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CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE, introduced by Senator Williams, of the 29th, and Representative Donovan, of the 84th.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I move all items on Senate Agenda Number 1, dated Monday, June 6, 2011, to be acted upon as indicated, and that the Agenda be incorporated by reference into the Senate Journal and the Senate Transcript.

And, Madam President, would ask the Clerk to call from Senate Agenda Number 1, the Emergency Certified Senate Bill 1243.

THE CHAIR:

Mr. Clerk.

THE CLERK:

The Clerk is in possession of Senate Bill Number 1243, AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Good afternoon, Madam President.

THE CHAIR:

Good afternoon.

SENATOR FONFARA:

Madam President, I move for acceptance of the Emergency Certified Bill and I seek leave to summarize.

THE CHAIR:

The question is on adoption.

Will you remark further, sir?

SENATOR FONFARA:

Yes, Madam President.

The Clerk is in possession of an amendment, LCO 8421; may he please call and I be permitted to summarize?

THE CHAIR:

Mr. Clerk.

THE CLERK:

Madam President, the Clerk is in possession of LCO Number 8421, which shall be designated Senate Amendment Schedule "A," introduced by Senator Fonfara,

of the 1st, and Senator Witkos, of the 8th Districts, copies of which have been distributed.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

The amendment requires that the procurement manager --

THE CHAIR:

Sir, would you move --

SENATOR FONFARA:

I move --

THE CHAIR:

-- for adoption?

SENATOR FONFARA:

-- adoption. I apologize for it.

THE CHAIR:

The question is on adoption.

Will you remark?

SENATOR FONFARA:

Yes, Madam President.

The amendment calls for the procurement manager, who will be responsible for procuring electricity for

standard service customers, shall have experience in the -- in energy markets and procuring energy on the -- a commercial scale.

I urge passage of the amendment.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you, Madam President.

I also rise in support of the amendment.

THE CHAIR:

Thank you, Senator Witkos.

Will you remark further? Will you remark further?

If not, all in favor of Senate "A," please say, aye.

SENATORS:

Aye.

THE CHAIR:

Opposed? Senate "A" is adopted by voice vote.

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Madam President, the bill before us is in many ways a landmark. If in no other way, it's taken us

four years to get here, and that's the truth. Energy, there used to be a term or still is a term, not used very often anymore, that energy was something that was too cheap to meter. It reflected not only the price of electricity but our attitude as a state and as a country, as it related to energy issues.

Today, energy issues are far more important to our economy and in our homes, and in our businesses, whether it's electricity or heating our homes and processing in businesses or in transportation.

There's been a significant change in how important energy is in our lives, but that is not reflected currently in our policies, whether it be with respect to how we work in state government; currently, only at the Department of Public Utility Control is there a central focus on energy. And yet there are desperate elements across state government that have responsibilities.

This bill reflects a paradigm shift, which, with respect to how we as a state view energy. We move from a reactive to a proactive position, from responding to problems to anticipating a problem and developing a strategy to overcome it. That's a significant change in how we view energy and its

importance in our lives, in our economy, and in our state.

For the first time, we have a full-time commitment to addressing the problems in our intelligence, in using our intelligence to develop solutions. The bill puts into place a structure and resources that reflects our recognition that our economy and our quality of life require both a short-term commitment and one that will last for years to come.

The bill is a culmination of a lot of years of work, frustrating at times. It's a commitment of the Malloy Administration, and in particular, of new Commissioner, Dan Esty, to make energy issues a major priority in their Administration.

Before I go into some of the specifics of the bill, I'd like to recognize some of the people who made this document possible. I'd like to recognize Senator Don Williams for making energy a priority this year, with making this bill Senate Bill 1, for his patience in the process and his confidence in me to get us here.

To my Co-chair, Vickie Nardello, and despite our at times significant philosophical differences, we

have found a way to work together over the last two years to develop this document. She spends an incredible amount of time and detail on the specifics of the bill. Sometimes I wish she didn't, but that's her nature and we're all better off for it.

To my Ranking Member, Kevin Witkos, smart, thoughtful, he's emerged as a leader not only in terms of his insight but as a bridge builder. And there is no question we would not have not only the document we have here today for the support for it, which I believe and hopefully will be universal before we complete our work here today.

To Senator Duff, to Representative Lonnie Reed, and to Representative Laura Hoydick, who is a successor to -- to Sean Williams, who should not be forgotten in this process, even though he is no longer the Ranking Member, has contributed mightily; they all have, in getting us to where we are.

And with respect to the Administration, as I mentioned Commissioner Esty, a nationally recognized expert in energy and the environment. He could be anywhere, and we're very fortunate, both in that Governor Malloy has sought him out and that Commissioner Esty has sought to bring his talents, his

knowledge, his experience to the State of Connecticut. I think in short order we will see how lucky we are to have such a talent.

To Liz Donohue and Alex Kreggy, both incredible resources to us throughout this long process, and on staff, Jenna Padula, Kevin McCarthy, Brad Towson, Melissa Buckley, Steve Papadopoulos, Katie Breslin, Dave Stuber, Linda Buchanan, Patty Askham, David MacDonald all gave of not only their time during the regular hours that we're here but many, many weekends, Madam President, that we spent working on this -- on this bill.

Now if I could speak to the major elements of the bill before us, the bill reorganizes two agencies, the Department of Public Utility Control, the Department of Environmental Protection, and brings them together under one roof and under the leadership of Commissioner Esty. But it goes much further than just mere consolidation. It focuses the attention of the importance of and it recognizes the inextricable relationship between the -- between energy and the environment. And it brings together, as I said earlier, the desperate elements relating to energy so that there is a focused response, a focused effort to

address the issues that we face today. It reflects the evolution from a regulated world to a competitive market, in many respects.

Much of what happens in the energy world today happens outside of the regulated world, but to date we have not had a response to that. We have not had the mechanism in place to address those issues; primarily, we've continued to address the regulated world, which is a minority of the issues and the environment that energy operates within today. It creates an energy bureau which will also address technology issues; it's a full-time commitment. We've never had that before, a full-time commitment to addressing the cost of electricity, which is an ongoing problem in the State of Connecticut that we are committed and the Administration is committing to changing, whether it's the cost of -- of heating oil, whether it's how to heat our homes, our businesses and so many other ways that for the first time will have an energy bureau focussed full time on addressing these issues. And, again, it -- or organizes under one roof the desperate elements that have existed throughout state government.

There's a commitment to lowering electricity costs. How do we do that? First, for those who remain on standard service, those that have not gone out into the retail market to obtain their electricity, there will be a procurement process and officer for figuring out how we can buy power cheaper and provide the benefits of that to Connecticut's residents and businesses.

There'll be a more aggressive process for buying power. It will eliminate the laddering mechanism that's been in place for several years that was put into place to protect ratepayers from -- from shock, rate shock, if rates were going up. The downside of that is rates have been coming down in the last four or five years; we haven't seen the benefit of that as quickly. So Connecticut continues to pay for electricity costs generated by natural gas, that was much higher three or four years ago, before the recession hit. And it's taking longer than it should to get the benefits of that -- of that market decline in price to consumers.

We allow for long-term contracts to look at how new and repower generation might bring more efficient -- bring on more efficient generators and close

inefficient, dirty generators here in the state. That's a paradigm shift in itself. For years, we have focussed on ensuring that the lights stay on, and we'll continue to do that. It's a priority. But for the first time, we will have in law policies that look at how can we additionally change prices, lower electricity costs, lower energy costs.

We implement a study of the regulators, the regional regulators who have currently a policy, a perverse policy that says we're going to pay all generating sources the same as the most inefficient and dirty generating sources. So on a hot day, like this coming Wednesday, after we've had a second day of 90-degree temperatures, humid, when the price of electricity is very, very high, on that day some of the generating sources that will get turned on at midday and later to make sure that our lights stay on, some of those generators operate maybe for one or two days of the year to make sure that we meet our demand load. Those are very expensive generating sources, and that price that they need to be paid will be paid to all generators, including our most efficient resources, such as nuclear and hydro. It's a wrong-headed policy. It makes Connecticut -- it's a primary

reason why we pay far more for electricity than we should be, and the rule needs to be changed. And this bill sets that process in motion to allow us to put pressure on our federal regulators to change that policy and allow us to enjoy lower rates, that we should be today.

It implements with the department, the -- the regulators, a process for identifying how we can implement a low-income rate for seniors and -- and for those struggling to pay their electric bills.

We establish a process to ensure, with respect to our conservation and renewable efforts, that all areas of our state, including underserved areas of our inner cities which currently have not seen the benefits of those investments, also will be shared, will be benefiting from them.

We implement a program in which all retail suppliers must offer time-of-use rates to the residential customers. It's a voluntary process but one for those who are able to shift their usage from during the most expensive time of the day to in the late-night hours or weekend hours, when the price of electricity is lower. That will accomplish two things. One, it will give ratepayers a chance to take

control of their electric use, their energy use, something that most people, your constituents and mine, feel most frustrated by, that they -- they feel helpless that they cannot do things to control their energy costs, themselves. Time-of-use rates and the time-of-use meter will enable them to become much savvier and have the tools to decide when they're going to use their electricity, when they'll wash their clothes, when they'll iron their clothes, when they'll use the most expensive energy using appliances and technologies on their time, not in -- that they'll get a benefit from that in their pocketbook. Right now, they're unable to benefit from that process.

We make efforts to lower energy costs more broadly. We establish a boiler/window replacement program. Those are the two areas that in heating your home or keeping you warm in the winter or cool in the summer are the most -- most meaningful, your boiler and windows, in particular.

And we establish a -- we -- we modify a program, an existing program to help families heat their homes without going broke in the process. I think it has the potential to make dramatic impact on -- on -- on folks. It's like essentially a tax break, if they can

lower their heating costs significantly in the coming winters.

We establish a natural gas study that will look at how we could extend natural gas lines so more people in our state have the benefit of natural gas. Right now in our cities, in some suburban areas, natural gas lines are extended to there and available to customers, but many of our -- the suburban areas and rural areas of our state do not have access to natural gas, and this will establish a process for determining how we can make that more affordable.

In the integrated resource plan process, that's the planning process that says, Okay, what do we need five years from now, ten years from now, in the way of energy? We shift the focus from just capacity, meaning how we keep the lights on, as I said earlier, to including energy prices and how we can, through that planning process, take steps to lower energy costs in Connecticut.

We establish a review of the energy efficiency programs. We hear a lot about that. There is a four-to-one benefit -- benefit for every dollar that is invested in energy efficiency in Connecticut, and particularly with electricity, that there's a $4

benefit. We need to make sure that's the case. We need to make sure that our -- our beliefs are, in fact, met with reality, and this work will -- will tell us if we're, in fact, the case and how we can do it better, how we can ensure that the investments -- every month when you pay your electric bill, a small portion of it goes to energy efficiency and renewable energy. We need to make sure those dollars, approximately 70, $80 million for efficiency, $30 million for renewables every year are spent wisely and most efficiently.

We focus, for the first time, on government buildings, state buildings, some of the most inefficient buildings in our state. We should be leading the way in the state in efficiency and yet we bring up the rear, unfortunately. We make a major focus; it's a focus of the Administration to change that. We require the Administration to look at all state buildings and establish a program, finally, to make them more efficient.

And I've stated many times, Madam President, in this Chamber about the poster child of state buildings. In my opinion, the state office building across the street from where we are today, with its

approximately 300 window air conditioners are the most inefficient way to cool a building. And Commissioner DeFronzo has -- has already asked us for support in the bonding process to change that and make that building much more efficient, lower the cost of -- that state taxpayers are paying for that building and so many other buildings in the state right now. It's a major step forward.

And, lastly in this category, we enable the municipalities to implement performance contracting. That's a mechanism where cities and towns are able to pay for energy efficiency investments in -- in their schools, in their town buildings, by not having to come up with the money up front but getting the -- paying it back through savings that are generated through the efficiency work that is done. That will help towns dramatically.

Another major area, and one that I believe will probably have the biggest impact on how we address energy cost, how we move to a clean energy environment here in Connecticut is the establishment of the -- what will eventually be called, known as the "Green Bank," an authority to finance, invest in financing

and investments in the area of clean energy and energy efficiency.

We create the Clean Energy Authority. We establish the financing mechanism for clean and efficient energy investments. We encourage start-ups to attract and grow energy and technology related industries. This is the focus of Commissioner Esty. He's brought on nationally recognized individuals to his team, and over the next couple years you're going to be hearing more and more about this Green Bank that will seek private financing, private financing supplemented by state investments on ratepayer investments, to find ways to invest in green technologies, solar, wind, hydro, and new technologies. New technologies around battery storage and other areas that we haven't even heard of today, will set up in place a process for encouraging those investments, not only using them to lower our energy costs but growing an energy based economy as well, an exciting area led by Commissioner Esty.

We make investments in -- sustainable investments. Sustainable investments, our -- our commitment to renewable energy has been strong over the years, but it's not been sustainable. Parts of

the year, we're investing in solar and other types, fuel cells, and other times of the year the money runs out. You can't run energy based businesses. You can't keep them here in Connecticut the way New Jersey and Massachusetts have, our closest neighbors and competitors in this regard. This bill changes that. We make a multi-year commitment to a renewable energy, one that's affordable for ratepayers but, I believe, designed in a way to attract those businesses that have left our state over the last couple of years back into Connecticut, putting people to work, not just in terms of the energy part but so many other areas that we don't think about that are related to energy investments, such as architects and engineers and -- and landscapers who do this work in multiple other fields that are related to the field of energy independence and energy conservation.

We invest without identifying them because the Administration has said -- and we agree with them -- that we shouldn't target specific industries, we should give them the ability to compete for the resources that we're providing here and make them sharpen their pencil. If they want our ratepayer dollars, if they want our state dollars, if they want

private investment dollars, they need to compete for those. Sharpen their pencil and become as efficient as possible, and we'll be standing there to assist them in that effort.

We invest in combined heat and power and anaerobic digestion to help our farms in this state, as well as our business. For those that can afford to come off the grid entirely or partially, it's finding ways to make us more competitive, even in a high energy cost state.

We also implement appliance standards or a process for reviewing how we can make our appliances. Televisions today, the flat-screen, digital TVs are much more higher energy users than your old TV set. And while the technology is wonderful, it sits there and just sucks that energy out; even as you're here today, you're paying for that television most likely drawing energy as it sits in its idle state. The appliance standards process will allow the Commissioner to look at policies that are coming out of California, which often leads the country in this area, and whether those policies are good for Connecticut, and implement them if they are.

In conclusion, Madam President, the bill is the product of true tripartisanship, I would say, tripartisanship, and that it is the Administration, Democrats and Republicans working the way I think the public expects us to. And when it works, good things happen. And this bill is a byproduct of that effort.

Too often, Madam President, and members of the Circle, we hear with respect to energy issues that there is no silver bullet. We heard that recently, with respect to the rising prices of gasoline, over a hundred dollars a barrel, over $4 a gallon at the pump. But then when the crisis subsides and the price drops, we go back to business as usual and our -- and our stayed ways of doing things until the next crisis happens.

With this bill, Madam President, Connecticut is saying -- is saying the rules of the game have changed. For many years we've been playing defense; from now on, we'll be on offense.

I urge support for the bill.

Thank you.

THE CHAIR:

Thank you, Senator.

Will you remark further?

Senator Witkos, do -- you are good at asking.

SENATOR WITKOS:

Thank you, Madam President.

THE CHAIR:

All right.

SENATOR WITKOS:

I'd also like to begin my remarks by thanking a few folks that attended meetings on the weekends, Saturday, Sundays, stayed late at night, came in early in the morning to put a product before us, I think, that the State of Connecticut could be proud of. Senator Duff, Representative Nardello, Representative Reed, Representative Hoydick, Commissioner Esty, who helped get us over a couple of the bumps in the road, Liz, Alex, Paul, Katie, Patty, Ken, Dave, Jessie, Chris, Melissa, Jenna, Brad, and our resident energy guru, Kevin McCarthy. And I'd also like to thank Senator McKinney, who made his staffs and resources available to me, and for Senator Williams for the nudge on Saturday to really put this thing to bed and being able to bring it out today.

And as the bill's title states, it's planning for our future, and that's exactly what we're doing here with this bill before us. It's kind of been a joke

around the building that energy and technology, we're always here towards the end; well, we want to do it right. We don't want to put forward a product and say we'll fix it next year.

We have to do it right this year, because if we don't, the effects could be devastating and extremely costly. We know that because we have the second-highest rates in the nation, behind Hawaii. But I believe with this legislation today we will become number one in efficiency, number one in weatherization and technologies, and we will be on the move to downgrade our position on the high-rate system. I'd like to have the lowest rates in the nation, Madam President, and we can do that if we can keep moving in this direction.

Albert Einstein said, If you can't explain it to a six-year-old, then you don't understand it yourself. And I'm going to try to explain it as to how I understand what's happening in this bill.

And I -- again, extra thanks and a shout out to Senator Fonfara, because he's been my mentor since I arrived on the Energy and Technology Committee, three years ago. And he's so knowledgeable, and he's always willing to sit with you and -- and take his time and

make sure that you understand it without a rush or any pressure. And I really appreciate that. And I think that's why we're able to deliver such a product with such bipartisan support today, from the very beginning. So thank you, Senator Fonfara.

This bill merges two huge agencies and creates a structure that we've never seen before in the State of Connecticut. It takes environments with energy and merges them together, generally two thought of opposing ideals, because if we want to have energy, well, we don't care about the environment things because it creates emissions and, well, that's a different -- a horse of a different color. But they can be combined, and with the combination of the two, it can be a great product.

And I think that merging the DPUC and the Department of Environmental Protection is a good thing. We had, prior to this, in our energy department spread throughout several different agencies in the state; we had many tentacles and we -- we never had the full body. And that's what we're doing here. We're pulling those tentacles in and having a full body of energy, so we can go to one

place, one place to look at to determine is it working for the ratepayers of Connecticut.

And one of the things that I'm very, very excited about the merger of these two agencies is that we've created a mission statement. And anybody in any business or any organization knows that the mission statement -- that the mission statement drives the agency. And the goals established here in the mission statement for the DEEP, the number one goal is to reduce rates and decrease the costs for Connecticut ratepayers. Isn't that what everybody's asking for? We're going to deliver that to you. Ensuring the reliability and safety of our state's energy supply, increasing the use of clean energy and technology to support clean energy, and, lastly, developing the state's energy related economy, creating jobs.

Everybody in this Circle and downstairs campaigned on economy is number one; we've got to fix it; we've got to create jobs; that's the secret to making Connecticut a better state. This bill does it. And it does it in many different ways, Madam President, and I'm going to take my time and I'm going to go through the different, what I believe is the right way of how the bill was put together and how

we're going to do -- reduce our rates, create jobs, and we're going to provide a stable, clean energy.

The first one is we're going to talk about how we procure or how we buy our power. Folks say, Well, what do you mean you buy your power? Before this bill passes, our utility companies used to buy the power, and they would have to buy prepackaged power. So if you had a folder and they had all these different things in it; you only got the folder and you didn't get to pick what was inside that folder. But this allows us to do that. We're going to create our own folder and we're going to put inside that folder what we feel is right for the ratepayers of the State of Connecticut.

As Senator Fonfara had mentioned that we had a laddering effect on how we purchased our power, it was over a three-year period, so it was on a -- a decline. So, as you know, when you take an average, it was an average over three years. It prevented the spikes but that hurt us. And we learned from that hurt. As all of our neighboring states saw a decrease in their electric rates, people were saying, Why is Connecticut not decreasing their rates? That's why we second the

nation, because of how we did things in the past; we're not doing those in the future.

We are allowing for the purchase of contracts less than six months. Let's take advantage of that market. If the prices are going down and we see them going down, let's take advantage of that.

We're doing away with the laddering, and we're -- and we're enabling bilateral purchasing agreements. Well, what's a bilateral purchasing agreement? That means you as a buyer can go directly to the generator and say, I want X-amount of power, and the generator says, I will sell you X-amount of power for a certain dollar amount; so what a great contract. It's not surprising that two people should do that. We weren't allowed to do that before. We had to go through the ISO to get our power, a regional authority. Well, you know what? Maybe that wasn't the best thing for us. Now we're going to allow folks to go directly to a generator.

And when we speak about procuring power, we have moved our business community to alternative suppliers. It's taken us awhile to get there, folks, when we went through deregulation. But I'm proud to say over

90 percent of our commercial establishments are buying their power from alternate suppliers, and we're on the move for residential customers as well. We're over 40 percent for residential customers. Imagine, you can save money on our electric bill by calling somebody up and saying, I want to change who delivers my power, without interruption of service. You can do that; just make the phone call. Go on-line; check it out. You can save. The business communities realize that. We just got to get the rest of the residential community to do that. We're at 40 percent; let's go for 90. Let's go for 100.

We anticipate through the way we buy our power to save approximately 5 percent of our total cost. The State of Illinois went through a similar program where they changed how they buy their power, and they've been saving 8-to-9 percent of their costs. Well, folks will say, Well, what is saving 5 percent? That's great; 5 percent is $55 million a year. When we're dealing with energy, we're dealing with a lot of money.

When we talk about residential solar, right now we have the Clean Energy Fund, and we each pay a small

token onto our electric bill every month that goes into this energy fund. And every year there's $10 million available for folks that own a residence to have a solar panel constructed and placed on their family home.

This bill allows it to be paid for in three different ways. One, you can be given a grant so you can pay with up-front cash; two, there's payment on the production, so anticipated how much electricity will be generated by your solar panels; and, three, a lease program.

I'm going to share a little personal story with you all. I went through -- my wife and I applied for the program last year, and we were granted the ability to have a solar panel system placed on our primary home. And we had the panels installed in, in December. I started generating electricity in January until the snow came down, and then I didn't generate any in February. But I didn't also have to buy a roof rake, as many of the other people said in the community that they had to, because the snow melted a little bit faster on my -- on my roof. But it saved. It's saving us hundreds and hundreds of dollars every month.

I'm not afraid to share with you, because I have two teenagers that live in the home who don't care; they don't pay the electric bill, so they don't care what they leave on, and the TVs, and when they're going to do laundry and take showers. And in the wintertime, they like warm clothes so they'd put them in the dryer for ten minutes before they went to school. So I'm trying to curb that through education, because I told them it's coming out of their allowance next.

But my -- my average electric bill was over $300 a month. And I actually called CL&P and said, You need to come and change my meter because I think it's broken; I can't believe I'm using that much electricity in my home. Well, I'm proud to say with last month, my electric bill was $23; it is a savings.

And I'm not only saving for myself, but I'm saving each and every one of you money on our electric bill. You say, Senator Witkos, how could you be saving us money if you're the one that's getting the benefit? Well, Senator Fonfara said everything goes back to that day in July or August when it's the hottest day of the year and everybody's got their air conditioner cranked up. And then you're inside, so

what are you going to do? You're going to turn the TV on. Well, if you're inside, maybe you'll -- might as -- I'll -- I'll put a load of laundry in. So the amount of energy that is required on that day is huge.

And what happens is that price sets the energy rate for a six-month period, because we use a blended price. We don't pay -- when you get your electric bill, it says -- I'll use the example -- 15 cents per kilowatt hour, 15 cents. So on the hot days, it doesn't go up to 37 cents; it stays at 15 cents.

And then every six months, there's a case that's done. They're going to review it and say, Well, did we judge it right or do we have to bump it up or do we have to decrease it a little bit? And that's why, if we could reduce that high-end rate lower, it will save for everybody. So that's why we're trying to induce people to -- through the residential solar panel -- to have solar panels or other projects put on their home, because it's clean, green, renewable energy.

And we've also heard from the business community how they are struggling with their energy costs. This bill speaks to that. We create two pools of funds, one pool of fund that is a requirement that it creates no emissions. So if you want to have a solar panel,

wind, small hydro, you as a business owner can apply for those funds, have them installed on or within your property to reduce your electrical needs. And then we as a society will benefit, because if you reduce your electrical needs on that one day in July or August that we're talking about, we all benefit by that.

And if you own a business, we've -- we separated that into three different funds so people that own a small business will say, Well, the larger corporations are going to eat up all that money because there's only so much money available. Oh, no. We've taken care of that; we're protecting the small guy, too. We say there's going to be so much, X-amount of dollars available for the size of a business which may be a pizza shop. And then there's going to be a second pot which is available to folks that maybe own the size of a strip mall. And then the large, the biggest category is for the large facilities, the big box stores or one of the ones that has a very big commercial entity; they can apply for those dollars.

And then we have a smaller amount of pool which applies towards fuel cell technologies. Connecticut is the fuel cell technology of the world. Shouldn't we promote one of our own businesses by making it

affordable? The more people we can turn on to fuel cells, the price will come down. It may be an enticement for other businesses across our nation to send in a sales order to Connecticut to send us a fuel cell.

The cost of these programs are on a ramp-up scale. The first program I spoke of, the solar, the wind, and the hydro is $6 million a year, and they'll be 15-year contracts that somebody will enter into. Similar to my home that I have at my house, I'm leasing my solar panel, I've entered into a 15-year contract; and that's common within the industry, because that's generally what you need for a pay back period, 15 years.

So if you own ABC Company and you went in, you said, I'd like to a panel, a solar panel installed on my business, the return, what you'd be set at a price, 15 years if you did the lease option, and it would more than pay for itself.

At the four-year mark, Commissioner Esty, the Chairman of -- or the Commissioner of DEEP will evaluate the program and say, Is the program meeting its needs? There's a stop-gap safety measure in there, because we anticipate that as we invest in this

technology, the price will come down, similar to when TVs first came out, flat-screen TVs. I know I was a lot younger then, when they first came out, and I wanted one. I couldn't afford to spend $3000 or 5000 or $7000 for a flat-screen TV. But guess what? Now you can pick up a flat-screen TV for $300 because everybody is buying them; it's a commodity that people want. If we can do that to our solar industry, make it a commodity that everybody wants, it's going to drive down the cost and make it cheaper.

But there's a provision in the bill that says if it does not, if it does not meet the goals that this committee and this Legislature has established, the program is over. The Commissioner can suspend the funding for the program; that's in the solar section.

In the fuel cell section, which is the low emissions, and it's not just fuel cells because we left it out to -- when I walked in the Chamber earlier, there was a group of school kids in here, in the third grade, and I think Senator Meyer had some of his kids up here. They are our future for tomorrow. Who's to say that they are not going to invent some type of technology which is better than we even know of today? So we don't want to limit ourselves by

classifying that you must meet this standard, we're saying if there's a technology that falls within the threshold of our emissions' output, you're eligible for that money. We shouldn't hold ourselves harmful to the fact that if you didn't meet this small criteria, you weren't available for that money.

And, again, the Commissioner has the ability after three years of that five-year ramp-up to look at their program and say, Is it meeting the intended goals of what we've established? Are the prices coming down? If the answer is no, again, the Commissioner has the ability to suspend the program.

It was interesting, as we moved through the committee process, that we talked about a waste. We heard of anaerobic digestion, organic waste, and that was something new to me. I kind of knew what the term meant but I wasn't sure. What are we talking about? And this bill provides for two pilot programs; one for CHP, combined heat and power.

Imagine if you have a generating facility in your company and you're producing power. But you know what? That throws off a lot of heat. So what happens to the heat? It's wasted. We're going to capture that heat and reuse it to help heat or cool our

buildings. Talk about efficiency, we're just changing on how we manage it.

There's $2 million available for a three-year pilot program of a CHP, and that money comes out of existing funds that you already pay for on your electric bill. It's not a new tax. It's not new money. It's a -- it's a new direction of where the agency is going.

And as I spoke about the organic waste, I know Senator Guglielmo and others have projects in their district that -- a lot of farmland out in Connecticut. We love farming. And with animals on farms, there's a byproduct; once they eat, there's a byproduct. Well, we tend to just move that around the fields and we use it for natural fertilization. But there's something else, a new technology that's coming forward, and that's organic waste. We can burn that for energy.

And the thought is we have a huge, huge college, our flagship university. The amount of students that attend that university and eat in the cafeterias or eat on off-campus housing, wouldn't it be great if we did something productive with the waste food that is produced in those facilities? This may allow that to happen, building an organic waste energy generation

project on the property to supply the campus with power, cutting down rates for the ratepayers.

A few years ago, we deregulated the energy market in Connecticut. We said the power companies are out. We're not going to allow you to own or operate your own power plants, and then we had to pay them for the required sale of their assets. But the time has come, as we have seen, that we've built up our alternative supplier market, that the experts are not only in private suppliers but I believe the utilities have expertise as well. And this bill allows each of the utilities to own or operate ten megawatts of power in the State of Connecticut. And it also allows private suppliers to bid on ten megawatts of power.

And we say, Why is this? Allowing the private suppliers to bid on the ten megawatts of power will give us a baseline, and we'll see if the electric distribution companies come in on target. We'll know because we have somebody to compare it to.

And this legislation provides protection. The thought was before, in the past, one of the reasons why our rates were so high was because the EDCs or the power companies could just pass it on through their rates to all the ratepayers. If they were going to

lose any money, well, we'll just pass it on to everybody here in this room that pays an electric bill. No biggie.

This bill speaks to that. This bill says when you go into bid, if you're going to bid on a power generation, it's for the cost of building the plant, no more. If it goes above that, you go back to your shareholders and you get the money from them. That is a win-win for everyone. That speaks to the generation side of this bill.

The other things that I found to be very exciting for -- for ratepayers in Connecticut -- and there's some programs that we're going to be doing. As Senator Fonfara said, we are going to be offering time-of-use rates and meters. I'm excited by that. I'm not excited as a family man, because I couldn't control my kids and I know that they would -- they wouldn't care, and they'd turn anything on whenever they want.

But the people that are conscious about when they use their power, what a fantastic way of getting a -- a submarket rate on your electric bill, the other 20 hours of the day. There'll be four hours identified by the electric company, and you'll know what those

hours are. And they're going to say, This is the rate for those four hours. Other than that, the other 20 hours are going to be below what you're paying now. What an incentive to save on your electric bill, if you can change your habit so you don't use all your energy consuming products during that four-hour period.

One of the things that I thought was great, and I -- I think of lot of people will take advantage of, is the furnace financing. If you want to switch from either electric, if you have an electric heating system in your home, to either oil or gas or switch from oil to gas, you can finance that on your -- on your bill. A lot of people don't have the up-front cash to put out to -- to make sure that they can get a more efficient, reliable furnace. And we talk about furnaces that are over seven years old. But you know what? You are going to save, yourselves, because if you have to buy less oil or use less electricity, it's a win for everyone.

And in order to do that, I urge everyone to take advantage of the home energy audits that you hear on the radio and on the television. And we've said now, we've said at a rate that's equal. Before, you paid a

different rate or you got a different rate on your rebate if you had a gas or oil house versus an electric house. Now we're saying if you're willing to go towards efficiencies and have the home energy audit, everybody pays the same. It's about fairness and equality.

I had some concerns last year about the appliance standards that were in the bill, but this bill truly moves us into a direction where Connecticut should be. Most folks follow California, and we've talked about that in generalities. Well, if it happens in California, maybe ten years later we'll -- we'll adopt it in Connecticut. We're not going to wait the ten-year period, folks. We're saying if the standard is adopted in California, that's the way the manufacturers make it and that's the way we're going to adopt it in Connecticut. Because all that's going to do is make it better for each and every one of us, because if it's an electrical appliance, we're going to use less electricity and we're going to save more money on our electric bills.

There's a concern -- and I didn't realize how prolific it was until I sat on this committee -- about how many people have their electricity shut off during

the summer. We have a provision in our statutes that say it, and I -- correct me if I'm wrong -- it's either September or October is the blackout period. You cannot shut off your electricity from that month until March or April, somewhere in there. And then if you haven't paid your bill, if you're in arrears, the electric company will come out after notice and will turn off your power for nonpayment.

Is it because those people are right on the edge? And that's in the thousands, tens of thousands of residences a year. Tens of thousands of folks go the summer without electricity. And I often pondered why that would be, tens of thousands. In some case, that's more than my home community, my entire town. I have 10,000 people, population in my hometown. I can't imagine almost an entire town in the aggregate will be without power for the entire summer.

Why that would be that they couldn't pay their bills? I know our electric rate is a little bit higher, but how can we help them pay their bill? There's so many programs out there, that surely they should be able to find some means of paying their bill.

But Senator Fonfara brought up a great program in creating a low-income discount rate, and maybe if we were able to tweak the rate that aggregates out to make our electric bill what it is, people can put that in their budget and pay their electric bill so they never have to worry about a shutoff again.

Again, under Senator Fonfara's leadership, we're utilizing and -- and looking at existing programs. We're not saying, Okay, well, we need more money for that program now too; no, that's not the case. We're looking at the programs out there and we're going to say, What program is working and which ones aren't? And let's fund the ones that do and make sure that we can reach and help those in our society that need the most help. Nobody should have to go without power in a home.

The creation of the Green Bank will help Connecticut in that not only will it be the agency in charge of giving out the financing for the projects, but it's also going the be somebody that's -- can maximize federal dollars, looking for a charitable organization, philanthropic donations. We're going to leverage the state dollars so they go farther and

wider to more people to invest, so we can decrease the costs of energy and electricity in our state.

You might have heard, and around the Circle, this project known as "Project 100" or "Project 150," and that was a project that this Legislature passed years ago with a commitment to build either 100 or 150 megawatts of power. Guess what, folks? Nothing has been built. They keep coming back for extensions on their contracts. Oh, can we get another extension? The time of contract extension has ended in this bill. If they don't have the shovels in the ground, if they're not producing power, at the end of their contract, they will not be renewed.

And with that will come pressure, pressure by salesmen. We see that now in the alternative supplier market, and we want to make sure that those folks know what's being delivered to them. They're not being delivered a bill of goods, if you will, but factual information.

That's why we've adopted a code of conduct in this bill. And the code of conduct outlines what the salespeople have to tell you, because there's many, many parts to your electric bill. You have your generation part and then you have your transmission

and delivery part, and then you have all the additional taxes and programs that are in the bill.

Imagine if somebody said to you, came to your home and said, I can save you money on your bill and just showed you the generation portion of your bill. And you thought, Wow, that's a great thing. I can save that much money; I'm going to sign up. But they neglected to tell you, basically, the -- the other half of the bill, including all the systems' benefit charges that are on there. This says you have to explain the entire bill; you can't just give them a piece of the bill, you have to explain the entire bill to the -- the folks.

And if you're going to door to door -- if you're like me, I don't like door-to-door salesmen at my homes -- this says if you're going to go door to door, you can only do it between 10 a.m. and 6 p.m., unless you have an appointment with the folks. Because some people like to conduct business -- and this at the residential; this isn't in a business. Imagine if you woke up on a Sunday morning and getting ready to go, get dressed and go out to church or you're coming back from an appointment and there's somebody there with a pamphlet, trying to hand you, to tell you about an

electric supplier. You wouldn't be very happy. But we also want to make sure they have a right to -- to sell you their needs. So they're going to have to have an ID, photo identification. They're going to identify who they're selling or working for, and they're going to do it within a set and prescribed number of hours.

There are programs that allow municipalities to enter into with private contractors, a contractor coming and say, We can reduce your electric bill or your energy needs, and we're going to pay for it if you allow us to do it. It sounds too good to be true; right? Well, that actually happens. We do that now, currently in our state. I know that we've experienced it over in the LLB. We all got notices over the summer that we're replacing the lights in your office. And it -- it's through this funds -- these funds that that's done. In the end, we're also going to save on our electric bills and our energy needs.

I got a phone call from a business that wanted to know -- they had somebody knocking on their door; they wanted to come in and do an evaluation of their energy needs of their business. And they said, All right, come on it. It was a manufacturing firm. And the

gentleman said, I can save you X-amount of dollars, and if you don't mind, I'm going to come in; we're going to replace all your lights in your manufacturing plant.

And the owner said, Well, what's it going to cost me? He said, Nothing, you just got to let me in to replace the lights. And the guy didn't believe it. He said, that's -- that's -- it's a joke or he's trying to pull something over -- the wool over my eyes. So he called me. He says, Kevin, is there such a program that this company can come in, they'll change all my lights in my business and it doesn't cost me anything? I said, There absolutely is. Today he's saving money in his energy needs because he went forward and he did it.

Madam President, all those things I've outlined go towards changing the direction of our energy needs in Connecticut.

And if I may, through you, Madam President, I have just a few questions to the proponent of the bill.

THE CHAIR:

Senator Fonfara, prepare yourself.

Senator Witkos, please proceed.

SENATOR WITKOS:

Thank you.

Through you, Madam President, in Section 92 it talks about the procurement of -- of standard service. And under, I think it's Section 92(c), the cost of the contracts that are entered into under the -- under the procurement plan, those only are going to be recovered from the customers taking the standard service. Is that correct?

SENATOR FONFARA:

That is correct, Senator.

And through you, Madam President.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you.

And in the section that we -- we spoke of the initiatives that are available for consumers, whether it be a no-emissions or low-emissions, when they enter into that contract, under the current language the Commissioner is allowed to reduce the incentive. But once the -- the -- the customer enters into the contract with the -- with the customer, that incentive remains the same for the life of the contract.

Is that correct, through you, Madam President?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Yes. The -- the contract, itself, remains steady for the 15 years of its life. The Commissioner is able to, based on the formula in the bill, reduce each year, not of the contract but of each year of the program, the starting point of that, of a contract. But once a contract has been agreed to and awarded, it cannot be changed for the life of those individual contracts.

Through you, Madam President.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you, Madam President.

And this Section 127, the renewable energy proposal, am I to understand that the 30 megawatts that it speaks to, it is open to both the distribution companies and the nonutilities to submit proposals.

Is that correct, through you, Madam President?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, that is correct.

If I could just go back to the previous question relating to the solar program, I -- I think the gentleman asked if that would be applicable to both programs, the -- the low -- the no -- zero emission and the low-emission. I just want to make it clear on the record that both programs have a declining block schedule on an annual basis. It may be omitted in the -- in the bill before us, that, regarding the low-emission. I want to make it clear on the record that it also pertains to the low-emission program as well.

Through you, Madam President.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you.

And there's -- through you, Madam President, there's a section of the bill which speaks of road cuts, and my understanding is that when a contractor goes out to address a utility, they have to send notification to the Department of Public Works in

which the town that they're conducting the work in, and then they are responsible, once they've concluded their business, a year later from the conclusion of that cut that's been repaired, they certify it. It's done; it's good, and then they're off the hook in case something happens later on, from there on.

Is that correct, through you, Madam President?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Yes. And if I could elaborate further on that, the -- the process would be at the end of the year that the contractor is responsible. They would review the -- the cut. If it meets generally accepted standards, then they just would certify with the municipality that they've accomplished that. If it does not, then they're required to -- to make the repair at that point and certify at that point that it meets the standards. And that's it; there's not subsequent obligations.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you.

And -- and just for clarification purposes, on one other section in the bill it speaks to the requirement that a child is -- that has entered into the emergency room, admitted into a hospital -- not entered into an emergency room -- but admitted into a hospital and is discharged under doctors' orders that the power must stay on for a period of up until the -- the child reaches the age of 24 months. Is that -- and not a day later -- is that correct?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President. Yes.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Thank you, Madam President.

I thank Senator Fonfara for those clarifications.

And just a clarification for the -- for the Chamber, the last section I just spoke about was an issue that we actually had a public hearing on in -- in the committee. And come to find out that,

unfortunately, there have been instances in where a child was admitted into a hospital and the doctor wanted to send the child home. I mean, we're talking a baby under 24 months old. And the doctor said for life reasons, he needed to have electricity. And if the child, the parents didn't have electricity in their apartment or their home, then the child would stay in the hospital. So if we're talking about costs, the doctor would not release that child back into the community. So it's important, I think, and we've outlined it and made it such that under doctors' reasons, if the discharge papers say that they must have electricity as a life-threatening means -- otherwise it would be a life-threatening means.

Madam President, the -- Thomas Jefferson said that, Information is the currency of democracy, and I -- I hope I've enriched everyone's lives here today with my explanation of the bill.

You know, there's many veins and arteries that run through the heart of this bill, but -- and they all travelled in different directions and speak to different things, but in the end, I think it creates a framework for a cleaner, efficient, reliable, and most

importantly, a reduced costs and benefits to the ratepayers of the State of Connecticut.

And I urge its adoption.

Thank you, very much.

THE CHAIR:

Thank you, Senator.

Senator -- Senator Meyer.

SENATOR MEYER:

Thank you, Madam President.

Speaking, briefly, in my capacity as Senate Chair of the Environment Committee, we have a merger today of environmental governance with energy governance, and it's a home run. It's a home run in many ways because the goal that we have in our lives for energy is clean energy, and clean energy means environmentally sound energy. What this bill does is it brings together the two -- the two concepts of energy and environment.

Senator Fonfara and Senator Witkos spoke well about the energy functions of this bill. Let me make brief reference to the -- the environmental -- environmental functions of this bill and -- and this new agency.

Right in Section 1, the bill provides for the protection of our environment through conserving, improving, and protecting the natural resources of our state. It speaks to preserving the natural environment while fostering sustainable development.

And, colleagues, in Section 56, all the historic and traditional purposes of the former DEP are preserved, as well. And so we know that there's going to be a protection and preservation of our parks, our forests, our -- our -- our very great natural resources in Connecticut. This is a -- a terrific combination.

The Environment Committee is extremely supportive of some of the provisions of this bill relating to renewable energy, the enhancement of the Clean Energy Fund. These -- these -- these are really part of the merger, environment and energy. I have a feeling that we'll be having some joint committee meetings -- I hope so -- between Environment and Energy.

And I want to just say, in conclusion, that much of the magic of what we're doing in this combination comes about through a new Commissioner of unique talent, a person who senses that great combination of energy, of energy and environment, whose book, Green

to Gold in -- is, in effect, an embodiment of that merged concept. And he of all the people that I have known is best equipped to bring forward this new mission.

So I say three hurrays and thank you, Madam President.

THE CHAIR:

Thank you, Senator Meyer.

Senator Prague.

SENATOR PRAGUE:

Thank you, Madam President.

Madam President, this is really an exciting proposal. It not only protects our environment but hopefully it will reduce the cost of energy. And on that note, I'd like to propose a question to Senator Fonfara.

THE CHAIR:

Senator Fonfara.

Please proceed, Senator Prague.

SENATOR PRAGUE:

Senator Fonfara, just as a point of interest, because the cost of energy in this state is so very high, I guess one of the highest costs in the country, not only businesses but folks at home face enormous

charges. And with this proposal before us, do you foresee that maybe in a year, maybe in less than that or a little more than that, that the rates will start to come down because of this proposal before us? There are some very exciting things in this proposal, and as somebody who did not support deregulation, I'm happy to see that we're moving forward with different proposals for our energy supply. So do you have a time frame or -- or has that -- something we have not yet arrived at?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Senator Prague, we're in the midst of seeing reductions in electricity costs right now. We saw rates coming down for standard service customers in January. We'll see rates coming down further, this coming January. It's all because of the laddering effect of how we had bought power for the remaining customers who have not gone off into the private market.

If you have, if you have gone into the private market to buy your power from the retailers that some

of -- many of us have either been called at home or gotten something in the mail about, and that's somewhere in the neighborhood of 50 percent of the residential market and a large percentage, as Senator Witkos spoke about earlier, somewhere approaching 90 percent of the commercial market have already moved into the retail market. They have been enjoying lower rates on the generation portion of their bill, for some time. Those that have not will see additional benefits in the coming year.

In addition to that, how we buy power, as was mentioned earlier, will change to be much more aggressive. We'll have a person who will be in charge of that, to take advantage of opportunities that come up in the market on a daily basis, on a weekly basis, monthly, as opposed to the pretty inefficient process we have right now. So those are significant changes that we're making, in addition to how the market is responding on its own.

And I -- and we, Senator Witkos and I spoke earlier about how we're empowering the new department, the DEEP, to look at how to make -- look at long-term commitments that might benefit ratepayers further, structural ways of looking at new generation being

brought on that will push off inefficient generators and -- and to not only lower our electricity costs but to clean our air.

And, lastly, to address the issue of how the -- if -- if there is a -- if I had to identify a significant inefficiency in -- in deregulation, a fault with deregulation, it's that this market rule, I spoke about earlier, that has resulted in the most efficient generators here in the state getting paid the same amount as the most inefficient, that's costing us every month in our electric bills. That's a factor and, I believe, a significant factor in pushing this up towards the -- the higher end of electric rates nationally than where we would be. We probably will be in the middle of the pack, I suspect, if we didn't have that particular market rule.

The last thing is what will help us get there, where we all want to get, and -- and that is away from the high rates. I will just say, parenthetically, while we pay high -- we have high rates, our costs are competitive because we are so efficient and we have invested mightily, millions and millions of dollars over the years in efficiency.

You go to a state like Florida, where their rates are very low but their energy use is very high, and our energy use is much lower because we've invested in efficiency that makes our technology and the generation of electricity more efficient, the use of electricity, I should say, more efficient, helping us to depress what we actually pay. So you look at -- I -- I guess by way of analogy, Senator, it would be if you are paying $4 a gallon for gasoline but you have a car that is -- that is getting 40 miles to the gallon versus a car that is getting 20 miles to the gallon. I -- I would use the analogy where we're the 40-mile-a-gallon car and Florida is the 20-mile-an-hour -- mile-per-gallon car. We're much more efficient than many other states, even though are rates are very high. Hopefully that's understandable, so.

But the last piece is this: We, through this bill, are creating the mechanism, the department, the people, the full-time effort. We've never had this before. We've never had a full-time effort to look at how we can take steps to further reduce our rates, make us more efficient, cleaner in what -- what -- how we get our electricity and our energy, in general.

So you're going to see the -- the fruits of this effort not only in a year or in six months, as prices continue to come, down but over the next several years. Connecticut will be in a much better place with the passage of this bill.

THE CHAIR:

Thank you.

Senator Prague, will you --

SENATOR PRAGUE:

Through you, Madam President, thank you, Senator Fonfara.

That's very encouraging. It's a lot of good work.

Thank you.

THE CHAIR:

Thank you.

Senator Duff.

SENATOR DUFF:

Thank you, Madam President. Good afternoon.

THE CHAIR:

Good afternoon, sir.

SENATOR DUFF:

I rise to support this legislation and it is a truly bipartisan bill, as it should be. There's an

old saying that says there's no Democrat or Republican way to pick up the garbage; there's no Democrat or Republican way to keep the lights on. And there should be a bipartisan way to figure energy policy in the State of Connecticut.

And we're here today because of really the hard work of many people in this Circle, mostly Senator Fonfara and Senator Witkos, who I want to thank for really leading us here today to this point. Certainly I want to thank, as well, Commissioner Esty and all the staff that's worked so hard, especially Liz Donohue and our colleagues downstairs for, you know, putting this -- this bill together.

Today's bill really does make major changes to our energy policy, and it does so in a way that I -- that makes me very enthusiastic to support this legislation. As we see oil prices continue to go up and we see rates potentially going up because of oil prices, we have made some major changes to our energy policy in this legislation today. We're really putting ourselves on a -- on a brand-new frontier. We have very exciting provisions in the legislation, I think, most importantly, some of our clean energy and our green energy provisions that we have.

But one of the best parts about, I think, this legislation is that the market is speaking out and we are listening. We've heard over the last few years -- and as somebody who has served on the Energy and Technology Committee since I came to the General Assembly -- there are so many companies out there, people with wonderful ideas, exciting ideas, cutting-edge ideas, looking for ways in which they can build a better mousetrap to help lower those energy prices, to help our -- our consumers and our voters and constituents out there. And we are helping them through this legislation. We are opening up new markets. I know that this legislation will create new jobs in the State of Connecticut.

Over the last few years when -- actually, when I was actually in the House and we had raided the Conservation Fund and the Clean Energy Fund because of budget deficits, I saw firsthand -- I know many other Legislators saw firsthand -- the businesses that shut down and the jobs that were lost because of that bad policy. And many of us had pledged never to do so again. We know by investing in clean energy and green energy and conservation, that that is one of the best

ways we can grow jobs in the State of Connecticut and that we can keep them here, right here in Connecticut.

Another great provision in this bill, as Senator Meyer said and -- and I know the other proponents, as well, is our consolidation and coordination finally of our environmental and energy policy. Many of us for years around this Circle have been very frustrated by the fact that we have not been able to have a coherent and clear energy policy in the State of the Connecticut, that it was too piecemeal, that it had been really all over the spectrum between various departments and agencies and that there's really no good coordination. I'm very confident with the work that has been done in this legislation and with the -- Commissioner Esty and his able staff, that we are finally going to have the coordination that we need and that we're bringing important, different and departments under one roof, that we can finally speak with one voice, one very clear and loud voice, and that we're going to, when we spend a dollar, we're going to get the most out of that dollar that we possibly can.

Certainly our hope in this bill is that it will lower our energy prices, and I know that that's a goal

of everybody. Failure to adopt this legislation, I believe, would mean that we will have higher prices, and that putting this bill forward and off to the Governor's signature means that my hope and my prediction will be that we will have lower rates.

Lastly, I just want to mention, too, that I predict with this legislation -- though I know that when we talk about energy policy in the General Assembly, many eyes glaze over, because it is complicated and that the -- the language sometimes is a little foreign; even to people who can read legislative speak, this is like a -- a different level, even than that -- but that other states will look at this as a model for what they can do as well. We have been a leader, many years, for conservation, many years for clean energy, and I know that we'll continue to do so. But we are pushing the envelope even further this year with this legislation.

So I stand here today to very enthusiastically and very strongly support the legislation before us. I urge my colleagues to support it, and I look forward over the next few years to see the fruits of the labor that so many have put into this today and look forward to a cleaner and better State of Connecticut.

Thank you, Madam President.

THE CHAIR:

Thank you.

Senator LeBeau.

SENATOR LeBEAU:

Thank you, Madam President.

I think, like everybody else who's gotten up today, I'd like to congratulate the authors of the bill, the Energy Committee, the Environment Committee, particularly the Energy Committee under Senator Fonfara's, Senator Witkos', Senator -- Senator Duff, and Representative Hoydick's leadership.

And I'm particularly struck and impressed in a positive way by the -- the elements in the bill that will help Connecticut industry. Senator Prague just talked about pricing and how that will help us, so every element in the bill that can lead to lower prices helps Connecticut industry.

But there are other sections, individually, that will help Connecticut industry, both in the terms of the -- this -- the component of producing energy but also of producing products that produce energy, so manufacturing in some cases. The -- the section of the bill that expands the resources that go into the

Connecticut Clean Energy Fund, the expanding the type of projects that the Connecticut Clean Energy Fund can support to include electric and natural gas vehicle infrastructure, electricity storage, and the financing of energy efficiency measures, that is one of the keys, the whole idea of financing energy efficiency measures.

That has been that element that has been missing in the past years, to be able to take private dollars and to -- to move them -- and public dollars -- to move them into the -- the -- this financial side, for long-term investments in new industries, the -- to establish a three-year pilot program to develop combined heat and power, again, an anaerobic digester projects, again, a potential industry for the State of Connecticut. And the long-term, 15-year contracts for renewable energy credits for zero-emission generators, again, that sets us up as one of the premiere states in the country, moving forward on cutting-edge technologies which can lead to the development of more industry and establishing a similar program for low emissions' technologies, including fuel cells. As has been mentioned, we are the leader in fuel cells in the

country. We want to help that industry, so we're doing that.

And also the study requiring the DEEP to study the benefits, cost, obstacles, and solutions related to the expanded use of natural gas in the state. Natural gas, I think as we all know, is about half the cost of oil. It's a clean energy, relative -- relatively clean energy, and it has a tremendous future. So the more we can get out in front of -- of that industry, the better off we're going to be as a state.

Let me ask a question to the proponent of the bill.

THE CHAIR:

Senator Fonfara.

SENATOR LeBEAU:

Senator, Section 119 calls for a strike force to go out with teams of engineers to evaluate energy costs for troubled businesses in the state. Can you expand on that -- on that program?

SENATOR FONFARA:

Through you, Madam President, the -- yes. Thank you for the question, Senator.

The intent behind that is that there are a number of businesses in our state, both who use a large amount of electricity and those that don't, that are not aware, don't have the internal capacity to evaluate how they can implement some of the programs, use the resources that we have to lower their energy costs. There are still some smaller, commercial companies that haven't even examined going off -- off of standard service to -- in the retail market where they immediately could lower their electric costs. And that's primarily because that while they're very good at their core business, and understanding that they have been very successful at that, they don't understand energy. It's -- it's a tough -- it's a complex issue. They -- they're used to just, you know, turning on the lights, running their machinery, what have you.

This initiative will, for the first time, establish a program, as you've articulated, a strike force, a team of objective engineers and others; in other words, they're not selling a product. They're not selling a service but they're going out and literally knocking on those businesses and will start the Department of Energy and Environmental Protection

will start with those most in need, those on the edge, if you will.

It's too often -- I -- I think you'll recall the Franklin Farms, a mushroom farm here in the state that closed some years ago, and they cited as a primary reason, energy costs. We should not allow that to happen. We should be in there with our utilities, with state resources to identify those needs and inform those businesses of the programs we have available, the resources that we have available so they can either implement strategies at their facility, like with combined heat and power, that you spoke about earlier.

In the case of Franklin Farms, maybe the anaerobic digestion would have been available to them with chicken waste, and -- and therefore -- or whatever else they had on the farm that they could use to reduce their energy cost and remain competitive. This is the type of thing that this bill will do, move us from a response to a proactive position. That's a very exciting part of the bill, and I thank the -- the gentleman for asking.

THE CHAIR:

Senator LeBeau.

SENATOR LeBEAU:

Thank you, Senator Fonfara, through you, Madam President.

This is an exciting part of the bill and I think it's a very laudable section of the bill. And it's not unlike -- although I love the proactive piece, the fact that we're going to go out to businesses and first -- and it's not unlike what we -- we've done through CONNSTEP and CCAT to help businesses, particularly small manufacturers, figure out how to get their flow on their floors to -- to maximize their efficiency and -- and decrease their costs.

And when you take -- when you have a 10, 15, 20 percent cost savings there, you may have gone from a competitive -- from a noncompetitive company to a competitive company or a company that's barely getting by to a company that's increased its margins and now can survive and prosper in the State of Connecticut.

So I -- I thank you for this bill. I thank you for your work. And I thank you for that particular section.

Thank you, Madam -- Madam President.

THE CHAIR:

Thank you, Senator.

Senator Kane.

SENATOR KANE:

Good afternoon, Madam President.

THE CHAIR:

Good afternoon, sir.

SENATOR KANE:

Through you, just a couple of questions to the proponent of the bill?

THE CHAIR:

Please proceed, sir.

SENATOR KANE:

Thank you, Madam President.

Through you, to Senator Fonfara.

My -- my questions are in regard to Section 111, which I guess in laymen's terms can be viewed as kind of like the condominium piece. As you may know, I have in my district -- Heritage Village, in Southbury, is one of the largest condominium complexes in the state and is a 55-and-older community, a rather beautiful community in -- in a great section of the state. But back in the, I would say, the late sixties, seventies, when they were built, the -- the government encouraged them to build with electric heat, because of the oil crisis that was taking place.

And I think there were incentives at the time to build those condominiums with electric heat.

Now, as you know, with our high rates that we have here in the State of Connecticut, these individuals who are typically on a fixed income have very difficult time with their rates and with their electric bills, because they are heating as well as putting on the lights and what have you.

So my question is in regards to Section 111, because I think this is a -- a positive piece of the bill, and there, among other good pieces. But if you could just clarify some of this for me that -- that, you know, places like Heritage Village can be able to take advantage of -- of these programs and -- and help with their situation.

Through you.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

(Inaudible.)

SENATOR KANE:

Madam President, if I may move to another section, probably more appropriately, it would be Section 135.

Through you.

THE CHAIR:

Senator -- Senator Kane -- Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President, and Senator Kane, who came to me earlier in the session and -- and addressed this issue with me. And we specifically attempted to address it, and we are addressing it in Section 135, for his constituents and for so many around the state who -- who suffer from extremely high electric, electricity costs because of how they heat their homes with -- with electricity, a very inefficient way, given our electric costs. And so we have in this bill, for the first time, a conversion program so that constituents like yours at Heritage -- Heritage Village and other -- others around the state, we begin that process of looking at how we can help them convert to natural gas or oil, where -- where available, and move them off of those very high electric rates.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

I thank Senator Fonfara for his answer.

He's right. We did have conversations in regards to this issue, and I appreciate him continually working on this process because it does affect a great number of my constituents. And I look forward to passage of the bill.

Thank you.

THE CHAIR:

Thank you.

Will you remark?

Senator Welch. Good afternoon, sir.

SENATOR WELCH:

Thank you, Madam President.

I, too, thank the proponents of the bill for their hard work over many years. Hopefully, this is going to help us get our energy policy back on track.

I do have a few questions for the proponent, if I may?

THE CHAIR:

Please proceed --

SENATOR WELCH:

Through you --

THE CHAIR:

-- sir.

SENATOR WELCH:

-- Madam President.

I believe -- I believe Senator Prague asked a question with respect to how is this going to reduce energy costs and -- and when will our constituents start to see that reduction. I thought I heard the answer to be along the lines of, well, energy costs are already going down, and a big part of -- of what this bill does is it creates a team that's going to help us get the ball across the goal line, as it were.

And if I could just follow up on that, is there -- is there a -- are there particular programs in here? Are there -- is there is a more-definitive answer that I can go back to my constituents and say, Listen, we passed this bill, you're going to see relief in your rates, here's why, and here's when?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President.

As I said earlier, if you have constituents -- and you do -- who have not moved off of standard service and are taking advantage of the lower rates

that are provided in the retail market, those rate -- those costs are coming down for those customers slower than we'd like, because we have implemented a system, years ago, that protected against rate shock, meaning rates going up rapidly. But the problem with that system is when rates are -- when -- when costs are coming down for electricity, it's a slower process to enjoy the benefit of that. We'll see another rate reduction in January for those customers. So that's one way.

Additionally, for those customers we will, upon the passage of this bill, implement a process of buying power differently, buying it much more aggressively, much more proactively, as opposed to the method we use now, which is not only this laddering approach but, also, the way we buy power for those customers currently is we do that in what they call a "full requirements' process." It's we use a -- a process where the power is bought in a full package, as opposed to in pieces. Buying power in pieces has, in other states, and including in our state with respect to the municipal cooperative, CMEC, they buy it in pieces. So they need -- they have a long contract here, a -- a day of a -- a short contract,

and they find that that's more efficient. This bill empowers the -- the new procurement officer, who will be hired to do this for the state. That will also, I believe, result in lower costs.

But with respect to everyone, how will everyone benefit as opposed to just the standard service customer? We, again, are beginning the process to look at this ISO market rule, which is costing us as a state and as consumers much more than it should be for the generation-portion of our electricity. We -- we are implementing programs that will increase how we can finance energy -- energy improvements, the boiler program, as an example. If you have -- and many people have an inefficient boiler in their home in this state. Most people do not replace their boiler until it breaks down. What we're doing with this program is proactively saying to people, don't wait until your boiler comes, breaks down, we're going to help you finance that so you don't have to come out-of-pocket for six or seven or eight or $10,000 at a clip. We'll help you finance that over a longer period of time. You'll realize immediate savings in your heating bill for this winter, and you can pay for that over a longer period, in something that's much

more affordable. That will mean significant reductions.

Remember, what we need to do is look at energy costs in general as opposed to specifically my electric costs or my heating costs; they're energy costs. And how we can reduce the homeowners', businesses' costs in that regard, it should be a comprehensive strategy to do it. So to put a timetable on it, it's a continuing effort.

But you can this to your constituents: We now have a full-time energy department where we never had it before, working on implementing strategies that will see us become more and more competitive over the next year, over the next two years. They will see the benefits of that work.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

And, again, if I may, I -- I believe I heard Senator Fonfara, Madam President, talk about the ISO market rule. And I think -- and -- and I might be wrong, if he could help me out with this -- I think that's the rule where we pay the highest rate that's available on the market, at any given time.

And I believe in your opening you mention -- or Senator Fonfara mentioned -- that this bill is going to allow us to put pressure on the feds to change that rule. And if I may, through you, Madam President, ask how, how that happens?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Through you, the -- when -- when we read the -- when we deregulated electricity here in Connecticut, and a number of Northeast states did, and other parts of the country, there's a minority of states that did deregulate, primarily because there are many states in the country that don't have high electric rates. Why is that? Many of them burn dirty coal; we don't.

We could have much lower electric rates today if we, as a state, chose to burn dirty coal to generate our electricity, pollute our air, have our -- have all of us, our children breathe in that dirty coal and whatever results from that. We do breathe it in, unfortunately, because it comes from Ohio and other states like that, and flows this way, and we breathe

it in. But we don't get the benefit of that price; it's rather upside down. But, in any event, we as a state and many other states have chosen not to do that; there are many who still do.

And but for those states that did deregulate, they established a system of how you would move power to ensure that the power, that that electricity didn't have brownouts or blackouts, and they -- they -- they initiated these independent, system operator programs. In -- in New England, there's a -- the -- the independent system operator up in -- in Massachusetts is where they're located -- and they control the flow of power throughout New England.

And when the ISO system, the independent system operator mechanism was first established, no one envisioned that they would establish a rule like this. It was created by the Federal Energy Regulatory Commission, the FERC. Congress has -- has empowered FERC to do that. It is our firm belief -- and I know the -- the Administration has spoken on this and Commissioner Esty has spoken on this -- that our goal has to be to first establish the findings of how that rule does affect us; does it have an impact on our rates, which I believe it does. But we're going --

the department is going to study that. And if those findings come back showing that, in fact, it does cause our rates to be higher, that we would then, both formally and informally -- and I'm glad to say that our Commissioner has strong relationships in Washington, both in Congress and at the FERC -- to pressure the Administration to change this rule to -- to require those ISOs that have the rule -- and I understand they all do -- to change that rule for the -- for the betterment of Connecticut's consumers.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you, Madam President.

And again through you, Senator Fonfara mentioned how there's a lot of dirty generation out there in other states. In his opening, Senator Fonfara mentioned that this bill will allow us to close our dirty generators here in this state. And if I could just get some clarification as to how that's going to be, how many dirty generators are there here; how many do we think will be closing and -- and by when?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, thank you.

Good question. Right now it's virtually impossible to construct a new power plant without the assistance of -- of someone else. The banks aren't doing this. The financial institutions are not financing the -- the -- the building of new generators, and so therefore they -- they need a long-term contract from us to do that.

Historically, we have -- we have supported that. Ratepayers have supported the construction of new power plants. When we see that demand is growing in the out years, we plan for -- it takes anywhere from three to five years to build a power plant, and so to -- we need to plan in advance. When we see demand growing, there will be a need for more generation, and so therefore it takes that kind of time. But it's been done always on capacity needs, meaning we need more power to keep the lights on. We have never made those decisions based on how can we -- how can we lower our -- are there strategies we can employ through this mechanism to lower our electric rates.

I'll go back to the analogy of the automobile.

If you have a -- a car that's getting 20 miles to the gallon and you buy a new car that gets 40 miles to the gallon, you can get rid of the car that's getting 20 miles to the gallon and you can save yourself a lot of money. That's a rather simple example, but what we're thinking about, that we would -- we -- we now will require the DEEP and the Commissioner to go through that evaluation process to determine, can we build new power plants? Can we repower existing power plants and do that in a way that would not only lower our energy costs, electricity costs but always close down some of those dirty, inefficient power plants?

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you, Madam President.

And -- and I just have one more question, and it has to do with nonrenewable energy production.

I know that this bill goes a long way, Madam President, in encouraging renewable sources of energy production and discourage us from using dirty generation, as it were. But I -- but I think there's a spectrum of dirty generation, and -- and I think one -- one of the production sources on that spectrum that

gets a lot of traction is natural gas, natural gas plants, as it were. And -- and does this bill do anything to encourage production through natural -- through using natural gas?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, thank you.

Yes, that same mechanism I just spoke about, in terms of doing a long-term contract for repowering or new generation. The reality is today, ladies and gentlemen of the Circle, natural gas is the main resource for powering electricity that -- it should give us pause because we're putting so much emphasis on one fuel source that if there were -- even though we'd just -- we've made major advances in the area of natural gas in the last couple of years and identifying how we can extract more from places in this country that we never thought we could before. It's allowed for something like another -- another hundred years of natural gas that we didn't anticipate, breaking the relationship between the price of oil and the price of natural gas for the

first time. They used to track each other consistently; when oil went up, so did natural gas.

If you'll -- if you watch on CNBC in the morning you'll see -- or anytime of the day -- you'll see that that, that linkage has been broken. That's great for us because our -- our electricity, in particular, and for those that heat their homes with natural gas or a process with natural gas, the price has stayed down despite how natural -- how oil has gone through the roof again. And -- and we will benefit from that, as a state, for years to come.

But if there were some reason why the supply of natural gas were threatened somehow, we rely on that and will rely on that for years to come, until another technology is developed. And it does put us in a position where, you know, that -- that could affect us if -- if something like that were to happen. It's just something that we need to be mindful of.

But this bill will, if a long-term contract, the study of that were to result in saying yes, we can -- we can close down some -- we have a -- we have a coal plant and we have oil plants here in Connecticut, still. They don't burn the dirtiest coal that they do in the Midwest but there's one plant does burn -- I

think it's only one -- that burns coal, still. We would look at that and say with this process, remove that and you can -- you can anticipate that if we were to move forward on a long-term contract of that -- of that nature, it would be a natural gas plant.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you.

That's all I have, Madam President.

THE CHAIR:

Thank you.

Senator Suzio.

SENATOR SUZIO:

Good afternoon, Madam President.

THE CHAIR:

Good afternoon, sir.

SENATOR SUZIO:

First of all, I want to thank and congratulate Senators Fonfara and Witkos on the hard work and the great -- the work they've done on this, in this unbelievably comprehensive bill that's been brought before us. It's a bit overwhelming, at times, to look at, but I'm -- I'm confident with their expertise and

their dedication, they're fully informed about energy costs and are contributing greatly to the benefit of Connecticut citizens by this proposed legislation.

And I'm inclined to support it, but I do have some -- some questions, if I might, and I wondered if, through you, Madam President, I could --

THE CHAIR:

Please proceed, sir.

SENATOR SUZIO:

-- ask the proponent, to Senator Fonfara.

Senator Fonfara, I come from the business side of things and I always tend to look at things in that fashion. And I wondered if I might ask, if you could tell me, we -- we have -- my understanding is the second-highest electricity rates in the country; I think Hawaii is only -- is number one and we're number two. Could you just in, like, three bullet points, explain what the three biggest factors are that cause Connecticut to be in that -- that position of being -- having the second-highest electric rates of all the 50 states?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, thank you.

The first, I would say is, again, the fact through -- through deregulation, the establishment of this market rule that doesn't allow us to take advantages that we -- of the fact that we have, depending on the time of the day or the time of the year, fully half of our electricity is produced by nuclear power, a very efficient, very cost-effective resource. But because of the market rule that we are faced with in this state, we can't take advantage of that -- of that resource the way we should be. Candidly, I think if we were to do deregulation over again, we probably would not sell off our nuclear assets and would have retained them.

The downside of that is the mechanism, that we had previously, resulted in the closing of one of those nuclear power plants, a major, 700 megawatts -- something like that -- lost of the most efficient or nearly the most efficient power that we have. And since then, the upside of deregulation is the owners of that -- of those plants down there run those plants much more efficiently than before, fewer unplanned outages, which is helping to lower electric rates.

Because when those plants are shut down, power is brought in from elsewhere, more expensive power, and that raises our rates and we have to pay more because of it. That's number -- the rule number one or reason number one.

The second is that we're a -- we're at the end of the line in terms of where we get our fuel sources from; natural gas, it costs us more. We don't burn dirty coal, as I spoke about earlier. We could dramatically lower our rates today, if we could.

And the third, I would say, is that we're paying now for some decisions that we as a state, and as a region of this, parts of our state, made over the last 20, 30 years, the resistance to putting in power lines, to move power more efficiently into our state and around our state. And that has, while the cost of generation has been dropping, the cost of transmission is rising. And in some respects, it's offsetting the benefits that we would have had by our strategies relating to electric generation and the market prices that have been in decline, as it relates to natural gas.

I -- I hope I've helped you with that, with that answer.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

Through you -- through you, Madam President, yes, you did. That was great. I -- I really appreciate the concise way you answered that, Senator.

If I may pursue a few more questions, it seems to me that the bill attacks the cost of energy in two ways. One is -- is it goes after the -- the source of energy to begin with, trying to encourage different mechanisms to lower the cost of the source. And, secondarily, it goes after users in terms of making them more efficient-like through the winterization program.

And I noticed that the bill does have a goal of having 80 percent of residential housing in Connecticut, by 2030, being weatherized, but I don't recall or I didn't notice anywhere in the bill where we stand today. I'm just curious as to how much of an increase that is and of the -- and I believe it must have been in the -- the savings that, it was either you or Senator Witkos mentioned, the -- the 5 percent, $55 million, maybe 8 percent, like referring to the Illinois model.

So my question just is: Can you give me a -- a starting point reference on where we are right now in terms of weatherization -- perhaps you can end up at 80 percent, if we hit our goal -- and how much of the savings that's anticipated is related to -- to this particular aspect?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Through you, I don't have a figure as to where we stand today, but I could venture a -- an educated guess and to say that's -- it's in a low end in terms of the -- not the percentage -- of homes that have been -- have been -- gone through the audit and implemented the weatherization strategies.

And this is an area that, again, how we have historically viewed electricity or energy costs, the too-cheap-the-meter aspect. In many ways, we still live our lives, we still operate our businesses, we still run the state and our towns in the -- and as though -- as if energy were still too cheap to meter. We -- we wring our hands about it. We pay the bill

every month, but as a state, as a government, as a people, we haven't really changed very much. We still are responding to those, the -- the issues that we face, whether it's rising gasoline prices, heating oil prices, electricity prices, we respond to it as opposed to taking the steps necessary.

And whether it's with respect to this particular provision where we -- we have a goal, a goal of increasing the amount of weatherization to getting to 80 percent in 2030, the point is, is that for the first time we're -- we're establishing the effort to say this is where we want to be, a proactive initiative, whereas previously if you, you know, we -- we said, okay, let's establish a program and -- and that's great. But to have a goal, we're saying this is where we want to be, how we're going to get there. And that's -- that's what this full-time energy department, that's one of the many things that it will be doing is saying, Okay, how do we get to that goal? What is the -- what do we need to do to make that happen?

Through you.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

Thank you, Madam President.

Again, I thank you, Senator Fonfara.

You did, in your -- your original explanation of the underlying dynamics that are driving costs in Connecticut, touch about two topics I did want to ask about a little bit further. One is the transmission cost. And it would seem to me -- and this is a question to the Senator, through you -- but -- and I would like him to expound on this -- but it would seem to me that it would be advantageous to have Connecticut-based power generators and not rely so much on out-of-state and even far -- far-removed power generators, because it would, (a) save on the transmission costs, and (b), I'd rather have people working here in Connecticut for Connecticut power generators than up in Hydro-Quebec or somewhere else.

So can you elaborate a little bit more on what the bill does, if it does anything at all, to encourage the formation and the expansion of Connecticut-based power generators?

Through you, Madam President.

THE CHAIR:

Senator -- Senator Fonfara.

SENATOR FONFARA:

Through you --

THE CHAIR:

Thank you.

SENATOR FONFARA:

-- Madam President, thank you.

Quickly, first of all, I'll say I agree with you. I prefer to have as much investment here as possible. The counterview to that is if you have resources like Hydro-Quebec that can lower our electric rates -- and there is language in the bill that studies that, the -- the value of that -- I think it would be unwise for us not to try to balance those interests to see what's -- how can we help Connecticut's residents, citizens, our businesses best. And let -- let the folks, the experts of that make those decisions.

How do we invest in Connecticut? Again, the long-term contract we spoke about, actually stepping up and saying we're going to evaluate the benefit of a long-term contract, whether it being repower an existing facility -- remember, it's not like it's easy to site a power plant in Connecticut. You can't. It's difficult to site a windmill in Connecticut, never mind something that is emitting some kind of a

pollutant. So we live in probably one of the strongest NIMBY states in the land; let's be honest about it.

And so when you have existing power plants, it would be unwise if we were not to say how can we make use of that facility? How can we -- how can we continue to use a facility that has been accepted by a community and not resist it?

In addition, you heard me speak, I believe, and Senator Witkos, about the combined heat and power investments. I believe that you're going to see more and more power move closer to the -- to the user, as technology advances. Battery storage; remember, you can't store electricity. That's a major problem with how you can benefit from when electricity is produced at a more efficient time; it's used as soon as it's generated.

And so the challenge is as -- as we move forward as a state, with Commissioner Esty, I believe that battery storage will become a primary focus of his and of the Administration. We can -- if we can turn the corner on that, you'll see dramatic developments in the area of not only how we get our electricity but the cost of it.

And then, also, in terms of anaerobic digestion that right now we're thinking about in terms of farms, but it doesn't have to be with respect to farms. And -- and there are great opportunities there as well.

Through you, Madam President.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

Thank you, Madam President.

And -- and, again, to -- to Senator Fonfara, he did allude, and in some of his earlier comments, to nuclear energy. And I'm -- I'm just curious as to how this bill impacts or has any effect, if at all, on nuclear source power. Does it address it in any way, directly or indirectly?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President.

It does not to the extent that there is a -- a study in the bill that would -- would look at how we can ensure power plant safety of -- of existing power plants. Then to the extent that we might look at how,

given the, what's happened in Japan, to ensure that even though nuclear power plants in this state and across the country are heavily regulated at the -- at the federal level, it -- it would -- it would be irresponsible of us in that study if we didn't look at how nuclear power plants in this state are -- are, in fact, inspected by the federal government and to ensure that and whether or not we, as a state, should be having a review of that as well to ensure that the people who live around that plant and the workers who work in that -- in those plants are -- are knowing that those plants are being operated, as I believe they are, as safely as possible.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

Thank you.

Thank you, Madam President.

And, through you, Senator Fonfara, would you say -- would you characterize the bill, itself, with respect to nuclear power as kind of being neutral in having no plus or minus or any effect whatsoever?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, yes.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

Okay; thank you for that very business-like answer, Senator Fonfara.

I do have just a couple more questions. I would like to ask you specifically about Section 95, in lines 5448 through 5455, which I think you and Senator Witkos had a little dialogue about that. That's got to do with the repair work on -- when it's done on public highways.

And I just wanted to ask, if I could, for legislative intent purposes, just to make certain now that we're clear, because I've had a number of constituents ask me about this. Is it the intent of this particular section of the bill to basically say the contractor's responsibility is limited to inspecting the work one year after it's done and correcting or making any repairs, at that point in time? And then it says certified through the municipality that such patchwork or repair work is --

meets generally accepted standards. Is there any liability after that point in time or is that it?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, thank you for the question, Senator Suzio.

You -- you described it accurately that -- that once the year is up and an inspection has been done and if the -- if the -- the cut has maintained its -- its quality and it -- and -- and -- and is of generally acceptable standards, then it's just a certification letter and -- and the obligation has been met.

However, if it hasn't and -- and I think you know and in many of our urban centers, in particular, you'll see where after the cut has been, the permanent patch has been made, you see a depression. But the -- but the permanent patch has been made and that's the end of it. Sometimes it doesn't happen for a month or two or more, particularly if it's over the winter. And so this would require that the contracted utility, through their contractor, I'd imagine, you know,

observe the site one more time if it's -- if -- if it's consistently maintained its -- its standard then it's just a -- the certification letter. If not, they would make a final repair, bringing it up to generally accepted standards. A letter goes out and that's the end of it; there is no further obligation on the part of the utility or the contractor for that particular cut. If they make another cut there, it's -- they -- the process starts again.

Through you.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

Excuse me, and thank you, Madam President.

And one final question: I'm familiar, because of my background, with things like generally accepted accounting standards and principles. Is there a generally accepted standard for this type of work that's published, that would clarify any ambiguity about what the standard is?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, I'm not aware of one but I would imagine that between the work that a -- of a municipality and what they expect the work product to be and those that operate in the -- in the field, that they -- they have a pretty good sense of what's a quality repair and -- and what that standard is. And I think generally the -- they do a really good job at this. It's -- it's -- it's just that too often, unfortunately, and -- and with respect to some cuts, they -- they don't survive the -- the permanent patch. And -- and I think that's what this is attempting to address.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

And my final question just related to this. So would it be a reasonable thing for a contractor who is doing -- making their best efforts, if they go through this process, do any patchwork that's required and then deliver a certification to the municipality that the patch meets generally accepted standards of repair, if the municipality accepts that, that letter, would that be pretty much definitive proof that they've met the standard?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, yes.

SENATOR SUZIO:

Great.

THE CHAIR:

Senator Suzio.

SENATOR SUZIO:

Thank you, again, for your very businesslike response, Senator. I appreciate your efforts, again.

And I want to just say thank you to Senator Witkos and to the both of you. It's a pleasure to talk to people who are very well informed and knowledgeable about something so convoluted, complex, and esoteric as energy and the electric grid.

Thank you, very much.

THE CHAIR:

Thank you.

Will you remark further?

Senator Markley.

SENATOR MARKLEY:

Good afternoon, and thank you, Madam President.

THE CHAIR:

Good afternoon, sir.

SENATOR MARKLEY:

I rise in support of this bill, which is complicated, as -- as Senator Suzio has said. And yet it has been explained with a reassuring expertise by the Senators who are involved with it. And the bipartisan nature of the document that has been so many years aborning convinces me that it's worthy of our support here in the Senate.

That said, not -- and not to add to the complexity of a bill, I have a very simple amendment, which the Clerk is in possession of, LCO Number 8439.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Madam President, the Clerk is in possession of LCO Number 8439, which shall be designated Senate Schedule "B." This amendment is offered by Senator Markley, of the 16th District, copies which have been made available.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you, Madam President.

Thank you, Mr. Clerk.

I move adoption of the amendment and beg leave to comment on it, briefly.

THE CHAIR:

The question is on adoption.

Will you remark further, sir?

SENATOR MARKLEY:

Thank you, Madam President.

When I became involved in politics again, in a serious way, especially last year, one of the things I became aware of was what was known as the "CTA Tax," the change in the competitive transition analysis that moved it from being a reimbursement to being a -- a tax used for security against a plan loan to cover the operating deficit in last year's budget.

I thought that was a mistake on the part of the General Assembly, last session. I know it was one of those things that happened in the -- in -- in the fog of the final hours, and I don't say it too critically but it -- it bothered me on a couple of grounds. One was the fact that it seemed that there was something of an intent to impose a tax in such a way that people wouldn't realize they were being taxed, which on

principle, I didn't care for. And it was also a tax paced -- placed on electrical bills, which may be the very worst place to -- to my mind, to place one.

Also, it's a tax that in many ways hit the people that could least afford it, people on a fixed income, obviously that can't do without electricity, small businesses, many of which have very high electrical bills, and the tax became a -- a substantial expense to them, and also municipalities, which have to pay this. And in -- in some cases, it adds up to a good deal of money for the municipalities.

I brought what attention I could to that tax, and I feel like I've had the satisfaction of seeing the tax initially scaled back dramatically and now, as I understand it, facing elimination in a bill which is likely to come before us between now and Wednesday to eliminate the tax altogether.

In the meantime, the tax went into effect for CL&P customers, as of January 1st, and one of the which -- grounds on which I challenged this tax was the fact that it was unfairly distributed across Connecticut ratepayers.

CL&P customers, because they paid off this CTA charge would start paying it as of January 1st. UI

customers had another three years of paying off the CTA charge before it would be converted into a tax. And municipal electrical customers were not planned originally to have any payment in the tax at all.

Now, my understanding is the intent was, down the road, to make adjustments so that the payment would be fair across all the communities. What's happened, instead, with the elimination of the tax, which obviously I applaud, is that CL&P customers, which is to say my constituents, and something like three-quarters of the electrical customers in the State of Connecticut, have been charged the tax for a certain number of months. The other UI customers and municipal electrical customers will never be charged the tax. This strikes me as inherently unfair.

There is no reason for money, which is simply going into the General Fund, for CL&P customers to be distinguished and to be -- to be asked to pay more, to be asked to pay what other state residents are not being asked to pay. And, again, for a residential customer, it may not be a great deal of money, although none of us is looking to give up money that we don't need to, but for the municipalities involved

and for the small businesses involved, it can be a very substantial amount of money.

I saw a small business in Cheshire that was paying over a thousand dollars a month on the tax part of this, not on their electrical bill total but simply -- simply in the tax, as a big -- a big user of electricity.

This amendment stipulates that if the surplus permits, the surplus amount of money would be used to refund to CL&P ratepayers the amount of tax that they have paid, and if the surplus does not permit a full refund, that a prorated refund based on the amount of the surplus would be made.

This strikes me as a matter merely of -- of fairness, and in that spirit, I hope that my fellow Senators will consider supporting my amendment.

Thank you, very much.

THE CHAIR:

Will you remark?

Senator Suzio.

SENATOR SUZIO:

Thank you, Madam President.

I rise in strong support of Senator Markley's amendment. I, too, have a lot of constituents; in

fact, probably all of them are CL&P customers, and I do believe that the way the -- the current taxation was implemented was unfair and discriminatory. It basically forced the CL&P customers to pay something that United Illuminating customers weren't paying, and therefore I feel it was not only unfair but, again, discriminatory.

And in light of the -- the growing surplus, in Senator Markley's amendment it basically would pay for refunding to CL&P customers who were unfairly burdened with this tax out of that surplus; in other words, it won't exacerbate any kind of a deficit situation. I think it's the right thing to do. And I know that everyone in the Circle, I've heard over and over again talk about the right thing to do, what's fair and reasonable and nondiscriminatory, so I'm -- I'm confident that the majority of the people in this Circle will support this amendment, and I encourage them to do so.

And I would like to ask for a roll call vote, by the way, too, if I may.

Thank you, very much.

THE CHAIR:

A roll call vote will be ordered.

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

I, too, rise in favor of this amendment, and I thank Senator Markley for bringing it out.

Just a little while ago, I engaged with Senator Fonfara about the constituents that I have in Southbury, at Heritage Village, among others, of course, but most importantly elderly individuals on a fixed income who heat their homes with electric heat. Myself and Representative O'Neill had a bill proposed to help out those individuals who heat their homes with electric heat, especially those over 55 years of age. So I, too, rise in favor of this amendment.

I did not vote for the initial securitization, about a year ago. I do believe, as Senator Markley said, it is a tax that is unjust and unfair and -- and should not have been put forward. Having it passed and now figuring out and realizing with our surplus anticipated that we don't need those funds, that we're not going to securitize that money, that we should give that money back. It -- it is the right thing to do, as Senator Markley said, and -- and I agree with him.

I would like to help out those individuals in my district and beyond that do heat their homes with electric heat, especially those on a -- on a fixed income and -- and of a greater age. So I, too, rise in favor of this amendment, and -- and I hope the -- the Circle will -- will see so, accordingly.

Thank you.

THE CHAIR:

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

Madam President, I also rise to strongly support this amendment and for many of the reasons that were just previously stated, but most importantly to me, in that I believed that the first proposal to use an electric bill, a utility bill as a way to solve a budget problem for the state was unprecedented and set a very bad direction for the State of Connecticut, going forward. And not supporting the securitization bill to begin with, as a means to solve a budget problem, makes this absolutely perfect sense to undo what was, I believe, previously bad public policy. It was the wrong thing to do, the wrong direction.

It is now proven that we can escape this bad public policy by taking it out and certainly refunding the ratepayers, should the money be available to them, so that we proceed in balancing our state's budget in the proper way and not in this unusual method. It isn't to say that maybe we could even use a water bill or another type of utility bill to make changes that we deem at a budget process that should not be circumventing the normal channels in finding other ways to reach into the taxpayer's policy.

Let's be honest. If we want to raise taxes as a matter of course, sales or income, as we're doing now, that's the proper direction to go. So this is a really good way for us to undo some policies of the past that were not a part of this particular Administration, and let's hope that we can start fresh by enacting this particular amendment.

Thank you, Madam President.

THE CHAIR:

Thank you.

Senator McLachlan. Good afternoon, sir.

SENATOR McLACHLAN:

Good afternoon, Madam President.

I stand in strong support of this amendment, and I want to thank Senator Markley for your leadership on this topic. Certainly it is a question of fairness, and I believe that this is heading in the right direction to correct what I believe was an unfair tax on Connecticut residents. I am grateful that you've brought up this idea, and I'm hopeful that this will be found to be a friendly amendment.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark further?

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

I rise to reluctantly oppose the amendment. I appreciate the sincerity of the proponent, happen to agree with him, and I think everyone in the Circle agrees with him, but I would ask the membership to not support it today. I think the Governor and the Administration has been very clear -- have been very clear of their intent regarding this, that the first resources available will go towards eliminating this particular tax and that -- and that the ability for

ratepayers to -- particularly CL&P ratepayers to benefit from the -- its elimination is a priority.

So I ask that through this mechanism that we -- we not seek to do that. I believe it will be addressed in short order.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark?

Senator McKinney.

SENATOR McKINNEY:

Thank you, Madam President.

I rise in support of the amendment. And perhaps we should ask what the Administration's position is. On June 1st, our Comptroller, Kevin Lembo, issued our latest numbers and projections, and in his letter the Comptroller said -- and if you don't mind, I'll quote -- that any repeal of the surcharge should include, if possible, refunds to impact ratepayers. When asked about whether or not funds should be used to repay ratepayers, in addition to taking off the charge, Governor Dan Malloy said, I certainly would not be against that. So what is the position of the Administration? The Governor says he's not against

it. The Comptroller said we should do it. Guess what? Our fiscal situation allows us to do it.

So we have an excellent bill before us that's been done in a bipartisan fashion, and I don't take away from that. But we have something here, whether you voted for the charge or didn't vote for the charge, we're now in a position where we can do two things. We can take the charge off, and we are doing that under the underlying bill, and everyone deserves credit for that. But we can also pay back the people who had to pay it unfairly.

I'm not on CL&P; I'm on UI. I haven't had to pay it. Others in this room have had to pay it. That's not fair. We have the money to put it back. We know the Governor will not veto this bill if this amendment passes. He said he would certainly not be against it. We know the Comptroller has urged us to do this. I would argue that the Administration is pretty much okay with this, based on those comments.

I have no reason to question the voracity or truthfulness of those quotes by the reporter, which everyone can see in the Connecticut Mirror, certainly the Comptroller's in writing, so I think we should do this. I think we should one more time join in

bipartisanship, give the -- give the people who paid the charge that is going away their money back. It is only fair to do.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark? Will you remark?

If not, Mr. Clerk, will you call for a roll call vote? And the machine will be open.

THE CLERK:

An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? Have all members voted?

If so, the machine will be locked.

And, Mr. Clerk, will you please call the tally?

THE CLERK:

Madam President:

Total number voting on LCO Number 8439	34
Those voting Yea	14
Those voting Nay	20

Absent and not voting 2

THE CHAIR:

The amendment fails.

Will you remark further? Will you remark further?

Senator Fasano.

SENATOR FASANO:

Thank you, Madam President.

Madam President, I rise in support of the -- of the bill, and I want to also join in on the congratulations to all those involved in writing the bill. And I know it took a lot of time to write this bill; it's a very complicated set of facts and materials and an endless effort put in to coming out with this bill.

But I have a few questions, through you, Madam President, to the proponent of the bill.

THE CHAIR:

Please proceed, sir.

SENATOR FASANO:

Thank you.

Madam President, with respect to the fix within the road, in the event of utilities being placed in the road, the question I have, through you, Madam

President, does that apply to all utility companies or if there are only a few, which ones?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, thank you.

And thank you, Senator Fasano, for the question. It applies to all utilities.

THE CHAIR:

Senator Fasano.

SENATOR FASANO:

Thank you, Madam President.

I thank Senator Fonfara.

And the next question I have is -- I believe he did answer this, and I might have been out of the Chamber -- but on the road repair, there's this one year that it gets looked at and then the repair is made to the road, if it needs be, at that point in time. So after the year when it's looked at and it is repaired, is there another year waiting or is that it after it's repaired?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, as I've indicated, the process is up after the year is up. There is an inspection. If the -- if the cut, the repair of the cut is -- has met generally accepted standards, it just requires a letter of certification by the utility or the contractor. If it is substandard, then a -- an additional patch, a permanent patch is made, bringing it up to generally acceptable standards and that is the end of the obligation. There is no further obligation on the part of that utility to -- to address that cut, unless a cut is made there again, subsequent --

SENATOR FASANO:

Right.

SENATOR FONFARA:

-- to that, a -- a new cut.

Through you.

THE CHAIR:

Senator Fasano.

SENATOR FASANO:

Thank you, Madam President.

I thank Senator Fonfara for their -- for those precise answers.

Madam President, although I think this is a good bill, it is a very complex bill, and it is a seismic change to quote what we've been talking about in this Chamber about different bills in the past and the way we're running various agencies. What gives me a little bit of pause is having so much power under one person, so much ability of one person to make so many decisions. That does give me pause because it is so wide scope with so much discretion and very little checks. So although I am significantly concerned, I recognize that we may need the bill to pass, see how it proceeds, develop a pattern, and perhaps revisit this issue. So I'm not going to vote against it, but I am going to caution those who have been granted such power to recognize that this power, although given, may be harnessed if it is not dealt with in a -- in a very wise, discretionary fashion.

Some of the issues that come to mind, Madam President, it has been my concern that I voiced over theories of harm charges or harm taxes in a way to influence marketplaces, either by regulatory enhancements leading to extra costs and procedures or

by some sort of fiscal inputting in the regulations, which drive markets in certain directions. That gives me concerns that those don't get implemented under the guise of regulatory enhancements. So I'm a little bit concerned about that.

That being said, I also want to address, you know, one of the things that I think we need as a state to advocate as much as possible is at the federal level. One of the reasons why our gas prices across this nation, let alone this state is high, is because of speculation, is because we allow electric gas companies who use gas as their sole means of fuels to trade on the commodity. So they can buy it when it is low, sell it when it is high, then buy at a high rate and charge us for those high rates. That's not Connecticut's fault, that's a federal fault. And we need to stop those types of practices. We need to curtail the speculation in our oil industry. And that's going to require a much bigger discussion than here today and at a different level with the federal government.

Madam President, with that being said, I endorse this legislation. I applaud all those who worked very

hard on a complicated matter, and I look forward to its passage here today.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator Fasano.

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

I stand for the purpose of a few questions to the proponent of the bill.

THE CHAIR:

Senator Fonfara, prepare yourself.

Please proceed, sir.

SENATOR McLACHLAN:

Thank you, Madam President.

Senator Fonfara, I'd like to applaud your efforts on the work that you and your team have done. I'm also proud to know Senator Witkos, who has dedicated so much time and energy to this, and I must say that as Senator Witkos has worked hard to convince me and others that this is the right way to go, I do have some specific questions.

And that is: How will this bill and the program changes, adjustments, processes that are changed, how

will this affect the fuel cell energy business in Connecticut? Danbury is home to fuel cell energy. We have a very terrific organization there, a very dynamic organization. They just announced last week that they have sold another plant, overseas. They've had some tremendous global success. And they actually plan to build another plant here in Danbury, which I'll talk about in a minute. They also own a plant in Torrington, and, of course, we all know that United Technologies is -- is a major player in the fuel cell business.

So I wonder if you could share with us, how does this bill address Connecticut jobs as it relates to the fuel cell industry?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, I thank the gentleman for the question.

There are two areas in particular; I think there'll be more, as we move forward with examples that I spoke to earlier. Senator Witkos spoke to earlier on the Green Bank, which is going to be

structured to attract private capital in to help with the financing of what I would call "overmarket technologies," meaning they aren't able to compete without some form of assistance right now, and, unfortunately, fuel cells remain in that category. We're hoping that in the near future they'll move to a more market-driven cost structure.

One area is in the -- with respect to the current clean energy program. For years now, that program has helped to support fuel cell investments in Connecticut. It will continue to do that, but we are, through the Department of Energy and Environmental Protection, retooling that part of the fund to make it more efficient, to maximize those investments, and I believe that will help fuel cell production in Connecticut.

The second area is with respect to the -- you heard us speak about there's a no or zero-emission investment and over a period of six years. There's also a -- a partnering program of low-emission investments that will be made over a period of six years. And while we don't identify a particular technology, we believe that fuel cells will be very competitive for that money and be a beneficiary of it.

It will have a declining block schedule, as we do for the zero-emission process, but it will enjoy 15-year contracts; it's the first time we're doing that. And I think you'll see measurable improvements in terms of the state's support. We've been very supportive of fuel cells over the year; we'll continue to be, but this will be an additional investment in -- in low-emission technologies in our state.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

Thank you, Senator Fonfara, for that viewpoint.

And I look forward to the state continuing to support Connecticut jobs. It's always nice to know that our government, when we design any kind of incentive, whether it be tax or grant incentive, that our focus remain on industries that reside here rather than some which -- and some -- some would say that the solar industry really resides overseas, I'm glad that we're focussing on -- on the fuel cell, a Connecticut-grown, a Connecticut-born industry, as I understand it.

The -- the Connecticut Clean Energy Fund,

Project 150 approved, in their Round 3, a project in Danbury for a new fuel cell. That project is not underway yet.

And through you, Madam President, can you clarify what will be the status of that project application?

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, in fact, we establish a -- another program that I believe will allow projects like that under Project 150 to compete for resources. We do establish a fund for up to $10 million that is competitive, also for another side of it, an additional $20 million that the utilities and others can compete for. I think that opens a door for all kinds of projects, including those that -- that one that you've identified, where for the first time they have access, at least through a competitive process to present their -- their case and their technology and why it should be funded.

And I -- I think it -- you'll see it's a robust competition there, and I -- I don't think I need to encourage anyone to take advantage; I think they'll be

in there knocking on the door, including the project you spoke about in Danbury.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

And through you, Madam President, just for clarification, Senator Fonfara, the project in Danbury has already been approved, under Project 150, in Round 3. What will be the status of that project as a result of the legislation before us today?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Senator McLachlan, I'm sorry.

Through you, Madam President, if you could repeat the question.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Certainly.

Through you, Madam President, the Project 150, Round 3 approved a fuel cell project for Danbury,

among many others. What will be the status of these projects that have currently been approved, as a result of the legislation before us? In this particular case, the project has not begun construction yet, and my concern is where will this -- this legislation today affect those pending projects.

Through you, Madam President.

THE CHAIR:

We'll stand at ease for a moment.

(Chamber at ease.)

SENATOR FONFARA:

Through you --

THE CHAIR:

Come back.

SENATOR FONFARA:

-- Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

It's my understanding that we have -- we have said that the -- whatever the period of time that the contract has, it will be extended to that period but

not beyond that point. Our hope is that through the mechanisms I just spoke about, that they'll have an opportunity to pursue financing. But we do say at the end of that, that the -- that the -- the window of time would be terminated, once the contract -- but it does not interfere with the existing contract.

Through you.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

And through you, Madam President, while you were designing this legislation before us, I understand that there is now a cancellation process of -- or -- or a nonrenewal of approved projects under Project 150. As you were contemplating that, did you consider the reality of the -- the great challenges many of these projects face in financing availability during this recession?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Well, certainly we have, but we understand that these are projects that -- that have support in the community, both by the developer and by the communities, most of them where they're located. But many of them have been -- frankly, we believe that the financing that was associated with them through the DPUC was sufficient. Unfortunately, that is not the case, and so some have been sitting on the books for years without any activity. I agree with the gentleman that -- that the -- the economic conditions may not have made that easier.

But with the bill here, as I spoke about, we are providing new opportunities that those projects can compete for those resources. And I think that's the best way to do it, as opposed to identifying we're going to fund this project or that project, that they all put their best proposal forward and allow for that process to determine what's the most efficient, what's the most cost effective for ratepayers. Remember, that's how this -- these projects are funded, by ratepayers. And the best process, I believe, is to make it a competitive one.

Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

And thank you, Senator Fonfara.

Would you -- through you, Madam President -- would -- would you anticipate, if you could, these projects -- and keep in mind, now, the one I'm referring to is Round 3, so it's the newest approval, as I understand -- would you anticipate that those projects that were previously approved but may have stumbled because of the recession and the financing challenges faced by all American business during this past recession, do you think that in a -- and assuming their contract expires with the state -- do you think that this project and others who expire would give and be given some type of favorable status in a reapplication process?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, because they've been evaluated and given, you know, and supported

previously, I -- I think that gives them a leg up; no question about it, through you, Madam President.

But I -- I would simply say that, again, and I -- and I anticipate that the gentleman would -- would agree that -- that ensuring that we're making all projects have to go through an evaluation process to ensure that they're the most competitive and ratepayers are burdened as little as possible -- because that's, in the end, that's the conundrum that we face.

We want to lower electric rates in Connecticut. We're taking major steps in this bill to lower electric rates in Connecticut, but we also want to make investments in technologies to put people to work, to advance the technologies that are being developed here in this state, homegrown in this state, attracting companies to Connecticut, start-up companies out of our universities, so that they have the ability to grow those -- those technologies here in the state, put people here to work in the state. Where do you get the resources to do that? It's a very difficult balancing act that we have to go through.

And until these renewable technologies and others like it are more competitive, as Senator Witkos spoke about earlier, until more and more industries and -- and -- and consumers are purchasing these technologies, the cost of them are overmarket. And so it's a delicate balance that we go through and -- and while your project or the one in your district and others like it have gone through a process and will be, just by their very nature, be given consideration because of it, I think it would be only wise if we assure the public and ensure our constituents that we're establishing a process that says these -- this project was chosen because it was the most efficient and the most cost effective for ratepayers to support.

Through you, Madam President.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

And -- and thank you, Senator Fonfara.

I would agree with you that all projects should stand on their merits, and given the -- the focus of trying to maximize our availability of limited resources, we certainly want to see those projects

move forward that -- that are in a position to move forward quickly.

I'll just state that -- that the Project 150 projects that have been supported and are pending now in both Round 2 and Round 3, there are eight fuel cells. And I believe that translates into a good number of Connecticut state jobs. And so I guess it's pretty clear now that -- that I'm worried about the fuel cell industry in Connecticut.

Through you, Madam President, the -- the cogeneration business is also -- we have a star in the greater-Danbury area. At Danbury Hospital, there is a new four-and-a-half megawatt cogeneration plant that was just recently put on-line at Danbury Hospital, about a $20 million project. And it appears that this particular project, including a -- a $17 million turbine, which is, I understand, a Connecticut product -- United Technology was very much involved in this, as well as many local contractors building the project -- it's my understanding that this will save Danbury Hospital $200 million over the next 20 years, an incredible savings, which, to me, says this thing pays for itself in two or three years.

Through you, Madam President, does this legislation before us favor that kind of a project, especially one that's in a health care facility, such as Danbury Hospital, the largest health care center in all of Western Connecticut, and in what way can it help us encourage similar projects that don't rely on the high cost of transmission of electricity?

Through you --

THE CHAIR:

Senator --

SENATOR McLACHLAN:

-- Madam President.

THE CHAIR:

-- Fonfara.

SENATOR FONFARA:

Through you, Madam President, I thank the gentleman for the question.

I'd -- I'd have to say probably the highlight of -- of my time on the Energy Committee, which has been several years now, was the 2005 legislation, the Energy Independence Act that created the support for combined heat and power initiatives, distributed generation initiatives, such as the one that you've spoken about, Senator McLachlan.

The Kimberly Clark investment in New Milford, I believe a 30 megawatt project that brought the Kimberly Clark factory, employing some 350 people, from the most expensive plant in the Kimberly Clark system of plants in North America, the most expensive, on the verge of being shut down and losing 350 jobs to the most efficient plant in their system in North America, in all -- of all their plants, that's a success that we all should be proud of. That's how government can help business, how it can help this state grow. And the project at Danbury Hospital is another example of one.

This bill establishes a three-year program to move forward in that regard for combined heat and power initiatives of the one you spoke about. And the reason why we had to reinitiate the program is because the standards that -- by which we had initially used were no longer applicable, and so we couldn't measure success with the language we had in the law or is in the law today. With this, we -- we reignite the program and allow for businesses to -- to take advantage of -- of these resources, which I believe while a three-year program will spur on further investments in combined heat and power to, as you say,

allow companies that -- where it works -- where it works, to take advantage of that and lower their energy costs in a very, very efficient -- through the use of a very efficient technology.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

Thank you, Senator Fonfara for that viewpoint.

I would agree that that certainly is a success story in New Milford, and I hope that the project like that at Danbury Hospital will be duplicated across the State of Connecticut as great opportunities to dramatically lower the cost of energy, but in many ways, even more importantly, create Connecticut jobs for Connecticut residents.

Another example of an energy efficiency is -- is, frankly, thanks to a gentleman by the name of Morris Gross, at Danbury Hospital; we're now known as the Western Connecticut Health System. But Morris Gross has been the facilities' person for Danbury Hospital and now combined with New Milford Hospital, for many years.

And back in 1977, Danbury Hospital installed the first major solar generation plant on the roof of the building, a 12-story building in Danbury that was certainly the tallest in our community at the time. And this solar plant, if you will, on top of the building, generated -- paid for itself in a very short period of time and was very efficient. But as you can well imagine, the technology has changed quite dramatically since '77, and it is no longer in operation.

There are considerations to replace that very old equipment for the newest solar equipment that is available. And I wonder, through you, Madam President, to Senator Fonfara, will this legislation encourage Danbury Hospital to replace that equipment, keeping in mind it's nearly a million dollars just to remove the old equipment and -- and then install new equipment? Would this legislation before us encourage the hospital to replace that equipment with the newest and best solar technology?

Through --

THE CHAIR:

Senator --

SENATOR McLACHLAN:

-- you, Madam President.

THE CHAIR:

-- Fonfara.

SENATOR FONFARA:

Through you, Madam President, it will. I don't know the size of that solar ray but we have up into one megawatt, I believe it is, under the commercial program we're establishing here, a six-year program, $8 million a year. And I -- I suspect that Danbury Hospital will be looking at this. And the companies that would be seeking to access those funds will be -- will be looking at that, as well. So the answer, absolutely, is yes.

Through you.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

And one final question for Senator Fonfara.

Could you share with us, please, with this legislation before us, what is the impact on the Siting Council's current process of cell tower applications?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Through you, Madam President, there is none.

Through you.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

Well, Senator Fonfara knows that I would love to see that process changed, just a little bit. I -- I believe there is some legislation pending elsewhere which -- which we hope to make some fine-tuning to that process.

And, Senator Fonfara, I thank you for your answers.

Madam President, I -- I have come a long way from last year when I -- I was very much against this, this proposal. Obviously, the proposal has changed a lot. And, once again, I want to thank Senator Fonfara and your team, both in the House and -- and Senator Witkos for a yeoman's effort in putting this together, the staff behind the scenes who burned the midnight oil with you all, soon to be solar panels to keep your

-- your lights on. But I must say, I do support many aspects of this bill, but I share some disappointment, and I'll share, briefly, what they are.

Number one is I'm disappointed that we didn't have a friendly amendment from Senator Markley so that we could have just cleared up that one little icky issue, if you will, where ratepayers had to pay an extra tax, and it was only some of the ratepayers of Connecticut that had to do so. And so I'm anxious to see a fix for that in the very near future, that those that had to pay that unfair tax will have the opportunity to be reimbursed or at least given back a good portion of what they paid.

And, secondly, I share the concerns of Senator Fasano. The scope of this bill and the scope of the reorganization is, frankly, breathtaking. When you think of -- of how dramatic a change this is, and when you think about the -- the power, as Senator Fasano said, that now resides in one, big, corner office, it -- it is reason for us to just watch very ever so carefully -- and I mean on a monthly basis, not an annual basis -- but watch ever so carefully that this proposal is working.

I do believe it has the potential to work; however, it does rely on one individual or a couple of individuals to make some very, very important decisions for the residents of the State of Connecticut. And I believe that the legislative process may have been kicked aside, a little too much.

So I'm hopeful that we're going to look carefully at this next year to make sure that the implementation has gone well. I hope that we're going to look for assurances that the efficiencies talked about come through, as we anticipate and hope they will.

I will support the bill today, and, once again, I thank you all for your hard work on it.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark?

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

Madam President, I'll be very brief. I just had one question regarding this very large and important bill, through you, Madam President, to the proponent of this particular --

THE CHAIR:

Please proceed --

SENATOR BOUCHER:

-- amendment.

THE CHAIR:

-- ma'am.

SENATOR BOUCHER:

Yes, through you.

One of the biggest changes that I could see in this is a different process, the procurement process. Something that's different, the state would be in the business of -- of being the purchaser.

My question, through you, through to the proponent is: Is this a new concept or do we have other states that we're modeling this procurement process in, and how it differs with common practice.

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Excuse me.

Through you, Madam President, there is at least one other state that has a procurement officer, Illinois. But the -- the concept is based on the fact

that we have had a fairly inefficient process for purchasing power for those electric customers who remain with the utility. The utility doesn't generate the power, themselves; they used to. As you know, we have -- we have prohibited that now for over ten years. But the mechanism that we implemented when we -- when we deregulated the market was designed to protect customers from rate shock, but it doesn't allow for a lot of flexibility in how you purchase power. It's not a very efficient, aggressive method.

This bill changes that, both through how we buy power from -- in terms of what's allowed. We eliminate the laddering process, and we allow for a shorter-term mechanism, but we also establish this procurement officer position which will have someone at the wheel, if you will, for the State of Connecticut, for the consumers of electricity who have not gone into the retail market.

And as Senator Witkos said earlier, more and more people are doing that, in increasing numbers, and the day may come when we won't have the -- the standard offer any longer; it will be more of a default for those that, for some reason, don't want to be in the

retail market. And -- and we may not need the position.

There are others who believe that the procurement officer would keep -- it's like an honest broker and keep the market honest in terms of how well we purchase from the state. There are varying views on this, but we, as a -- as a committee, and we hope as a Legislature, will believe that that piece of it will result in lowered rates for those customers who, for whatever reason, choose not to, you know -- there are a lot of folks, and I'm not going to identify any particular group, not necessarily senior citizens, not any group, that choose just to stay with the utility. They're comfortable in that. And we ought to employ strategies for them, as well, not just in terms of those that have gone into the retail market. We -- we shouldn't artificially keep rates high for those customers, just because we've implemented a deregulated system.

SENATOR BOUCHER:

Madam President, I thank the good Senator for his answer.

From what I understand, we would be one of possibly only two states to procure, at the state level, so we would be unique, different in that way.

Through you, what is the more common practice, if I might ask?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENTAOR FONFARA:

Through you, Madam President.

If you would look nationally, since the majority of states have not deregulated, utilities buy the -- generate the power themselves, import power from outside of their states to meet their demand needs. For those states that have deregulated, they have varying systems and methods of how they procure power. But ours is probably the most efficient across the country, currently, which contributes to us having higher rates for the standard service customer.

And you don't have to go very far, I said earlier in my remarks, to -- to see where -- how this mechanism we're employing here today can have beneficial results for ratepayers with CMEC, the Connecticut Municipal Energy Cooperative, which I

believe is about seven towns. Located in Norwich is where they're housed, and they -- they buy power in this method that we're allowing for in this bill. They have -- may not call the -- the individual a procurement officer -- maybe they do -- but the responsibility is the same, to buy power in a more aggressive, short or long-term basis, as they evaluate the needs for that day, for that month, for that year and buy power accordingly. We do not do that right now.

Through you.

THE CHAIR:

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

It appears that, given that there are very few places that actually do this or have a procurement officer located at a state and that it's typically done, it sounds like, through the private sector, through utilities, then does Connecticut intend to recruit from the private sector in the area that was just mentioned, given that there are so few that currently do this at a government level?

Through you, Madam President.

THE CHAIR:

Senator Fonfara.

SENTAOR FONFARA:

Through you, Madam President.

In fact, the -- the amendment that we adopted earlier requires that the procurement officer have experience in the field of purchasing power and in the private sector; yes.

Through you.

THE CHAIR:

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

Madam President, I will be supporting the bill today, but I do so with some reservation with regards to the system of procurement. I'm hopeful that there is going to be a review process, once this is put in place, so that we can actually measure whether we're getting a more efficient process.

Oftentimes there's some concern on the part of the public, as you probably well know, that government isn't always seen as the more efficient provider of services and that oftentimes they point to the private sector as arriving or at least achieving some

semblance of efficiency, so that process, given that there's hardly any other states embarking on this, I would hope that next Legislators and Legislatures will be reviewing this to actually be sure that, in fact, we're getting a better process rather than embarking on something that could end up being more costly in the long run.

Thank you, very much, Madam President.

THE CHAIR:

Thank you, Senator Boucher.

Will you remark further?

Senator McKinney.

SENATOR McKINNEY:

Thank you, Madam President.

Madam President, I rise in support of the bill.

Just briefly, first want to commend and thank Senator Fonfara and from our caucus, Senator Witkos for their hard work on the bill.

I think when we started session, in January this year, a lot of us probably would have taken bets that we would be dealing with this issue on Wednesday, perhaps, not on Monday. But our -- our, you know, our inability to handle this issue in the past has not been because of partisan differences, necessarily,

it's been because it's an extraordinarily difficult issue. And it's proven difficult to get everyone pretty much on the same page. And I think that's what the -- the Chairman and Ranking Member of the Senate have done with their colleagues in the House, on a good bill.

I also want to take moment to comment on what I also believe is a very positive change, and that is the -- the creation of and recognition of the need to have an energy department within the State of Connecticut. I'm not sure what year it was, maybe it was around 2006, former-State Senator Bill Nickerson actually proposed having a Department of Energy as a stand-alone department, which would have utilized much of the same resources that are utilized in this.

The -- the -- the merger of the issues of environment and energy are so critical, when you look at -- and as former-member of the -- the Ranking Member of the Environment Committee, when you look at the many of the issues that are critical to our environmental protection, our environmental policy, they deal with energy issues. The two are -- are linked together, and so I commend the Legislature and the Governor for this initiative, actually having

resources on long-term planning of our energy needs and how that long-term planning can be done consistent with good environmental policy. That's a tremendous step forward for the State of Connecticut.

I think this is probably the one question I get asked the most, for which I don't at least a very good answer, sometimes perhaps no answer at all: Why do we have the second-highest electricity rates in the country and why are they continuing to go up? Despite the surcharge and some other obvious answers, there are still some answers that are not so obvious. Hopefully, this will be a start towards getting those bills down.

I'm especially appreciative of the fact that we're not necessarily picking winning and losers here when it comes to renewable energies, whether it's wind, whether it's solar, whether it's fuel cell technologies, they will all be allowed to compete, to compete pretty much on fair grounds. And hopefully that competition will drive all of them to lower their costs, because we know that energy produced certainly by wind and solar is as clean as possible, and fuel cells rate next in line.

So I think this is a good bill before us. I certainly am hopeful that it will have the intended outcomes and, again, wanted to pay a special thank you to Senator Fonfara, Senator Witkos. It's nice to see on such an important issue that we've been able to work in a bipartisan fashion, and I think it's not a coincidence that the measure before us is such a good one because of that bipartisanship.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Speaking in support of the -- of the bill, again, wanted to begin by congratulating Senator Fonfara and Senator Witkos on their -- their work on this bill which we all know is so complex, in so many ways, that energy policy is almost like studying a second language or a foreign language and very difficult to penetrate in many ways. And they have been so conscientious in working on all of the many variables and thorny problems to be -- to be resolved to bring

forth a comprehensive energy policy bill. And I wanted to join in -- in commenting them.

I wanted to, again, just state that it really does make sense, as Senator McKinney said, that -- that so many aspects of energy policy and environmental policy are linked and overlapping, that it really does make sense to have this new entity of -- of DEEP, a combined environmental protection energy policy, because it was very artificial to have them in separate silos for so long. And it does make sense to have them combined.

One of the things that I think is important in this bill, also, is that there is a -- there -- there is a great deal of -- of creativity involved here. One of the -- the provisions about allowing municipalities to establish a loan program to finance energy efficiency in renewable energy projects, where many communities might be aware of particular needs in those towns so they could work with their residents on. That is, I think, a very empowering element of -- of this bill.

In addition, Madam President, I think that there is a -- a significant amount of progressive policy built into this bill, as well. We have a -- a

provision, in addition to -- to empowering municipalities, we have the concern and about trying to find some ways to enhance energy efficiency in -- in poorer communities, especially in census tracks where there is, the median income is not more than 60 percent of the state -- the state median. I think that makes a great deal of sense to focus relief in those areas.

In addition, we have a provision that -- that does, in fact, deal with evaluating what we can do for low-income ratepayers, in general, to look at, to have the new public utility regulatory authority to study the -- the feasibility of establishing discounted electric and gas rates by evaluating all of the existing programs and finding out whether or not they provide the maximum relief, or perhaps it would be better in some ways to -- to have a -- a separate, lower rate, so that we have the kind of -- of review of already existing programs to find out if they, indeed, provide the maximum benefit to those who are most in need of -- of rate relief. That is -- is critical.

And then we have a -- an expanded hardship provision. I think that, again, dealing with the --

looking at low-income households where there may be ill children, an extra, an extension there for the -- the protection from shut-off notices.

So there is -- there is a combination of good social policy, a progressive energy policy, creativity. This is something that I think -- that can be celebrated in a -- a bipartisan way, and urge passage of the bill.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator Looney.

Senator Williams.

SENATOR WILLIAMS:

Thank you, Madam President.

I rise to support the bill before us here today and also to congratulate Senator John Fonfara, as Chairman of the Energy Committee, for his tireless work on this, this year. But also, ever since 2005 and beyond, he's been working very hard on these issues.

I'd also like to thank his Co-chair in the House, Representative Nardello, and right here in the Circle, Senator Witkos, on the Republican side of the aisle. This is truly a bipartisan issue, and people from both

parties, Representatives and Senators on both sides of the aisle have joined together to make this a solid and strong bill that is a model for other states around the country.

A number of folks have referred to how technical discussion of energy policy can be, perhaps even boring sometimes. I would suggest that there are few things in our lives that are more important than making sure that we have the abundant energy we need to live the lives that we expect to live.

I mean, I remember as a youngster in Connecticut, in the winter of 1973, in -- the great ice storm of '73 came along. And maybe there's a handful of people in this room that have some clear memory of that. And, you know, it was the middle of winter and when the lights went out, because we lost power that evening, you know, it's -- it's very quaint. You get out the candles. And as a youngster, it's kind of exciting, this whole concept; no power, lights out, and you go back to the way people lived a hundred years before. So the candles come out. After a couple of hours, though, the temperature in the house starts going down. We had a fireplace. After the next day, we pulled the mattresses into the family

room where the -- the old fireplace was, kept that going. We were out of power for three days. And after three days, we would not have been able to have stayed in that house. We would have had to of packed up in the car and gone somewhere where there was power, after just three days.

And we can all imagine, and we've seen it when disaster strikes in parts of the United States or in other parts of the world, when folks lose power, after a handful of days, some of the basic things that we consider and take for granted in a civilized society start going out the window. Everything starts breaking down. There's nothing more important than keeping an abundant supply of dependable power.

And that's our challenge going forward, because, you know, the big picture here is -- and we've all seen the television advertisements about natural gas and with this new process of dynamiting the rock, thousands of feet below the earth, that we can free up more of the natural gas and that perhaps if we do that to the greatest extent possible in the United States and Canada, we may have enough fossil fuel energy for the next 100 years.

That sounds like a long time for those of us in the Chamber, but it doesn't sound like a long time for our grandchildren, who will be planning their families and the opportunities for their children. And I'm not talking about generations and generations and generations to come, way down the line, where we don't have to worry about it. Just think about it. Your grandchildren, when they're planning their families, they're going to be impacted by the energy decisions that we either make or avoid here today. And the consequences could be devastating if we don't start making the right choices right now.

And what I really appreciate is that there are so many positive aspects about this bill, but many of those aspects pertain to the big picture. And there are incentives here for us to look at Class 1, renewable energy, not only the sources that we have right now, wind and solar and fuel cells, but also to explore other Class 1, green, renewable sources of energy for the future, not necessarily to pick winners and losers but to see how far we can push the envelope to get that clean and renewable energy that we need today but our children and our grandchildren will desperately need tomorrow.

I also appreciate the fact that there are incentives for moving us forward in solar energy. I believe that's going to be one of the keys for human civilization in terms of meeting these challenges in the future.

I mean, just think. Within the past couple of weeks, Germany has decided it will shut down its nuclear power plants that provide, I believe, over 30 percent of all power to Germany. They're going to close them down entirely, based on what happened in Japan. And they are going completely in the direction of renewables, doubling down on solar, in particular.

And in the State of Connecticut, we are showing that we will lead in term of clean and renewable energy and especially in terms of solar. We're expending the Clean Energy Fund, which is critical. That will provide financing for energy efficiency and will also allow us to get savings in the short term.

So in addition to the big picture solutions that are in this bill, we're also looking at lowering costs of electricity to families and businesses in this state, in the short and long run. I commend Senator Fonfara and Senator Witkos and others who are saying, Look, let's look at this whole pricing scheme, which

is governed by an entity called "ISO New England," in Massachusetts. We feel that in Connecticut we get a raw deal under this pricing scheme and we want to find out what, if anything, given the federal regulations that are out there, can we do to change this so that we get a fairer shake and that we're not penalized because of the energy demand on a handful of extremely hot days in the middle of the summer when we have to import power.

We'll also be financing energy efficiencies and smarter technology that uses less energy through the Clean Energy Fund and providing mechanisms for families to replace furnaces and boilers that are inefficient, so they can lower their own costs and also help lower our overall demand when it comes to energy.

So this plan that is before us is visionary. It is innovative. It's not concerning an issue that's technical or foreign or boring; it is concerning an issue that is critical to our survival as a state and a country. And our children and our grandchildren are counting on us to do the right thing.

For those and many other reasons, I support this bill.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark further?

Senator Fonfara.

SENATOR FONFARA:

Thank you, Madam President.

Unless there's anyone else that is intending to speak -- and I want to thank all the members of the Circle for their questions and their comments, and again, to my partner in this initiative, Senator Witkos, for all his help. And unless there is objection, I'd request that we move this bill to the Consent Calendar.

THE CHAIR:

Seeing no objection, the bill will be put on the Consent Calendar.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, the Clerk is now in possession of Senate Agenda Number 2 for today's session.

THE CHAIR:

Mr. Clerk.

Yes. Thank you, Madam President.

Madam President, would ask that we remove from the Consent Calendar the item placed on it earlier, Emergency Certified Senate Bill 1243. Emergency Certified Senate Bill 1243, and that we move to an immediate roll call on that item.

THE CHAIR:

Seeing no objection, so ordered.

Mr. Clerk, will you please call for a roll call vote?

And the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you, Senator.

THE CHAIR:

Hey, Senator Looney.

SENATOR LOONEY:

(Inaudible) I apologize.

THE CHAIR:

Senator Stillman. Senator Stillman, would you like to vote today?

If all members have voted; have all members voted? The machine will be locked.

Mr. Clerk, will you call the tally, please?

THE CLERK:

Motion is on passage of Emergency Certified Billed 1243, as amended by Senate Amendment Schedule "A."

Total number voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

The bill has passed. Nice looking.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would move immediate transmittal to the House of Representatives of Emergency Certified Senate Bill --

THE CHAIR:

Seeing no --

SENATOR LOONEY:

-- 1243.

THE CHAIR:

-- objection, so ordered.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, also, having adopted Senate Agenda Number 2, earlier, would move that all of the items on Senate Agenda Number 2 be placed on our Calendar.

THE CHAIR:

Seeing no objection --

SENATOR LOONEY:

Immediately.

THE CHAIR:

-- so ordered.

SENATOR LOONEY:

That be immediately placed on our Calendar.

THE CHAIR:

That's --

SENATOR LOONEY:

Thank you --

THE CHAIR:

-- immediate.

SENATOR LOONEY:

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THE CLERK:

Senate Bill 929, as amended by Senate "A" in concurrence with the Senate.

Total number voting	146
Necessary for passage	74
Those voting Yea	146
Those voting Nay	0
Those absent and not voting	5

DEPUTY SPEAKER GODFREY:

The bill as amended is passed in concurrence with the Senate.

Will the Clerk please call Emergency Certified Senate Bill Number 1243.

THE CLERK:

Senate Bill Number 1243, AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE, LCO Number 8345 introduced by Senator Williams and Representative Donovan.DEPUTY SPEAKER GODFREY:

It was getting a little loud. Please take your conversations outside of the Chamber. I'd appreciate it. Everyone else, make yourself comfortable; have a seat.

The distinguished Chair of the Energy and Technology

Committee, Representative Nardello.

REP. NARDELLO (89th):

Good evening, Mr. Speaker. I move acceptance and passage of the Joint Committee's Favorable Report in concurrence with the Senate.

DEPUTY SPEAKER GODFREY:

Question is on passage of the Emergency Certified Bill in concurrence with the Senate. Please proceed, madam.

REP. NARDELLO (89th):

Thank you, Mr. Speaker. Mr. Speaker, before you is a 273-page bill and you don't get to a 273-page bill without a little help so I -- if you'll -- my indulgence to at least thank the people that were involved in this. And I first want to thank my Cochair, Senator John Fonfara, who started meetings with me at the very beginning of this session and had many meetings to get to where we are today and we worked jointly and worked out differences and worked cooperatively which I really appreciated.

I want to also thank my Vice Chair who's sitting next to me, Lonnie Reed, who was part of these meetings, and attended many I might add, and has to drive very far to get here.

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Hoydick, Representative Laura Hoydick, and Kevin Witkos in the Senate because they were both a part of this as well and really lent support and had some very good suggestions that made this a better bill.

I want to thank the leadership. I want to thank Governor Dannel Malloy and the reason for that is he is the first Governor to make energy a priority and that gave us the impetus to get this bill here today.

I want to thank Liz Donahue from the Governor's office for all that she did to get this bill here today, Katie Breslin, Paul Nunez who is sitting right here, and Melissa Buckley who's sitting over there. And I also want to thank Commissioner Dan Esty because for the first time ever, we had a Commissioner that came to most of the meetings, who was engaged. In all of my 17 years here, that has not happened and that helped to make it a better bill as well.

Mr. Speaker, this bill is about taking ownership and responsibility for our energy future. It's about having the courage to chart our own path by questioning the status quo. It's about making choices based on science and study. It's about fostering diversity of resources. It's about facing the reality that we must balance our need for renewable energy and energy efficiency with the cost impact on ratepayers. It's about acknowledging that our

high electric rates hurt our businesses, impact job development, and take a disproportionate share of people's incomes.

The new comprehensive energy plan that we put forth goes beyond electricity to look at our energy needs more widely and deeply and to consider transportation, natural gas, and electric plug-in vehicles.

The bill has six important goals. Develop energy -- developing energy policy and planning for our energy needs, lowering electric rates, reducing costs through efficiency and encouraging energy efficiency, promoting clean energy both for fuel diversity and to create new job opportunities in the state of Connecticut, providing consumer protections, and last but not least, demanding accountability.

It creates a new Department of Energy and Environmental Protection. Not many people know, but in the nineteen seventies we had an Energy Department and it's taken us 40 years to realize what a good idea that was and that is essential now. The creation of DEEP, the new department, recognizes that energy policy and environmental policy are intertwined. In this new structure, the Department of Public Utility Control, which you all know so well, will now be renamed the Public

Utilities Regulatory Authority. It corrects our fragmented approach to energy policy by consolidating and coordinating all entities that provide input into shaping energy policy.

This department also recognizes that we pursue our environmental goals we must -- as we pursue them, we must consider impacts on ratepayers. The first section of the bill clearly states before you that these goals -- these goals balancing ratepayer impacts and environmental needs.

This bill moves us toward lower electric rates by changing the way we buy power and by including the goal of lower electric rates in our energy planning. It creates a procurement manager to provide expertise in the area of power procurement. We buy power more flexibly for standard service procurement. We expect to save $60 million for standard service customers when this is fully implemented.

Customers of alternative suppliers will also benefit because lower standard service class mean lower prices to beat. We lower rates going forward by including impacts -- rate impact in all of our energy planning. And we lower rates for the most vulnerable by establishing a low-income rate to help those individuals whose energy

costs are truly a burden. We lower rates by requiring a -- a study to look at the impacts of our ISO market and the federal rules so that we can work with federal officials to address our concerns about how these rules hurt ratepayers. We require information of the best practices of other states that we can learn from them and become more competitive in the region.

This bill promotes energy efficiency and it does that by creating an energy -- Office of Energy Efficient Business that will provide one-stop shopping, outreach, and technical support to businesses that want to lower their energy costs. We provide technical assistance to municipalities who want to enter into performance-based contracts to save towns money on energy costs. We create a PACE program to finance energy improvements through property assessments. We assist homeowners and businesses with replacement of inefficient boilers and furnaces and we enhance efficiency standards for electronic devices.

We promote clean energy by creating a Clean Energy Finance and Investment Authority to leverage private capital and provide financing for clean energy projects. It will make us one of the first in the country and make us a -- leader in the deployment of these projects. We

invest in zero-emission and low-emission technologies through long-term contracts for the purchase of renewable energy credits and we expand clean -- the Clean Energy Fund to include electrical and natural gas vehicle infrastructure. We also reestablish and update the residential solar program that was so popular here in Connecticut.

It also protects consumers. We require alternative suppliers to provide written contracts with a clear explanation of prices. We impose restriction on door-to-door sales. We -- allow customers to rescind contracts within three days if they so choose, and we make electric suppliers accountable for actions of their sales personnel, and we also, and I think maybe one of the most popular things in this Chamber, will be that we subject them to the current federal telemarketing rules which means they can only call between 10:00 and 6:00 since I know that I've had many complaints from my constituents about this in this area.

Last but not least, it demands accountability, and it does so because all the new programs that we have in this bill must be evaluated to assess their effectiveness. Programs that involve funding do not get additional funding if they -- if they don't decline over time in order

THE CLERK:

Senate Bill 929, as amended by Senate "A" in concurrence with the Senate.

Total number voting	146
Necessary for passage	74
Those voting Yea	146
Those voting Nay	0
Those absent and not voting	5

DEPUTY SPEAKER GODFREY:

The bill as amended is passed in concurrence with the Senate.

Will the Clerk please call Emergency Certified Senate Bill Number 1243.

THE CLERK:

Senate Bill Number 1243, AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE, LCO Number 8345 introduced by Senator Williams and Representative Donovan.DEPUTY SPEAKER GODFREY:

It was getting a little loud. Please take your conversations outside of the Chamber. I'd appreciate it. Everyone else, make yourself comfortable; have a seat.

The distinguished Chair of the Energy and Technology

Committee, Representative Nardello.

REP. NARDELLO (89th):

Good evening, Mr. Speaker. I move acceptance and passage of the Joint Committee's Favorable Report in concurrence with the Senate.

DEPUTY SPEAKER GODFREY:

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Last but not least, it demands accountability, and it does so because all the new programs that we have in this bill must be evaluated to assess their effectiveness. Programs that involve funding do not get additional funding if they -- if they don't decline over time in order

to qualify -- I should say if the prices don't decline over time. We require evaluation of energy efficiency programs and vendors in those programs to assure that they are saving energy.

Mr. Speaker, this is a long bill. It is long because many of the measures in this bill should have been done years ago. Creating a new department means many sections of conforming changes -- and for the Chamber's edification it's 74 conforming sections. It's long because comprehensive energy policy and effective energy policy is critical to our economy and it cannot wait. This bill has been crafted on a nonpartisan basis because energy policies about just and reasonable rates promoting efficiency and promoting fuel diversity are goals supported along party lines. Mr. Speaker, this is a good bill.

Mr. Speaker, the Clerk has an amendment, LCO 8421. Would you please call the amendment and may I be allowed to summarize?

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 8421, previously designated Senate Amendment Schedule "A". Clerk, please call the amendment.

THE CLERK:

LCO Number 8421, Senate "A", offered by Senators Fonfara and Witkos.

DEPUTY SPEAKER GODFREY:

Gentlelady has asked for the -- leave of the Chamber to summarize. Is there objection? Hearing none, please proceed, Representative Nardello.

REP. NARDELLO (89th):

Thank you, Mr. Speaker. This corrects two technical corrections in the bill inadvertently left out as we were doing the bill. The first one, the definition, the expansion of the definition, and the second takes that section also, rewrites it because there was some incorrections in -- there were incorrect drafts. So if -- I would just ask that we move passage of the amendment.

DEPUTY SPEAKER GODFREY:

The question is on adoption of Senate Amendment Schedule "A". Will you remark on the amendment? Will you remark on the amendment? If not, let me try your minds, all those in favor signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed Nay.

The Ayes have it. The amendment is adopted.

Will you remark on the bill as amended?

Gentleman from New Milford, Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. Mr. Speaker, a few questions through you to the proponent, please.

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. In Section 1 it would appear that we're setting up a definition or a jurisdiction of this new agency, and in lines 3 and 4 it talks about preservation and protection of the air, water and other natural resources of the state. Can the proponent tell me where that language came from? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. That language came from the Department of Environmental Protection and that was in their original charge.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker, and again, through you. A little further down in the same section there are some goals stated there for the purpose of environmental protection and regulation. The department shall have the following goals, conserving, improving and protecting the natural resources and environment of the state. That's the first goal. Is that also presently in statute or did that come from the department as well?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It did come from the department, but I believe one of them may have been presently in statute and there's addition in the set. They made some changes to the second part of that which would be the B.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker, and again, through you. Could the proponent tell me what that change is in B? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through -- through you, Mr. Speaker. The words "while fostering sustainable development."

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. So one of the goals is -- for this new agency is preserving the natural environment while fostering sustainable development. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, that is correct.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. Can the proponent tell me what she believes the definition for sustainable development is?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Why don't we frame that as a question of fact rather than one of opinion, Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Take out the believe part.

REP. CHAPIN (67th):

I'm sorry, Mr. Speaker?

DEPUTY SPEAKER GODFREY:

Take out the believe part.

REP. CHAPIN (67th):

As I understood the gentlelady's last answer, the phrase "fostering sustainable development" is a new addition. Did that come from the present DEP agency?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, it did.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

And further down in there in that same section in lines 25, this new agency is establishing bureaus, one which shall be designated as an energy bureau. Can the proponent tell me if there was a reason why we're not establishing other bureaus in this section dealing with environmental protection? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It's my understanding that they actually already exist because what we're doing here was we were bringing the energy portion into the Department of Environmental Protection so they already have a framework that exists and the energy part is new and so therefore there's no existing framework.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker, and again, through you. So it's not contemplated under this Legislation that any of the existing bureaus would be changed at all?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It's not contemplated under this Legislation.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker. Moving on to page 7, lines 206 and down, in Sub F. This section is replacing Secretary of the Office of Policy and Management with the words "Commissioner of Energy and Environmental Protection" and I would certainly understand if this section was replacing DPUC commissioner with the commissioner of this new agency. Can the gentlelady tell me why it is we're taking -- we're substituting the words for what is generally I guess referred to as the Executive Branch budget-making agency?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

If I'm understanding your -- question correctly, we replace Secretary of Office of Policy and Management with

the commissioner because the Office of Policy and Management energy divisions are now within the new department.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

So in this section here, it's specific to those functions of energy policy that the Office of Policy and Management deals with?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

That is correct. It's considered a conforming section.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

And moving on to Section 2, this seems perhaps like it's language that we may have to update every few years and I just want to make sure that the items under this

section aren't something that we're changing whose jurisdiction they fall under, such as program of regulation of sanitarians is one of them, and there's a few other after that. Can I get an assurance from the proponent that there's really no change in that regard?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative -- Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. The only change in this section is on line 286 and 287, repealed Section 141 of this act. It again is conforming.

DEPUTY SPEAKER GODFREY:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

And I thank the gentlelady for her answers.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

The distinguished ranking member of the Energy and Technology Committee, Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

I'd like to address the Chamber and publically thank

the Chairwoman of the Energy and Technology Committee who's been very open in including this side of the aisle in discussions, the staff as well, and I -- I appreciate her efforts. She has worked diligently and -- tirelessly on this bill, not just this session but the previous session before and ultimately I think it will make living in Connecticut better for us all. But with 273 pages, there are some questions and there are obviously some disagreements in philosophy and policy, and I would like to propose a few questions.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Proceed, ma'am.

REP. HOYDICK (120th):

Regarding with the procurement manager, would the proponent of the bill please explain the purpose of this position?

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The procurement manager is going to help with the new policy of flexible procurement of electricity for standard service and the goal here is that we are moving away from

a system whereby we had a very proscriptive description in statute of how we buy power, but instead it will be very much like you buy power in your portfolio of contracts that you would do financially. You have to choose different short- and long-term contracts, you have to make some decisions and buying power in the manner has been shown in other states to reduce the cost, and thereby we are bringing in a procurement manager who will have expertise in that area to assist the utilities in doing this and to also develop a procurement plan.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Through you, Mr. Speaker, to the proponent. I think I misunderstood. Buying power in what manner will reduce costs?

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It is expected that by buying power in a more flexible manner -- and what I mean by that is right now when we go and buy power it's very proscriptive in statute, has to be a certain length of contract, you cannot have contracts that are

short -- short-term contracts, you must buy all the power in something called "full requirements" which means all the components of the power.

So with this new language that we are going to be developing, and through the procurement plan, they will be able to buy power more flexibly with -- buying the components of the power separately, putting it together themselves, buying in shorter terms, buying in longer terms, buying bilaterally, making decisions, there will be many more options for them in buying the power.

And it -- we have been -- we talked to the DPUC about this, and we also talked to the utilities about this, and there's also testimony before other commissions regarding this type of methodology for buying power and it has been shown to reduce prices by a minimum of five percent, and if you apply that to our current standard service cost that would be approximately six -- $60 million for the entire standard service procurement.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

I thank the Chairwoman for her answer. So currently, as I understand it, standard offer is purchased -- we call it laddering -- or contracts that are built on top of each

other that don't expire at the same time and the values are for a different amount of kilowatts for a different length of time. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, that is correct.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

And through you, Mr. Speaker. Who currently purchases the electricity for standard offer?

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The current process is that the DPUC hires a consultant, and I believe the OCC may be part of this as well and hires a consultant, and what they do is they go out to bid at a prescribed -- generally four times a year, I believe. It's quarterly. So people know when you're going out to bid. That's another problem with this system so they all know that Connecticut is going out to bid at

that particular time.

And then what happens is they solicit bids, the bids come in, the consultant reviews it, the consultant and the -- then makes recommendations to the agency. The DPUC then looks at the recommendations on which bid should be accepted. They're allowed to accept or reject the bids. If they accept them, they must do it in a very timely manner, usually it's actually done within 24 hours so they can hold the price, and at that point those bid prices are used to determine what the standard offered costs would be.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much for the answer. It's interesting that the bids are priced and the acceptance is done within 24 hours, yet later in the bill, and we'll talk about this later, we are holding our retail suppliers to a three-day rescinding period which would seem to be speaking exactly the opposite from one to the other. But regardless, I'm not going to speak about that right now.

Furthermore on standard offer, so as I understand how the bill is written, we are adding a position within DEEP to do -- to purchase this power for standard offer. Is

that correct?

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. That is correct.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

And through you, Mr. Speaker, the position -- for fiscal note in the bill has the procurement officer or manager at $160,000 a year. Currently, do we pay the -- the consultants that we hire for this position that amount? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I don't know the exact price we pay the consultants, but I'd be willing to guess it's probably more than that.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Through you, Mr. Speaker. With all due respect, as I purchase power also for my employment, I do not pay my

consultant anything. It's through the operation of the bid process.

So back to the original question, incurring this cost is -- is just an additional expense for this particular position. Is that correct?

Mr. Speaker, through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello, do you want to try it again, please.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It's been our experience in other states by hiring a procurement manager you will actually reduce the -- price of standard offer because again they have the ability to develop a procurement plan and procure in a way that is actually more cost-effective. So in the end, we will save money through the procurement manager.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

And -- thank you, Mr. Speaker. And I appreciate that very much. And you -- you said -- if I can write this down because I didn't -- approximately $60,000 we're going to anticipate savings? Five percent is how much?

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

$60 million when it's fully implemented.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you so much and through you, Mr. Speaker. We anticipate, do we not, when the -- current contracts expire and we were to purchase, as we have in the past, to have a lower standard -- standard market offer because the cost of electricity is much less than when we first procure these contracts?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It is my understanding that the price is going down. However, since we haven't purchased -- they haven't actually released the price or developed the price of the standard offer, I can only speculate on information that was given to me. But I do believe because natural gas prices have gone down that I'm

sure that the price of the contracts will come in lower.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

I thank the good Chairwoman for her answer, and also can you elaborate a little more how long the natural gas prices, or how they've been -- why they've been declining and if we are at a flat stream right now or -- and what's the anticipated time that the natural gas shale load will remain as large as it is and thus keep electricity prices down?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I wish I could totally answer that question. I can give you a guess, but if I knew that, well I guess I'd be very wealthy and maybe wouldn't have to be standing here. But what I -- my understanding is that for this period of time, because we've had so much shale gas that has come online and will continue to come online, it has kept prices low. But as we all know, having seen over the years, prices can spike very quickly and so I can't actually say how long they're

going to stay low. It really is something that the commodities markets trader would probably be able to tell you better than I could.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you for that answer. But I would imagine the point of having this position in-house rather than hiring consultants or going through the local -- distribution companies is so they can make those educated experienced decisions and purchase electricity when it is low and then ladder on top of it or buy on the day-ahead market price. Through you, Mr. Speaker. Is that correct?

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. That is correct. We are looking to have many options in the purchase of electricity so that we can build a portfolio that -- gets us to the lowest standard offer price.

REP. HOYDICK (120th):

And through you, Mr. Speaker, I would suggest that because we have such a volume of natural gas available to us, shale gas, that those prices will remain lower, and

that regardless of having a procurement officer or going out to market as we have in the past, that our standard offer will -- will be lower. And the question is, through you, Mr. Speaker, if we were to remain with the current -- the current process, would it lower our cost for standard offer electricity?

REP. NARDELLO (89th):

Through you, Mr. Speaker. I actually wouldn't be able to answer that because, again, I have no way to predict that because those contracts are coming in and I don't know what they would be. If contracts are already procured and we know what those contracts are and we know that they're lower and we're just going to flow the prices through, then we can make the prediction that it would be lower.

And I think it would be safe to say that there's a high likelihood of that, but at this point those prices have not been set. We do that twice a year. We do that in January and July, so there is an expectation that we would get a lower standard -- offer price in July. But the purpose of the procurement officer is to take advantage above and beyond that and to make sure that we are really using -- buying strategically basically.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Mr. Speaker, as you can see the dear Chairwoman and I have a philosophical difference on this issue so rather than belabor that point, I'll just make a statement then continue with the questions.

I understand the Chairwoman's position in hiring someone who is quite effective and experienced in this market to get the best price for Connecticut consumers. I believe that we currently have that talent in our local -- distribution companies and I believe if we were to change how power was purchased and not four times a year and ladder it differently and use the day-ahead market we would achieve the same ends without incurring additional expense for a power procurement officer.

With that being said, if I may go on to the next piece of that subject area. What are the qualifications of the power procurement officer? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. We actually enacted them in the -- in the amendment that was adopted and what we are saying is that individual will oversee the procurement of electricity for standard service and shall have

experience in energy markets and procuring energy on a commercial scale.

REP. HOYDICK (120th):

Thank you. That's very, very broad. Who is managing this person? Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. This person -- reports both to the public utilities regulatory authority and ultimately to the commissioner of the new department.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you. And exactly how does that work as opposed to how we currently approve the standard offer pricing right now?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Through you, Mr. Speaker. It will be different -- in that what we are going to do is there will be a -- an actual procurement plan developed. We don't actually have that under the current way that we buy power, so that will be developed.

There will be a public hearing process which will -- on how the -- that procurement plan is going to

be done. Then after that procurement plan is accepted or rejected by the commissioner -- and we assume he's going to accept it. If he rejects it obviously it has to be modified and has to come back. They will use those benchmarks -- and generally the procurement plan is -- builds benchmarks and risk tolerance -- they will use those to purchase power.

So then what will happen is you will buy again at -- much more strategically, and at that point those prices will flow through to determine what the standard offer cost is going to be.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Chairman. And thank you for those answers. So when you -- when you said that there's going to be a public hearing, is this a DPUC-PURA public hearing? Or -- who's having the public hearing?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I believe it's through PURA, but I will actually double-check that. If you'll give me a moment, I can actually look at that section. Hold on a minute.

Through you, Mr. Speaker. I will point the gentlelady to Section 92 of the bill and -- and I believe it's through the Public Utility Regulatory Authority.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Through you, Mr. Speaker. Would the kind gentlelady give me a page number, please, or a line number?

REP. NARDELLO (89th):

Through you, Mr. Speaker. The information on the procurement plan is in lines, beginning at 5359.

REP. HOYDICK (120th):

Thank you for that answer, but it doesn't exactly say what the process is. It says, if I'm reading this correctly, that they will secure -- they will secure proposals basically with varying lengths of contracts. It will not necessarily -- it will be -- review them more than quarterly -- or not less than quarterly. But it doesn't really outline the process of -- for example, when I -- when I know a contract is expiring, I go to the market, I look at various suppliers, see what rates they're offering. Then I watch the market as it goes up on the NYMEX to see if I should buy early, later, if I should buy short-term, long-term, and none of that is defined here.

But then after I make a determination, or get the proposals, I would go to the authority in my company and say this is what I'm proposing to you.

And so I'm asking, through you Mr. Speaker to the Chairwoman, if that process is defined anywhere in the bill.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. The process is not defined with that level of specificity in the bill.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much for that.

And probably to the kind Chairwoman's attention, I'm going to get off the procurement officer issue for a little while and move over to the DEEP reorganization.

Now as I understand it, DPUC is becoming PURA and we are reducing the number of commissioners to -- from five to three directors, and my concern is how will the workload be -- redistributed?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It will be up to the chairperson of the new Public Utility Regulatory Authority in consultation with the commissioner.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Yes, thank you for that answer. And another concern, because one of the three -- used to be five -- directors now has to take on the role of executive director or CAO which was currently -- is currently another position. And again I'm concerned, through you, Mr. Speaker, that we are increasing the workload, reducing the staff, and as a regulatory body I am concerned that we are going to be able to get everything done, and I would like to know if there's any provisions in this bill that may possibly redirect some of these responsibilities to others throughout the DEEP organization.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. That will be at the

discretion of the commissioner. But I do want to add for the record that there are -- most states actually have three commissioners versus five. It's actually unusual to have five commissioners.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Okay, I'll take your word for it. Okay. Can the kind Chairwoman explain to me some of the -- some of the responsibilities that the current executive director or chief administrative officer of DPUC currently handles?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

I have only somewhat of a familiarity with it; however, my understanding is that he runs the day-to-day administrative activities.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you for that answer. As I also understand it, the PURA and these three commissioners -- and correct me

if I'm wrong because I'm not sure -- are now going to be responsible for the integrated resource plan that is currently prepared for -- prepared by the local distribution companies?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. The integrated resource plan will be done in combination with the commissioner of DEEP, the utilities and the Connecticut Energy Advisory Board.

REP. HOYDICK (120th):

Thank you for that answer. So the directors of PURA will not be involved in this at all.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Not in developing the plan, no.

REP. HOYDICK (120th):

Okay. And back to then PURA, how will the adjudication and the legal matters be administered?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

It's my understanding the commissioner will -- will be responsible for determining what legal staff will be assigned where.

REP. HOYDICK (120th):

Thank you, and I understand, at least from what I've read in the bill, that there will be a separate, in quotes, division that will handle this just as there is in DPUC. Is that correct?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Actually the Department of Environmental Protection had an adjudication division as -- as did the Department of Public Utility Control. To my knowledge they will both still remain.

REP. HOYDICK (120th):

Thank you. Thank you.

So back to the integrated resource plan, would you explain how -- could you say it again how we currently -- how it's currently devised?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Currently what we do is it's the utilities in combination with the Connecticut Energy Advisory Board. The utilities develop the plan with the consultant, they -- they bring it to the Connecticut Energy Advisory Board, the board then goes public with the plan, holds hearings. From there, the Connecticut Energy Advisory Board then revises the plan, that's submitted to the DPUC for approval.

REP. HOYDICK (120th):

Thank you. And through your -- through your answer before, not this is changing so it's going to be done in concert with the DEEP commissioner -- did you say the Conservation Energy Board?

REP. NARDELLO (89th):

It will be done with the -- in consultation with the Connecticut Energy Advisory Board and the electric utilities.

REP. HOYDICK (120th):

Through you, Mr. Speaker. That's how it's currently done, but how is it going to be done in the bill? Or am I missing this up -- mixing this up?

REP. NARDELLO (89th):

I'm sorry of I wasn't clear on that. Through you, Mr. Speaker, the -- the way it's done now is the DEEP

commissioner will actually do the plan. Previous to this, the utilities did the plan in consultation with a consultant.

REP. HOYDICK (120th):

Thank you. And through you, Mr. Speaker.

The DEEP commissioner will utilize what resources to develop the plan? And I think I read something in the bill that those resources would be paid for by the local distribution companies. Is that correct?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Actually what's going to happen is there will be consultants that will again be necessary. The difference is going to be that DEEP will hire the consultants. The cost for those will come through the assessment on the companies that pay for the department.

REP. HOYDICK (120th):

Okay, thank you very much for that answer. Why was this change made? Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Because it was the belief that the department could independently look at the -- integrated resource plan and that it was felt that

the responsibility of that plan should go to the department.

REP. HOYDICK (120th):

Thank you, and through you, Mr. Speaker.

Are there any additional experience, or other states that do it this way? Is there a reason that this was selected as -- I'm unsure why we're making that change as well.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. We're -- we're moving to a totally new model which is a combined Energy and Environment Department so it does change the way we do things. And not all states have that. And I don't know the number of states that would have combined. I know that Massachusetts has a combined model; that I can tell you.

REP. HOYDICK (120th):

Thank you very much for that answer. Now currently DPUC operates as a quasi-judicial agency and it means those commissioners are in essence judges. Under the new reorganization, the PURA directors are reporting through the commissioner of DEEP who is managing the procurement plan through a procurement manager and consultants, and I'm wondering how will those PURA directors retain that

autonomy to be regulators?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I don't anticipate that it would be any different. The only difference is they are now not in -- an agency in and of themselves, but rather they're an agency within DEEP. So yes, they will be responsible to the commissioner; however, in the bill, what we have made sure is that anything that's Title 16, which is rate making, is all assigned to the Public Utility Regulatory Authority.

REP. HOYDICK (120th):

I thank the kind woman for her answer, and I -- I appreciate that. However, who do the DEEP commissioners report through now?

Through you, Mr. Speaker.

REP. HOYDICK (120th):

Through you, Mr. Speaker. I'm sorry, do you mean the PURA commissioners?

REP. NARDELLO (89th):

Yes, currently the -- I apologize. I didn't mean the DEEP, I meant DPUC commissioners now, soon to be PURA directors. How do the DPUC commissioners now report? Who do they report through?

REP. NARDELLO (89th):

Through you, Mr. Speaker. They're an agency in and of themselves and they are no longer that in this new model, so therefore they -- they report to the commissioner.

REP. HOYDICK (120th):

And I -- I thank you for that answer. And I agree that it is very different and I'm wondering about the validity of the change even though I understand that other states may do this.

Because you have a separate commission that is adjudicatory and -- regulatory and now we have that same workflow and those same responsibilities reporting through a commissioner appointed by the Governor through a department. Through you, Mr. Speaker. Oh, that's a statement. Let me ask that question.

DEPUTY SPEAKER GODFREY:

Give it a question mark.

REP. HOYDICK (120th):

Here comes the question. Can you tell me why -- why you chose not to leave PURA outside of DEEP? Through you, Mr. Commissioner.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It was the consensus of those proposing the reorganization that they wished to

have it in this manner and they wanted to follow the Massachusetts model.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much. I have a couple questions -- I may come back to the DPUC and PURA with your kindness, Mr. Chairman, but I have a couple questions on the energy efficiency program. Through you, how will DEEP administer the energy efficiency programs differently than they're currently administrated?

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. The only difference is going to be that the DEEP commissioner is going the chair the Energy Conservation and Management Board, but the board otherwise does exist as it does now and they -- they actually put the plan together for our programs and I don't see any change at the current time from the current programs that we have unless of course that board decides to change that plan.

REP. HOYDICK (120th):

Thank you for that answer, and I am going to go back

to DPUC for one more question, Mr. Speaker. DPUC is currently the regulatory body for the utility suppliers and utility companies. In the proposed bill, PURA is a consultant with DEEP who adopts regulations for the utility companies and DEEP, in -- consultation with PURA, adopts regulations for the electric suppliers. Can you explain why these changes were made?

REP. NARDELLO (89th):

Through you, Mr. Speaker. In the new reorganization it was felt that regulation should be developed in concert with the commissioner.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker. Were things not working well as they were? Is that the reason for the change? Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I can't speculate on that, but it was the proposal for the reorganization.

REP. HOYDICK (120th):

Thank you for that answer. Again, my concern with this is that we have a regulatory body that adjudicates that is -- the safety net for Connecticut ratepayers and

now we have merged it within a department of -- of the government. And though I am supportive of the reorganization in general, these few sticking points are the reason that I'm bringing them up now because I think this is something that we need to watch very, very closely and I'm sure the next time that we -- we convene session we will be addressing issues as they come up.

A couple questions about the utility companies' process, through you, Mr. Speaker. I -- I believe the good Representative mentioned the expected savings on the standard offer previously and -- and that is a wonderful thing because eventually the Connecticut ratepayers will pay less money for their electricity theoretically.

But there's been a reduction in rates -- or an achievement of a reduction in rates through the buydown of the current contracts that currently make up the standard offer rate and I would like to know how the good Representative -- or the bill defines how that buydown will happen and what the expected return is.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. And if I may ask your indulgence, I actually have an answer to the gentlelady's question from before and that's why it wasn't obvious in

the bill. The agency is subject to the Uniform Procedures Act which has very careful rules on how hearings are conducted and that has not changed, and I just wanted to state that for the record.

In terms of the buydown for standard offer, the buydown for standard offer is at the request of a utility company. It is optional. It was suggested to us that the possibility existed that United -- Illuminating might want to take advantage of this, and what would happen if they did that would be that we would actually buy down the contract so that we can get less expensive rates now and pay it over time to pay it back. But again, that's very -- very much optional and only at the request of the utility. We are not mandating it in any way.

REP. HOYDICK (120th):

Thank you for that answer. So if I can understand you correctly, through you, Mr. Speaker, we have a contract that extends out for a year at a rate that is much higher than the market is -- is at -- at this point in time. And we would, through the local-- distribution company, UI in this case, would extend that contract, maybe a year or two at a much lower rate, thus affording us to reduce standard offer. Is that correct?

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, the gentlelady is correct.

REP. HOYDICK (120th):

Thank you. It's nice to be correct every once in a while.

What is this going to do to the procurement manager's plan and his or her ability to affect even more savings through standard offer? Because if we extend this contract through this buydown, that limits their ability to then go out and really utilize the market as we've discussed.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. United Illuminating is really a small portion of the entire load so it will still apply to CL&P. But again, it is an optional decision. It may not in the current situation be something that they actually want to do, and from what I understand actually from the beginning when we put the bill together to where we have it now, initially we just did not say upon the request of the company, but we were asked to put that in because they are actually going to have to determine whether or not it would be in their best interest and the best interest of customers to do that.

REP. HOYDICK (120th):

Thank you for that answer. Along those same lines, in -- the bill offers the opportunity to go out for RFPs for bilateral contracts. Can you explain that process to us?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. What would happen is the department -- actually it was somewhat modified in the last draft. They would do a prequalification process. After the prequalification process they would then -- after they've qualified the bidders, the bidders would be able to submit bids to enter into long-term contracts. The bids would have to meet the specifications in the bill and one of them is definitely -- they would have to reduce costs for ratepayers, and at that point it would be the -- up to the commissioner to decide, upon recommendation of the PURA -- because the PURA would actually have to do that. It's not something the commissioner would do, but if -- he would make the final recommendation and determine whether or not we should go forward with contracts.

REP. HOYDICK (120th):

I thank the kind Chairwoman for her answer. One of the things in this process -- or one of the things -- one

of the many things in this process has been the collaborative way which we have worked together, and at the 11th hour we were able to include in the bill a study of on-bill financing and I wondered if the kind gentlelady would explain that section of the bill.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

That section of the bill asks that the department study whether or not we can do renewable and energy efficiency projects through on-bill financing so that we could set up a situation where individuals can pay over their -- over time on their electric bill to make it easier to encourage them to do these types of projects.

REP. HOYDICK (120th):

And I thank the kind lady for her answer. Mr. Speaker, this has been quite an experience going through this process, and again, I thank the Chairman -- Cochairman of the Energy and Technology Committee for including the ranking member and Senator -- me and Senator Witkos in this process.

I'd also like to thank Commissioner Esty and Liz Donahue from the Governor's office and especially Chairman DelGobbo who has spent an exhaustive amount of time

explaining how this world works and the difficulties and the technicalities that are involved with it.

Without the help of our staff and members of -- both caucuses we would have been severely inept, though the good Chairwoman is -- is quite adept at handling and quite knowledgeable about this subject matter. But I'd like to thank her. I applaud her for her diligence in this bill and I will make some closing remarks before we end the debate today. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Gentleman from Seymour, Representative Greene.

REP. GREENE (105th):

Thank you, Mr. Speaker. Mr. Speaker, as a member of the Energy Committee and the Environment Committee, I've seem multiple iterations of this bill and a number of different -- actually other bills that became part of this bill, so I've seen -- I've seen the process, and I really appreciate the kind Chairwoman's efforts on this. It's been a heck of a process, but I do obviously have some questions that I would ask, through you, Mr. Speaker.

With regard to the merger, the -- what is currently the DPUC commissioners, they will become what is going to be called PURA under the authority of the -- the Department

of Energy and Environmental Protection I believe as it's going to be called moving forward. These commissioners will be changed I believe to directors. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, that is correct.

DEPUTY SPEAKER GODFREY:

Representative Greene.

REP. GREENE (105th):

Thank you, Mr. Speaker. Would the change in the title in the -- of these commissioners, are they going to -- see any change in their current function?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. There is no change in the language as to their function. It is just their title.

REP. GREENE (105th):

Thank you, Mr. Speaker. These commissioners, or directors as they will be called, will be under the authority of the -- the DEEP commissioner as I understand it with regard to the -- the chain of command, so to speak. How will the DEEP commissioner factor in to rate case

adjudication if at all?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. We've made it very clear that the PURA again has jurisdiction over Title 16, and in addition to that we put in language, again on the -- on the Uniform Procedures Act and that makes it very clear that the decisions of the commissioners will be the final decision because you have to have decisions that are appealable, particularly in rate cases, and so therefore they are the final decision.

REP. GREENE (105th):

Thank you, Mr. Speaker.

Thank you for your answer. These -- these PURA directors, will there be a change in the way they are appointed and -- and approved currently as commissioners of the DPUC, is -- is that going to change at all?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

There is a change in the way they're appointed. They are -- they are appointed in a staggering -- staggered terms as we go as of July 1st. And then as that, we get past their period, then it'll be every four years after

that. But to fulfill the initial reorganization of the department, there'll be three commissioners appointed on staggered terms, five, four and three years.

REP. GREEN (105th):

The current commissioners, there's currently five and that's going to be going down to three -- three directors, as I -- as they're going to be called. These directors -- or obviously two of them are going to have to be removed. Is there any -- anything in this bill that spec -- specifies -- excuse me, how the current commissioners will be removed?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

No there is not. There actually is precedents for this. We had a time period before that, when you reorganize, you have the ability to actually ask everyone to resign which -- and at that point they may reapply for the position and then it'll be up to the Governor whom he appoints to those positions.

REP. GREENE (105th):

I thank you for your answer.

With regard to these, the reapplication process, currently the commissioners must be appointed by the

Governor, and they then have to be approved by the Legislature. Will that change in any way?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

No, that will not change.

REP. GREENE (105th):

The current removal process is an impeachment process, as I understand it. Will that change at all?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

There's been no change to the removal process.

REP. GREENE (105th):

Thank you, Mr. Speaker.

Mr. Speaker, through you, I will actually move on to -- to a different section of the bill, if I might. Section 99 creates what we're sometimes calling the Green Bank, but it's actually going to be the Clean Energy Finance and Investment Board. I'm interest in how this is going to work. So if I may, Mr. Speaker, through you, the financing vehicles that are used to achieve Clean Energy Initiatives, I was wondering if the -- the Chairwoman of the Energy Committee could -- could kind of

go through that process and what these financing vehicles will entail. Through you.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

This new authority will be able to use monies from the current funds, provided they get Legislative approval, and that's the funds that we have now for the renewable, and also the efficiency fund, but again, that's not without Legislative approval if they're going to change that, they can also receive federal funds, they can receive money from nonprofit corporations, they can receive grants. They get -- it's expanding all of the sources by which we can bring money into that fund. And the purpose of that would be to allow for low-cost financing so that we can deploy clean energies in Connecticut.

REP. GREENE (105th)

How would the -- this initiative actually going to function with regard to attracting perhaps, nonprofit or private investment? I know that that's one of the goals Commissioner Esty has stated, and I know that this is one of the goals of this particular provision in the bill. I know that there's a lot of different segments to it and it's rather complicated, so I was wondering if the -- if the chair could -- could indulge me and describe how -- what

the process will be to actually bring in private investment and actually leverage it?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

it is the-- my understanding that they will seek private dollars, probably through some sort of marketing campaign that they exist. And from that, they will solicit it. Hopefully, people will respond to that. And from that they will use that for leveraging for other dollars in order to provide the financing that's necessary for the projects in the fund.

REP. GREENE (105th):

The CEFIA, or I guess that's what I'll call it, I guess, CEFIA, is going to be an authority. So it's going to be -- it's going to consist of a board. And I understand that the commissioner of the DEEP will have a place on the board. Through you, Mr. Speaker, what will that position be on the Board?

REP. NARDELLO (89th):

Through you, Mr. Speaker.

He will have a place on the board like the other board members.

REP. GREENE (105th):

Thank you.

Just to be clear, I wanted to make sure. Is the -- is the commissioner going to be the chairperson of that board? Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The Governor is going to appoint the chairperson, so he could potentially be the chairperson, but it'll be up to the Governor.

REP. GREENE (105th):

I thank you.

This -- this authority, which I think -- I should state for the record, I do think is a great thing. I think it's going to be a very positive authority for this state and for moving forward with renewable energy. I'm just trying to drill down as to how it's actually going to work. Is there anything similar to this authority within the state, you know, some other agency or authority that operates in a similar manner that we can kind of compare it to?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

I believe that in CEFIA there are subsets of CEFIA

that operate in a similar manner but it won't be exactly the same.

REP. GREENE (105th):

Thank you. The bonding authority, as I understand it, given to the CEFIA does provide does provide an alternative vehicle for initiatives, but I was a little bit nervous as to how that's going to work.

Will this bond authority or the authority to bond in any way usurp the current bond commission's authority, or is it completely separated out?

How does that work?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, it's separate, because they're revenue bonds.

REP. GREENE (105th):

Thank you.

Is there going to be a public hearing with regard to how the funds are allocated, et cetera?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. There is not a public hearing, but there's a plan that's developed as to how the funds are allocated, and they will be reporting on that

plan.

REP. GREENE (105th):

Thank you, Mr. Speaker.

And lastly on this -- on this issue here, I understand the bill will allow the CEFIA to qualify as a community developmental financial institution, which is a federal program.

Why would we want to do this?

I understand that Commissioner Este has said he wanted to leverage federal funds, but how is this going to work? And will we be restricted according to that federal program's regulations?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. To my knowledge, you will not be restricted. It actually applies to these types of entities in low-income areas, and it actually tax-advantages them.

So it is the hope that if they were to qualify for that, they would actually be able to provide lower-cost financing.

REP. GREENE (105th):

I thank the gentlelady for her answers.

As I said before, Mr. Speaker, these initiatives

will, in my opinion, help the state align itself with a reasonable expansion of renewable energy.

It gives a lot of flexibility to the State of Connecticut. It's going to be a good program, and it's actually a section of the bill that I'm -- I'm rather excited about, particularly with some of the changes that were made from the initial proposal until now.

Mr. Speaker, I do have some additional questions specifically to Section 35 of the bill, if you will.

This section, as I understand it, will require the state to commission a study with regard to our participation within ISO New England and within the Market Rule 1, as it's -- as it's defined.

Can you explain the study and actually give me an idea as to why we're actually doing that and what it entails?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, it is exactly that.

It is a study to identify the impact on Connecticut ratepayers in New England and the state wholesale power market of the operation of the regional independent system operator, and it shall include but not be limited to review of the accountability of said independent system operator to Connecticut ratepayers and energy policymakers,

consideration of strategies and mechanisms that might mitigate any adverse impacts of Market Rule Number 1 that might have on wholesale generation, prices in Connecticut and New England, and also consideration of the costs and benefits associated with participating in that said system and the potential costs and benefits of joining another independent system operator.

In addition, it will be an examination of the framework within the Federal Energy Regulatory Commission that's contributed to such high rates that we have in Connecticut and consideration of methods to foster greater transparency in such a system.

REP. GREENE (105th):

I thank you for that detailed explanation. That was -- answered a lot of questions.

I do have an additional question. Is there a fiscal impact with regard to this?

I did look at the fiscal note on the bill, and I did not find any fiscal impact with regard to this particular section, but normally studies do cost money, so I'm wondering what that impact will be on the ratepayers.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. There is expected to be

a cost for a consultant to do this study. It is not expected to be -- it's actually going to be a small amount of money in terms of the ratepayers, and anything that cannot be absorbed by the Department itself, if it isn't within available resources, will then be paid by the ratepayers.

But just to give you some framework, if you are looking at -- if you took something that was $30 million, it would cost the ratepayers 70 cents a month.

This study would, I would suspect, not cost more than, at maximum, a million dollars, so it would really be very, very minimal impact, and it would be mitigated by the fact that there are other measures in the bill to reduce costs.

REP. GREENE (105th):

I thank you.

Have any other states conducted a similar study?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I'm not -- I -- actually I do know. Maine did conduct such a study, and I believe there are other states who belong to other ISOs who have conducted such a study, but Maine is the only one within this region that I know that conducted such a study.

REP. GREENE (105th):

Has -- through you, Mr. Speaker.

Has Maine acted upon the study? Have they changed anything that they were doing previously? What did the study basically say, if you're aware?

Through you.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

I'm not aware of the specific details of the study, but it was actually probably much narrower than what we're doing here, and it had to do with them leaving the ISO New England.

REP. GREENE (105th):

Thank you, Mr. Speaker.

I have had some questions with regard to whether or not we can actually leave ISO New England, and I believe I posed one in committee, and I believe the kind Chair who was able to answer me.

But I was wondering if she could actually explain if we can actually leave or not participate in ISO New England.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Technically, it's not the state that leaves ISO New

England. It's the utilities would have to petition to leave the ISO New England process.

But certainly if we as a state wanted to go in that direction, I'm sure that we would then have that discussion with the utilities.

But yes, it is indeed possible to do that.

REP. GREENE (105th):

Thank you, Mr. Speaker.

Mr. Speaker, this -- this is one section, actually, that I -- I respectfully have to disagree with the Chair in this study.

I know it's a small amount of money, and I know that, you know, it could yield some -- some interesting results theoretically; but as I -- as the Representative has stated, another state in New England has already commissioned a similar study, spent the money, taken a look at whether or not it was beneficial to not participate in ISO and, according to testimony, I believe found that there was really nothing that -- that would force them or compel them to leave ISO.

It is my belief that we would find a similar situation here in the State of Connecticut. I do see this as a potential waste of a million dollars of ratepayer -- ratepayer dollars, which is not, as I said,

a very substantial sum, but nevertheless, it's-- it is a concern of mine.

So with that, Mr. Speaker, the Clerk has an amendment. It is LCO 8436. Would you please ask the Clerk to call it and I be allowed to summarize?

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 8436. Would the gentleman -- would the Clerk please call amendment.

THE CLERK:

LCO Number 8436, House "A", offered by Representative Greene.

DEPUTY SPEAKER GODFREY:

Representative Shaban, for what purpose do you rise?

REP. SHABAN (135th):

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

You're on.

REP. SHABAN (135th):

I rise to report --

DEPUTY SPEAKER GODFREY:

Please use the microphone so we can get this on the recording. Representative Shaban, please -- thank you.

REP. SHABAN (135th):

Got it.

DEPUTY SPEAKER GODFREY:

There we go.

REP. SHABAN (135th):

Thank you.

I rise to report that I have to remove myself from the chamber for the possible appearance of a conflict.

DEPUTY SPEAKER GODFREY:

Thank you, Representative Shaban. The House will stand at ease while Representative Shaban exits the chamber.

(Chamber at ease.)

DEPUTY SPEAKER GODFREY:

The Clerk has placed LCO 8436 before the chamber. Representative Greene has asked leave of the chamber to summarize.

Is there objection? Hearing none, Representative Greene.

REP. GREENE (105th):

Thank you, Mr. Speaker.

Mr. Speaker, this amendment very simply strikes Section 35 from the bill, which would remove the mandate that the study be commissioned, and in my opinion would

save the ratepayers a few dollars.

Mr. Speaker, I ask that the amendment -- the amendment be adopted and when it -- when the vote is taken, it be taken by roll call.

DEPUTY SPEAKER GODFREY:

The question is on adoption of House Amendment Schedule "A". Question is on a roll call vote. All those in favor, signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

The ayes have it.

When the roll call is taken, it will be taken by roll call.

Representative Greene.

REP. GREENE (105th):

Thank you, Mr. Speaker

Mr. Speaker, I think that this amendment will, as I stated simply before, this will save the ratepayers a few dollars here and there for what I believe to be a relatively unnecessary study, and I -- I believe that we should support it.

Thank you.

DEPUTY SPEAKER GODFREY:

Remark on House Amendment Schedule "A"?

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I -- Mr. Speaker, I'm asking my colleagues to oppose the amendment and for one very important reason: This study is not just about leaving ISO, but it's about Market Rule Number 1.

And I know a lot of people in this building, you know, glaze over when we talk about energy, but people understand Market Rule Number 1 and the impact it's had on this state and energy prices in this state.

And we need the information to go to the federal government and to go to our representatives there to demand the change that is necessary to change this system that does not benefit the State of Connecticut, nor the other New England states.

So the only way we're going to get that is through this study, so I ask you to reject the amendment.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

There are a number of people whose names have been on the board before Representative Greene called this -- this amendment.

Do you wish to remark on House Amendment Schedule "A"?

Representative Carter, do you care to speak on House

Amendment Schedule "A"? No? Representative Carter, could you clear -- clear your button, please, then?

Representative Miller is not even in the chamber. All right.

Representative Kokoruda, did you want to remark on House Amendment Schedule "A"?

Representative Hoydick, you're waving but you're not on the board. There we go.

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

I was waiting until you waved everybody else off so I could press the button.

DEPUTY SPEAKER GODFREY:

It's confusing.

REP. HOYDICK (120th):

Thank you, Mr. Speaker. I rise in support of this amendment. Though I respect the -- my colleague, the Chairwoman of Energy and Technology, for wanting this study, I believe it's redundant after what Maine has done.

And if we choose to challenge Market Rule 1, we can very easily use the criteria in the Maine study to establish a reason for an additional study if -- if we get collaboration and support from our neighboring states to

do away with Market Rule 1.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Does anyone else wish to remark on House Amendment Schedule "A"? Give me a little wave. Makes it easier. I guess not, in which case, staff and guests, please come to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting on House Amendment Schedule "A" by roll call. Members to the chamber.

DEPUTY SPEAKER GODFREY:

Have all members voted? Have all members voted?

If the members will look at the board to see if their vote is properly cast. If all members have voted, the machine will be locked, and the Clerk will take the tally.

Will the Clerk please announce the tally.

THE CLERK:

On House Amendment Schedule "A"

Total Number Voting	139
Necessary for Adoption	70

Those voting Yea	49
Those voting Nay	90
Absent not Voting	12

(Deputy Speaker Ryan in the Chair.)

DEPUTY SPEAKER RYAN:

The amendment fails.

Representative Greene.

REP. GREENE (105th):

Thank you, Mr. Speaker.

Mr. Speaker, I just wanted to say a quick comment on the bill itself. This bill actually is -- is a very good bill overall. You know, I think it's pretty clear from the action that was taken upstairs in the Senate chambers that there's quite a bit of good in this bill that's going to help a lot of things out.

It's going to help us move forward with our renewable energy plans. It's going to give us a lots of flexibility, and it does reflect a lot of very hard work and dedication on the parts of the Chairs, the Ranking Members and the committee members as well.

That said, there are a few sections which are a bit concerning to me, but I would say nevertheless I will be

voting for this bill, Mr. Speaker, and I urge my colleagues to do as well.

Thank you.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Representative Carter of the 2nd.

REP. CARTER (2nd):

Thank you, Mr. Speaker. Good evening.

DEPUTY SPEAKER RYAN:

Good evening.

REP. CARTER (2nd):

Mr. Speaker, a few questions, through you, Mr. Speaker, to the esteemed Chair of the Energy and Technology Committee.

DEPUTY SPEAKER RYAN:

Please proceed, sir.

REP. CARTER (2nd):

Thank you.

I'd like to go through a little bit of Section 107 of the bill where we're talking about the establishment of a Class I generation project and we're looking for those no-emission projects.

Through you, Mr. Speaker, I notice that when we're talking about the Class I projects with no emission, that

the authority can give preference to contracts to technologies manufactured here in Connecticut or research and development developed in the state.

Is that in addition to being generated in the state?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, yes, that is the case.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

I'm just kind of curious why the authority in the language was "may." Why not "shall"?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, because there is a number of factors that will be looked at, and this will be one of the factors that will be given consideration.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you.

And through you, Mr. Speaker, would one technology perhaps outweigh another?

For instance, if you had fuel cells made here in Connecticut versus solar panels made somewhere else, could that be a factor in the authority's decision?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, that would be not in a zero-emissions program, though, because fuel cells do not qualify for the zero-emissions program.

They would qualify for the low-emissions program.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

Through you, Mr. Speaker, when we're looking at the length of these contracts, they set the length of the contract at 15 years.

Through you, Mr. Speaker, is there a reason for 15 years being the length?

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. That's their generally accepted standard in the industry in terms of being able to get financing.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you.

So the way that I would understand that, then, by having a long-term contract of 15 years, it would be much easier for those folks to be able to go to the bank and show they've got money coming?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, indeed that's the case.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you.

Now, I notice again, here, after four years, there's

going to be a look at the contracts, and if the cost of the technology has come down, there's an opportunity to seek new contracts.

So my first question, through you, Mr. Speaker, is, when they talk about the cost of technology, what if that cost comes down more quickly than four years?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

In this bill, the language states that the evaluation period will be at four years, and the purpose of the evaluation is to see if the contracts have come down over time. And that's what the -- what the criteria for the evaluation will be.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you.

And I just wanted to clarify in the language, that would be at line 6649, when they're talking about the authority finding new contracts, that's not looking at the old contracts and redoing anything because the technology

price has changed. That is entering into brand-new contacts and continuing with the program. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I actually want to make this very clear for the record.

This applies to each new set of contracts in the next year. If someone comes in and gets a contract, the price for that contract is stable throughout the 15 years, so it's only in each new year coming in that those prices decline between three and seven percent.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker. Actually, yes, we're moving on to another -- another point.

I just wanted to make sure that I understood what -- when the authority looked at the technology, this is line 6649, this is not about changing existing contracts. Those 15-year contracts are still good, and then what we're doing is we're adding more contracts into

the program once we've seen that the technology price has changed.

Is that the way I understand it?

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Yes, that is correct. It applies, again, not -- the contract itself, the individual contract that someone enters into for 15 years stays the same time for 15 years.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

Now, in looking at the -- the amount of money that we're dedicating to this program, I noticed that it's staggering and it grows each year.

I would assume to look at the long-range plan of bringing people into the program, but specifically when we talk about, for instance, $8 million starting out, how is that divided between the two major generators in Connecticut?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, it's not divided among any generators. It's -- $8 million is available for contracts in the first year for anybody that qualified under the no-emissions program. So there's no division.

What's going to happen is that you're going to ask the utility companies to do a solicitation plan, and through that solicitation plan, they will buy the RECs to fund those contracts.

So it's actually a purchase of the RECs that the contracts are about.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

And I apologize to the Chairman. I misspoke when I said the generators. I meant to say the utilities.

Obviously we have two major utility companies, and I was curious of how two companies I guess we'd say compete for that $8 million, if it would be broken up by number of customers or just be an open program they could both compete for.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The utilities are not competing. Who is competing are the -- the individual projects, the people that come in to bid in the RFP.

They are competing against each other. When they are chosen, then the utility companies -- they're chosen by the Department. When they're chosen, then utility companies must enter into a contract with them.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

Moving on to Section -- I should say No. 3 in the section, line 6666 through 6679, we're talking about the cap that is set -- set on the program of $350 per megawatt, I believe, per megawatthour.

I was curious why they arrived at a $350 cap.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, with study about the industry and where we felt that the maximum price should be in order to attract people to this program.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

And the -- in comparison to natural gas, what it would cost right now for a megawatt hour, how much is that for a current megawatt hour?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

I do want to make it clear for the record that it's up to $350, so it isn't necessarily going to be the cost. But if someone were to -- if the cost were to be $350, at 35 cents per kilowatt hour, isn't it?

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker. Is -- is the Chairman saying the current price of we'll say natural gas, for

instance, is -- is it 35 cents per kilowatt hour?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I don't know the current price of natural gas, but I don't understand how it has relevance to this. And maybe the individual can explain that to me or ask the question in a different manner.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Sure, thank you, Mr. Speaker. And I'll -- I'll reclarify or I'll clarify that.

The standard offer right now is -- is what?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker --

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

-- I believe the standard offer is approximately 18 to 19 cents. I think it's at 19 cents at this point, 18 cents.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

So obviously there's -- there's a gap, a difference between what we're paying right now. And I wanted to highlight the fact that the zero-emission is going to be quite a -- quite a bit more.

However, I do agree with what the Chairman said regarding 350 being the cap. Obviously this is going to be a price that changes over a period of time, and it may never even reach the $350 per megawatt.

Moving on, I think the Chairman mentioned in line 6682 that each year it can be traced by three to seven percent annually. How is that decision reached?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It would be up to the commissioner to make that decision in terms of the amount of decline within the contract, but it will be a minimum three percent.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

So it will definitely be a minimum of 3 percent per year.

What if the -- let's say, for instance, the technology reaches that cap of 350 and it stays there for, let's say, the first four years.

That -- that three -- that three percent reduction would still happen?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

I'm sorry, Mr. Speaker, can you ask that the question be repeated? I was engaged in another conversation.

DEPUTY SPEAKER RYAN:

Representative Carter, could you repeat the question?

REP. CARTER (2nd):

Yes, sir, through you, Mr. Speaker.

If, for instance, the first year out of the program or maybe the second year we find that the cap is reached, so the price ends up being 350 per megawatt hour -- I don't

think that will happen, I think that's a reasonable cap, as the Chairman has said.

But if, for instance, it is 350, would we then turn around and try to lower that cap three percent per year?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Yes, the intent is to lower it by a minimum 3 percent per year.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

I'd like to move on to Section 108, talking about establishing the program for solicitation.

I notice that each company must submit a six-year solicitation plan for the Class I technologies, which are no pollutants.

I was curious why the -- the six-year plan was agreed upon.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

It was a negotiation with those within the industry, and the six years were determined to be the number that worked out in terms of what we wanted to spend, because we did have the amount of money that we wanted to spend in this program and what we felt could attract bidders to the program.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

So obviously that highlights that industry had a -- a pretty good handle on this and was involved in the process. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, we do confer with individuals within the industry when we are making these decisions, and we also looked at what happened in other states in their solar programs, so we do both of those

things, so it isn't just one process or the other.

And, Mr. Speaker, may I just correct something for the record?

When I answered Representative Carter's question, I believe he was referring to the generation charge as opposed to the standard offer price, and the generation charge is different. It's certainly much less than that, and so we wanted to clarify that.

That was the full standard offer price that I gave him, including transmission, distribution and all the other charges that we pay. Generation is approximately close to eight to nine cents.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

I thank the Chairman for her answers to the question. Thank you, Mr. Chairman -- excuse me, Mr. Speaker.

Moving on, I notice in line 6712 when we're talking about the company solicitation plan, that it's subject to the review and approval of PURA.

Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

That's entirely correct, because we are now talking about rate impacts, and so therefore, the plan must be approved by PURA increases.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

In the -- in the following paragraph, that would be 6714 through 6732, it talks about the plan that the company has to come up with, and it breaks it down into separate procured plans. Those range from 100-kilowatt systems up to 150 and 200 -- excuse me, 250 kilowatts.
I was curious why we're doing a separate procurement for each one of those level of systems.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. We want to encourage a diversity of project sizes. We don't just want to procure small, medium or large ones. We want to really procure all three.

DEPUTY SPEAKER RYAN:

Representative Carter

REP. CARTER (2nd):

Through you, Mr. Speaker. Then would that be the explanation for the fact that the smaller project, the 100-kilowatt project, seems to get same benefit as the 150-watt -- kilowatt project down lower in the paragraph?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

I'm not sure I fully understand the question, but you would go out for each of those three categories and do a procurement so that you could get from each of those categories.

But the smaller systems do get a -- somewhat of an incentive because of the fact that in their REC price, they are disadvantaged because they're smaller and they're more expensive to build, so they get a little bit of additional incentive to make it able to be financable.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you very much for the answer, and I think that makes a lot of sense. It's obviously well thought out. And the fact that you're giving an opportunity for those smaller projects to come forward definitely passes the common sense test -- excuse me, common sense test.

In the -- in the next two paragraphs down, that would be line 6773, and also I guess I could (inaudible) 6787, we're talking about the ability for the PURA, I guess, to hire a consultant and for the electric distribution company to recover their costs in the -- I guess the negotiation to see how things are working out.

I was curious why there wasn't a cap on that total cost, because the way I understand it, that will come back on ratepayers.

Does that make sense to you, Mr. Speaker?

DEPUTY SPEAKER RYAN:

Does it make sense to me or does it make sense to Representative Nardello?

REP. CARTER (2nd):

It barely makes sense to me, Mr. Speaker. But through you, Mr. Speaker, would it -- would there be a cap on what the electric distribution company can charge ratepayers and also what the PURA increases can charge, or the authority?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the cap is established in the bill. The maximum money we can spend on this program is $8 million in the first year and it ramps up.

I better make sure I'm clear about that.

DEPUTY SPEAKER RYAN:

All right.

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

Obviously that points out something really important, is the fact that those -- those costs come out of that $8 million, which is the total cost of the program.

So looking to hire a consultant here is not adding anything extra. Is that the way I understand it?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. For legislative intent, I'm going to say that we expect the cost of this program

to be $8 million.

So I would expect that these costs -- and I don't, again, expect them to be a real burden in doing this. And they may not hire a consultant. It's up to them whether they do or they do not.

But yes, it would be part of the $8 million.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

Now, as I understand it, these -- these plans have to make a really good faith effort to put forth a solicitation that makes sense, gets the review and approval of the authority.

But also down at line 6801, it talks about failure of those companies to execute the approved plan, that there's a noncompliance fee.

So I guess that brings up two questions. Number one, how many attempts -- excuse me, how many attempts does a plan get at coming up with a good plan for review?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, there's one solicitation plan that's -- that the companies must submit after 180 days. And then it's up to whether or not bidders actually come to the table.

But if you'll see in that language, it makes it very clear that that will not be imposed if meeting the requirements of the section would be commercially unfeasible.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

And with respect to my next question, if -- if they get to get enough bidders at the table, we'll say, and that -- that means their plan did not come through and there's a noncompliance fee, through you, Mr. Speaker, was that noncompliance fee agreed upon with the industry as well?

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Mr. Speaker, it was arrived through discussions with a series of people. But again, I want to make it clear that it would only come

into effect if they were not aggressive and did not put out a plan and did not actually go forward with their plan and there were problems with their plan.

But if indeed they're just -- the bidders don't come through or there's extenuating circumstances, then the compliance fee would not come into play.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you very much for that answer.

Through you, Mr. Speaker, in line 6817, I have noticed here that any of those fees, if there was a noncompliance fee, they go to low-income housing, schools and other public buildings and nonprofits. But the language also says, "but not limited to."

Through you, Mr. Speaker, is there an example of what other agencies might receive energy assistance from those fees?

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the purpose of the -- those fees is if -- truly there was a reason why the solar wasn't built or I should say low emissions. It's not necessarily

solar. It actually can be several types of technologies.

Then what would happen is those funds would be for the development of zero-emission technologies. So therefore, all of -- what you would want to do is then encourage them being built in those particular areas, which include low-income housing, schools, other public buildings and nonprofits.

Generally, that's where you're going to be doing renewable energy.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you.

Mr. Speaker, through you, in the next paragraph, line 6833, there's some talk about the report, and it talks about the costs of technology and whether it's been reduced or not.

So this is the report that comes back to the General Assembly, I'm assuming, to the Energy and Technology Committee. My -- my question, through you, Mr. Speaker, would be, would that report contain the different types of technology which were used in each one of those instances?

I guess I would say a breakdown between solar, hydro,

et cetera.

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I would believe that if there were several technologies chosen, each one of those technologies would have to submit this report, and so it would be different for each of them.

And the report talks about the total number of renewable energy credits relative to the number bid, and it talks about the total number of bidders, and it talks about the number and value of the contracts awarded.

So again, yes, you are going to be talking about the various different bidders, the total weighted average price.

So there are a number of components to this report that come back to the General Assembly.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you very much. And I did want to highlight one other thing I read in that section, and I don't recall where, but we spoke about it briefly.

These zero-emission projects are limited to those projects that are generated in the State of Connecticut. Is that correct?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, there's preference given within the State of Connecticut. We have to be very careful about totally limiting them, because there are some commerce clause issues.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you very much, Mr. Speaker. I was looking -- I guess I just want to make sure I understand this clearly, because it's mentioned in two sections.

In Section 108 when it talks about long-term contracts, line 6708, it's talking about the long-term purchase of renewable energy credits from in-state generators of Class I technologies. So I guess what I'm saying is, would that exclude out-of-state generators, specifically maybe hydro generators out of state?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, as I read this section, it would be from in state.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you very much.

And through you, Mr. Speaker, I think the other section which I'm looking at as a -- I guess we'll call it a bonus, and I -- I just lost my page. Bear with me one moment.

In Section 107, line 6636, then we're talking about when the companies can give preference or the authority can give preference to contracts where technologies are manufactured here in Connecticut or research and developed here in Connecticut.

So those are -- those are just the technologies, not the generation. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, it states that the authority can give preference to contracts for

technologies manufactured, researched or developed in the state.

DEPUTY SPEAKER RYAN:

Representative Carter.

REP. CARTER (2nd):

Thank you.

And I just want to kind of point out that that really is a great concept. When you talk about common sense, you know, in two ways here we're helping our -- our in-state generation, and we're helping those companies who operate here in Connecticut in developing those technologies of the future.

So I'd like to, you know, compliment the Chair with adding that to the language.

I would like to step backward to Section 103 for a moment. That would be line 6445. Section 103 is the establishment of the low-emittance -- basically we're talking about the combined heat and power projects and also the anaerobic projects.

Through you, Mr. Speaker -- through you, Mr. Speaker, when these projects are developed specifically for the combined heat and power, why was the program limited to 50 megawatts?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Upon recommendation that that would be the -- the proper limitation.

REP. CARTER (2nd):

Through you, Mr. Speaker. I notice the -- this one is done slightly different than the other. Before we were talking about 350 cap per megawatt. Here I notice we're talking about $350 per kilowatt cost. As I understand it, kilowatt cost is more of a capacity measurement.

So in this case if it were 1,000 kilowatts, it would be $350,000, but that would be for a units capacity.

Do I understand that correctly?

Through you, Mr. Speaker. That would be line 6454.

REP. NARDELLO (89th):

Through you, Mr. Speaker, yes, it's per kilowatt cost of $350. That's correct.

REP. CARTER (2nd):

Thank you, Mr. Speaker. Through you, Mr. Speaker, I notice on the next page we talk a little bit about the anaerobic digestion facilities.

Now, that one is done slightly different. That one has a cost of $450 per kilowatt.

Through you, Mr. Speaker, is there a reason of the $100 difference?

REP. NARDELLO (89th):

Through you, Mr. Speaker, it's my understanding that that is what would be necessary for that particular type of facility. And it was based on that.

REP. CARTER (2nd):

Thank you very much.

And in the top of that page, 6457, we're talking about the risk involved in these -- in these programs. I guess what I want to understand is, the authority has the complete ability to determine what risk the state is going to take and what risk the -- I assume we're going to share with the -- with the developer. Is that true?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. That's correct, because it will be up to the authority to determine whether or not these projects go forward. And let me just state for the record, there is a limitation of $2 million for CHP and $2 million for anaerobic digesters.

So it is a cap program that comes out of current funds and the Clean Energy Fund.

REP. CARTER (2nd):

Thank you very much for that answer. Obviously I was -- I was going to go to that here in a little bit.

I also wanted to highlight on line 6462, because we're talking about the -- some projects may be too meager to justify ratepayer/taxpayer investment.

When they say too meager, are they just too small of a project to put in that cap?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the two words prior to that, including emissions reductions, so I would imagine it's going to be based on their emissions reductions that that determination would be made.

REP. CARTER (2nd):

Thank you very much. And I -- you know, honestly, I have to say, I'm excited about this bill. You know, energy has been a very, very complicated thing.
I think that coming in here this year, I've noticed that this is the one piece of legislation I've noticed where the Chairs have really reached across the aisle, asked for a lot of input with us on the Energy and Technology Committee. I think a lot of hard work. And honestly, I have to compliment the -- the esteemed Chair of the Energy and Technology Committee for her efforts in this bill.

I do intend to support it. I'll have more questions I'm sure as the debate goes along, but I would encourage

my colleagues to take a deep dive into this and learn as much as you can over the next evening.

Thank you, Mr. Speaker.

(Deputy Speaker Godfrey in the Chair.)

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Representative Kokoruda.

REP. KOKORUDA (101st):

Thank you, Mr. Chair. Mr. -- sorry, Mr. Speaker. There are many things in this bill that are beneficial to towns and cities, and I think that made me very happy, obviously. When we talk in the bill, it offers PACE, property owner assessed clean energy, virtual net metering, energy-saving performance contracts, road cuts and one point of contact for state businesses.

In Section 121, through you, Mr. Speaker, to the proponent of the bill, on the virtual net metering, it's my understanding that it allows municipalities to share net metering credits with multiple towns' buildings. They will be able to share all the costs.

I wanted to ask the proponent of the bill, through you, Mr. Speakers are all the costs of setting up this metering

facility paid for and covered by the utilities?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. The utilities must provide the metering equipment.

REP. KOKORUDA (101st):

Through you, Mr. Speaker. Thank you.

Is there a cap for the program, and what -- if there is, what was that number based on?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the -- some of the earlier drafts had a cap, but the new drafts do not have a cap.

REP. KOKORUDA (101st):

Thank you.

REP. NARDELLO (89th):

The new draft doesn't have a cap.

REP. KOKORUDA (101st):

Thank you for that answer.

Through you, Mr. Speaker, line 7655 through 7656 says the municipality host shall not designate more than five beneficial accounts.

What are beneficial accounts?

REP. NARDELLO (89th):

Through you, Mr. Speaker, it's the account that benefits from the excess of power that's produced on the first account.

REP. KOKORUDA (101st):

Through you, Mr. Speaker, are there any limits to the amount of -- for a town, for instance, would a town have a minimum or a maximum of buildings they could cover under one agreement, one metering facility?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I believe it's five.

REP. KOKORUDA (101st):

All right. Thank you.

In Section 123, through you, Mr. Speaker, first, I just wanted to say this authorizes municipalities to enter into energy-saving performance contracts.

It requires energy management board to develop contracting procedures. What I really liked about this part is that municipalities can use these contracting procedures or they can design their own. It wasn't a mandate, and I really appreciated that in the bill.

Through you, Mr. Speaker, could the proponent of the bill just explain how this program works?

REP. NARDELLO (89th):

Through you, Mr. Speaker. Briefly, I will tell you that what happens is that -- well, first of all, what's important about what we put in this bill is it provides technical assistance to the municipalities through the State of Connecticut.

One of the reasons that this is not going forward is that many of the municipalities don't really have the ability to assess these contracts as they should, so we are asking the state to help them with that and help them develop one uniform contract if they so choose.

They can do it in their own manner, but if they want the state's help, it will be available to them.

And then the idea is that there would be an energy audit that they would have to go through first, and then the energy savings would be determined, and then a contract would be drawn up to pay for those energy savings over time.

REP. KOKORUDA (101st):

Thank you.

Through you, Mr. Speaker, is this program offered now or is -- let me rephrase that.

Are municipalities able to do that now? And if they are, what's different this time?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, they -- that's actually interesting, but we had to put into the bill that they are, because some towns think they are and some towns think they aren't, depending upon who the town attorney is.

So therefore, to be safe, we told them yes, you could do this if you want to. And in terms of -- that's what's different, that you could now -- you are enabled to do this.

And I'm sorry, if there was a second part to that question, I'd ask you to repeat it.

REP. KOKORUDA (101st):

I just wanted to ask really, through you, Mr. Speaker, if this does exist and obviously towns can do it, it sounds like -- from the answer -- the difference, what has changed with this new procedure, and I think you did answer that.

In Section 25, through you, Mr. Speaker, it talks about utility road cuts, and this requires utilities who repair roads on public highways, public roads, to -- and when they patch them after the repair, it requires them to go back a year later to assess them, to repair them again if they need -- need it, and to make sure that the -- they're certified with the town.

I just want to comment that I think that's a great

addition. I know I've talked to my town, my district, and that will be a really great improvement.

In Section 119, we establish the Office of Energy and Efficiency businesses. This is a single point of service. Our municipalities include -- I know it's state businesses, but, through you, Mr. Speaker, are municipalities included in this?

REP. NARDELLO (89th):

Through you, Mr. Speaker. The intent at this point in time is really to direct that to businesses.

This is something that's been requested of us for a very long time. We find that many of our businesses, particularly our small- and medium-sized businesses, again, don't have the ability to assess their needs and their ability to lower energy costs.

So this is a proactive way to have them first come to the state. And in addition, this actually goes to providing outreach to those businesses so that someone will come to them to start talking about the way they might be able to reduce energy costs.

But at the current time, it's not contemplated for municipalities. Municipalities are really covered in the performance contracting section which gives them specific criteria in terms of how the contracts are to be

structured.

REP. KOKORUDA (101st):

Mr. Speaker, I thank the kind lady for her answer. Just curiosity, through you, Mr. Speaker, the cost for this -- I think this service is wonderful. The cost for this for our businesses if the state were to administer it, how will that be covered, and has that been put in the budget?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

It's expected that it would be within available resources, and they can deploy current employees to do this.

REP. KOKORUDA (101st):

Thank you.

I just wanted to say that, you know, I voted against this bill in committee actually twice. And one of my concerns was -- and I stated it at both meetings -- that I felt, contrary to what Commissioner Este had asked us to do, that this bill picked winners or losers as far as renewable energy.

And I want to commend our Chairman and everyone that worked with her for changing that, and I -- I think it was

a positive step forward, and I'm sure many of us, especially Commissioner Este, was happy with that.

I would like to ask the proponent of the bill, through you, Mr. Speaker, do you feel that all renewables are treated equal in this bill?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the low-emissions and no-emissions programs, actually, if you come in on those and you meet the criteria, you will be given equal consideration.

REP. KOKORUDA (101st):

I thank the kind lady for her answer.

Another comment and a question, I think everybody in this chamber has heard from AARP. They've approached us and supported this bill from day one, and their main issue has been rate relief with their utility rates.

I know that is one of the goals of this bill, and I commend the committee on that. I just wanted to ask the -- the proponent of the bill and our Chairman, with all her experience and knowledge, are her expectation of what we're putting forward here that that rate relief will be sustainable?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, yes, indeed, I think it is.

The fact that we are buying power differently, the fact that we are employing an independent procurement manager, the fact that we are changing the direction of the State of Connecticut, and we are changing it in a way -- because if you look at the very beginning of the bill, it talks about one of the goals is reducing rates.

We have never really talked about that. We also in our planning process, we are now going to look at reducing rates. We are going to look at the best practices of other states. We are going down what I call a different road.

Instead of just looking at the reliability of our system, which is very important, and we shouldn't ignore that, we are now saying that in everything that we do, we need to consider rate impacts, and we have to find ways to lower rates.

We all recognize in this bill that there's a low-income discount program that will particularly help seniors and AARP, and that is going to be something that will come forward once the DPUC does a docket on this.

So there are many elements that will reduce rates in this bill.

And I do want to add to it that, for the record -- and

I didn't speak to the bill, but yesterday we actually saved ratepayers $80 million. But I do want to put that on the record, that the average ratepayer is going to save $2.50 a month, and it's a total of $80 million across all ratepayers.

So we are doing everything within our power in the State of Connecticut to try to reduce those rates.

REP. KOKORUDA (101st):

Thank you.

And I'd like to thank our Chairman of Energy and Technology. That was a great answer. I think it sums up what we all had hoped for the bill.

You know, this is a true compromise, this bill, and they say in compromise, everybody gets something. And I feel with this bill, certainly municipalities do get some relief and help.

I think our large utility companies certainly are proponents and have been very happy with some of the changes we've made for them, and I know all the renewable energy proponents and companies, certainly there's something in there for them.

And most importantly, as our Chairman just stated, there really is relief for taxpayers -- I mean for ratepayers.

And I would just like to end with I know everybody else has said it, but to thank the Chairman of Energy and Technology. Her knowledge and her openness has been very helpful to all of us. Especially there's so many freshmen on this committee this year, and we really, really appreciate all her work .

And I do want to thank all the Ranking Members, Representative Hoydick, obviously our two senators, Senator Witkos and Senator Fonfara and obviously Representative Reed.

And if I left somebody off, I apologize. And I also wanted to thank Commissioner Este for making -- really taking a part in this.

I think -- as I heard what was going on in the eleventh hour, it was wonderful to hear that he was involved. And I think we have a better bill because you all worked together and under Chairman Representative Nardello's leadership.

Thank you very much. And obviously I will be supporting the bill.

DEPUTY SPEAKER GODFREY:

Thank you, madam. My good friend from Stratford, representative Larry Miller.

REP. MILLER (122nd):

Thank you, Mr. Speaker. I have some questions, but I also would like to make some statements.

Our country has probably more fossil fuel than any other country on the planet Earth. We have 250 million -- 250 years of coal. We have 300-plus years of oil. We have 100 years of natural gas.

The Bakken region out in Colorado was a big finding of oil out there, and they're working on that now. The shale gas that starts in New Jersey and goes down to Hope, Arkansas, the Marcellus find, is going to give us a ton of gas, and it's going to help to keep our electric rates low, because gas is the fuel that they kind of peg for establishing pricing.

And I would say that the state has over 3,000 buildings that we own, and it's -- one way to start saving money for the state and reducing our costs of energy is to take a look at all our buildings.

I would just talk about the Taj Mahal out in Newington. This is the DOT building. Their electric costs are close to a million dollars, and at 33 percent efficiency, that's what the electric efficiency rating is when you get the electricity at the building.

If we were to convert that building to a CHP or a combined heat and power type operation, we can double the

savings at that building, reduce the electric costs by almost a million dollars down to 500,000 bucks, and that's quite a savings.

And we have buildings all over the state that are in that kind of a position, where they're -- we have three, four, five hundred thousand dollar electric bills.

Through you, Mr. Speaker, I'd like to ask a few questions. We talked about the procurement manager. Is this the -- similar to a purchasing agent?
And when you say he has to be experienced in this field, will this be a utility person, somebody we hire from industry?

What would be your take on that?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the procurement manager must have experience in energy markets and buying energy on a commercial scale.

So we're really looking for someone who has done this in the field, and there are many people that buy in these particular markets.

So it is our hope that we can attract them to the State

of Connecticut, they can bring their expertise and help us to lower costs.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Yes. Through you, Mr. Speaker, and the salary is 160,000? That includes fringe benefits?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I believe the fiscal note said it did.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

I'm not sure that's -- if you're looking for someone with experience, through you, Mr. Speaker, that kind of experience, we might have to pay a little more, I would think, to hire somebody with that kind of experience, unless you're going to hire a purchasing agent from one of the local companies, and they don't have that kind of experience.

There are three in the fiscal note -- there are three

people we're going to have to hire at $276,000.

Can you explain who those people are?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

There was never a specific category given to those three individuals, but the fact was that the Department felt that they needed three more individuals in order to go forward with their energy planning and policy.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you.

And through you, Mr. Speaker, do we have people on hand, engineers, that have some expertise in energy auditing?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

If I may ask the gentleman -- the good gentleman, when

you say energy auditing, I think I need you to be more specific as to what you're referring to.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Through you, Mr. Speaker, somebody who can do a heat loss on a building or a heat gain on building. Somebody who could determine makeup air in a building, who would know how to do that.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, it is possible, but I don't know for certain whether we do, so I don't want to state categorically one way or the other.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Through you, Mr. Speaker, I just thought that if we -- the number of buildings that we own, over 3,000 buildings, we can keep some people busy for a number of years just going through the buildings and giving us an update as to what could be done to improve the efficiency

of those buildings, whether it be heat, light, power, or whatever.

I think that's something that we ought to really consider, because doing it in house will save us a lot of money.

I know we have wonderful maintenance people, they do a good job, so I just hope we have some engineers on our payroll that maybe can do some -- some of that auditing of our buildings.

I know that the universities are using biodiesel, and a lot of them are going with the CHP operation, combined heat and power, and it seems to be somewhat successful.

And I would also point out, Mr. Speaker, that the DPUC program for combined heat and power has been very successful. And I know in my area, Fairfield University put a four-megawatt unit at their campus, which will save them money and provide them with secure electricity in certain -- certain buildings.

And I know that Kimberly-Clark out in Milford has done a wonderful job with a monster unit, two units up there, and they've reduced their costs considerably, so that they're almost one of the cheapest plants in their company here in Connecticut. And at one point they were one of the most expensive, so this stuff really works.

And again, I'm -- through you, Mr. Speaker, I'm a big fan of decentralized power. Plus the fact when you have decentralized power, you don't have to worry about blackouts and brownouts and whatever happens to electricity on the grid. You're not dependent on the grid that much. You do it on your own.

The -- we're going to get some grants to condominiums for help with their energy problems. We have one condominium complex, Southbury, it's probably the biggest in the state, and they have electricity as a fuel. And the reason they have electricity is because there is no oil or gas in the area when they built these things.

Would they qualify for a grant to bring in a gas line?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the program is open to all condominiums.

REP. MILLER (122nd):

And through you, Mr. Speaker --

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

-- would a gas line be considered an update in their heating system?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I don't believe the gas line would be part of this in terms of energy efficiency and the -- within the purview of the Clean Energy Fund, because you have to understand, this is funded by the Clean Energy Fund, and it has to fall within what is qualified there, and gas lines are not qualified.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you. It's a shame, because those people are paying through the nose for their power and they're at their wits' end right now as to what they can do to reduce their costs.

Just one moment, please.

And when we talk about weatherization, through you, Mr. Speaker, they did The White House. They brought it up to snuff with all the energy improvements they could think of. The only trouble is, it's going to take them

50 years to get back that money.

And I hope that the state, if we're going to do weatherization and foot the bill for a lot of these buildings, I hope that we have some kind of a payback period that's reasonable. I know we always try to get our money back within five to seven years.

And through you, Mr. Speaker, do we have any policy as to what kind of a payback period we're going to be looking for, whether it be weatherization or new equipment?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

In the performance-based contracting, it's generally the -- it would go for 15 years, but it varies according to the -- it varies according to the individual program.

And I just wanted to point you to another section of the bill, the gas conversion section. So the people in Heritage Village would be eligible for financing, changing from electric heat to gas heat through that conversion program.

It's a different section of the bill. It's not the

condo section, but there's a different section by which they would qualify to finance a conversion.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Through you, Mr. Speaker.

That's a conversion, but if the line is 10 miles away, I don't think we're going to pay for that line.

Am I right?

REP. NARDELLO (89th):

Through you, Mr. Speaker.

They would be able to convert from electricity to a more efficient source. So if it's not gas, it could be oil, although we would probably in this day and age prefer it be gas, but obviously we'd have to have a line there.

REP. MILLER (122nd):

You know, when we talk about low-emission type of fuel, I don't know if many of our energy commissions know about gas, but right now you can buy a condensing gas unit that can get you 95 percent efficiency

Now, that is a pretty darn good. And that's really a low-emission type of a unit. And I know that oil is slightly behind them. They're around the 90 percent mark.

And I know we're trying to push

emission -- no-emission type products, such as solar and wind and hydro, but having oil and gas in the area with that kind of efficiency is really a Godsend, because when you talk about 95 percent efficiency, that's really a -- there's only five percent that's going up the flue.

And oil, if they could get their act together with a little better equipment, and I guess they're on the verge of some new improvements, they could be up around the 95 percent as well.

So -- and it's certainly those fuels that work. They're not dependent on the sun or the wind or the water.

When you come home, you want to get heat in your home if you have oil, just turn the thermostat up. And if you want heat in your home if you have gas, you turn the thermostat up.

You can't go to a solar switch and put it on and expect to get any heat. And the same thing with wind. You know, you can't go to a wind switch, throw it open and get anything in the house that's going to give you any heat.

So I would hope that while we're very concerned about emissions, oil and gas aren't that bad today when you look at the efficiencies and the availabilities of these two fuels.

And they're -- they work, unlike -- unlike solar and

wind. The technology there is -- is not -- hasn't been -- hasn't come across yet that they're two products we would like to see work.

But unfortunately, the technology hasn't hit solar; it hasn't hit wind. They're very expensive, and they're dependent on the weather.

And here in New England, we just don't have that kind of weather that will make these two types of energy products work that well.

When it comes to wind, we're at the bottom of the barrel when it comes to the availability of winds in our area.

And solar, we have some cold winters here and very, very cloudy days, so that is a product that doesn't work as well either.

So I'll finish up. I want to thank the Chair of Energy for all her hard work. This bill is a lot better than last year's.

Certainly it's something that I'm interested in right now. Last year's bill I thought was off the wall, and -- no offense to the Chair.

REP. NARDELLO (89th):

No offense taken, Representative. Never from you.

REP. MILLER (122nd):

Sorry. I probably will be supporting this bill, and I thank you for all your hard work and everybody that helped you with this, and so I'll finish up.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, Representative Miller.

Distinguished Vice Chair of the Energy and Technology Committee, Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker, and good evening.

I think it's about time -- I thought I would just sort of break the momentum a little bit just by saying that I rise to enthusiastically support this bill.

And I want to, once again, celebrate the collaborative process that really achieved the bold and comprehensive reality that we have tonight. As Representative Miller said, through you, Mr. Speaker, what a difference a year makes.

The ranking members of the Energy and Technology Committee were in the room from the get-go. We have obviously a dedicated staff of professionals who are highly seasoned who were there as well, and Commissioner Este and representatives from the governor's office. It was really a new day when it comes to developing energy

policy.

There was a wealth of knowledge and experience, differing philosophies and knowhow around the table, and the best ideas are represented here.

And I want to send out a special thank you to our talented, dedicated and exceedingly patient -- and I hope recovering -- LCOs.

I do want to talk a little bit about some of the questions that we've been asked. And actually, Representative Hoydick brought this up.

There has been some concern expressed, and I checked it out through the new Commissioner's office, that the DEP has an adjudications process, and also the DPUC, the former -- about to be former DPUC has an adjudications process, and there was some concern that they would be merged.

That is absolutely not the legislative intent. They will not be merged. They will continue to function as independent entities.

The DPUC, now called PURA, will deal with rates and reviews, and the DEP will continue with its own independent process that adjudicates issues such as docks and structures. And as in the past, it will still remain possible that DEP rulings can be appealed to the Superior

Court.

So again, independent functions will be kept intact.

Again, this bill is a product of very innocence and ultimately very satisfying negotiations. It represents a robust, proactive approach to achieving what we all want, a clean, green, affordable energy future with plenty of built-in opportunities to measure our success along the way and to make course corrections when necessary, and to find out how much things are really costing and what the payoffs and returns really are.

Again, I want to really celebrate the collaborative process that we had. It should be a model for dealing with these kinds of really complicated issues, and I -- this is a bill that we can all be very, very proud of.

And I, of course, urge all my colleagues to vote for its passage. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, Representative.

The gentleman from Rocky Hill, Representative Guerrera.

REP. GUERRERA (29th):

Thank you, Mr. Speaker. Good evening.

First let me just say what a great job Representative Nardello has done on this bill, and also Representative

Hoydick. I know a lot of work went into this, and I commend them for all their hard work.

But just for legislative intent, and just to make sure I understand, there's a part in this bill that has to do with road cuts. And I'm pretty sure I already know the answer, but I just want to be clear on this.

And through you, Mr. Speaker, when I saw this, it talked about that if a contractor was to put a road cut on, say, Road A, and he has to guarantee it for one year, and say after that year came up he met with the municipality in regards to who would be responsible if that road cut was satisfactory either to the municipality or to the contractor, if there was a difference in opinion if that road cut should be fixed, there would be no discrepancies in regards to the contract to do other work on other roads.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

If you're asking whether he has ability to do work on other roads, yes, the answer to that would be yes.

DEPUTY SPEAKER GODFREY:

Representative Guerrera.

REP. GUERRERA (29th):

I thank the woman for the answer, and I want to thank her again for all the hard work that she has done on this bill. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

The gentleman from Westport, Representative Steinberg.

REP. STEINBERG (136th):

Thank you, Mr. Speaker. I might offer some comments on this bill.

DEPUTY SPEAKER GODFREY:

Go ahead, sir.

REP. STEINBERG (136th):

Thank you, Mr. Speaker.

I rise in support of this landmark legislation. It represents a turning point for the State of Connecticut. We are now finally on the brink of going from an energy problem state to an energy opportunity state.

We have a basis for reducing ratepayers' burden. We're all aware that Connecticut has been a leader in promoting green energy initiatives and reducing its carbon footprint.

This bill refines and amplifies efforts to date, not

picking winners and losers, but encouraging sing a range of clean energy alternatives while setting a timeline by which to measure their economic viability.

This bill has import beyond its green roots. The creation of DEEP means that the legislature will now have a policy partner in the -- with the administration.

DEEP policy capacity will make us more nimble when it comes to assessing and reacting to changes in the energy arena, better able to adjust incentives to reward innovation and efficiency.

Lastly, and perhaps as important as any other aspect of this bill, we are seeding the ground for job growth, from the green bank to energy efficiency incentives, we now have tools in place to begin to revive our flagging construction industry and establish a real career path for young people which leads to real jobs.

This bill is part of the solution. If we're really serious about turning around Connecticut's economy, we should all support this bill, no matter how many quibbles one might have with the bill containing so many elements.

Hey, if both industry and environmentalists can be in support of such a complex and wide-ranging bill, we must be doing something right.

So I'd like to see a field of green on the board today,

a universal endorsement of a plan to secure Connecticut's energy and economic future. I urge you to support this bill.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

The gentlewoman from the 52nd, Representative Bacchiochi. And if I could have everybody standing in front of you to kindly move, I'd appreciate that.

REP. BACCHIOCHI (52nd):

Thank you.

DEPUTY SPEAKER GODFREY:

I'd like to see her. That's all.

Representative Bacchiochi, you have the floor, ma'am.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker.

Mr. Speaker, one of the areas I've been most interested in as this bill has progressed is how the -- the average homeowner or ratepayer would benefit. And I have a couple of questions on sections that I believe focus on the ratepayer or the homeowner.

And through you, Mr. Speaker, I'd like to start with Section 33, which is regarding the goal of weatherization for 80 percent of the homes.

And I would like to ask the good Chairwoman, who actually will pay for this weatherization process?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The weatherization process, in the bill it actually asks the Energy Conservation and Management Board to develop a plan to have steps to achieve that weatherization goal.

The money would come from the Energy Conservation and Management Board, because they would have to then say this is one of the items that we want to include in our plan this year, and they would determine the parameters of the plan, how many homes they wanted to do and how they wanted to do it.

And it would come through that surcharge that you pay on bills already for energy conservation, but it would be done through that planning process.

REP. BACCHIOCHI (52nd):

Thank you, Mr. --

DEPUTY SPEAKER GODFREY:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker.

So it would come from funds that are already -- this would come from existing funds and existing charges and not new charges. Is that correct?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I just want to be clear that right now, it's just a plan. But once the plan is developed, it would come from existing funds.

REP. BACCHIOCHI (52nd):

Thank you.

And thank you for that clarification. I think that is what I was trying to determine.

Would the plan, do you know, include an audit for every household?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

We were not specific to including an audit, but if you look at other sections of the bill, anytime energy efficiency was required, we have required an audit.

And I know that it is generally the policy of the Energy Conservation and Management Board ordered to do

their own due diligence. You wouldn't put energy efficiency measures into a house that didn't have an energy audit.

So again, I can't speak to the fact that -- because the plan is not before us, but it is generally their practice to do so.

REP. BACCHIOCHI (52nd):

Thank you.

And I think I understand we're going to make a plan. Our goal is going to be -- which is a great goal -- for 80 percent of our homes to be more efficient. I think we're going to possibly include an audit.

Would it be correct to assume that perhaps when -- after this bill passes to go back into our districts and say that that plan would also include funds for weatherization, such as windows and insulation?

Or again, is that still just part of a plan to be determined down the road?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

We actually have other weatherization programs in addition to this. We did receive a good amount of federal funding. It is -- if you'll notice, I should draw -- and

thanking Representative Bacchiochi for drawing my attention to this.

There's another section of the bill that transfers weatherization from the Department of Social Services, the responsible -- the responsibilities to DEEP, because we have not spent all of those weatherization funds. We believe we got 68 million. We only spent half of that.

So right there, there is money for weatherization today, existing money that we got from federal dollars.

Of course, even that won't go as far as we want to. So to get to what that goal is, we're going to have to do things in addition to that.

So I would say to your constituents, there is money in those programs now to see if they qualify for that.

I believe there may be some income limits on that. I would have to check that. But bringing them over to DEEP, I know the Commissioner has a strong belief that we must do weatherization, and that's why those programs were shifted from DSS to DEEP, in the hopes that we could get those monies out the door more quickly.

REP. BACCHIOCHI (52nd):

Thank you.

And moving on to Section 100, again, trying to focus my -- my questions on what programs are going to be

available for residential homeowners or renters, the creation of the PACE program, am I correct that it is a municipal option, so a community would decide whether or not this is a program that they want to offer to homeowners?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, it is enabling. It's a municipal option.

REP. BACCHIOCHI (52nd):

Thank you.

And I know that during the public hearing process, there was discussion about how this has worked in other states and about municipalities suffering default because they let this money out and then the bank foreclosed.

In this bill, to protect municipalities, could you just explain how municipalities will protect themselves after they lend money to homeowners for these improvements?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker the purpose of the PACE program is to ensure that the payback of the loans occurs on the individual's tax bill, so therefore, it is considered a very secure way to pay these loans back.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker. Okay. I didn't understand that.

So if the PACE program is implemented -- I like this, because it's going to be easier for the consumer. The amount of the loan would be, I'm guessing, amortized over a certain number of years, perhaps however long the -- the product is viable, and that amount would be collected by the taxpayers with the powers and duties that that taxpayer holds currently.

I won't even ask the question. I think I'm understanding that correctly, and I appreciate that, and I think that's a good service for our residents.

Moving on to Section 106, which I also believe is a -- is a residential program, it talks about the residential solar program.

And through you, Mr. Speaker, how -- I have a vague understanding here that this money is already -- this is money that already exists. Is that correct?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, this program would be funded through the current Clean Energy Fund monies up to $10 million, which is a third of the fund or -- I should

say a third of the fund. It generally collects around $30 million.

REP. BACCHIOCHI (52nd):

So how many actual solar systems do you believe -- would you -- I'm guessing this is $10 million a year.

And how many solar systems could actually be purchased for $10 million a year, approximately?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, and I'm hoping I'm getting this right, I believe they range anywhere between 40 and $60,000 on average cost, and so you can do the math and figure out how many.

But generally it depends on the size and system as well.

REP. BACCHIOCHI (52nd):

Thank you.

And unlike the previous program we were discussing where the payback is done through your taxes, am I correct that the payback on this particular loan would be done through your utility bill?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, as this program has been revised, the homeowner has two options.

They could get an upfront rebate when they first install the program, or what they can do is they can get what we call a performance-based contract where they're paid per kilowatt hour for the power that they produce.

So they have two separate options in this new configuration of the program.

REP. BACCHIOCHI (52nd):

Thank you.

On Section 112, which is the low-income rate discounts, could the good Chairwoman explain, is this discount going to become available because we were going to eliminate other programs that are currently available for people who qualify or will the cost shift go to wealthier households?

Through you, Mr. Speaker.

REP. BACCHIOCHI (52nd):

Through you, Mr. Speaker.

I'm going to state for the record that there is no intended cost shift of this program. It is our hope that doing -- through a DPUC proceeding, we would be able to reconfigure the programs in a way to get cost savings.

If we do not get a cost savings of at least ten

percent, they must come back to us to make their recommendations and how you would achieve the ten percent. And at that point, it would be up to the legislature to decide whether or not they wanted to accept their recommendations and put them into -- into law.

REP. BACCHIOCHI (52nd):

Thank you.

And, Mr. Speaker, it's stated here, I believe, that the homeowners would be or the renters would qualify for this program if they were at 60 percent of median income in Connecticut, which I believe median income in Connecticut for a family four is about $100,000.

So this would open up the program to households of four earning approximately $60,000. And I feel that this opens the program up to a very wide range of households.

Was this 60 percent number something that has kind of been vetted out and approved by most people in this industry?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Sixty percent of the median income in Connecticut is $38,000 per family.

REP. BACCHIOCHI (52nd):

Mr. Speaker, with all due respect, I just looked up median income in Connecticut, and for a family of four, it was $100,000.

I'm not disagreeing with you. I think for a family of one, the median income is $35,000. I just point out that -- and I could stand to be corrected -- I think a family of four at $100,000 to get this benefit might be a little excessive, but I -- I just make that point.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I do believe you're referring to the mean and not the median. The median income is much lower.

REP. BACCHIOCHI (52nd):

Thank you. I stand corrected.

In Section 116, the heating system financing and CHP programs.

This one I really like. I think a lot of homeowners are going to be excited about this program. It allows for the replacement of boilers.

And again, Mr. Speaker, I -- because there's a lot of complicated ways that people are repaying the loans. If the good Chair could just explain for this section how a homeowner would repay the loan if they were to purchase,

let's say, a new boiler.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Expect it to be a financing program, and it is through the gas or electric distribution company bill.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker.

And I did see that. I'm happy to see that this is going to move quickly, that DEEP will start taking applications by December 31st of this year.
Does the good Chairwoman know how quickly after the application process starts that we might be able to see homeowners be able to avail themselves of this loan opportunity?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I don't know exactly how long it will take.

I know that it is the intent that we will get these things going as quickly as possible, but we have given a great many -- we've assigned many duties; and so therefore, it is my hope that it will be done quickly, but I can't assure you.

But certainly I would say this: We all are very aware that we want these programs to go forward, so we will make sure that we are followed -- following this and monitoring this to make this happen.

REP. BACCHIOCHI (52nd):

Thank you, Mr. -- Mr. Speaker.

I do feel there is a lot of opportunity pending for ratepayers and homeowners, and I'm excited about the possibilities.

Through you, Mr. Speaker, in Section 120, it's a small clause that we debated at length on the Energy Committee regarding the ability of a utility company to shut off service for a family who had a sick child under the age of two.

And I understand and validate why this is important, but my concern is -- and we made an amendment in committee, and I'd like to know why it's not reflected in the underlying bill.

What the underlying bill states is that if a low-income family with a child under two should return from the hospital with a note from the doctor stating that that child needs to be in a home where the utilities are on, which I believe is necessary and important, that the utility company cannot shut off that power for two years.

Now, in the committee, Mr. Speaker, we amended that to state that a new certification from a doctor would be required every 60 days. Because without that, a person could come home with a bad cold, well deserving to -- to have that shut-off protection, but that cold or that pneumonia is not going to last two years.

So, through you, Mr. Speaker, could I ask the good Chairwoman why that amendment was removed?

REP. NARDELLO (89th):

Through you, Mr. Speaker. In consultation -- and this came from the Connecticut Children's Medical Center about an issue about two-year-olds who were being hospitalized. And when they were sent -- about to be sent home, they couldn't be sent home because they had issues in the ability to regulate their -- their body temperature.

So therefore, it was the understanding of the hospital that they must keep that child in the hospital because there was no heat or air conditioning in the home, and that created a great many problems.

So they requested this of us. In consultation with them, it was determined that the best way to do this was to have the doctors certify.

I do believe that it would be up to the doctor in that

certification process if he felt it was not an entire two-year process, he could indicate that. But they felt that the criteria should be the well-being of the child.

REP. BACCHIOCHI (52nd):

Thank you.

And I -- I thank the good Chairwoman for that answer.

I had an amendment that I had drafted that reflected what we had discussed in committee. I'm actually -- I'm not going to call that amendment. I think it's very difficult to have a discussion about a sick child being returned to a home and not being able to keep the utilities on.

But I have to say, you know, in my own experience dealing with people that are frequently on many subsidized programs, I always believe it's in the best interest of that person to be fully responsible, not to deny them anything, but to be responsible every day for the programs they are receiving.

It makes -- I believe it makes their life better. So I think it's a mistake not to include this, but I am not going to run the amendment.

And I do appreciate the Chairwoman's answers. I do think there are several programs in here for homeowners that will offer a benefit, and I thank you, Mr. Speaker,

for the time.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Representatives Williams is not in the chamber.

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker, if I may.

DEPUTY SPEAKER GODFREY:

Yes, please proceed.

REP. CANDELORA (86th):

Thank you.

My question just relates really to a specific section that was discussed previously, and that being Section 95 of the underlying bill.

Specifically, as I read this section, it's requiring utility companies to provide a -- for a road cut and a road repair. And my question is in lines 5 -- 5453 through 5455, we seem to have an opt-out provision.

I was wondering if the good Representative could just explain how a municipality would go about opting out of this provision.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, this actually refers to what happens a year after the road cut is made. And at that point, it has three criteria: You inspect the patch, you make additional repairs as necessary, and then at that point, you would certify to the municipality in which such a patch is located that it meets generally accepted standards of repair.

DEPUTY SPEAKER GODFREY:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And then I guess after that one-year time period when a company would go back and examine the patch, make that repair, is there any ongoing obligation for them to go back another year from now or is this provision just stating that you go one year from the original road cut once patching is completed, and you do that one-time inspection?

There's no further obligation to keep going back?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, to my knowledge, there's no obligation after a year.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

In line 5453, we have this standard of patching that meets generally accepted standards of repair.

Is that language that's associated with the industry? You know, who would be the one making that determination?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, it's my understanding that that is the way they categorize this, as generally accepted standards of repair.

That's how I understand that language.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And I guess as I'm reading this, we have three components in lines 5450 and downward.

We have the company would have to go out a year from the original work, inspect patch, make repairs as they would deem necessary, and then certify that it meets the generally accepted standard.

So as I read this, it seems to place the burden on the company to do this and make the certification and not necessarily the burden on the municipality to go out, inspect and determine what standards need to be conducted.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I don't see any language in that section which puts any burden on the municipality.

As a matter of fact, it says, "Any municipality may by vote of its legislative body elect not to enforce the requirements of this section."

REP. CANDELORA (86th):

Thank you, Mr. Speaker. And I appreciate the good Representative's answers to my questions.

It seems a little bit out of sorts that we have this particular provision in a bill dealing with our energy.

This was some language that we had before the Planning and Development Committee this year, and I believe that bill was actually defeated in committee.

And certainly as a member of the Planning and Development Committee, I had some concerns with how this particular provision would impact municipalities, because it's my understanding under current law, municipalities already have guidelines in place in their local zoning laws.

When a company goes out and make a curb cut and makes a road repair, there's bonds that need to be posted and there are inspections that need to be made by the

municipality to make sure the road is in good standard and returned back to where -- where prior to that curb cut has been made.

And I'm just concerned with Section 95 and how it's adding potentially an additional level to our requirements. I'm appreciative that we've put this opt-out provision for municipalities, because I think, frankly, a municipality might want to opt out of these additional provisions, because I think the laws already exist in our Planning Department to address these issues.

Specifically, 8-24 of our statutes sets forth some guidelines of how the jurisdiction of our municipal property, including roads, are dealt with. And planning and zoning commissions have jurisdiction, certainly, over this particular type of activity.

And so I'm just certainly -- I'm concerned, again, that we're adding this layer, but also that we're shifting the oversight of these duties to the municipality and its legislative body, which is more of the fiscal body of the town and not necessarily the planning and engineering part of the town, and so I do have concerns.

As I read it, I appreciate the answers, because as I read this language, too, it seems that what it's doing is requiring these utility companies that make the cuts

in the roads, to go back on their own, make the inspection and just certify that the work has been done to a sufficient level, and so it don't place that burden back on our municipalities to go back and reinspect the roads.

So it seems as if the certification -- you know, a letter from the company would be sufficient to meet these requirements.

But I think there's a lot of good stuff in this bill, and I just had to pick on this one particular area, given that it was a matter that came before the Planning and Development Committee, and hopefully it won't pose too much of a problem for the way we -- we treat our roads.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Gentleman from New Canaan, Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you, Mr. Speaker. If I may to the proponent, through you, Mr. Speaker.

Obviously this is a tremendous work. Much is contained in this bill. Great promise. I'd just like to ask a question or two about general responses that -- that we might offer and explain in the bill.

If the question were asked, what is the greatest source of savings to ratepayers that we envision through this bill?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello, do you care to respond?

REP. NARDELLO (89th):

Through you, Mr. Speaker, there are three sources of savings to ratepayers.

The first is by procuring electricity differently for standard offer. We expect at full implementation to save $60 million.

In addition to that, there is a low-income rate that is being proposed, which potentially could save 10 percent in that area.

In addition to that, we are actually -- and I think for the future, more importantly -- putting in statute that the consideration of rates has to be part of everything that we do, in our integrated resource planning process, in the goals that you see in Section 1 of the bill, and in the fact that we need to consider that in order to make our businesses viable and to make sure that our residents don't pay a disproportionate share of their income in energy costs.

We are also going to look at best practices of other states, because clearly we are the most expensive in the region.

So the question -- as Energy Chair -- that I ask is why?

So we need to find out what other states are doing, what can we learn from them.

REP. HETHERINGTON (125th):

Well, thank you.

Through you, Mr. Speaker. We are changing the required term of procurement contracts, is that -- for electricity. Is that right?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Yes, it is right. We are no longer procuring in a laddered one-, two- and three-year manner, which was very prescriptive, but at the time was done in order to smooth out the costs, because the costs were exceedingly high.

So we are now procuring in a manner that is very flexible, that allows short-term contracts, medium-, long-term, and it will be -- and buying in components, which is the other important thing.

We won't buy -- when you buy full requirements, which

is all the energy components together, you're actually limited as to the number of people that can come in and bid.

When you buy in components, there are many, many more people that you can go to to build the components and the portfolio yourself.

So there is a potential for savings there as well.

REP. HETHERINGTON (125th):

Well, thank you.

Through you, Mr. Speaker, that certainly makes sense; but I would think that shorter-term contracts would be more subject to volatility in the market.

Longer-term contracts provide more stability; do they not?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Shorter-term account -- contracts have the potential for more volatility. But again, it's going to depend on the market conditions at the time. And I think it will be up to that procurement manager to determine whether or not they should buy.

REP. HETHERINGTON (125th):

Through you, Mr. Speaker, can we -- can we engage in

hedging? Can we buy future contracts that allow us to protect ourselves against further rate move -- cost movements in the price of electricity?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, all of that is entirely possible.

What we're doing in this legislation is allowing all of the options. So it will be up to the procurement manager to determine what is best for the State of Connecticut.

And as a matter of fact, we actually put into the legislation that even after the procurement plan is done, if he sees a particular deal that he thinks we should buy, it can be amended so that we can take advantage of that.

So it is important that we have a full range of options in order to get the lowest possible standard offer price.

REP. HETHERINGTON (125th):

Thank you.

Through you, Mr. Speaker. There has -- there was some mention of natural gas, but I wonder what's the potential for assistance in converting to natural gas?

For example, in one of the towns that I represent, Yankee Gas has a pipeline running through town. There

would be an opportunity to take advantage of that natural gas source, but it would involve construction of a reduction facility and whatever distribution infrastructure were required to -- to take the gas to the consumption points.

Would there be money available for assistance in that kind of undertaking?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. There are two sections of the bill that speak to this. One to the fact that yes, there's a gas conversion program; but obviously, if you don't have a gas line in the area, it would be difficult to convert to gas.

So we also have an area that asks us to study how we are going to expand our ability to have gas lines as well.

So we study how we can bring gas lines into areas where they don't exist and whether or not it will be too expensive I'm sure will be part of that study, or whether it will be possible.

And in addition, we do allow a conversion program where someone can finance that conversion.

REP. HETHERINGTON (125th):

Thank you.

Through you, Mr. Speaker. One of the alternatives that I see experimented with is geothermal. Where would geothermal place in the options that might be assisted by this legislation?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Geothermal is covered under some of the programs that are under the Clean Energy Fund now, and that would continue.

REP. HETHERINGTON (125th):

I see. Through you, Mr. Speaker, I don't see the word "nuclear" mentioned anywhere. Are -- are we abandoning nuclear as an option for energy generation?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Current law in Connecticut does not allow the expansion of nuclear power plants.

REP. HETHERINGTON (125th):

And we would have no expectation of making a change to that law, I gather?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. There was no discussion about changing that law.

REP. HETHERINGTON (125th):

I see. Thank you. I thank you the lady for her extensive knowledge and thoughtful comments. There's great promise, I believe, in this bill. And I -- I certainly expect to support it.

I hope that the reality is realized by the promise that we see in it. There seems to be a good deal of study, a good deal of -- of consideration. And I -- I'm supporting this in the faith and hope that a lot of capable people are dedicated to it and that it will see positive results.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Gentlewoman from the 132nd, Representative Kupchick.

REP. KUPCHICK (132):

Thank you, Mr. Speaker. A few questions to the proponent of the bill.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. KUPCHICK (132):

I'm sorry if this may have been asked, I don't -- I

may not have heard it, but I was curious about the efficiency ratings on certain heating appliances, such as furnaces, gas and oil specifically.

And my question, through you, Mr. Speaker, was, what is -- if there are any in the bill regarding efficiencies, what is the rate of -- for a gas furnace and an oil furnace?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, if I may ask the gentlelady a question, are you asking me what the particular standards are for the conversion to those gas burners?

REP. KUPCHICK (132):

Through you, Mr. Speaker. The reimbursement rates or being -- equipment that is eligible for reimbursement rates or energy-efficient rebates, such as that.

Is there something in the bill that sets those rates?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. There is nothing in the bill that sets the rates. What it does, it allows the individuals to finance that purchase over time.

REP. KUPCHICK (132):

And, through you, Mr. Speaker, is there a certain efficiency rating that is set upon the equipment that makes it eligible for that loan?

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, there is, and it's in Section 116, that it's very specific about the efficiency ratings. And if you would like, I will get you that section and tell you what they are.

Through you, Mr. Speaker.

It says that energy-efficient, natural gas or heating oil burners, they have to be less than seven years old, an efficiency rating of not more than 75 percent.

Then there's eligible fuel oil furnaces shall have an efficiency rating not less than 86 percent. And natural fuel oil burners will have an efficiency rating of not less than 86 percent with temperature reset controls.

And eligible natural gas boilers shall have an annual fuel utilization efficiency rating of not less than 90 percent. And an eligible natural gas furnace shall have an annual fuel utilization efficiency rating of not less than 95 percent to participate in this program.

And it does require the customer to have a home energy audit prior to this.

REP. KUPCHICK (132):

Thank you for the answer, but, through you, Mr. Speaker, just -- and obviously I'm asking these questions because we're in -- my husband and I are in the heating and air conditioning business, and a lot of times there are -- they set these efficiency ratings so high that it's nearly impossible to reach them.

For instance, in the market there might just be one unit that meets these requirements and is so cost prohibitive, like between a couple of percentage points.

For instance, like a gas furnace that's at 90 percent efficiency is very different than an oil furnace that's at 85 percent efficiency, because they run at different Btu's.

So, for instance, an 85 percent efficiency rating on an oil furnace is extremely efficient. Going to a 90 is so much more expensive and not -- not meeting a criteria that would make it worth that extra efficiency.

So I did hear you say the numbers, it was a little quickly, but I heard you say -- I think you said gas, 90 percent, but I think you said something different. I think it was anything less than 86 percent on oil furnaces.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, eligible fuel oil furnaces shall have an efficiency rating of not less than 86 percent.

REP. KUPCHICK (132):

Thank you.

And I would just like to comment that that does -- that will have a -- an ill effect on people. Because, frankly, most of the units are 85 percent efficiency, and that is extremely efficient in industry standards.

So what we're looking at, what people will have to do, then, is purchase something that's much more expensive and will not really realize an additional -- won't get a huge amount of bang for their buck for the 90 percent efficiency rating, for instance, on an oil furnace.

I -- I'm not sure who was talking to the committee during this time, but this has been something that our business has seen and our industry has seen as a problem, really, quite frankly, for people, because they don't get these reimbursement rates beings because the government sets these rates so high, with not really knowing what the industry standards are.

And, through you, Mr. Speaker, the gas furnaces, I think Representative Nardello said 90 percent?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It's -- the eligible natural gas furnace shall have a fuel efficiency rating of not less than 95 percent.

But I do want to state for the record that this language has not changed at any time during this bill, and it was put out to public hearing, and I don't recall any testimony that said that this was going to be a problem for the industry.

And I know that the industry is generally consulted on this. And again, with the lack of testimony and without any other -- no one else has approached us about this, because this language has been in this bill since we passed it out of committee.

REP. KUPCHICK (132):

And -- refreshments.

REP. NARDELLO (89th):

For the weary.

REP. KUPCHICK (132):

Through you, Mr. Speaker. Is it possible, to Representative Nardello, through you, Mr. Speaker, is it something that can be modified if there were some input from people in the industry regarding the efficiency

rating of the furnaces?

I mean, once the bill is passed, is there still room for modification so more people could -- could be eligible for these types of things?

My concern has been in the past -- and we see with our customers -- someone might have to spend an additional $10,000 to get that extra 5 percent, and the rebate doesn't help them at all.

So, in effect, an 85 percent efficiency oil furnace is extremely efficient, extremely efficient. But no one is going to spend the extra money to get it just to get the rebate.

And so I'm wondering, is there a way to modify this after the bill is passed?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

If you read the first line, "On or before October 1st, the Department of Energy and Environmental Protection shall a establish this program."

So what I would suggest to the gentlelady is that she would contact the Department if she has concerns about this, and they can take that into consideration in the establishment of the program.

REP. KUPCHICK (132):

Thank you. I appreciate the gentlelady's answer.

And just one other question, through you, Mr. Speaker. Is there -- what is the percentage, if any, of reimbursement for geothermal systems?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. In this bill there is no reimbursement -- direct reimbursement for geothermal systems.

There had been a geothermal program within the Clean Energy Fund, and I do believe they still qualify for some monies.

I don't know if that program is still operational, but there is no -- no provision in this bill.

REP. KUPCHICK (132):

Thank you for the answer.

And, through you, Mr. Speaker, the federal government had a 30 percent tax credit for geothermal units, which really isn't all that much, because it's a very expensive program. It's about $80,000 for a 2,000-square-foot home, but it's extremely efficient, even more efficient than solar.

I'm wondering if the state -- would there be room for

the state to -- to look to add a rebate program for the geothermal, considering it is an extremely efficient solution for heating and cooling?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

To my knowledge, there can be a program through the Clean Energy Fund. That funding can be used for geothermal.

REP. KUPCHICK (132):

Well, I -- I thank the gentlelady for her answers. And I would really hope that we could do some modifications.

And I will contact the DEP, because a lot of people in the industry, such as ourselves, see a lot of people not going for -- or not being eligible for the rebates because of the cost prohibitiveness of the program, the way it's designed now.

And I'd like to see -- we've had customers who want to install geothermal but because there is no rebate through the state simply just can't afford it. And it is, quite frankly, the most efficient renewable energy source, far more than even solar.

So I appreciate it, and I will vote for this bill,

and I look forward to doing some work with the DEP in the future.

Thank you.

DEPUTY SPEAKER GODFREY:

The distinguished gentleman -- the other distinguished gentleman from the class of 1988, Representative Piscopo.

REP. PISCOPO (78th):

Thank you, Mr. Speaker. I was wondering who the other -- oh, I understand.

Thank you, Mr. Speaker.

Mr. Speaker, a question through you to the proponent of the bill?

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

May I draw the Chairwoman's attention to line 1037. And I was just -- I was curious about the staggered appointments on that.

I see we're dissolving the Public Utility Control Authority and establishing this new authority.

The Governor has an appointment from his own party by July 1st, and he'll serve for five years. Then the

Governor has an appointment from his own party by July 1st who will serve for four year. And then the Governor has another appointment from his -- from another party, a party other than his, it's worded, and will serve for three years.

I was just curious about that language. I -- I don't usually see anything like that in our statutes, and I was wondering if the Chairwoman could clarify.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

It is a staggered method of appointing the directors of the Public Utility Regulatory Authority, and it is in response to the fact that all three will be now put in place as of July 1st, and so they're using the staggering methodology so they don't have everybody leaving at the same time.

And I think that's the reason why we have that, because right now, we have different people's terms ending at different times, and we wanted to preserve that same ability.

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

And just on follow-up to that, as a -- as Ranking Member of Executive Nominations, I guess these would be

considered an interim appointment.

They're still in Section 4 of our general statutes, and this will come under full purview of the Executive Nominations and Legislative Committee next session, probably?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Yes, they still have -- are required to come before us. That has not changed.

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

And -- and I draw the lady's attentions down to line 4778. When we're considering new sources of energy, I was just curious, would that -- can that or would that include clean coal technologies in this state?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker, that does not make any provisions for clean coal that I am aware of.

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

And through -- and as we just skip down to line 5569, that is -- it seems to be our existing Renewable Energy

Fund. It -- the brackets look like we're changing just the wording of that fund to the Clean Energy Fund.

Do I have that correct, Mr. Speaker?

Through you.

REP. NARDELLO (89th):

Through you, Mr. Speaker. May I ask for that line cite again, please?

REP. PISCOPO (78th):

I believe it's on 5569. It's our language under Renewable Energy Fund, you know that line item we have on our electric bill?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Yes, when you go down a few more lines, it's now not the Renewable Energy Investment Fund.

It's the Clean Energy Fund.

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

I appreciate that clarification. And that remains, then, that -- we will still pay that on our electric bill, that hasn't gone away. The renewable just has changed its name.

And if looks -- if I check the OFA analysis of this, Office

of Fiscal Analysis on this, it looks like 30 million a year. Is that correct?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

Yes, it's $30 million a year, but it's not new monies. It's been collected for a period -- quite a period of time.

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

And I -- I think that's -- oh, no, I have one more question.

It's -- if we skip down to 6643, this is the first time I see language, it's new language, on these renewable energy credits.

I don't see in the business a definition. I checked for a definition on what these are and how they would work and why and where, but I do not see a definition.

In a bill this size, usually we go through a whole section of definitions, usually Section 1 of a bill.

Am I missing that?

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The industry standard for renewable energy credit is

one hour of energy produced gives you one renewable energy credit.

REP. PISCOPO (78th):

Thank you. Thank you, Mr. Speaker.

Can you put this in terms of someone that doesn't necessarily serve on the Energy Committee?

Like, may I have this in plain language where --

Let me just give you a hypothetical. I'm an energy producer. I'm working with Class I renewable. I think it's a Class I renewable that would qualify for those.

And could you just kind of give me just a day-to-day or how these would actually work? Is it an actual piece of paper? Is it a chit? Is it a voucher? That kind of thing.

Through you, Mr. Speaker. Briefly, not -- you don't have to get into any real detail.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. It works differently for the different technologies.

If you're a solar producer, you may only get three renewable energy credits, because you're only operating three hours a day and producing power.

If you're a fuel cell and you operate 24/7, you're

going to get 24 renewable energy credits.

And what it is is, we need to buy those credits in order to meet our renewable portfolio standards. So those credits are -- are used in order to meet that standard.

REP. PISCOPO (78th):

Thank you. Thank you, Mr. Speaker, and thank you for that clarification.

Now, these renewable energy credits come in the form of -- they're pretty much like a check. It's -- it's tender. It's -- I don't understand the actual mechanics of the renewable energy credit.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker. Let me see if I can -- I actually had a definition -- so I'm going to see if I can make that easier for you -- at some point, so let's just see.

I guess the best way I can explain it to you is the fact that the particular facility produces the power, and it then verifies that it produces the power and it gets the renewable energy credit for that.

And that is like a financial instrument outside of the production of the power, and they can then use that to fulfill that portfolio standard.

So those credits are worth money and they're based on a market price and a general rule, so that can fluctuate within the market.

Right now, they're lower than normal because there's many on the market. Other times, they're here than normal. So it isn't necessarily always the same price. It depends on what the market will -- is doing at that particular time.

I hope that makes it easier for you, Representative Piscopo.

REP. PISCOPO (78th):

Thank you, Mr. Speaker, and it does. And I thank the gentlelady for that explanation.

So this -- and it's for the producer of the energy, they will get, in effect, a voucher worth some money, and they can spend that money toward their portfolio.

Their portfolio may be a contract to produce so many hours of energy or they can invest this in wind power or something -- some other renewable somewhere else in the state.

It's in effect a voucher for producing. Kind of a reward for producing renewable energy, as I understand the gentlelady's answer.

Through you, Mr. Speaker.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The credits are produced, and they are used to fulfill the renewable portfolio standard.

We have to buy a certain percentage of our power. It has to be on that standard. And so therefore, those credits are used to fulfill that.

It's not -- in other words -- they are used to -- they are bought by the -- actually, in Connecticut they're bought by the retail suppliers. They're not bought by the utilities.

The retail suppliers must buy those credits in order to make sure that a certain percentage of the power is coming from renewable sources.

REP. PISCOPO (78th):

Thank you, Mr. Speaker. I appreciate the multiple explanations.

It is quite confusing, and I guess I'll see how it works down the road, but I do have a better understanding, and I thank lady for her answers.

I have just a couple of problems with this bill. It's that tax in there that produces 30 million a year. We're just changing the name of it. It's still a line item on our electric bill. It's not voluntary and like -- it's

not a voluntary thing we put in our electric bill. It's a tax we're hit with every year.

The residents aren't hit that hard by a that line item, but businesses are hit pretty hard by that line item, which will now be the Clean Energy Fund.

And also, in regards to the whole -- if we look at this whole energy plan of Connecticut, I believe that if you want to start an energy plan, you don't start with a $72 million tax increase.

I mean, we -- in the Finance Committee, we fought a $72 million tax increase, and that's a -- it's a tough year to start a comprehensive energy plan with that kind of onerous plan in front of you.

So those are just basic ideas, basic problems I have with the bill. I have problems with one -- ten neighbors helping, you know, funding one neighbor's renewable project, you know, in the form of -- of that tax on our electric bill.

I believe, you know, we can do it with tax credits. And again, we can do it on a voluntary line, as we do with Operation Fuel or something like that. But I do have a problem with taxpayer money being used for that kind of purpose.

So I do have some problems with the bill.

It's -- it's much better than I've seen in the past, and it's -- this bill does a lot of really, really big things.

But then toward the end of the bill, it does something that just kind of pops out at you toward the end. It's -- it just kind of brings up these California standards right at the end of the bill.

It's almost as if someone had a bill out there and this was a logical vehicle and they put it on the end of this huge, comprehensive energy bill that changes the Department of Environmental Protection, creates this new energy department -- cabinet position, and they put these California standards, tagged as the California standards, at the end of this bill.

What the California standards are -- and this state has done this in the past with our cars and with our appliances -- we totally have just surrendered our legislative process. It's been usurped by the California legislature. It just -- it boggles my mind that we do this.pgh.

We just accept another state's regulations. And they're about this high. I brought them in one afternoon. And, okay, let's adopt California standards. Now on TVs we're going to do. Televisions and some of our sound systems that we have in our homes.

I was reading up on this, what the California standards do, and they're pretty onerous. I mean, I don't think we should be doing this. We're just blindly accepting California regs. Like I said, they usurped our legislature.

In 2000 -- they're pretty strict now, but in 2013, January of 2013, they're going to be even stricter at regulating our televisions.

I -- the televisions on the shelves we have today, 25 percent of them now meet the California 2013 standard -- will meet the California 2013 standards.

So 25 percent of those televisions on sale will meet those standards. I don't want to go home and tell my constituents that I just outlawed them buying their new 42-inch flat-screen plasma TV that they've been saving up for for the Superbowl.

It's going to be Superbowl 13, and it's going to -- and that's usually when they go on sale, thank God, but still, it will be a lot more expensive for them if we do establish these standards.

So I -- I just hope that we would take a look at this amendment. The Clerk has Amendment LCO 8577.

Will the Clerk please call and I be given leave to summarize?

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number~8577, which will be designated House Amendment Schedule "B".

Will the Clerk please call?

THE CLERK:

LCO Number 8577, House "B", offered by Representative Piscopo.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the chamber to summarize.

Is there objection?

Hearing none, Representative Piscopo.

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

What this amendment does, it just gets rid of the California -- us adopting the California standards on televisions and sound systems in our homes and computers.

I move adoption.

DEPUTY SPEAKER GODFREY:

Question is on adoption. Will you remark, sir?

REP. PISCOPO (78th):

Thank you, Mr. Speaker.

Mr. Speaker, this is just a -- just a simple -- it's just a small request I have of this chamber.

I still believe in this section, the codification of the streamlining of the departments and the new departments. I just strike out language. It seems like it doesn't belong in this bill in the first place, and I hope this chamber can see fit to support it.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Will you remark further on House Amendment Schedule "B"?

Representative Nardello.

REP. NARDELLO (89th):

Mr. Speaker, Connecticut is part of the Multistate Appliance Standards Collaborative, which includes, California, New York, Oregon, Rhode Island, Washington and Connecticut.

And what happens is that the California -- California's economy is really so large that whenever they make requirements, they pretty much set the standards for the rest of the country.

In this particular concern that Representative Piscopo has, and I appreciate it, but 85 percent of the current TV sales meet that Energy Star level that's in this bill. It really is only going to be a small amount of TVs

that will be implicated in this or need to be concerned.

And then in addition to that, this doesn't go in until 2013; so therefore, I would ask my colleagues to reject the amendment.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Will you remark further on House Amendment Schedule "B"? Will you remark further?

If not, let me try your minds.

All those in favor, signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, nay.

REPRESENTATIVES:

The nays have it. The amendment is rejected.

Will you remark further on the bill as amended?

Distinguished gentleman from Oakville, Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, and good evening Mr. Speaker.

It was a year ago not by calendar but certainly by the legislative calendar that we were here meeting on the

last night of the session, the night before the last day of the session, and we were here until 3:00 a.m.

I don't anticipate that we will be -- I'm sorry, I guess we started the debate last year, right, Representative Nardello, at 3:00 a.m. and left somewhere around sunrise, and I'm certainly hopeful that that doesn't happen again here today with the energy bill and we'll certainly do our best to make sure that that doesn't happen.

Mr. Speaker, through you, I have a couple of questions just to the proponent of the bill.

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. Through you to Representative Nardello, Section 96, I believe it's -- if I'm reading the line cites right, it's line 5456 -- I'm sorry, in the vicinity of lines 5456, it has to do with the new Department of Energy and Environmental Protection reviewing a transmission project.

Is this a requirement that the new DEEP review this transmission project?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, this section is in the bill because we did have some interest in merging transmission lines which might be through Connecticut, and it was believed that if, indeed, it would be -- could be an opportunity to lower costs by entering into some sort of agreements with them.

So all we're asking the Commissioner to do is to -- if that should occur, to review that possibility. And if he thinks some sort of agreement would lower electricity rates for Connecticut consumers, then he would pursue it.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, through you.

Does that have to do with a specific project or a variety of possibilities of projects?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, it is not a specific project. It's all proposed merging transmission lines.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And at Section 104, lines 6516 through 6521, there is reference to time-of-use rates, requiring retailers to deal with and offer time-of-use rates to their customers.

Am I correct in understanding that this is now a requirement, that a retail supplier will have to offer a time-of-use rate to customers?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, yes, that is correct.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

And through you, Mr. Speaker, in the following Section, Section 105, we're requiring the Department of Energy and Environmental Protection to require our utilities to let people know -- let customers know about whatever time-of-use meters may be available to them and whatever time-of-use rates may be available to them.

Am I understanding that correctly? Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, that is correct.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. And through you to Representative Nardello, are we requiring the utilities to offer a time-of-use meter under this proposal?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, the utilities offer a time-of-use meter currently. This notifies customers that if they -- if they would like one, they are can request one.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Well, thank you, Mr. Speaker. Through you to Representative Nardello, my remembrance from the bill we

did in '07, which became, I believe, Public Act 07-242, I think in that bill we required utilities to offer a meter -- a time-of-use meter, essentially, to customers, and -- and my understanding is that the utilities have not aggressively pursued that action.

Am I correct in understanding that? Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I actually can't speak to whether they aggressively did it, but I can speak to the fact that there is a concern expressed within the bill that we would like more people to know that they are available and therefore there is notification by the electric utility to their customers that they are available.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. Moving on to Section 113, this deals with the code of conduct for retail suppliers.

My understanding is that this covers sales of generation services up to a maximum of 100 kW.

Is that correct? Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, that is correct.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And I think -- is it fair to assume that a -- a 99- or 98-kilowatt customer would not be the same as a small business or residential customer?

This is more of the -- the medium-sized customer that may be out there?

And if so, what might be an example of somebody who would be in the vicinity of a 90 to 100 range?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I believe it covers, let's see, retail shops, town offices, kitchen design centers, hair salons. Those are in zero to 75. Seventy-five to 100, McDonald, Best Buys, small healthcare.

Zero to 50 are baseball fields, fairground lighting. And zero to -- you know, small municipal facilities are

under a hundred.

Those are some examples.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, and I thank Representative Nardello for that explanation.

I -- my point being, I think, that a customer on the lower end of the zero to 100 kW might be a little bit different than on the higher end of zero to 100.

In other words, you know, closer to zero might be a small business or a residential customer. And then on the higher end might be a McDonald's or municipal office building, et cetera.

And I guess I'm wondering for what reason we are applying the same code of conduct rules to the customer that's a small business or residential customer as we are to somebody who might be a more sophisticated energy buyer, somebody who has somebody who does this professionally or somebody who has a finance official, unlike, say, really small business or unlike a residential customer.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. The code of conduct applies to the fact that written contracts are required, and there's specification in those contracts. And we believe that written contracts are helpful to any customer.

REP. WILLIAMS (68th):

Through you Mr. Speaker, to Representative Nardello, so does the code of conduct, though, apply?

In other words, there's a variety of mechanisms that, by the way, in my opinion, rightfully protect small business and residential customers. It has to do with when they can telemarket, when they can knock on your door, et cetera, et cetera.

So would the code of conduct language apply to the person who lives in a small, you know -- owns a small business or owns a home, same code of conduct language, would that apply also to the -- the other larger customers that Representative Nardello mentioned?

Through you.

REP. NARDELLO (89th):

Through you, Mr. Speaker. The code of conduct applies to 100 kilowatts and under.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And through you, I guess I'm wondering, though, to -- for what reason do we believe that the customer who is closer to 100 kilowatts, the larger customer, needs that same protection, again, knowing that they may have a more sophisticated buyer who may be buying on their behalf, why do they need that same protection about telemarketing and that sort of thing as the residential customer does?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I guess I can't make a supposition about the sophistication of each individual customer, but I can say that I believe that consumer protections do serve all of those individuals and that we should abide by them.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. And through you, would this

same legislation apply to a chain, let's say a chain of -- I think you referenced McDonald's.

So if somebody owns 30 McDonald's across Connecticut but they are under 100 kW per chain, would this same code of conduct and contract language apply to them?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. This applies to anyone that has a demand of 100 kilowatts and under.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. And through you, was there any concern raised during the public hearing or during the negotiation process that the three-day right of rescission language, which I believe is located in Section 113 as well, may potentially increase the rates that a competitive supplier may offer because, let's say, that competitive supplier now needs to build in risk?

In other words, somebody who enters into an agreement, then has three days to get out of the agreement, the supplier has already purchased the power and then the

customer backs out of it.

Do -- is there any -- was there any concern raised during the hearing process, et cetera, that this may ultimately raise the rate that a competitive supplier may offer?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker. I would hope that a supplier would not buy the power before the three days is up, because it is standard in many other instances that you have a three-day right of rescission to review a contract.

So it is my hope that that would not be the case.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Through you to Representative Nardello, I guess that perplexes me a little bit, because the -- the supplier needs to be able to price their commodity in a certain way in order to enter into an agreement or even make an offer of a sale to a customer.

So, you know, the three days, things could -- as Representative Nardello knows, things could change drastically pricewise in three days. The natural gas markets could go crazy, et cetera.

So I think oftentimes the supplier has to purchase the power in advance of selling it to the customer. And so my question is, during that whole process, was that concern raised by the supplier community?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker, I can't speak for the supplier community. But as we're talking about smaller customers and as we go to them, I would say to you that those individuals, I would think the power is not purchased on that individual basis.

They may have purchased power and they're trying to sell it; and at that point, they should know the price of that power.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. I guess I -- I would

disagree. But we can move on.

Section -- I'm sorry, line 1189, I know this question was posed earlier, I believe, by Representative Hoydick who asked about the procurement manager, and the question was, who ultimately does the procurement manager report to?

Is that person hired and fired by the new Commissioner of the Department of Energy and Environmental Protection or is that person a civil servant, not subject to the changes in who the commissioner is?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Nardello.

REP. NARDELLO (89th):

Through you, Mr. Speaker.

The procurement manager is within the PURA, the Public Utilities Regulatory Authority, but ultimate authority goes to the DEEP commissioner.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Mr. Speaker, I thank Representative Nardello for her answers on those questions.

Mr. Speaker, we heard some concerns raised by members of this chamber regarding a variety of provisions. Most recently, Representative Piscopo had some concerns about the consumer electronics standards portion of this legislation.

And I think a lot of hard work went into this bill. I think this is, for the most part, a good bill, but I -- I have an amendment to offer, and it has to do mostly with taking out some of the provisions that many on this side of the aisle find to be troubling and adding in a provision, which I'll explain when it is called.

And the Clerk has an amendment, LCO 8619. I would ask that it be called and I be allowed to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 8619, which will be designated as House Amendment Schedule "C".

Will the Clerk please call.

THE CLERK:

LCO Number 8619, House "C", offered by Representative Sawyer, et al.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the chamber to summarize. Is there objection?

Hearing none, Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

The amendment before us does a variety of things? It retains several provisions of the bill that we think were worked on, you know, in a very bipartisan manner and were fleshed out.

For example, it retains the consolidation of the Department of Environment -- Environmental Protection and also the DPUC, and it also retains much of the residential solar PV program.

It also retains the PACE program, which we talked about earlier. Several of the pilot programs for CHP and the anaerobic digesters.

It retains some of the changes to our procurement rules and eliminates the laddering that Representative Nardello talked about earlier.

It also retains the buydown of our current standard service contracts, the concept that was talked about where we will try to essentially refinance many of our contracts.

It keeps the time-of-use rate language. It keeps the discount rate study, virtual net metering and a whole variety of things, including the retail code of conduct, which we feel is so important, and a whole variety of other things.

What -- some of the things it removes, it removes the electric distribution company's procurement language. It eliminates the procurement officer. It eliminates the energy efficiency standards for small appliances, which Representative Piscopo talked about. It also does not contain any utility-owned generation or the ISO study.

One addition this amendment does have, ladies and gentlemen, is a refund of the money that has been collected by the State of Connecticut as a result of the extension of the competitive transition assessment.

You know, we heard in debate this week about how the State of Connecticut has collected a tax money that we ultimately do not need, tax money that was on our utility bills if you live in the CL&P service territory, money that customers were told would be going to pay down many of the bonds, and I would move adoption.

DEPUTY SPEAKER GODFREY:

The question is on adoption.

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. I summarized quite a bit of the amendment, but what I was saying at the end there was that it will refund those dollars that have been collected by ratepayers.

This is an important concept, ladies and gentlemen. We told people that the money that we were taxing them on their electric bill would be used for one purpose. We clearly do not need the money for that purpose.

And so what we are suggesting here is we simply follow through on a promise, the promise being we don't need the money, we're going to give it back to you.

So, Mr. Speaker, I would ask that when the vote is taken, it be taken by roll.

DEPUTY SPEAKER GODFREY:

The question is on roll call. All in favor signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

When the vote is taken, it will be taken by roll call.

Will you remark further on House Amendment Schedule "C"?

Representative Nardello.

REP. NARDELLO (89th):

Yes. Through you, Mr. Speaker, I'm going to just address the $40 million to the CL&P customers and make it very clear that there is going to be some sort of mechanism which United Illuminating customers will share in this,

so there will be some return to CL&P customers for what they have paid thus far.

It's also my understanding we do not have the $40 million in the budget to pay this. However, I am sure that should we have a surplus that's much greater than we anticipate, then we can have a discussion about whether or not we should return this $40 million.

It actually will be slightly less, because it's going to UI customers.

But I do urge my colleagues to reject the amendment.

DEPUTY SPEAKER GODFREY:

Remark further on House Amendment "C"? Representative Sawyer.

REP. SAYWER (55th):

Thank you, Mr. Speaker.

One of the reasons that I felt that it was important to bring up this type of amendment was to be able to save the ratepayers a significant portion of money.

Right now, the way the underlying bill is written, we have a series of ratepayer increases that, to me, are second to none

In five years, we're going to be draining an extra $68 million. Well, that sounds like a -- a heck of a lot of money to me, considering that we have the highest

electricity rates in the continental United States. And you know what that rate's going to be for? It's going to be for 35 cents a kilowatt hour

How interesting is that? Because when I look at my bill, I can tell you right now that it's 8.9 percent, sometimes 8.7 percent when I negotiate with different companies. I'm sorry, 8.7 cents.

So we're talking about a three to four times the rate cost? The payback isn't there, ladies and gentlemen. And let me tell you something about solar. Solar has one of the worst paybacks of any, of any of the clean energy.

Thirty-five cents a kilowatt hour. We don't get the payback. New England is not sunny. Connecticut has the tallest trees. And I can tell you that solar takes a pounding with our weather. It's not an inside source. Let me tell you that. It's right out there. It takes the beating of our storms.

Let's just talk about what happened last week. You want to take that as a for instance? The severe storms that we saw last week just north of here.

Two years ago a tornado touched down just a couple of miles from here, from the capital city. The reason I know that is because the night before our wedding, it was supposed to be an outdoor wedding, and it took the whole

yard with it. Very aware of what happened on June 26th.

So I go back to saying yes, it's well-intentioned, but it's one of the most expensive proposals I have ever seen. How many times when we campaigned did we hear that the electric rates are too much, they're killing us.

When we've gone and visited the different companies, when we were asked to do so, we did so for campaign reasons, when the company's board members called us and asked us to come see and they said over and over again our electricity rates are too high. This is well-intentioned, but it's very, very expensive.

We also have a $72 million new generation tax on top of that. It's not separate. It's on top.

So let's talk about this wonderful new renaming of the DPUC. It's going to be called the PURA. So the PURA, guess what we're giving them in this bill? We're giving them more responsibilities and guess -- on the other hand, we're taking staff away.

Now, if you're going to tell me that's streamlining, I'd be really surprised. We are adding more responsibilities, and less people are going to be there to do it.

There are lofty goals in this bill, Mr. Speaker. And ones I would like to support. I remember studying solar,

and it was as a student, and it was a special project, and it was studied across the country.

At New England, from then to now, the weather hasn't changed. New England does not do well with solar. Otherwise, you would see it on just about every other house.

But who's going to pay for this? It's going to be the three-family homes in North Hartford. It's going to be the poorest of residents in Bridgeport. Everybody is going to get this fee increase. Everybody is going to have the new generation tax, and in five years at $68 million, it's coming out of their pockets.

That's not going to reduce our energy costs for anyone. We'll be a touch more cleaner, maybe 20 percent, maybe, if we get there.

Mr. Speaker, I -- I know the Committee has worked hard on this for a couple of years. I know there has been fits and starts between the two chambers; but I can tell you, Mr. Speaker, that this amendment that is before us takes out a number of those factors but leaves in the pieces that are affordable for the State of Connecticut.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Representative Nardello.

REP. NARDELLO (89th):

Thank you, Mr. Speaker.

And I thank the gentlelady for her comments, but I did want to just say that if you know nothing about me, you know that I've always costed everything out. Probably I'm known for that more than I want to be.

And I certainly costed out this bill, because one of my criteria for bringing this bill out today was the fact that there was not going to be a cost to customers, so I would like to give you that costing out.

If you look at year one, the only costs incurred are $4 million to conduct the necessary studies. Okay. Yesterday we passed legislation that saved ratepayers $80 million.

And in year two, we had a potential of $30 million in costs and a potential of $55 million in savings.

In year three, we have a potential of $41 million in costs and a potential of $55 million in savings.

In year four, we have a potential of 55 million and a potential savings of 55. So it comes even.

In year five, it's $67 million, which at that point does cost the ratepayer 30 cents per month. Per month. However, there may be additional savings from this bill

that I can't tell you at this point, but I'm hoping will happen. I'm only giving you what I believe I can be assured of.

In year six, that potential cost is 40 cents a month. It stays that way through year 15, and then it decreases from 16 to 21 years.

So at the height of this in year six, it's 40 cents per month. And the reason you have to understand this and why it's important to put it on the record is that these costs you see in the bill, the payment is not made in the rates until the facilities are actually built.

Even if they get a contract, it's not reflected in rates. They have to be built and they have to be in service and there has to be a procurement process.

And there's going to be a watchdog that's going to be looking at this, the DPUC, to make sure our dollars are being spent well. So that we gain $55 million in the savings on standard offer procurement, which we will not get in the first year, and that's why I didn't tell you it was there, it begins in the second year, and that's how this bill is costed out.

And I understand that you may still want to support the amendment, and I totally respect you for that; but for the record, I did want to say that we have costed the bill

out, and we can stand by those figures.

DEPUTY SPEAKER GODFREY:

Thank you, Representative Nardello.

Representative Sawyer for the second time.

REP. SAYWER (55th):

Thank you, Mr. Speaker, for the second time.

If you listen carefully, the word was "potential," "possible," but the money is going to be spent, and the money is going to be spent before we get any savings, and there is no guarantee of the savings. And there is no payback for this that, in the long run, takes away any of the tremendous costs that we have.

So we're not taking down in five years and bringing our energy costs under control.

And that was the point of my speech before, and I thank the gentlelady for her cost estimates.

DEPUTY SPEAKER GODFREY:

Thank you, ma'am.

Are you ready for the question?

If so, staff and guests, please come to the well of the House.

Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call.

Members to the chamber.

The House is voting House Amendment Schedule "C" by roll call. Members to the chamber.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted? If so, the machine will be locked.

The Clerk will take a tally.

Mr. Clerk, please announce the tally.

THE CLERK:

On House "C"

Total Number Voting	144
Necessary for Adoption	73
Those voting Yea	52
Those voting Nay	92
Absent not Voting	7

DEPUTY SPEAKER GODFREY:

The amendment is rejected.

Are you ready for the question? If so, staff and guests, please come to the --

No? All right. I asked.

Representative Williams.

REP. WILLIAMS (68th):

Sorry, Mr. Speaker. I thought the green light indicated I was -- I was ready to go, but thank you. I'll

be brief.

Ladies and gentlemen, the bill before you, you know, I tell people often that when you have such a large bill in front of you, that if you expect that you're going to get 100 percent satisfaction in your own mind, that you're never going to vote for a bill. If you expect that 100 percent of the bill is going to be good, you're never going to vote for a bill.

And so I guess for my own comfort level, I've come to the conclusion that this is at least 70 to 80 percent good. I think there was a lot of good negotiations involved in this. There's a lot of good things in this bill.

The PACE program is a phenomenal idea. I'm glad that it's in here. I'm very glad that we're doing a study of how we can finance renewables and efficiency projects on our utility bills.

Unlike last year, I think it's really positive that this year we are having renewables compete with each other rather than the government picking winners and losers, the governor -- government saying, you know what, we're given one technology all the credit. I think it's positive thing.

I think it's great that we're leveraging private

capital by using government resources. This is not a government-only program that we see here in this bill.

We're leveraging private capital, inviting the private sector to come in and compete and invest in Connecticut's energy future. It's very positive. Something that many of us here on this side of the aisle, many of you, have talked about for a lot of years.

This bill doesn't go backwards in terms of re-regulation of our electricity markets. It takes a step forward. It actually does positive things. It strengthens the competitive market by providing a code of conduct for retailers to get the bad guys out, to get the bad guys out of the market and keep the good guys in, the good guys who are actually competing drive down electricity rates for customers.

Are there things in this bill that I think are terrible? Absolutely. Things I don't like in this bill.

One of the most positive aspects of this bill is the re -- the restructuring of our DPUC and the Department of Environmental Protection. I think that's a good thing. For so many years, so many of us -- I know Representative Nardello has worked so hard and has been so interested in the issue of consolidating so many of our energy functions.

We have energy functions all over the State of Connecticut, and nobody knows where to go, nobody knows who to pick up the phone to call, nobody knows who to go to to make an application.

It's scattered throughout state government, and so consolidating these functions into one agency is a huge step in the right direction in terms of our energy future.

Ladies and gentlemen, I think there's a few people that need to be thanked. First and foremost, Representative Nardello, who her passion for this is unreal, and I appreciate the work that she's done on this.

Her Ranking Member, Laura Hoydick, Representative Laura Hoydick, who is brand-new here. I think sometimes it's -- it's good to introduce some new faces into the equation, and Laura certainly brought a great, fresh perspective to the leadership of the Energy Committee, and I thank Laura for all of her hard work on this as well.

Another new face who I think injected a lot of positive thinking on this, Commissioner Dan Este. Commissioner Este comes with a very long resume, and he's someone who I respect greatly, who I don't agree with on everything, but certainly no two people do.

Commissioner Este understands that you can, again, leverage private capital using government resources and

produce clean energy by using competitive markets. They're two things that so many people think are really opposite. They're not opposite. They can work hand-in-hand together. And I hope we prove with this bill that that can be done.

Senator John Fonfara, who has been the Senate Cochairman of this Committee for many years and is a dear friend and somebody who has worked so hard on this as well. And somebody who is not with us here tonight, Representative Terry Backer, who I know would be so proud of so many of the things that we're doing. Representative Terry Backer has been a huge proponent of clean energy here in Connecticut and a huge proponent of the competitive markets.

Like Commissioner Este, he understands that those two things can go hand in hand. Terry is not with us tonight, but I know he would be proud of the work we're doing, and I wish him all the best.

So, Mr. Speaker, I would urge adoption of the bill. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Are you ready for the question?

REPRESENTATIVES: Yes.

DEPUTY SPEAKER GODFREY:

Then staff and guests, please retire to the well of the House. Members take your seats. The machine will be opened as soon as it gets up on the board. There we go.

The machine will be open.

THE CLERK:

House of Representative is voting by roll call.

Members to the chamber. The House is voting by roll call. Members to the chamber, please.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted?

If all the members have voted, the machine will be locked.

The Clerk will take a tally.

And the Clerk will announce the tally.

DEPUTY SPEAKER GODFREY:

Senate Bill 1243 as amended by Senate "A", in concurrence with the Senate.

Total Number Voting	147
Necessary for Passage	74
Those voting Yea	139
Those voting Nay	8
Absent not voting	4

DEPUTY SPEAKER GODFREY:

The bill as amended has passed in concurrence with the Senate.

Will the Clerk please call Calendar 561.

THE CLERK:

On page 26, Calendar 561, Substitute for Senate Bill Number 936, An Act Extending the Look-Back Period to Determine Eligibility for Unemployment Compensation Extended Benefits, favorable report of the Committee on Appropriations.

DEPUTY SPEAKER GODFREY:

The Distinguished Vice chairman of the Labor Committee, Representative Santiago.

REP. SANTIAGO (130th):

Thank you, Mr. Speaker. Mr. Speaker, move for acceptance of the Joint Committee's favorable report and passage of the bill.

DEPUTY SPEAKER GODFREY:

Question is on acceptance and passage. Explain the bill, please, sir.

REP. SANTIAGO (130th):

Thank you, Mr. Speaker.

Mr. Speaker, the Clerk is in possession of an Amendment LCO 5104. I would ask that the Clerk call the amendment and that I about granted leave from the chamber