a reasonable rate of return as determined by the DPUC; and (2) require that the operation of such peak generation facility reduce overall electric rates for consumers. Within 120 days of submission, the DPUC shall approve a plan unless such approval is not in the best interests of ratepayers. Plans shall recover just and reasonable costs of construction, and in an annual generation rate contested case, shall recover prudently incurred costs, including but not limited to capital costs, operation and maintenance expenses, depreciation, fuel costs, taxes and other governmental charges and a reasonable rate of return on equity.

Section 51, effective from passage, requires the EDCs, in consultation with the Conservation Energy Advisory Board (“CEAB”), to review the state’s energy and capacity resource assessment and develop a comprehensive plan for the procurement of energy resources. The EDCs shall submit to the CEAB before January 1, 2008 and annually thereafter an assessment of (1) energy and capacity required for the next three, five, and ten years; (2) how to eliminate growth in peak demand; (3) how to level peak demand and shift demand to off peak periods; (4)

the impact of current and future environmental laws and what resources would be helpful for compliance; (5) energy security and economic risks; and (6) the lifetime costs and availability of resources. Resource needs shall first be met through energy efficiency and demand reduction resources that are cost-effective, reliable and feasible. The procurement plan shall specify (1) the 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) need 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. The CEAB, in consultation with the regional independent system operator, shall approve the plan, within 120 days of submission in 2008, and within 60 days every year thereafter. The plan shall then go to the DPUC to be considered in an uncontested proceeding for approval or modification within 120 days (60 days for the calendar year 2009 and thereafter). The DPUC shall report to the General Assembly on or before September 30, 2009, and every two years thereafter, on the progress of the energy procurement plans toward meeting the state’s environmental goals. The EDCs’ costs for developing the resource assessment and procurement plan are recoverable through the systems benefit charge.

Section 52, effective from passage, appoints the DPUC to oversee the

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implementation of the procurement plan required by Section 51. The EDCs are required to implement the demand-side measures included in the procurement plans through the comprehensive conservation and load management plans prepared pursuant to § 16-245m. EDCs are also required to submit proposals to appropriate regulatory agencies to address transmission and distribution upgrades required by the procurement plans. If the procurement plan requires construction of a generating facility, the DPUC shall issue a request for proposal (“RFP”). On or after July 1, 2008, EDCs are permitted to submit proposals in response to RFPs on the same basis as other respondents. If an EDC proposal is approved, the costs and revenues shall be excluded from the calculation of earnings for the purposes of certain ratemaking standards. If the DPUC selects a non-EDC proposal, EDCs are required to negotiate a contract with the selected entity. EDCs shall issue RFPs for resource needs not included in this Section but required by the procurement plan.

Section 53, effective from passage, amends CGS § 16a-3 to increase the number of members on the CEAB from nine to fifteen and designates the qualifications required for the new members. This Section also makes adjustments to the CEAB’s responsibilities.

Section 54, effective from passage, amends CGS § 16a-7c to allow for an exemption from the CEAB RFP process and the municipal participation requirements of CGS § 16-50l(a)(1) any facility generating not more than five megawatts and any transmission line, electric generation facility or electric substation that is determined by the CSC and the DPUC, as part of a proceeding conducted

pursuant to Section 8 of this Act, to be required for the reliability of electric supply to critical national defense and homeland security infrastructure. Such determination shall be made by December 31, 2007. The CEAB may also, by a two-thirds vote and upon stating its reasoning, determine that the RFP is unnecessary for a specific application if it is not likely to result in a reasonable alternative to the proposed facility. On or before December 1, 2007, after seeking public comment, the CEAB shall approve additional criteria for considering RFP exceptions for specific applications.

Section 55, effective July 1, 2007, amends CGS § 16-50l(a)(2) to state that the filing of an application with the CSC shall initiate the CEAB RFP process, except for an application for a facility described in CGS § 16-50i(a)(4) and except for a facility exempt pursuant to Section 54 of this Act.

Section 56, effective from passage, amends CGS § 13a-26 to clarify language as it relates to state responsibility for relocation costs of certain EDC facilities.

Section 57, effective October 1, 2007, amends CGS § 16-2(e) to require that any time a commissioner of the DPUC is appointed, at least one of the commissioners shall have experience in utility customer advocacy.

Section 58, effective July 1, 2007, requires the CEAB to conduct a study and develop recommendations on how to coordinate and integrate the state’s energy entities, reduce greenhouse gases and promote indigenous alternative fuel resources. The CEAB shall deliver its report to the General Assembly by January 1, 2009.

Section 59, effective from passage, requires the CEAB to conduct a study and hold a

public hearing on the efficacy, innovativeness, and customer focus of electric conservation programs. The CEAB shall submit a report to the General Assembly by February 1, 2008.

Section 60, effective October 1, 2007, requires the DPUC to initiate, by January 1, 2009, an uncontested proceeding to examine the efficacy and rate impact of last resort service provided pursuant to CGS § 16-244c(e), as amended by this Act, and the efficacy and rate impact of standard service pursuant to CGS § 16-244c(c), as amended by this Act.

Section 61, effective July 1, 2007, requires the Department of Education (“DOE”), in consultation with the DPUC, EDCs and interested manufacturers of compact fluorescent light bulbs to (1) establish an event each year that will promote renewable energy and conservation; (2) encourage participation in a state-wide compact fluorescent light bulbs fundraiser developed by the DOE and ECMB; and (3) provide outreach, guidance and training concerning the value of renewable energy.

Section 62, effective October 1, 2007, amends CGS § 16-50k(a) to exempt fuel cells built within the state with a generating capacity of 250 kilowatts or less and fuel cells built out of state with a generating capacity of 10 kilowatts or less from the requirement of obtaining a certificate from the CSC as required by CGS § 16-50z.

Section 63, effective July 1, 2007, amends CGS § 16-244(e)(a)(6) to allow EDCs to own and operate generation assets as provided for in CGS § 16-243m, as amended by this Act, and Sections 50, 52, 83 and 117 of this Act.

Section 64, effective July 1, 2007, amends

CGS § 16-19ss(d) to conform to the Section 63 amendments.

Section 65, effective July 1, 2007, amends § 1 of Public Act 05-02 to extend and modify benefit levels of the low income home energy assistance program for the years 2007 and 2008.

Section 66, effective July 1, 2007, amends CGS § 16a-14a to broaden requirements for the Department of Social Services to buy fuel at discounted prices for Connecticut Energy Assistance Program participants.

Section 67, effective October 1, 2007, amends CGS § 16-262c to extend the end date of the moratorium against terminating or refusing to reinstate residential electric services to hardship customers from April 15th to May 1st. The start date of the moratorium period remains November 1st.

Section 68, effective July 1, 2007, amends CGS § 12-412 to exempt from sales taxes certain solar heating, geothermal and ice storage systems.

Section 69, effective June 1, 2007, amends CGS § 12-412k to qualify oil furnaces and boilers with 84 percent efficiency as eligible tax exempt residential weatherization products. This Section also makes permanent the tax exemption for residential weatherization products and adds compact fluorescent light bulbs to the tax exempt products.

Section 70, effective from passage, exempts from sales taxes household appliances that meet the federal Energy Star standard until June 30, 2008.

Section 71, effective from passage adds subsection (g) to CGS § 16-245a and allows EDCs, beginning January 1, 2000, to procure renewable energy certificates from Class I, II, and III renewable energy

sources through long-term contracts. Any such long-term contract shall be not longer than 15 years and shall be used to meet the EDCs renewable portfolio standard requirements. The DPUC, on or before July 1, 2007, shall initiate a contested case proceeding to examine whether long-term contracts should be used to procure Class I, II, and III certificates.

Section 72, effective July 1, 2007, amends CGS § 12-635 to increase the allowable tax credit from 60 percent to 100 percent of the total cash investment into energy conservation programs directed toward properties occupied by low income individuals under CGS § 12-632, and add a tax credit of up to 100 percent of the total cash investment into energy conservation programs directed to properties owned by charitable corporations, foundations or other entities under CGS § 12-632.

Section 73, effective July 1, 2007, allows the State Bond Commission to issue bonds of up to \$30 million for use by the Department of Public Works to fund energy efficiency programs in state buildings.

Section 74, effective October 1, 2007, adds subsection (w) to CGS § 10a-180 to empower the Health and Educational Facilities Authority to issue grants in support of energy conservation projects.

Section 75, effective from passage, amends § 5 of Public Act 05-02 to extend the interest rate cap on loans made pursuant to CGS § 16a-40b through the 2008 fiscal year and removes aluminum or vinyl siding and replacement roofs from the exception to the list of goods and services not covered by the interest rate cap.

Section 76, effective from passage, amends CGS § 16a-2 to add subsection (n)

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defining “energy facility” as a structure that generates, transmits or stores certain energy yielding resources.

Section 77, effective from passage, amends CGS § 16a-7b to prohibit a municipality from condemning or restricting the operation of any facility determined by the DPUC to comprise a critical, unique and unmovable component of the state’s energy infrastructure, unless the municipality first receives written approval from the DPUC, OPM, the CEAB and the CSC, that such taking would not be detrimental to the state’s or region’s energy stability.

Section 78, effective October 1, 2007, amends CGS § 29-256a to require that the State Building Code be amended so that buildings constructed after January 1, 2009 projected to cost \$5 million or more, and any renovation of any building starting after January 1, 2010 projected to cost \$2 million or more, shall meet or exceed the silver building rating of the Leadership in Energy and Environmental Design (“LEED”) rating system.

Section 79, effective from passage, adds (14) to (18), inclusive, to CGS § 16-245(e), defining the terms “State rate reduction bonds,” “Operating expenses,” “Bond documents,” “Indenture,” and “Trustee.”

Section 80, effective from passage, amends CGS § 16a-40b(b), as amended by § 1 of Public Acts 07-64, to increase the cap from \$15,000 to \$25,000 on loans per structure available under this Section for energy efficiency projects.

Section 81, effective from passage, creates a “one-time clean-slate program” established by Operation Fuel, Inc. to assist low income residents with utility bill arrearages less than 24 months old. Such

grants are capped at \$1,000. NOTE: FUNDING ALLOCATED TO SUPPORT THIS SECTION IN SECTION 128 OF THIS ACT WAS VETOED BY THE GOVERNOR IN A LINE ITEM VETO.

Section 82, effective from passage, amends CGS § 16a-41h(a) to require EDCs, gas companies and municipal utilities to include in customer bills a request for a donation to Operation Fuel, Inc., to assist customers in need of emergency energy assistance. Operation Fuel, Inc. shall provide to the companies the required insert.

Section 83, effective from passage, permits EDCs to purchase electric generation plants offered for sale if the DPUC determines after a contested proceeding that it is in the public interest. EDCs are permitted to recover the costs of the purchase.

Section 84, effective from passage, requires the ECMB to contract with a third party to assess the state’s conservation and energy efficiency potential and report to the General Assembly by February 1, 2008 the results and recommendations.

Section 85, effective from passage, amends CGS § 16-243n to require time-of-use rate plans to include one or more of the three categories of mandatory peak, shoulder and off-peak time periods.

Section 86, effective from passage, requires EDCs, within 60 days of approval by the DPUC of projects pursuant to CGS § 16-243m, to negotiate, in good faith, long-term contracts for the electric energy output of the approved projects. No such contract will be effective until approved by the DPUC.

Section 87, effective July 1, 2007, requires the DPUC and the ECMB to coordinate

and establish a state-wide energy efficiency and outreach marketing campaign targeted at the commercial, industrial, governmental, institutional, agricultural and residential sectors. The DPUC shall develop and approve a plan by December 1, 2007.

Section 88, effective July 1, 2007, requires the DPUC and the ECMB, as part of the outreach program established pursuant to Section 87 of this Act, to develop a real-time energy report for daily use by television and other media.

Section 89, effective from passage, requires EDCs, municipal utilities and municipal energy cooperatives to submit a proposed customer notification procedure for capacity deficiencies and potential methods of encouraging customer reduction of demand. Costs related to the procedure and notification are recoverable as federally mandated congestion charges.

Section 90, effective July 1, 2007, empowers the State Bond Commission to issue up to \$50 million in bonds to be used by Connecticut Innovations, Inc. for the purpose of providing grants-in-aid pursuant to Section 91 of this Act.

Section 91, effective from passage, establishes an account known as the "municipal renewable energy and efficient energy grant account" within the Renewable Energy Investment Fund. Connecticut Innovations, Inc. shall, in consultation with the DPUC, DOE, and Department of Emergency Management and Homeland Security, establish a program and issue grants from the energy grant account to municipalities for the purpose of purchasing renewable and energy-efficient generation sources. Priority shall be given to disaster relief centers and high schools. The grants shall

be for an amount such that the alternative source is competitive with the municipality's current electricity expenses. Starting with the fiscal year 2008, and for the next five years, not less than \$10 million shall be available. By January 1, 2009, Connecticut Innovations, Inc. shall submit a report to the General Assembly.

Section 92, effective July 1, 2007, adds subsections (k) to (n), inclusive, to § 16-244c to require EDCs to provide information to their residential and small commercial customers upon request about offers from competitive generation suppliers.

Section 93, effective July 1, 2007, empowers the DEP to adopt regulations to implement the Regional Greenhouse Gas Initiative. The DEP in consultation with the DPUC shall auction off all emissions allowances and invest the proceeds in energy conservation, load management and Class I renewable energy programs. Any allowances or allowance value allocated to the energy conservation load management program shall be incorporated into the planning and procurement process in Sections 51 and 52 of this Act.

Section 94, effective from passage, establishes the Connecticut Electric Efficiency Partner Program, as a coordinated effort to reduce electricity demand. Starting April 1, 2008, any person may apply to the DPUC for certification and funding as a partner. The DPUC shall: (1) consider the potential to reduce demand; (2) determine the portion of costs to be paid by all ratepayers, such that the ratepayer investments maintain a two-to-one payback ratio; and (3) require that the partner maintain the technology for a period to achieve the required

payback ratio. Annual contributions shall not exceed \$60 million. Beginning February 1, 2010, a partner may only receive funding if selected in a RFP. The DPUC shall develop a long-term loan program to assist partners in financing the customer portion of the capital costs of approved enhanced demand-side management technologies. The DPUC shall provide for the payment of the ratepayers' portion of the costs of the technologies by implementing a contractual financing agreement with the Connecticut Development Authority or a private financing entity through a competitive selection process. No agreement entered into with the Development Authority shall exceed ten years. Costs from such financing agreement shall be recovered from the systems benefit charge. By February 15, 2009, and annually thereafter, the DPUC shall report to the General Assembly about the partnership program. By April 1, 2011, the DPUC shall initiate a proceeding to review the effectiveness of the program. Based upon the results, the DPUC may modify or discontinue the program.

Section 95, effective July 1, 2007, amends CGS § 7-374 to exclude from municipal debt limits, bonds issues for electric demand response, for conservation and load management, and for distributed generation and renewable energy projects.

Section 96, effective July 1, 2007, amends CGS § 16-41(a) to include Connecticut Electric Efficiency Partners within the list of entities subject to DPUC sanctions.

Section 97, effective from passage, requires the ECMB to investigate and develop and submit to the General Assembly by February 1, 2008, a comprehensive

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“Connecticut energy excellence plan” detailing ways the State can increase its energy efficiency.

Section 98, effective from passage, requires EDCs to submit to the DPUC by July 1, 2007 a plan to deploy an advanced metering system or seek a determination that the current system is sufficient to support net metering and be capable of tracking hourly consumption to support proactive customer pricing signals through innovative rate design. EDCs are required to have the ability to support such meters by January 1, 2009 and shall allow customers to obtain such a meter after January 1, 2009. Costs are recoverable in rates and shall not affect recovery of current systems. EDCs, competitive suppliers and aggregators, within six months of passage of this Act, shall offer time-of-use pricing to all customer classes.

Section 99, effective from passage, requires EDCs, by July 1, 2007, to submit a proposal to the DPUC to implement voluntary critical peak pricing or real-time pricing tariffs for all customer classes. The DPUC shall approve a program by January 1, 2008.

Section 100, effective July 1, 2007, requires the DPUC, as part of the outreach marketing program established by Section 87 of this Act in consultation with the ECMB, to develop a real-time energy e-mail and cell phone alert system to notify the public of the need to reduce energy consumption during peak power periods.

Section 101, effective from passage, requires the OPM, in consultation with the DPUC, to develop a strategic plan to improve the management of energy use in state facilities and to file by September 1, 2007 and annually thereafter such plan with the CEAB. By January 1, 2008 and

annually thereafter, the CEAB shall approve or modify such plan. By March 15, 2008 and annually thereafter, the CEAB shall measure the success of such plan. Costs incurred by the state shall be paid from the annual appropriations.

Section 102, effective from passage, requires the DEP within 60 days of the effective date of this Section to issue a notice of intent to issue a general permit regarding the construction and operation of new and existing emergency engines and distributed generation resources that generate less than two megawatts of electricity and are approved to participate in the markets administered by the regional independent systems operator in accordance with Section 103 of this Act. Said permits shall expire on the later of December 31, 2010 or 90 days after the energizing of the Middletown-Norwalk transmission line. The DEP may renew the permits. Increase in emissions from permitted sources shall be offset from sources within Connecticut consistent with the state’s air quality attainment and planning needs and requirements. The DEP, in consultation with the DPUC, shall report to the General Assembly the benefits of this program. On or before February 1, 2008, the DEP, in consultation with the DPUC, shall report to the General Assembly regarding the economic and environmental benefits of the general permit issued pursuant to this Section and the actions and measures taken pursuant to Section 103 of this Act.

Section 103, effective from passage, requires the DPUC to initiate a pilot program that will allow electric generation resources to run more often on an economic reliability dispatch basis, identify strategies that couple multiple energy conservation and load shifting

technologies into an aggregate resource plan that reduces aggregate emissions, and maintain the appropriate levels of generating capacity and reserve resources necessary to maintain reliability. The pilot program is limited to resources available on or before December 1, 2007. Any person owning or controlling emergency generation resources may apply to the DPUC for approval of installation of equipment. The DPUC shall establish a financing mechanism to help defray costs. The DPUC may defray cost of implementation from revenues derived from charges for the federally mandated congestion charges, provided that the total cost does not exceed \$10 million in aggregate. The DPUC shall only approve programs that meet a minimum ratio, as determined by the DPUC, by which benefits exceed costs of each implementation and if maximum level of aggregate investment is cost-effective.

Section 104, effective from passage, requires the DPUC, in consultation with the EDCs, to conduct a proceeding to examine the feasibility and potential risks and benefits associated with pursuing different standard service procurement options. The DPUC shall report its findings and recommendations to the General Assembly by February 1, 2008.

Section 105, effective July 1, 2007, amends CGS § 16-245m(d) to make conforming changes in connection with the repeal of a requirement that the CEAB develop an annual comprehensive plan.

Section 106, effective from passage, requires the DPUC to study the feasibility of developing a financial incentive program to encourage EDCs to stabilize or reduce peak electric demand. The DPUC shall report to the General Assembly by February 1, 2008.

Section 107, effective from passage, requires the DPUC to order the state's gas companies and EDCs to decouple distribution revenues from the volume of natural gas or electricity sales in any rate case initiated after the effective date of this Section.

Section 108, effective July 1, 2007, requires the DPUC, in consultation with the Renewable Energy Investment Advisory Board and OPM, to establish a grant program for clean and distributed generation from Class I renewable source projects for business and state buildings. Up to \$25 million is available for fuel cell projects and \$25 million is available for other clean and distributed generation projects.

Section 109, effective July 1, 2007, empowers the State Bond Commission to issue up to \$50 million in support of Section 108 of this Act.

Section 110, effective July 1, 2007, amends CGS § 16a-7b to make conforming changes in connection with the repeal of a requirement that the CEAB develop an annual plan.

Section 111, effective July 1, 2007, creates the "state-wide energy efficiency and outreach account" as part of the General Fund, to be administered by the DPUC for the purposes of carrying out Sections 61, 87, 88 and 100 of this Act.

Section 112, effective July 1, 2007, amends CGS § 25-204(e) to make conforming technical changes.

Section 113, effective July 1, 2007, amends CGS § 25-231(4) to make conforming technical changes.

Section 114, effective July 1, 2007, amends CGS § 25-234(e) to make conforming technical changes.

Section 115, effective July 1, 2007, amends CGS § 16-32f to fund the gas conservation plan through the tax imposed by CGS § 12-264 that is in excess of the revenue estimate for said tax not to exceed \$10 million. The ECMB is responsible for the distribution to the gas companies.

Section 116, effective July 1, 2007, establishes a 13 member Fuel Oil Conservation Board as a tax exempt organization. This Section requires such board to establish an account as a part of the General Fund supported by excess revenue collected above the 2006 revenues not to exceed \$10 million annually of tax imposed by CGS § 12-587. On or before March 1, 2008 and on October 1, 2008 and every year thereafter, the administrator shall submit to the ECMB a comprehensive oil conservation plan. The ECMB shall hold a public hearing on each plan. The board shall annually or as otherwise practicable review the cost-effectiveness of the program. By January 1, 2009 and annually thereafter, the board shall issue a report to the General Assembly.

Section 117, effective July 1, 2007, permits the DPUC, on or after July 1, 2009, in the event that the DPUC does not receive and approve sufficient proposals pursuant to Section 52 of this Act, to order an EDC to submit for review in a contested proceeding a proposal to build and operate an electric generation facility in the state. The EDC shall be eligible to recover its costs consistent with the principles set forth in CGS § 16-19e. On or before January 1, 2008, the DPUC shall initiate a contested case to determine the costs and benefits of the state serving as the builder of last resort for the shortfall in proposals.

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Section 118, effective October 1, 2007, requires electric suppliers or EDCs to waive a demand charge for an operator of a fuel cell during a loss of power due to problems with the distribution system, or a scheduled shutdown of the fuel cell, if said shutdown occurs during off-peak hours. The waived charge shall not exceed the amount resulting from the problem or shutdown.

Section 119, effective from passage, requires EDCs to give a credit to customers in bills on or after November 1, 2007 if the customer has reduced electricity use by at least 10, 15 or 20 percent for the period from June 1, 2007 to August 31, 2007 as compared with the same period in 2006. The credits will be equal to 10, 15, or 20 percent of the billed generation charges for usage from June 1, 2007 to August 31, 2007 inclusive. All costs incurred in connection with this program shall be recoverable through the systems benefit charge. On or before February 1, 2008, the DPUC shall report to the General Assembly on the success of and recommendations for the program.

Section 120, effective from passage, amends CGS § 16-245n(c) to allow Connecticut Innovations, Inc. to use funds from the Renewable Energy Investment Fund for the purpose of supporting operational demonstration projects for advanced technologies that reduce energy utilization from traditional sources.

Section 121, effective July 1, 2007, authorizes the State Bond Commission to issue bonds up to \$30 million for the purpose of funding renewable energy or combined heat and power projects in state buildings provided that such buildings are LEED certified.

Section 122, effective from passage, amends CGS § 4a-67d to require by January 1, 2008 any car or light duty truck purchased by the state to have an efficiency rating in the top third of all vehicles in its class and 50 percent of such vehicles shall be alternative fueled, and that by January 1, 2010, all cars and light duty trucks purchased by the state must be in the top third and alternative fueled.

Section 123, effective July 1, 2007, requires EDCs with a tariff for residential space heating customers to maintain the tariff for a period of not less than five years after the effective date of this Section. Such tariff shall be available to customers who use electric energy as the primary space heating and who enter an agreement with the EDC for a period of not less than 12 months.

Section 124, effective from passage, amends CGS § 16-244(c)(j)(2) to require EDCs to file with the DPUC for approval long-term power contracts from Class I renewable sources of not less than 125 megawatts, apportioned among EDCs, for the period of October 1, 2007 to September 30, 2008. By October 1, 2008, such contracts must be comprised of not less than 150 megawatts. By September 1, 2007, the DPUC, in consultation with the OCC and Renewable Energy Investment Advisory Council (now known as the Renewable Energy Investment Board), shall study the operation of such renewable energy contracts and report to the General Assembly.

Section 125, effective July 1, 2007, requires the DPUC to conduct a contested case proceeding by July 1, 2010, to examine the effectiveness of the programs administered by the ECMB.

Based on the findings, the DPUC may modify or discontinue any of the ECMB's conservation and load management programs.

Section 126, effective from passage, amends CGS § 16-245e to allocate \$95 million to defease state reduction bonds maturing after December 30, 2007. Revenue freed up as a result of this measure would restore some conservation funding. NOTE: THIS SECTION WAS VETOED BY THE GOVERNOR IN A LINE ITEM VETO BUT WAS REINSTATED IN THE BUDGET ACT, ENACTED IN THE JUNE SPECIAL SESSION WITH AN \$85 MILLION APPROPRIATION.

Section 127, effective July 1, 2007, appropriates \$5 million for deposit into the statewide energy efficiency and outreach account established by Section 44 of this Act.

Section 128, effective from passage, appropriates \$2.5 million to OPM from the General Fund for the purpose of implementing the clean-slate program pursuant to Section 81 of this Act. NOTE: THIS SECTION WAS VETOED BY THE GOVERNOR IN A LINE ITEM VETO.

Section 129, effective July 1, 2007, repeals CGS § 16a-7a, thus eliminating the requirement that CEAB develop an annual comprehensive energy plan.

**AN ACT CONCERNING
APPLICATION FOR A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY,
PROTECTING PUBLIC AND PRIVATE
WATER SUPPLIES FROM
CONTAMINATION AND AUTHORIZING
THE LEASE OF CERTAIN WATER**

**COMPANY OWNED CLASS I AND
CLASS II LANDS**

PUBLIC ACT NO. 07-244

Section 1 of this Act, effective October 1, 2007, amends CGS § 16-262m to amend the definition of "water company" to include a state agency, and to replace the term "on a regular basis" with "for at least sixty days in any one year." For systems serving 25 or more residents that are not the subject of proceedings under CGS § 16-262n(c) or CGS § 16-262o, an application for a certificate of public convenience and necessity is now required to include a copy of a signed agreement between the water company and provider for the exclusive service area. The DPUC and the Department of Public Health ("DPH") shall issue a certificate only when certain conditions listed are met. The DPH, with input from the DPUC, is required to adopt regulations for the purposes of this Section.

Section 2, effective October 1, 2007, amends CGS § 19a-36(1) to make several technical changes, and to authorize the local director of health to issue an order requiring the immediate implementation of mitigation measures, including permanent abandonment of the well, upon a determination that an irrigation well creates an unacceptable risk. In the event a cross connection with the public water system is found, the owner of the system may terminate service to the premises.

Section 3, effective October 1, 2007, amends CGS § 19a-209a to no longer allow the issuance of a permit for the installation or replacement of a water supply well, where the well replaces an existing well that was used at the premises

for domestic purposes or which the DPUC has ordered the community water supply system to reduce demand on its system. Wells used for irrigation are exempted from water quality testing unless the local director of health determines that an irrigation well creates an unacceptable risk. In the event a cross connection with the public water system is found, the owner of the system may terminate service to the premises.

Section 4, effective October 1, 2007, amends CGS § 19a-37(c) to require the Public Health Commissioner to also adopt regulations to clarify the criteria under which a well permit exception may be granted. This Section also describes the terms and conditions that shall be imposed when a well is allowed on a property that is within 200 feet of an approved community water supply system, measured along a street, alley or easement.

Section 5, effective from passage, prevents a person who owns a private residential well that currently supplies or previously supplied water to another household, and provides or previously provided continuous water services to such household for a period of at least 50 years, from discontinuing such water service in the absence of an alternative available source of water. Each household supplied from the well shall contribute equally to the costs of maintaining the well.

Section 6, effective from passage, permits the city of New Britain to change the use of its water company owned Class I and II lands to allow for the lease of "0 Biddle Pass," and establishes certain regulations and conditions of such change.

Section 7, effective from passage, requires a person who applies to the DPH for

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authorization relating to the repair or new construction of a subsurface sewage disposal system that involves the waiver of the proximity requirement of such system to a private residential well, to notify all owners of abutting properties of such application. A decision by the DPH shall constitute a final decision. A decision approving an application shall not be an affirmative defense to any claim for liability for damages related to the proximity of such system.

**AN ACT CONCERNING
CERTIFIED COMPETITIVE
VIDEO SERVICE**

PUBLIC ACT 07-253

Section 1 of this Act, effective October 1, 2007, amends certain definitions contained in CGS § 16-1. The Section also defines the terms “Video service,” “Certified competitive video service provider,” “Certificate of video franchise authority,” and “Certificate of cable franchise authority.”

Section 2, effective October 1, 2007, requires an entity or person, other than a community antenna television company certified to provide community antenna television service pursuant to CGS § 16-331 seeking to provide video service in the state on and after October 1, 2007, to file with the DPUC an application for a certificate of video franchise authority. Entities other than a community antenna television company certified to provide community antenna television service pursuant to CGS § 16-331 that were offering video service in the state on or before October 1, 2007, are required to file their application for a certificate of video franchise authority on or before October 31, 2007, and shall be allowed to continue to offer such video service while their

application for a certificate of video franchise authority is pending. The DPUC shall notify the applicant whether the application is complete on or before the fifteenth calendar day after the applicant submits the application and shall not conduct a hearing or contested case proceeding but may submit written questions to the applicant and may accept written comments and reply comments from the applicant, the OCC, the Attorney General and other interested companies, organizations and individuals. The DPUC shall issue a certificate of video franchise authority not later than 30 calendar days after notifying the applicant that the application was complete or it shall state any deficiencies. The failure of the DPUC to issue a response shall be deemed an acceptance of the application. The certificate is fully transferable but a notice of transfer shall be filed with the DPUC within 14 business days after the transfer.

Section 3, effective October 1, 2007, establishes that certified competitive video service providers are not required to comply with facility build-out requirements or provide video service to any customer using any specific technology. The DPUC shall initiate a contested case proceeding three years after the issuance of the certificate of video franchise authority to investigate the availability of the certified competitive video service provider's video services and report its findings to the General Assembly. The rights and responsibilities under CGS §16-333a regarding service and wiring to multi-unit residential buildings shall apply to a certified competitive video service provider.

Section 4, effective October 1, 2007, prohibits competitive video service

providers from denying access to service to any group of potential residential subscribers based upon the income of the residents.

Section 5, effective October 1, 2007, requires certified competitive video service providers to provide capacity over its video service so as to allow community access programming, in its basic service package, in accordance with certain requirements. Certified competitive video service providers and community antenna television companies or nonprofit organizations providing community access operations shall engage in good faith negotiation regarding interconnection of community access operations where such interconnection is technically feasible or necessary. Interconnection may be accomplished by direct cable, microwave link, satellite or other reasonable method of connection. Not later than 120 days after the certified competitive video service provider begins offering service in a designated area pursuant to its certificate, such provider shall provide transmission of the Connecticut Television Network to all its subscribers.

Section 6, effective October 1, 2007, establishes a statewide video advisory council. Certified competitive video service providers shall provide \$2,000 per year to fund the council. The DPUC shall designate the statewide video advisory council as an intervenor in any contested case proceeding before the department involving the certified competitive video service provider it advises. Certified competitive video service providers shall, every six months, provide on bills, bill inserts or letters to subscribers, a notice indicating the name and an address of the chairperson of the statewide video

advisory council and describing the responsibilities of such advisory council.

Section 7, effective October 1, 2007, requires that at the time of initial subscription, and annually thereafter, or upon request, certified competitive video service providers shall provide subscribers with a description of service offerings, current rates, credit policies, and billing practices and complaint procedures. The Section also describes a dispute resolution process.

Section 8, effective October 1, 2007, requires certified providers to inform the DPUC of any planned programming or rate changes not less than 30 days before implementing such changes. Providers shall inform each subscriber, the General Assembly and the statewide video advisory council of any planned elimination or reduction in any programming or any planned rate increases, not less than 30 days before implementing such changes. The council may hold an advisory public hearing concerning the planned changes and may then make a recommendation to the company before the planned date of implementing the change.

Section 9, effective October 1, 2007, requires providers to grant a credit or refund if service is interrupted for more than 24 continuous hours.

Section 10, effective October 1, 2007, requires providers to make closed captioning available. Providers shall offer the concurrent rebroadcast of local television broadcast channels, or utilize another economically or technically feasible process for providing an appropriate message through the provider's video service in the event of a public safety emergency issued over the emergency broadcast system.

Section 11, effective October 1, 2007, requires providers to supply, at no charge, any library serving the public and any school system, college or university participating in educational or public access programming. The DPUC may exempt any provider from providing such service at no charge if it would have an adverse impact on the provider.

Section 12, effective October 1, 2007, permits the DPUC to fine certified providers that do not comply with this Act not more than \$10,000 for each offense. The DPUC also has the authority to revoke the certificate of video franchise authority if the certified competitive video service provider is found, after a department hearing, to be in substantial noncompliance with the requirements of law or department orders.

Section 13, effective October 1, 2007, permits community antenna television companies to seek a certificate of video franchise authority from the DPUC 30 days after a certified competitive video service provider offers video service in the company's existing franchise area, or 30 days after a municipal electric utility begins offering video service in a company's existing franchise area which shall become effective immediately upon issuance. A community antenna television company seeking a certificate shall file an application with the DPUC and shall include a fee of \$1,000. The application procedures established in Section 2 of this Act shall also apply to community antenna television companies.

Sections 14 through 24, effective October 1, 2007, establish similar regulations for companies issued a certificate of cable franchise authority as those contained in Sections 2 through 13 for certified competitive video service providers.

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Section 25, effective October 1, 2007, establishes an account to be known as the "municipal video competition trust account" within the General Fund not to exceed \$5 million per year funded by the gross earnings tax imposed by CGS § 12-256 as amended by this Act. The account shall contain any moneys required by this Section to be deposited in the account and shall be distributed as property tax relief to the towns, cities and boroughs of this state. Each town shall receive its portion of the fund as determined by the town's proportion of total subscribers. The Treasurer shall pay the respective amount to each municipality in accordance with this Section on or before the thirtieth day of September in the same year.

Section 26, effective July 1, 2007, amends CGS § 12-256 to include operators of a certified competitive video service within the tax established by CGS § 12-256.

Section 27, effective July 1, 2007, amends CGS § 12-258 to include the gross earnings of certified competitive video service providers within the taxable income taxed under CGS § 12-258.

Section 28, effective October 1, 2007, amends CGS § 12-80b to include tangible personal property used to render a certified competitive video service within taxable property under CGS § 12-80a.

Section 29, effective October 1, 2007, amends CGS § 12-268j to address a series of related tax provisions.

Section 30, effective October 1, 2007, amends CGS § 12-407(a) to define the terms, "Certified competitive video service," "Directory assistance," and "Vertical service."

Section 31, effective October 1, 2007, amends CGS § 12-407(a)(2)(L) to include

holders of a certificate of cable franchise authority and certified competitive service providers.

Section 32, effective October 1, 2007, amends CGS § 12-407(a)(26) to conform the meaning of the term "telecommunication service" with modern technology.

Section 33, effective July 1, 2007, establishes an account to be known as the "public, educational and governmental programming and education technology investment account" within the General Fund, to be administered by the DPUC under rates to be developed by the DPUC.

Section 34, effective October 1, 2007, makes eligible any municipal electric utility holding a second franchise to provide community antenna television service in a defined franchise area in the state to be a certified competitive video service provider. Further, any municipal electric utility may apply to the DPUC to become a certified competitive video service provider.

Section 35, effective October 1, 2007, establishes a statewide community antenna television advisory council to assist local community antenna television advisory councils in the performance of their functions and disseminate information to local advisory councils that is relevant to the interests of customers of community antenna television companies. This Section also establishes the membership of such council.

Section 36, effective October 1, 2007, amends CGS § 16-331(d) to allow the DPUC to grant a two-year franchise extension if at any time after the grant of an initial or renewal term of a franchise,

the community antenna television company and the third-party nonprofit community access provider reach an agreement that the community antenna television company will provide a capital contribution to such provider in a mutually agreeable amount solely for the purpose of the upgrade or replacement of capital equipment, provided the community antenna television company commits to not pass through said capital contribution in subscriber rates or community access fees. In a franchise area with more than one community access provider, an agreement shall be deemed to be reached when two-thirds or more of the community access providers within that franchise independently reach agreement with the community antenna television company. Such extension shall not be a contested case proceeding and shall be applicable to no more than one time per franchise term.

Section 37, effective October 1, 2007, amends CGS § 16-331(f) to require the DPUC to state its reasons for not implementing any key recommendations from the community needs assessment in its final decision on an application for a certificate of public convenience for a community antenna television system.

Section 38, effective October 1, 2007, amends CGS § 16-331(g) to allow a certificate of public convenience and necessity for a franchise to require a franchisee to enter into good faith negotiations to facilitate community access television interconnection with an existing or potential competitor franchisee.

Section 39, effective October 1, 2007, amends CGS § 16-331a(d) to include

within the outreach program the requirement of multitown franchise holders to encourage the formation and development of local community access studios operated by volunteers or nonprofit operating groups.

Section 40, effective October 1, 2007, amends CGS § 16-331a(h) to define the “good cause” threshold for the DPUC to require an audit of an organization responsible for community access operations.

Section 41, effective October 1, 2007, amends CGS § 16-331a to require each company or organization to consult with its advisory council in the formation of a community access programming policy, the adoption of the community access programming budget and the allocation of capital equipment and community access programming resources.

Section 42, effective October 1, 2007, amends CGS § 16-331c to require each community antenna television company to contribute to the statewide community antenna television advisory council \$2,000 and to require said council to annually, on or before January 31st, provide the DPUC with an accounting of any funding or services received.

Section 43, effective October 1, 2007, requires the Comptroller to deposit into the public, educational and governmental programming and education technology investment account the total of the tax imposed on community antenna television service, video programming service by satellite and certified competitive video service pursuant to this Act.

Section 44, effective October 1, 2007, requires the General Assembly to conduct

a review and analysis of the state and local taxes applicable to telecommunications services, community antenna television services, video programming services by satellite and certified competitive video service providers for consideration during the 2008 regular session of the General Assembly.

APPENDIX 1: ACRONYMS

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|-------|--|
| CEAB: | Connecticut Energy Advisory Board |
| CGS: | Connecticut General Statutes |
| CSC: | Connecticut Siting Council |
| DEP: | Department of Environmental Protection |
| DOE: | Department of Education |
| DPH: | Department of Public Health |
| DPUC: | Department of Public Utility Control |
| ECLF: | Energy Conservation Loan Fund |
| ECMB: | Energy Conservation Management Board |
| EDC: | Electric Distribution Company |
| EID: | Energy Improvement District |
| EIDB: | Energy Improvement District Board |
| LEED: | Leadership in Energy and Environmental Design |
| OCC: | Office of Consumer Counsel |
| OPM: | Office of Policy Management |
| RFP: | Request for Proposal |
| WICA: | Water Infrastructure and Conservation Adjustment |

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APPENDIX 2: Public Act No. 07-242 Summary Table

| Section | Effective Date | Subject Matter | Statute Amended |
|---------|-----------------|--|----------------------|
| 1 | July 1, 2007 | Replacement Furnace Rebate Program | New |
| 2 | From Passage | Replacement Furnace Rebate Program | Public Act 05-02, §6 |
| 3 | From Passage | Air Conditioner Replacement Program | New |
| 4 | From Passage | Duel Fuel Capability for Intermediate or Baseload Gas or Oil-Fired Generating Facilities | New |
| 5 | From Passage | DPUC Report on Personnel and Power Outages | New |
| 6 | October 1, 2007 | EDC Staffing Levels | CGS § 16-32g |
| 7 | October 1, 2007 | Staffing Levels and Energy Security | CGS § 16-19(e)(a) |
| 8 | From Passage | Energy Security re: Facilities Siting | New |
| 9 | From Passage | Generation Reliability During Peak Demand Periods | New |
| 10 | January 1, 2008 | “Green Building” Standards | CGS §16a-38k |
| 11 | October 1, 2007 | “Green Building” Standards—Grants for School Building Projects | CGS § 10-285a |
| 12 | October 1, 2007 | Equipment Energy Efficiency Standards | CGS § 16a-48 |
| 13 | From Passage | Systems Benefits Charge | CGS § 16-245(l)(a) |
| 14 | July 1, 2007 | Residential Conservation Program | New |
| 15 | From Passage | Clean Energy Fund | CGS § 16-245n |
| 16 | October 1, 2007 | Energy Efficiency Standards—State Equipment and Appliance Purchases | CGS § 4a-67 |
| 17 | From Passage | Municipal Utilities—Distributed Resources Awards | New |
| 18 | July 1, 2007 | Funding Distributed Resources | CGS § 16-243r |
| 19 | January 1, 2008 | Municipal Tax Exemption for Vehicles | New |
| 20 | January 1, 2008 | Sales and Use Tax Exemptions for High Gas Mileage Passenger Cars | CGS § 12-412 (110) |
| 21–36 | From Passage | Energy Improvement Districts | New |
| 37 | October 1, 2007 | Interconnection Standards | CGS § 16-243a(b) |
| 38 | October 1, 2007 | Interconnection Standards | CGS § 16-243a |
| 39 | October 1, 2007 | Net Metering | CGS § 16-243h |

| Section | Effective Date | Subject Matter | Statute Amended |
|---------|-----------------|--|-----------------------|
| 40 | October 1, 2007 | Renewable Portfolio Standard | CGS § 16-245a |
| 41 | July 1, 2007 | Municipal Promotion of Renewable Energy Resources | New |
| 42 | From Passage | Class III Credits | New |
| 43 | October 1, 2007 | Class III Renewable Resources | CGS §16-244q |
| 44 | From Passage | Class III Sources— Waste Heat Recovery Systems | CGS § 16-1 |
| 45 | October 1, 2007 | DEP Lease of Hydroelectric Facilities | CGS § 22a-6(a) |
| 46 | October 1, 2007 | Tax Exemptions for Solar Heating Systems and Geothermal Energy Resources | CGS § 12-81(57) |
| 47 | October 1, 2007 | Solar Energy Tax Exemptions | CGS § 12-81(63) |
| 48 | From Passage | Solar Contractor Licensing Requirements | CGS § 20-340 |
| 49 | July 1, 2007 | Customer Switching, Procurement of Last Resort Generation Supply | CGS § 16-244c(e) |
| 50 | January 1, 2008 | Peaking Generation | New |
| 51 | From Passage | Resource Procurement Plan | New |
| 52 | From Passage | Implementation of Procurement Plan | New |
| 53 | From Passage | CEAB Composition and Responsibilities | CGS §16a-3 |
| 54 | From Passage | Exemptions from CEAB RFP Process | CGS § 16a-7c |
| 55 | July 1, 2007 | Exemptions from CEAB RFP Process | CGS § 16-501(a)(2) |
| 56 | From Passage | State Responsibility for Utility Relocation Costs | CGS § 13a-26 |
| 57 | October 1, 2007 | Qualifications for DPUC Commissioners | CGS §16-2(e) |
| 58 | July 1, 2007 | CEAB Study | New |
| 59 | From Passage | CEAB Study | New |
| 60 | October 1, 2007 | DPUC Examination of Last Resort Service and Standard Service | New |
| 61 | July 1, 2007 | Promotion of Compact Fluorescent Bulbs and Renewable Energy | New |
| 62 | October 1, 2007 | Fuel Cell Certification Exemptions | CGS § 16-50k(a) |
| 63 | July 1, 2007 | EDC-Owned Generation Assets | CGS § 16-244(e)(a)(6) |
| 64 | July 1, 2007 | EDC-Owned Generation Assets | CGS § 16-19ss(d) |
| 65 | July 1, 2007 | Energy Assistance Benefits | P.A. 05-02 §1 |

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APPENDIX 2: Public Act No. 07-242 Summary Table continued

| Section | Effective Date | Subject Matter | Statute Amended |
|---------|-----------------|--|------------------|
| 66 | July 1, 2007 | Discounted Fuel Purchasing Program | CGS § 16a-14a |
| 67 | October 1, 2007 | Winter Shut-Off Moratorium Extension | CGS §16-262c |
| 68 | July 1, 2007 | Sales Tax Exemptions | CGS § 12-412 |
| 69 | June 1, 2007 | Sales Tax Exemptions | CGS § 12-412k |
| 70 | From Passage | Sales Tax Exemption for Energy Star Household Appliances | New |
| 71 | From Passage | Renewable Energy Certificates | CGS § 16-245a |
| 72 | July 1, 2007 | Energy Conservation Program Tax Credit | CGS § 12-635 |
| 73 | July 1, 2007 | Bonding for Energy Efficiency—State Buildings | New |
| 74 | October 1, 2007 | HEFA Grants for Energy Conservation | CGS § 10a-180 |
| 75 | From Passage | Low Interest Conservation Loans | PA. 05-02 §5 |
| 76 | From Passage | Restrictions on Eminent Domain | CGS § 16a-2 |
| 77 | From Passage | Restrictions on Eminent Domain | CGS § 16a-7b |
| 78 | October 1, 2007 | “Green Building” Standards | CGS § 29-256a |
| 79 | From Passage | Definitions | CGS § 16-245(e) |
| 80 | From Passage | Low Interest Conservation Loans | CGS § 16a-40b(b) |
| 81 | From Passage | Operation Fuel—Clean-Slate Program (Funding Vetoed) | New |
| 82 | From Passage | Operation Fuel - Donations | CGS § 16a-41h(a) |
| 83 | From Passage | EDC Purchase of Electric Generation Plants | New |
| 84 | From Passage | ECMB Report on Conservation and Energy Efficiency | New |
| 85 | From Passage | Time-of-Use Rates | CGS § 16-243n |
| 86 | From Passage | Long-Term Contracts for Electric Energy Output | New |
| 87 | July 1, 2007 | Energy Efficiency Outreach | New |
| 88 | July 1, 2007 | Real-Time Energy Report | New |
| 89 | From Passage | Customer Capacity Notification | New |
| 90 | July 1, 2007 | Municipal Grant Program | New |
| 91 | From Passage | Municipal Grant Program | New |
| 92 | July 1, 2007 | Participating Electric Supplier Referral Program | CGS § 16-244c |

| Section | Effective Date | Subject Matter | Statute Amended |
|---------|-----------------|--|------------------|
| 93 | July 1, 2007 | Regional Greenhouse Gas Initiative | New |
| 94 | From Passage | Connecticut Electric Efficiency Partner Program | New |
| 95 | July 1, 2007 | Municipal Debt Limits | CGS § 7-374 |
| 96 | July 1, 2007 | Connecticut Electric Efficiency Partners | CGS § 16-41(a) |
| 97 | From Passage | Connecticut Energy Excellence Plan | New |
| 98 | From Passage | Advanced Metering, Time-of-Use Pricing | New |
| 99 | From Passage | Voluntary Critical Peak Pricing | New |
| 100 | July 1, 2007 | Real-Time Energy Email and Cell Phone Alert System | New |
| 101 | From Passage | Energy Use in State Facilities Strategic Plan | New |
| 102 | From Passage | DEP Permitting for Distributed Generation | New |
| 103 | From Passage | Emergency Generators | New |
| 104 | From Passage | Standard Service Procurement | New |
| 105 | July 1, 2007 | Repeal of CEAB Energy Plan | CGS § 16-254m(d) |
| 106 | From Passage | Incentives to Reduce Peak Demand | New |
| 107 | From Passage | Decoupling | New |
| 108 | July 1, 2007 | Distributed Generation Grant Program | New |
| 109 | July 1, 2007 | Distributed Generation Grant Program | New |
| 110 | July 1, 2007 | Repeal of CEAB Energy Plan | CGS § 16a-7b |
| 111 | July 1, 2007 | Energy Efficiency Outreach | New |
| 112 | July 1, 2007 | Repeal of CEAB Energy Plan | CGS § 25-204(e) |
| 113 | July 1, 2007 | Repeal of CEAB Energy Plan | CGS § 25-231(4) |
| 114 | July 1, 2007 | Repeal of CEAB Energy Plan | CGS § 25-234(e) |
| 115 | July 1, 2007 | Natural Gas Conservation | CGS § 16-32f |
| 116 | July 1, 2007 | Fuel Oil Conservation Board | New |
| 117 | July 1, 2007 | EDC Proposals – Builder of Last Resort | New |
| 118 | October 1, 2007 | Demand Charge Waiver | New |
| 119 | From Passage | Summer Savers Program | New |

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APPENDIX 2: Public Act No. 07-242 Summary Table continued

| Section | Effective Date | Subject Matter | Statute Amended |
|---------|----------------|--|-----------------------|
| 120 | From Passage | Clean Energy Fund Investments | CGS § 16-245n(c) |
| 121 | July 1, 2007 | Bonding for Renewable Energy Projects in State Buildings | New |
| 122 | From Passage | Efficiency Requirements for State Vehicles | CGS § 4a-67d |
| 123 | July 1, 2007 | Electric Tariffs | New |
| 124 | From Passage | Project 100 | CGS § 16-244(c)(j)(2) |
| 125 | July 1, 2007 | DPUC Examination of ECMB | New |
| 126 | From Passage | Restoration of Conservation Funding | CGS § 16-245e |
| 127 | July 1, 2007 | Appropriation for Energy Efficiency Outreach | New |
| 128 | From Passage | Operation Fuel Appropriation (Vetoed) | New |
| 129 | July 1, 2007 | Repeal of CEAB Energy Plan | CGS § 16a-7a |

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