**PA 14-94** **SB357**

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# CONNECTICUT
# GENERAL ASSEMBLY
# HOUSE

## PROCEEDINGS
## 2014

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**6233 – 6539**

SPEAKER SHARKEY:

The Chamber will stand at ease for a moment.

(Chamber at ease.)

SPEAKER SHARKEY:

The House will come back to order. We will return -- no, the House will stand at ease again.

(Chamber at ease.)

(Deputy Speaker Godfrey in the Chair.)

DEPUTY SPEAKER GODFREY:

The House will come back to order.

Mr. Clerk, Calendar 503, please.

THE CLERK:

On Page 28, House Calendar 503, favorable report of the Joint Standing Committee on Environment, Substitute Senate Bill 357, AN ACT CONCERNING REVISIONS TO ENERGY STATUTES.

DEPUTY SPEAKER GODFREY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

Mr. Speaker, I wish to recuse myself from

participating in this bill to avoid the potential appearance of a conflict of interest in light of the fact that there is litigation pending that -- I'll leave it at that.

DEPUTY SPEAKER GODFREY:

That's sufficient.

REP. CAFERO (142nd):

Thank you.

DEPUTY SPEAKER GODFREY:

Representative Zupkus.

REP. ZUPKUS (89th):

Thank you, Mr. Speaker. I, too, wish to recuse myself for a possible conflict of interest.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

The House will stand at ease while Representatives Cafero and Zupkus leave the Chamber.

(Chamber at ease.)

DEPUTY SPEAKER GODFREY:

And that having occurred, we are on Senate Bill 357. The Distinguished Chairman, Representative Lonnie Reed.

Representative Reed.

REP. REED (102nd):

Good evening, Mr. Speaker. I move for

acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER GODFREY:

Questions on acceptance, passage, and concurrence.

Would you explain the bill please, ma'am?

REP. REED (102nd):

Mr. Speaker, the -- this bill came out of the Senate with two amendments, so I need to put both of them on. The Clerk has in his possession LCO 5133, Senate Amendment "A". I request that he be asked to call it, and that I be permitted to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 5133, previously designated as Senate Amendment Schedule "A". Mr. Clerk, would you please -- please call the Amendment?

THE CLERK:

Senate "A", LCO 5133, as introduced by Senator Williams, et al.

DEPUTY SPEAKER GODFREY:

The gentle -- gentlewoman has asked the leave of the Chamber to summarize.

Is there any objection?

Hearing none, Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Mr. Speaker, this is essentially a strike-all amendment that becomes the bill, and it makes numerous unrelated changes to energy and environmental statutes. These include dissolving the Connecticut Resources Recovery Authority, CRRA, and replacing it with a successor authority, The Materials Innovation and Recycling Authority, MIRA.

The goal is to transform the state's solid waste management system to include 60 percent recycling by 2024. This amendment also renames CEFIA, the Clean Energy Finance and Investment Authority, to what most people call it anyway, the "Green Bank". It also expands the authority's successful C-PACE program, the Commercial Property Assessed Clean Energy Program, to include microgrids.

I move adoption.

DEPUTY SPEAKER GODFREY:

Question is on adoption.

Will you remark on Senate "A".

Gentlewoman from the 120th, Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

A few questions to the proponent of the bill through you, sir?

DEPUTY SPEAKER GODFREY:

Proceed.

REP. HOYDICK (120th):

Through you, Mr. Speaker.

Representative Reed, in Section 18, it establishes efficiency standards for products. How will this section of the bill affect consumers?

REP. REED (102nd):

Section 18.

DEPUTY SPEAKER GODFREY:

Representative Reed, do you care to respond?

REP. REED (102nd):

Thank you, Mr. Speaker.

The -- the establishment of efficiency standards for products was -- one thing that we really wanted to do was to be able to -- fast-track these for manufacturers who had already complied with what California had certified them for. And so one of the things this does is to allow us to accept that certification and not make them jump through hoops if they've already been approved by California.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

I thank the kind Chairwoman for her answers.

What happens if the products aren't on California's list?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

And that allows DEEP to do its own study, its own survey for certification, and also allows us to consult the EPA, and -- and pull together a set of standards that -- that meet those -- those benchmarks. And -- and it's great because it doesn't hinge us totally on what California does, so it -- it offers flexibility and allows us to consider a lot more products.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Representative Reed.

Thank you, Mr. Speaker.

It does my heart good to know that we aren't incumbent upon California's standards; we can enact our own. And more on that line of questioning, with regard to the EPA, I noticed that there are some building standards that we have in this bill, and

it's regarding state building code, and it's improving -- well, I shouldn't say improving -- it's definitely talking about efficiency in our state building codes and the ability -- excuse me sir -- the ability to raise the standard from what it currently is. And I was hoping the good Representative would talk a little bit about those sections. And it is -- I think it's Section 19 of the bill, but I will clarify that in a minute. It is Section 19.

REP. REED (102nd):

Section 19.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So among the things it does is it allows us to use the Energy Star target finder tool that the EPA has created, which is really actually -- if anybody really wants to get on their computer right now and look at it -- is a really interesting tool, and it's something that can be easily sought out and -- and perused by engineers, and architects, and municipalities, and anyone looking to see what the highest standards are.

So we have -- we evidently have created a system now that is a little bit too intense, so

we're doing one that if you can comply with up to 75 points on the EPA system, you can be recommended for consideration.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

I'm having a hard time hearing the gentlewoman. I don't think it's the Chamber --

DEPUTY SPEAKER GODFREY:

Actually, Representative, I am, too.

REP. HOYDICK (120th):

-- I think it's the microphone volume.

DEPUTY SPEAKER GODFREY:

And it's not because there's a lot of noise here in the room.

REP. HOYDICK (120th):

No, I don't think so at all, sir.

DEPUTY SPEAKER GODFREY:

If we could -- yeah, could we just raise it up a -- a tad?

REP. REED (102nd):

Yes, thank you so much.

DEPUTY SPEAKER GODFREY:

That's better. Thank you.

REP. HOYDICK (120th):

And along those lines, Mr. Speaker, if I could ask another question with regard to Energy Star building identifiers.

There are certain criterias of buildings that are identified in Energy Stars, and sometimes there are certain building standards that are not identified in Energy Star. So in those cases, for example, Energy Star doesn't -- doesn't trend a lab building. And for the property that we have, that we are leasing to Jackson Labs, what would we do in that case for the improvements that -- that are going to be made in that building?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So among the things that we're doing is setting a high bar for buildings that the State is contributing at least $5 million to, building new, which clearly Jackson Labs would be among the ones that would need to comply to be built to the highest standards. And also, for doing renovations at $2 million for the State -- if -- if the State has $2 million invested in a renovation of an existing building, high standards -- highest standards, and also for new schools and renovating old schools

bring it up to that standard.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

I thank the kind gentlewoman for her answers.

And I -- I think part of the bill also references if the standards were not identified per the EPA program, that we could use the ASHRAE, which is the American Society of Heating, Ventilating, and Air Conditioning Engineers, those standards, which is something that we be required for. So that's a good part that there's built-in flexibility in this bill. So I appreciate that.

With regard to Section 21, which is the Bridgeport Thermal Limited Liability Company, what -- can you explain what a thermal energy transportation company is, because that's what that section deals with.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So that replicates what has been happening for many years with the Hartford Steam Company, for instance. So it creates a closed-loop system that

provides heating to municipal buildings that are in the municipal downtown area. And it's something -- Bridgeport has been doing a lot of very innovative things, and it -- it really feeds into all the upgrades they're doing to take advantage of that, and to provide that -- that capacity to buildings that they have in the downtown area.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And this isn't taking the place of the utility company, is it?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

No, it is not.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And regarding the next segue into large-scale heating and cooling on -- on a multilevel, in

Section 23 we talk about the microgrid program, and it qualifying for the C-PACE program.

Through you, Mr. Speaker, if the good Representative could explain a little bit how this expands the current program through C-PACE and microgrids?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So the C-PACE program, which allows you to pay for long-term improvements on your property taxes, has been marvelous for all kinds of renewables and energy efficiency installations. And -- and as the Ranking Member knows well, we've been very proud of -- of what we've been able to accomplish in that arena. And so it's a natural extension to include microgrids, because so many communities now want to -- companies and various other entities want to include microgrids to have, not only backup systems, but pretty much primary systems that can give them the kind of energy they need.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And the good Chairwoman is absolutely correct. We've been working collaboratively, for quite a while, about the CEFIA program which later in the bill will talk about the Connecticut "Green Bank", and the great strides that they have made with regard to energy efficiency and renewable energy, and -- and funding programs that allow our residents and commercial properties to have energy efficiency products and renewable products and programs within their own buildings.

And to that end, I believe that part of the bill allows, soon to be the "Green Bank" to study C-PACE in residential settings. So currently, we only have C-PACE for commercial -- for commercial owners. And so that allows the owner to finance renewables or energy efficiency projects and pay for it through their tax bill, so it sits as a tax lien. And now they're going to study the residential component of this.

And I wondered if Representative Reed would like to comment on how she sees that working.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

I had one moment of distraction for which I

sincerely apologize. So you're asking about residential C-PACE, and the exploration of that. So this was -- actually this started in Oakland, California, the residential C-PACE.

And Connecticut -- if we don't do it first, we do it better. And so we're very excited at how successful the commercial C-PACE program has been and how involved -- you know, we have a state model that everyone utilizes, and -- and that has stabilized and encouraged private investment, the lenders, to get involved. And so, you know, there have been other concerns about where your mortgage stands in relationship to your property tax lien that you're doing to -- to make these improvements. But because it's been so successful in the commercial arena, we think that we can really resolve those issues. And -- so it's very exciting.

Again, the CEFIA professional team has really been remarkable in creating a system -- the first one in the country -- and also building in an incredible sense of confidence by the lenders, and the municipalities and the commercial enterprises. So we have so many residential consumers who want to take advantage of this. They are very excited about it, and -- and we think it's very doable, and so we want to encourage CEFIA to make that happen.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And I concur, that is -- it is an exciting time for us to be exploring C-PACE and its opportunities for residential customers.

I was curious, though, if -- if anybody from CEFIA has talked to you about how they plan to do this study, if they were going to approach the Banking Commissioner, and any kind of banking association who holds mortgages for residential clients, if they would engage with CCM or COST to talk to our municipalities about the opportunities to do this?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Yes, indeed. That's exactly what they're doing. And, of course, they have formed excellent relationships with these associations. The Banking Commissioner, obviously, is very involved and excited about it. And it's a natural evolution of what we did commercially. So that's one of the things that they're doing.

And, you know, obviously there -- there are always hurdles to get over, in terms of making everybody feel confident that -- that their investments are going to be protected. But we really feel that they -- there is a real interest in making this happen.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Representative Reed, and thank you, Mr. Speaker.

We might as well close up with CEFIA, and talk about the name change and what that means. And so it is Connecticut Green Bank, which seems to be very commonsensical to me, instead of CEFIA, trying to figure out what the acronym is.

So -- so is there any -- any comment from the Chairwoman of Energy and Technology about this name change?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So one of the great things about CEFIA is they really understand marketing and branding, and it's

one of the ways they've really been able to educate the -- not only the public, but the nation, about the things they're doing. So green banks are springing up all over the place now.

And so the CEFIA imprimatur was a little unwieldy and the Green Bank brand is really what we're calling it and, obviously, we have to change it legally because all the documents and the statutes have to reflect it, so that they're entering into contracts in a solid format. But it feels like a natural -- the next place to go. And it is something that's -- it's not a small thing, in terms of what it's going to yield, because they will really use it in all of their campaigns and -- and all of the things they're doing to reach out to people and let them know what's possible.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

And thank you for that answer.

And it wouldn't be an energy bill without something to do with either television or telephone. So there is a section in the bill -- I think it's Section 27 -- that talks about the capping of -- of rates or -- let me clarify -- capping of a late fee charge for cable television.

Through you, Mr. Speaker.

Is there anything else that I'm missing in that part of the section of the bill?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So because cable functions under different rules, given how they began, they had an 8 percent -- you can charge only 8 percent a year for late fees, where all their competitors who have a different format fall under different regulations can charge I think it's 8 percent a month. And so it's just a level the playing field move, an enabling move, not a mandated move. If they choose to charge a little bit more for late fees per month, this allows them to do that.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And thank you, Representative Reed.

And let's -- since we're talking about cost recovery, let's go into what Section 31 is, and it's allowing the utility companies to recover any pilots or programs that we've put in statute or through

PURA that we'd like them to investigate.

And Representative Reed, would you mind sharing what some of those projects pilots are.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So we've created microgrids and a whole host of programs -- and on-bill financing for people to upgrade their furnaces and -- and various resources to give customers more opportunities and more options. And in the regulations, because it does take some administrative work to reconfigure and to really handle the interactions with customers and consumers, the -- the energy companies, the utilities need the ability to pass that through, to argue it in front of PURA and to pass it through. And so -- so that's what this does.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much, Mr. Speaker.

Thank you, Representative Reed.

And I was just looking through my notes because there was one other piece about gas expansion that I

wanted to ask you a question on, but let me just tell you a little bit of the story first.

So today at lunch, Representative Kokoruda, from Madison, was explaining how she and her husband are converting to gas, and they are using the on-bill financing program. It was very easy for them, and quite efficient. And the utility gave them a list of contractors that they could choose from if -- if they desired. And I think this is one of the successes that we've worked so hard at for the last several years, and I just wanted to share that with you.

So Representative Reed, maybe you can help me on this because I am -- I found it, section 51, which is the nonfirm margin credit. You and I have commiserated a little bit about the natural gas expansion not going quite as quickly as we wanted. And I know you and Senator Duff have met countless times with the utility companies to say, hey guys, what's holding us up. And I believe you found the fix to that or part of the fix. And if you would explain it to the Chamber, I would be very grateful.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So -- and this is something the Ranking House Member has been exceedingly helpful with as well. The nonfirm margins are essentially if the gas company buys contractually and doesn't use that, they get to resell it on the secondary market, and that money has to be passed through to the ratepayers. And this allows them to use -- I think it's up to 15 million. There's a $15 million cap to help pay for the natural gas expansion program so that -- so that the gas can be expanded to as many people as possible, and they won't be charged huge hook-up costs. It actually -- it reduces the price that consumers have to pay to be hooked up. If they're outside the immediate metric, they're in the neighborhood of the main, but outside the immediate metric, it kind of gives a portfolio approach so you can hook up more people, and you can use the nonfirm -- half the nonfirm margin money to make that affordable to the new gas customers.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Representative Reed.

And I -- I do think that she's being very generous. She and Senator Duff have worked very, very hard on this natural gas expansion. It was the

Governor's initiative. And it is the opportunity for Connecticut residents and homeowners to lower their utility rates by using natural gas instead of oil or possibly another heating source.

So I thank the kind gentlewoman for all her efforts on that part. And I also have to commend her, and the chair, and my Ranking Member for working very closely with the PURA commissioners. Because, currently, the reason why this cannot be applied to the immediate gas expansion, which is literally just off-line, is because how PURA's regulations are set up, that margin, that potential extra that they're selling on the market, has to be applied at the end of the project and not in the beginning of the project. So through the kind lady's diligence, we were very successful in working with PURA to get this into the statute and -- as part of the regulations.

So with that, Mr. Speaker, there is a water fix in Section 50, and I was hoping the kind gentlelady would be able to explain that to the Chamber.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So this allows -- it sort of expands the

jurisdiction so that the water companies can reach beyond their -- their current customer base, when just outside that base the wells are going bad, quite frankly. And this is really to help a couple of communities that have this issue. And it allows them -- the water company to expand the payback through the entire rate customer base in order to make it possible to deliver water farther out.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Representative Reed.

Would you say this is akin to what we are doing with the natural gas expansion?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Absolutely. And as we've discussed many times, the Ranking Member and I, one gets frustrated with how -- how -- the precision of regulations, which we need, can by micromanagement to such a degree, what seems like common sense, gets frustrating. So -- so protecting everybody, but also, you know, getting real with what the demand is and the possibilities are, we were able to -- to include this in these

statutes. And it's really going to make a world of difference.

It sounds complicated when we explain it to our colleagues, but they're going to have constituents calling up and saying thank you, thank you. We've finally got water. We've finally got gas.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank -- thank you, Mr. Speaker.

And also in this bill is a little something for everybody. Representative Willis had approached the committee in the beginning of session and had asked us to consider a virtual net metering bill for non -- nonprofits, and the initiative is a laudable one, and it's something we should definitely investigate, and it is in the bill as a study. We have other virtual net metering studies going on currently. And so I just wanted to point that out that the Chairs of the committee took into consideration what other people wanted and -- and put it into this bill.

And then, speaking about what other people wanted, yesterday or the day before, we talked a lot about consumer protections, and how in S.B. 2 we outlined various practices that would be implemented

immediately while PURA did their docket. And I notice in this bill there are a few sections that address some expansion of those -- those particular sections in S.B. 2, and I wondered if the kind gentlewoman would explain them a little bit.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So the -- it's technical refinements, and one of the issues that we talked about yesterday -- was it yesterday? -- the around-the-clock final days of -- of session -- that we talked about yesterday when we were enacting -- adopting S.B. 2 was that we wanted to mandate that the electric retailers notify people within 15 days if they're going to get a 25 percent bump in -- in their kilowatt rate. And so that could be from 9 cents to 11 cents, but it's very important that everybody knows that that's coming. And we realized, after we sent it on its way, that we wanted to refine it to make sure that it means a 20 percent -- 25 percent bump from the existing number. So one of the refinements is so if you go from 9 to 11 cents in a month, and you're warned of that, if you go to 11.03332 in the next month, that does not qualify. That doesn't mandate that you have to do the 15-day warning.

So refinements like that are the kind of thing that make companies apoplectic. So we wanted to make sure that we had the technical fix in there.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And it's not too often that before we end the session we're able to fix a bill that we passed earlier in the session, so I thank the kind gentlewoman for that -- those efforts and initiative.

And if she could talk a little bit about the Call Before You Dig sections in this bill, which there are numerous. They are in Sections 38 through 47. And if she could just highlight the changes, I would be most appreciative.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So we discovered that -- so we make the utilities and -- and people who are digging around utility lines, infrastructure, -- buried delivery systems, to call. And we suddenly realized that

there are people who have installed systems independently that are delivering various power supplies or various other things to their homes alone, and so we wanted to exempt them from that.

Let's see. Oh, and we created a central clearinghouse operated by PURA so that people can call up and find out about these things. We maintain -- if it's egregious, the $40,000 fine -- at one point, the -- the federal government wanted us to bump it up I think to $200,000, and we refused to go there, so we maintained it at it's current.

We have protected agriculture from unnecessary calls for plowing and tilling and fence -- installing fences, and the kinds of things that they do, so we've created a system that keeps them from being on the phone all day, every day to PURA.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And I thank the good Chairwoman for that answer, and that inclusion in the bill, because my Ranking Member, Senator Chapin, was very strong on this since he comes from a heavily agricultural community. And he was a little concerned about the Call Before You Dig for the farmers, so I'm sure he

was very happy with this section as well.

And one of my last questions, through you, Mr. Speaker, is regarding -- it's called the property tax fix, but it is -- last year, we passed a bill that allowed a tax cut, a reduction, on renewable energy put on a commercial property. And so we -- there are two sections in the bill, 56 and 57, that clarify what the tax exemption is. And if Representative Reed would go through those, I think it would of benefit to the Chamber.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

So this was really interesting. We were called into a meeting because, I believe in this case it was Waterbury, but there were other cities that were having this interesting experience as well. That some facilities that had installed solar, for instance, came to them and said that they had to have their property taxes removed from all of their power systems. So they didn't want to pay anything for power in a property tax context. And we realized that we had to make it clear that -- that there's a baseline power that you really are obligated to pay in terms of your property taxes.

So -- so that's what that is. And I remember having one realtor tell me, you know, you can't even sell a place that is listed as having no power. I mean it was very, very confusing and concerning, and evidently, there was concern that it was going to keep the cities and municipalities from experiencing the level of property tax remuneration that they needed. .

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And I thank the good Chair of the Energy and Technology Committee, not only for her work on this bill, but for the work that she's done for the last two sessions. It has been a pleasure to be -- serve as Ranking Member on this committee. And I am very proud of all the good work we have all done, and we share with members of both -- the House and the Senate.

So I am going to leave the environmental questions to my colleague, Representative Shaban, and I -- at this point, I am intended to support the bill, and I think since his name is on the amendment, he is too. And so I look forward to passing this unanimously.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you.

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

I rise in support of the amendment before us. But, through you, if I may, a few questions to whomever you think it appropriate to direct them to, whether it be the Chair of Energy, or the Chair of Environment.

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. SHABAN (135th):

Thank you, Madam -- or sorry, thank you, Mr. Speaker. It's a long day. Through you, Mr. Speaker.

The main thrust of the environmental portions of this bill is a conversion of CRRA to a new agency called MIRA, the Materials Innovation and Recycling Authority.

Now, through you, Mr. Speaker, if -- if the Chairwoman or whomever could -- could it be explained why we're doing that?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. -- thank you, Mr. Speaker.

And -- and actually, I think, at one point, the distinguished Chairwoman, House Chairwoman of the Environment Committee with also stand up. But this is really a joint, Energy/Environment bill. And one of the issues we've had is that our waste-to-energy facilities that burn waste to create energy are no longer able to sell into the marketplace the way they used to because there's much more competition. They're selling at too high a price. So their economic model is dying fast, and that has them coming back to us for subsidies, or asking us to put them into a Class I -- they're Class II and they want to be in Class I to -- for -- for RECs, Class I RECs which pay back at a higher price.

And also, looking at where we are going from a recycling context, it became very clear that we had to do a waste recycling strategy, very much like the comprehensive energy strategy, a comprehensive waste recycling strategy, because we're throwing away and burning organics that can be transformed into bio-gas to be used for energy. We're throwing away metals and hard plastics, and all kinds of things that we can recycle, mattresses. We have a mattress law now that really is incentivizing recycling of

mattresses. So there's so many things that really need to be recycled. And also, the tipping fees for the municipalities have been going up so much, this will save the municipalities money. So that's why we're doing it.

And I think I said at the outset, the goal is 60 percent recycling by 2024. And right now, I think it's at about 28 to 30 percent, so it's -- it's really going to be very aggressive. There are going to be grants, actually, for municipalities. We're taking away from CRRA the education component of their mandate, and we're refocusing them on running Mid-Con which is, not to be insulting, but probably the worst-run energy -- waste-to-energy facility in the state, that has not endeared itself to a lot of us by asking for subsidies. And -- and they have not upgraded their technology in years. They have not stayed current. And so we're refocusing them, and actually sending out an RFP to waste management companies to see if we can come up with three finalists who would do a better job of running Mid-Con. And -- and so all of this is going into a whole new strategy to really transform how we handle waste and -- and how we make these viable.

But the other thing that we're doing, actually, is -- because we do want to help them through the transition -- and some of them -- Bristol, which my

district utilizes, is managed by Covanta, which operates some of the others. But the board -- they do the operational stuff -- but the board is really a wonderfully aggressive board, and they've really been doing wonderful things. They're building an anaerobic digester which is how you turn organics into bio-gas. They're doing a lot of really marvelous things, and so we are going to allow them -- all of them, to compete for state -- contracts for state buildings. And we're putting in the -- this part of the bill that you can charge one-half cent above the standard offer, and that the State would pay that much, but, again, an RFP, in order to help transition them through, that that would have value.

So I'm sure you know a lot more about this than I do, since you serve -- so -- in such a terrific way on the Environment Committee.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

And I appreciate the Chairwoman's answer. It's -- I think it's important for the Chamber to know how -- what the transition that's going on is, you know, sort of a move away from trash energy and

a move towards trash-to-recycling. So just kind of following up on that theme, to connect the dots, through you, Mr. Speaker, how will the new agency, MIRA, or otherwise, get its revenue in order to sustain its mission?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

I think perhaps the Chairwoman of the Environment Committee would like to take it from here.

Representative Gentile.

DEPUTY SPEAKER GODFREY:

Representative Shaban, you have the floor, sir.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

If it's acceptable to the Speaker, I accept the yield, and I pose that same question to Representative Gentile, through you.

DEPUTY SPEAKER GODFREY:

She didn't yield to you, but that doesn't matter anyway. If you'd like to direct your question to Representative Gentile, that would be in order.

REP. SHABAN (135th):

Thank you, Mr. Speaker, I would.

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. SHABAN (135th):

Through you, Mr. Speaker.

Same question: With the transition from a trash-to-energy model toward a trash-to-recycling model, how will the new agency, MIRA, and the associated agencies connected therewith, how will they get funding to sustain their mission?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Gentile, do you care to respond?

REP. GENTILE (104th):

Thank you, Mr. Speaker, yes, I will care to respond. And through you, Mr. Speaker, it is my understanding, you've heard a lot about the recycling efforts, and with the recycling will be coming byproducts, so some of these revenues will be coming from the sale of those byproducts. This is a whole new industry that we will be developing.

DEPUTY SPEAKER GODFREY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker, and through you.

Sort of the backside of the same question: With the existing trash-to-energy plants that exist

now, that are operating to some degree now, what is to become of them?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Gentile.

REP. GENTILE (104th):

I'm sorry, Mr. Speaker, could he repeat the question, please. I was distracted.

DEPUTY SPEAKER GODFREY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker. Through you.

With the existing trash-to-energy plants that exist now, what -- what's to become of them? Are they going to be privatized? Are they still going to be selling energy as we move into this new model?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Gentile.

REP. GENTILE (104th):

Through you, Mr. Speaker.

It is my understanding that they will be operating. This is just involving the new MIRA and -- and those towns that work through currently CRRA.

DEPUTY SPEAKER GODFREY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

And I thank the Chairwoman for her answer. There's some -- there's some discussion in the bill about DEEP being able to buy some electricity, pooling, and whatnot. And I -- through you, Mr. Speaker -- if -- if one or both of the distinguished Chair -- Chairladies could, how is that going to work? Is it still through -- well, that's it. How is that going to work?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

To -- to which gentlewoman are you directing your question, Representative Shaban?

REP. SHABAN (135th):

Probably the Chairwoman of the Environment Committee because she's standing.

DEPUTY SPEAKER GODFREY:

Representative Gentile, the distinguished standing Chair.

REP. GENTILE (104th):

Through you, Mr. Speaker.

Municipal grants could be one way. I believe there are also -- there will be a purchase pool. That's specified in the bill as well.

DEPUTY SPEAKER GODFREY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

Yes, and as I've been listening to, a, the public hearing, b, looking at this amendment which most of the folks who are speaking now have co-sponsored, and kind of re-going through the language now, I think it's important for the Chamber to know that some of these purchases -- or the purchase pool, is going to be through suppliers who resource their energy through waste-to-energy plants in the state. So I think that's -- that's kind of -- my Q and A was to, sort of, fill in the gaps of, you know, what -- what's going on, where's it going, and what's got to be done with what's left.

So I appreciate the comments from both Chairwomen. I rise in support of the bill. I mean, I think -- I think everything that should be said about the bill already has. It's a positive step in the right direction. We are slowly migrating our state into a single-stream, capture everything and recycle it model, which is the path of the future, because that's -- that's the way, I think, all of our societies are going across the United States.

So I -- I thank everybody who did all the work on this portion of the bill and the energy portion of the bill which we just heard about before, and I urge adoption.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Further on Senate "A"?

Representative Lesser.

REP. LESSER (100th):

All right. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of Senate Amendment "A". And I want to say, at the outset, that I want to thank Governor Malloy for what I believe is some visionary work in support of recycling. I also want to speak very proudly in support of expansions of C-PACE and other efforts that a lot of us, in this body, care very passionately about.

I do, though, have a couple of questions, through you, Mr. Speaker, to the proponent of the bill.

DEPUTY SPEAKER GODFREY:

Please, sir.

REP. LESSER (100th):

Mr. Speaker, I understand -- Mr. Speaker, I understand -- through you to the proponents -- that the bill eliminates the Connecticut Energy Advisory Board.

Through you, Mr. Speaker.

Is that correct?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Yes, it is.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Lesser.

REP. LESSER (100th):

All right. Thank you, Mr. Speaker.

Mr. Speaker, did that have -- through you -- did that have a public hearing?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

It actually did. We -- when we created the Department of Energy, in 11-80, a couple of sessions ago, we pretty much took away all of the things that the CEAB did. The CEAB did amazing work, since 1974, when we did not have a Department of Energy, including the Integrated Resource Plan, and keeping us on task with buying renewables.

But when we created the Department of Energy, and we brought on some just astonishing people with incredible skill sets and marvelous resumes, we pretty much did away with everything they did. And you'll recall, last year, that the CEAB -- there

were a few other, sort of, ancillary things that we were required to remove because they were not performing those duties and they were barely meeting. I think they meet by a conference call once every three months, and they really don't have a lot to do. So -- and additionally, people -- and there's some wonderful people on that board, but they interact with us all the time.

Joel Gordis, whom I know we all hear from and really appreciate his input, is somebody that we pretty much hear from every day. AARP is on it. Certainly, they have access to the process. There are several environment people on the -- on that group that we hear from. The -- the Consumer Counsel -- the Office of Consumer Counsel is on it. We certainly interact with her. So -- CBIA, we interact with CBIA. They're on it. So it became apparent that they really had nothing to do. And they, in an effort -- there were some members who thought, well, if we gave them, you know, $140,000 and create a new revenue stream, they could hire a consultant to give us some advice. But I think we're getting a lot of advice from a lot of very impressive people. So, essentially, that's why we have decided to finally formalize the fact that it -- it's eliminated.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Lesser.

REP. LESSER (100th):

Thank you, Mr. Speaker.

I thank the gentlelady for her answer.

And just to be clear on -- on my previous question, am I to understand that this year, in this legislative session, there was a public hearing on a proposal to eliminate the CEAB?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

You know, I don't think there was a public hearing. There was certainly interaction with the CEAB. There was interaction with key people on the CEAB. And essentially, they -- many of them were saying please eliminate us. We're going to meetings that don't need to be happening. A couple of people wanted us to retain it, but essentially, that's what happened. And -- and there was a request. They did want to put in a bill to request money. And I think, in this era, where we're trying to streamline government and we're trying to save everybody money, the taxpayers, the ratepayers, it became clear that they were paid by the Systems Benefit Charge, and we -- there's so many other things we can apply that

to, including Operation Fuel and that kind of thing. So this was sort of -- it -- it was really already a fait accompli because the CEAB was really not really functioning anymore. They were existing in name only, and this is just formalizing it.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Lesser.

REP. LESSER (100th):

Thank you, Mr. Speaker.

And I want to again thank the gentlelady for her answer.

I've served on the Energy and Technology Committee, now this is my sixth year. And I don't recall, at any point, in my service on that career attending or being aware of a public hearing to discuss the elimination of the CEAB. And I understand that this Legislature has curtailed their powers and responsibilities significantly. But this is an organization, a board that has been in existence since 1974. And the feedback that I've received, as an individual legislator from members of the CEAB, has been strongly in opposition to a proposal to eliminate them.

I think this is exactly what a public hearing process is -- is supposed to vet out. And I find it deeply concerning, that as a member of the Energy

and Technology Committee, we did not have the opportunity, either this year or, to my knowledge, in any previous year, to vet whether or not that this was the right course of action. I don't think that that outweighs the good that's in this bill. I see a lot of good.

But that process, Mr. Speaker, I think is not in accordance with the -- the highest traditions of this body. And I -- I would also remind -- state for the record, that my understanding is that when the CEAB was first established in the seventies, it was alongside Connecticut Energy Agency. And it performed a vital oversight role, as a legislatively-appointed body, over an executive branch agency. And I'm concerned now, that as we eliminate the CEAB, we may not have that kind of oversight or that kind of legislative presence. But we don't know that because we didn't have a public hearing on this provision, and that is deeply concerning to me.

I do have one question about one other question, and I do appreciate the gentlelady's responses. Section 27 strikes the words "per annum" with regard to cable television rates -- late fees for cable television which are currently capped at 8 percent per year. Will the gentlelady -- again, I'm not sure if that had a public hearing or not, but

I -- I'm wondering if that will have any impact on cable television rates or fees experienced by the customers of the state?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Now, actually, that was a level-the-playing-field component. It's not on rates. It's on penalties for late payment. And because the cable industry came in under a whole different set of regulations, they were only able to charge 8 percent a year. And they wanted enabling legislation to be able to charge 8 percent, like everybody else does, a month. So not that they're even going to utilize it, but it was a level-the-playing-field request. And it's penalty, not rates.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Lesser.

REP. LESSER (100th):

Thank you. And Mr. Speaker, I thank the gentlelady for her answer.

Again, it concerns me that, as a member of the Energy and Technology Committee, I don't recall a

bill or a hearing where we would -- had the opportunity to evaluate whether it was in ratepayer interests to allow for an increase on late fees for cable bills. I'm concerned about that. I've received many calls and letters from constituents who are upset at the cost of cable television. And I'm concerned that this might increase the impact on the customers of this state.

That said, I still am in support of this amendment with those two issues aside. But I would hope that moving forward, we could be committed to the public hearing process and the full involvement of committee members in critical legislative decisions.

Thank you, Mr. Speaker.

And again I rise in support of this amendment.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Representative O'Neill.

REP. O'NEILL (69th):

Yes, thank you, Mr. Speaker.

Actually, I wanted to follow up a little bit on the questions that were put forth by the previous speaker.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

With respect to the CEAB, one of the things that's referenced in the OLR Report that is attached to our bill is a description of some of the functions of the CEAB. And one of them is the -- apparently the RFP process, wherein if a apparently a fairly large electric-generating facility is presented to the Siting Council, one of the things that happens is that the CEAB would issue an RFP looking for alternative sites for the large-scale, electric generating facility. Is -- is that function -- I mean, it talks about eliminating, in the OLR report, the RFP process. Is that process going to be conducted by the Department of Energy?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative -- Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Yes, as a matter of fact, it is being now, so we're building things like fuel cell energy installations and that kind of thing. And that's approved by not only the Department of Energy and the Siting Council, but also the municipalities.

What this really referred to was that back in the day, before we had electric distribution companies, when we were building power generation

plants, the -- the old-school power generation plants -- and that was the function -- one of the functions that the CEAB did, because we didn't have any other processes for it. We had sort of a minimal energy -- energy department presence. So -- so that function really hasn't been served in -- in a long time.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

Just to be clear, my -- my question was, is the RFP process that was -- that we're abolishing, with respect to the CEAB, is a similar kind of process going to be undertaken by the Department of Energy, because the earlier explanation was that the functions of the CEAB had all pretty much been transferred over to the Department of Energy.

So if someone proposes a large-scale project that would have triggered the CEAB's RFP process, will an RFP process be triggered at the Department of Energy?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Yes. And I apologize for not answering it more clearly the first time. Absolutely. And not only -- so the RFP process through the Department of Energy, but also the municipalities are very engaged and the Siting Council are very engaged. And we've actually had, in recent history, some fuel cell energy placements that have been looked at and were too close to neighborhoods and were denied. So the RFP process is going out, looking for companies that want to participate in various programs that we have, and also the protections still exist, and even more so.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

And just to be -- make sure -- my understanding of what I'm reading in the OLR Report is that, if somebody wanted to build a power plant or some other energy installation that would hit a certain threshold, the -- an alternative site was to be sought by the CEAB by way of this RFP process to look for a different option. And that's the question. It's not whether a different company wants to go in and set up at the same location, but

rather, is there another place where you could put this, let's say, a gas-fired electric-generating facility, or whatever fuel that they would utilize. Is there still going to be, at some threshold, a request for a proposal to find an alternative location?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Absolutely. And -- and as I said, this -- the CEAB RFP process happened initially when we were still building the big power plants, you know, part of the -- that were essential parts of the grid, and we have deregulated now and left that, you know, that model, so we have an ISO New England. The -- we have a couple of peaker plants and we obviously have the nuclear plant, but we're not building those large-scale power plants anymore. We're building microgrid plants. But absolutely, the RFP process works that way, will continue to work that way, and there will be alternative sites.

There will be the ability for contiguous neighbors to protest and not want to participate, not want it near them, and all of those functions remain in place.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

And talking a little bit about the cable television penalty charge, in my experience -- and perhaps I've just been lucky -- that whenever I've been late with an electric bill, they charge me 1 percent. And so, if I were late every month, that would add up to about 12 percent. My -- I never have been hit with an 8 percent charge on my electric bill, and so I'm a little surprised to hear that all the other utilities, besides cable, are entitled to impose an 8 per month -- 8 percent per month charge on a -- as a late fee for someone who is a few days late paying their electric bill, or their gas bill, or their telephone bill. My impression has always been that those are 1 percent per month charges.

So again, I would ask, is there a eight -- are the other utilities actually allowed to impose an 8 percent per month charge, because that amounts to -- 8 percent per month is about 96, if I do the arithmetic, percent per year. That's -- that's pretty high. I just want to be sure that I'm understanding the explanations that's being offered

here tonight is that -- at least as I understood it, was correct.

So through you, are the other utilities allowed to charge 8 percent per month?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

As I understand it, their direct competitors are and -- so -- as I understand it.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

I guess I'm not understanding. Who are the direct competitors of a cable television franchise?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

It's delivery systems such as U-Verse, which are the big refrigerators you see on power poles all over; Direct TV which is done with dishes. Because they didn't come under the cable regulations,

because cable is an old idea, they evidently can charge that. And I guess the cable industry wanted to have the potential of leveling the playing field, although they say they don't necessarily want to implement it.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

And I thank the Chair of the Energy and Technology Committee for that answer.

I -- I guess, I -- I'm sitting here, well or standing here -- I'm standing, wondering how I'm going to feel when my first constituent calls me up telling me that they just got hit with a -- an 8 percent charge, or that they've been paying 8 percent. If they've missed a few payments, they're paying 32 percent or 64 percent of their cable TV bill, because we are having before us a change in the law that allows that. That -- that just strikes me, if we're going from 8 percent per year, which is three-quarters of a percent, roughly, if I do the arithmetic right, to 90 -- or to 8 percent per month, which is 96 percent per year, that -- that strikes me as a pretty steep increase.

And just to make sure I -- I understood, from

what I believe was the colloquy that occurred earlier with the previous speaker and the Chair, did this provision have a public hearing, this idea of allowing up to 8 percent per month as a penalty charge by cable TV?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

I believe it did, but last year. It was in an omnibus cable ask, and they felt that they were somehow being disadvantaged because they were living under different rules. And so it was in a -- and it was in a larger request that they made last year that didn't happen at all.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

I -- I'm not sure. I mean, everyone is saying what a great bill this is. But this -- this business of allowing up to 96 percent per year of penalty charges to be imposed on cable TV subscribers strikes me as -- as rather drastic, and I guess I wish this provision were not in this bill.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Representative Mushinsky.

REP. MUSHINSKY (85th):

Thank you, Madam Speaker.

DEPUTY SPEAKER GODFREY:

Try again.

REP. MUSHINSKY (85th):

Oh, Mr. Speaker, thank you.

DEPUTY SPEAKER GODFREY:

Thank you.

REP. MUSHINSKY (85th):

I had co-sponsored this bill early on thinking it was one thing, and of course there's other things in there now. And -- and now I have to decide whether to take it or leave it. But like my colleague from Middletown, I am distressed that the Connecticut Energy Advisory Board has been eliminated with no public discussion whatsoever, after really decades of service to residential and business and consumer customers. Some of the members are former colleagues of ours who, when they retired from the Legislature, put their energy expertise to good use serving the state. And now, stuck in this bill, is the elimination of that agency.

I do want to thank them for all their work on behalf of consumers of electricity and fuel oil and other sources, and give the Chamber some of the tasks that this group did for us. And I believe they deserve better than to be eliminated, in an amendment, without any advance notice.

But I -- I personally thank them for doing the work that they did. They have been around since 1974. They were the watchdogs that worked in concert with the state to press us for energy efficiency, and to question the energy plan for the state.

Here are some of the things they accomplished for us. There was a stakeholder group, had business -- has business, low income, energy experts, Consumer Counsel, highly-diverse stakeholders, municipalities, that put their input in on behalf of the state, and they would -- they would do planning for us and submit it, including the first comprehensive energy strategy, the energy assurance plan for the state. They were tasked with the best way to eliminate growth in the electricity demand. And how they did that was work on energy efficiency, both in the business sector and in the residential sector.

They explored competing energy solutions and reported to the General Assembly. They evaluated

different energy solutions. They looked at local generation and improving transmission so we would get more from our system. They were probably the only group that took seriously the management of energy use in state buildings. We had state buildings where the furnaces malfunctioned and the state employees would open all the windows in the middle of winter, and no one really cared.

The Connecticut Energy Advisory Board was the group that cared. They leaned on state agencies to perform energy efficiency in state buildings. They reported on it, and they took it seriously when no one else would. They also were the only group that listened to my request for residential energy efficiency. The residences were always left for last, and when homeowners would try to improve efficiency for their own personal family budgets, they were left until the end. And we worked more on the big picture.

But this group, because it did have low-income membership -- representing low-income electric consumers paid attention to the residential customers. And they made it part of their mission to provide programs to help people upgrade their -- their homes, to reduce their energy use, and reduce their fuel oil use.

So because most of this bill gives us important

changes in how we handle waste management and efficiency, I feel that I should support it. But I'm not happy that we are eliminating a very hard working group without any public hearing, without any public comment. And I, for one, would like to thank them for their watchdog role all these years and improving energy efficiency for all of our citizens, no matter how small.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

The gentlewoman from Stamford, Representative Miller.

REP. MILLER (145th):

Thank you, Mr. Speaker.

Mr. Speaker, questions to the proponent of the bill, please.

DEPUTY SPEAKER GODFREY:

Proceed, madam.

REP. MILLER (145th):

Can you explain lines 1481 through 1501?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Just reading again. There it is after -- we need a cable. Section 27.

Through you, Mr. Speaker.

Let me -- I want to -- I don't want to give you erroneous information, so let me double-back on that and -- and find out precisely -- exactly what that means. I thought it was one thing, but as I started to read it again, I just want to make sure.

Through you, Mr. Speaker.

REP. MILLER (145th):

Okay.

Mr. Speaker, may I ask her another question, please?

DEPUTY SPEAKER GODFREY:

Certainly.

REP. MILLER (145th):

Representative O'Neill talked -- spoke about the 8 percent increase on -- for cable subscribers. Can you tell me in the amendment where that's located, please?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Section -- show me again.

So I'm -- I'm assuming this is part of it, Section 27. But I just want to make sure that I've got that -- that that's a definite, so let me find out and be more precise in my responses to you.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

House will stand at ease.

(Chamber at ease.)

DEPUTY SPEAKER GODFREY:

House will come back to order.

Representative Reed, you were answering a question.

REP. REED (102nd):

Thank you, Mr. Speaker.

So double-checking just to make sure because it was -- when it was talking about cable advisory, I was starting to think about local cable access, and I wanted to make sure that that's not what it was.

No, this is what -- this is the request. Without the law change, Comcast is charging 66 cents for a late fee, and Cablevision, which they're competing with directly in your area, is charging $8, so -- for -- for a penalty on a late fee, and so they wanted parity. They wanted to be able to have a level playing field.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (145th):

So, through you, Mr. Speaker.

So this part -- section of the amendment only pertains to Comcast?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

To -- essentially, yes, because that's our biggest cable provider, and it's Comcast specific. But I think if -- if other cable companies that fall under the old law are only able to charge a certain level of penalty and wanted to take advantage of, they could. But Cablevision, which serves the Fairfield County area, already does charge the -- the larger penalty.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (145th):

Through you, Mr. Speaker.

The amendment speaks of 8 percent and not $8. I believe I heard you say $8.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Eight percent, and I guess that's what they think the average would be. From the -- the

contracts that they have on the books, that's what they say the average would be, an $8 penalty at a certain benchmark level, per month.

REP. MILLER (145th):

Is that eight -- so that's $8 per month? I'm sorry. Is it $8 per month?

DEPUTY SPEAKER GODFREY:

Nothing to apologize for.

REP. MILLER (145th):

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

It's 8 percent per month, as opposed to 8 percent a year is what -- is what it is. Eight percent of a penalty on the bill.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (145th):

Through you, Mr. Speaker.

So if a consumer's bill -- customer's bill is $200, and you multiply that by 8 percent, would that be $16?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Unfortunately, it would be. Eight dollars is on a -- I guess, the usual bill is about $100 per month, so that would be $8. I should also say, not to in any way apologize for the cable companies, but they don't even necessarily want to do this. They just want parity and they want the -- they want to have the option.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (145th):

Through you, Mr. Speaker.

Was there a public hearing on this?

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

There was last session. There was an ask that included this last session in legislation that did not go through. So this was something that we felt we could do for them this year.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (145th):

Through you, Mr. Speaker.

Again, I ask my colleague, was there a public hearing this year on this?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

No, I do not think so.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (145th):

Mr. Speaker, I'm sure that this amendment has great things in it, and I haven't had a chance to read everything.

But I'm disturbed, Mr. Speaker, that we would impose penalties or fees on individuals who have no choice but to purchase Cablevision if they want television reception.

I've received numerous complaints from seniors in my district, in Fairfield County, who can't afford cable, but have no choice but to purchase cable if they want television reception. And I hope, in the future, when we, as a body, are going to allow companies or Cablevision, utility

companies, impose penalties or fees on individuals on -- in our state, that we will allow a public hearing.

I think that this will be -- it will be detrimental to individuals, especially seniors who are on a fixed income.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I move when the vote be taken, it be taken by roll.

DEPUTY SPEAKER GODFREY:

Question is on a roll call vote.

All those in favor signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

In the opinion of the Chair, 20 percent of the people present have indicated they want a roll call vote, and so it shall happen.

Would you remark further on Senate Amendment Schedule "A"?

Representative Hoydick for the second time.

REP. HOYDICK (120th):

Thank you, Mr. Speaker. I have a few questions

to the proponent of the bill.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. HOYDICK (120th):

Through you, Mr. Speaker, to Representative Reed.

Representative Reed, with regard to the cable part of this bill, is cable managed by ratepayers of the State of Connecticut or subsidized through ratepayers of the State of Connecticut?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

No, it is not. .

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And do the public utility companies that provide electricity, and gas, and water, are they subsidized by the ratepayers of the State of Connecticut?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

Yes.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Representative Reed.

Through you, Mr. Speaker.

Are we comparing apples to apples when we compare electric distribution companies, or gas distribution companies with Cablevision companies?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

No.

REP. HOYDICK (120th):

And through you --

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank -- thank you, Mr. Speaker.

And to the kind gentlewoman, and the very talented Chairwoman of the Energy and Technology Committee, and the very patient Chairwoman of the

Energy and Technology Committee, is the 8 percent on the total -- of late fees, on the total bill for Cablevision customers or is it only on the balance -- the unpaid balance.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

On the unpaid balance.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

And are there other alternatives for television viewing other than Cablevision in the state of Connecticut?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reed.

REP. REED (102nd):

Through you, Mr. Speaker.

Yes.

DEPUTY SPEAKER GODFREY:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

I -- I just would like to make a few comments about some of the -- the discussion that we've had today, specifically about CEAB. And I would like to echo Representative Mushinsky's thoughts about thanking the individuals who have served on this body for all the length that they have had. And because of their leadership and their modeling, and their great work product, it encouraged us to create the Department of Energy and combine it with Environmental Protection.

And many of the things that that great body had done are now absorbed, not only through PURA or OCC, but also through DEEP. And though we may not have had a specific public hearing on CEAB, we had heard from many, many of the members, probably over a majority of the membership, that they did not feel that the CEAB served in the same relevance that they had in previous years. And I know this came from OCC and there was a member, a Mr. Fromer, who sent us all an e-mail with regards to that. So though it is a difficult decision, I think it was in the best interests of ratepayers, as they were funded through the Systems Benefit Charge, to make this very prudent, though difficult decision.

I thank you, Mr. Speaker, for allowing me to speak on this for the second time.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Representative Bowles.

REP. BOWLES (42nd):

Yes. Thank you, Mr. Speaker.

And just very quickly I would like to follow up on that sentiment. As a previous staffperson working for Governor Lowell Weicker at the time and Secretary Bill Sivas, I was the staff liaison to the Energy and Technology Committee, and also served as the liaison to the Connecticut Energy Advisory Board at that time. So it's with some nostalgia that I see this bill is going to be -- will cease the CEAB's existence.

It's with great fondness and great gratitude that -- that I was allowed the privilege of serving them at that particular time, and they did serve a tremendous purpose. There were a lot of dedicated people through the years that served on the Connecticut Energy Advisory Board, at the time they served, again, I think admirably. So I just wanted to express that sentiment.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Are you ready for the question?

The question's on adoption of Senate Amendment Schedule "A".

If so, staff and guests please come to the Well of the House. Members take a seat. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll. The House of Representatives is voting by roll. Will members please return to the Chamber immediately?

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted, and is your vote properly recorded? 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.

THE CLERK:

LCO 5133, Senate Amendment "A,"

| | |
|---|---|
| Total Number Voting | 143 |
| Necessary for Passage | 72 |
| Those Voting Yea | 131 |
| Those Voting Nay | 12 |
| Those Absent and Not Voting | 8 |

DEPUTY SPEAKER GODFREY:

The amendment is adopted.

Representative Reed.

REP. REED (102nd):

Thank you, Mr. Speaker.

Mr. Speaker, this is a short amendment, I promise. The Clerk has in his possession LCO 5161, Senate Amendment "B". I request that he be asked to call it, and that I be permitted to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 5161, previously designated Senate Amendment Schedule "B".

Mr. Clerk, please call the amendment.

THE CLERK:

Senate "B" LCO 5161, as introduced by Senators Duff and Fasano.

DEPUTY SPEAKER GODFREY:

The gentlewoman has asked the leave of the Chamber to summarize.

Is there is any objection?

Hearing none, Representative Reed.

REP. REED (102nd):

Mr. Speaker, this amendment clarifies a provision related to the Connecticut Municipal Energy Cooperative that supplies power to the state's municipal electric utilities, CMEEC. This amendment ensures that costs CMEEC incurs providing power to a large commercial customer won't be passed through to a municipal utility. I move adoption.

DEPUTY SPEAKER GODFREY:

Question is on adoption of Senate Amendment "B". And thank you.

Representative Hoydick on Senate "B".

REP. HOYDICK (120th):

Thank you, Mr. Speaker.

I stand in support of the amendment, and encourage my colleagues to adopt it.

Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

Will you remark further on Senate "B"? Will you remark further on Senate "B"?

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 further on the bill as amended? Will you remark further on the bill as amended?

If not, 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. The House of Representatives is voting by roll. Will members please return to the Chamber immediately.

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.

THE CLERK:

S.B. 357, as amended by Senate "A" and "B" in concurrence with the Senate.

| | |
|---|---|
| Total Number Voting | 144 |
| Necessary for Passage | 73 |
| Those Voting Yea | 144 |
| Those Voting Nay | 0 |
| Those Absent and Not Voting | 7 |

DEPUTY SPEAKER GODFREY:

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

Representative O'Dea.

REP. O'DEA (125th):

Thank you, Mr. Speaker.

Just for the record, I had left the Chamber and was not in when the bill was called, did not realize that CRRA was part of the bill, and I have recused myself from obviously speaking or participating in the vote. And I just wanted to put that on the record.

Thank you, Mr. Speaker.

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**CONNECTICUT**
**GENERAL ASSEMBLY**
**SENATE**

**PROCEEDINGS**
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THE CHAIR:

Seeing no objection, so ordered, sir.

Mr. Clerk.

Okay. The Senate will stand at ease for a moment.

(Chamber at ease.)

THE CHAIR:

The Senate will come back to order. Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if we mark as the next go item, calendar page 37, calendar 198, Senate Bill 357.

Thank you, Madam President.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 37, Calendar 198, Substitute for Senate Bill Number 357, AN ACT CONCERNING REVISIONS TO ENERGY STATUTES, favorable report of the Committee on Energy and Technology. There are amendments.

THE CHAIR:

At this time, Senator Linares.

SENATOR LINARES:

Thank you, Madam President.

I ask --

THE CHAIR:

Excuse me, Senator Linares.

We need to have the volume down a little bit so Senator Linares can make his statement.
SENATOR LINARES: Madam President I ask to recuse myself according to rule 15.

THE CHAIR:

Thank you, sir. So ordered. We will wait until you leave the chamber, sir.

At this time I will call on Senator Duff.

SENATOR DUFF:

Thank you. Good evening, Madam President.

THE CHAIR:

Good evening, sir.

SENATOR DUFF:

I move acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR:

It's on acceptance and passage. Will you remark, sir?

SENATOR DUFF:

Thank you, Madam President.

Madam President, we have a strike-all here. And if the Clerk may call LCO Number 5133.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 5133, Senate "A." It's offered by Senator Williams, et al.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Thank you, Madam President.

Madam President, this bill has a number of provisions and I believe has a number of very positive policy changes. First and foremost, it has some changes with regard to CRRA. It restructures the Connecticut Resources Recovery Authority and renames it the Materials Innovation and Recycling Authority. That reduces the MIRA's maximum staff level from 70 to 45 personnel. It directs the Commissioner of DEEP to rewrite statewide solid waste management plan, to divert more Connecticut's waste in reuse and recycling.

It increases our diversion rate from 25 percent, which we have about now 25, 30 percent, to about 60 percent by 2024, which I think is a very worthy goal. It requires the DEEP Commissioner to issue an RFP to develop CRRA's trash to energy plant in Hartford. It creates a nonprofit Recycle Connecticut Foundation Council to take over CRRA's former responsibilities for promoting and recycling and educating the public.
It allows the municipalities to participate in the State's power purchasing pool to save money on their electricity expenses, requiring about 60 percent of the 370,000-megawatt per hour solicited for the pool to come from trash to energy. The other provisions that it takes as well as it limits energy efficiency certification requirements for products already meeting California's high standards. It eliminates duplicative state entity, the Connecticut Energy Advisory Board that we have -- we had some legislation on last year.

It allows microgrids to qualify for funding under the C-Pace program, which you already have, which has been nationally recognized by the White House. It directs PURA to conduct a study on the creation of residential PASE program. It renames the Connecticut Energy Finance Investment Authority, CEFIA, to the Connecticut Green Bank, which we're the first green bank in the nation. Now everybody else is copying what we have.

It expands noticing and other requirements under the Call Before You Dig Program, which was something that had been requested by PURA and had been worked out through a number of different folks on that. Adjust the hurdle rate to allow for additional expansion of our natural gas lines, which we had worked very hard on last year with the comprehensive energy strategy and through the work of the chairs and ranking members and the DEEP Commissioner and staff. We have worked hard to try and do that and come up with additional ways in which we can tweak our laws to help consumers make choices that will help them save funds and money.

We have adjusted the hurdle rate to allow for additional expansion of our gas lines and we have made other technical and conforming changes to repeat -- repeal, I'm sorry, obsolete statutes. So while the bill is -- seems rather long, those are the main parts there. And I think that in the end what people will remember us -- remember this bill for is CRRA and the restructuring of that and turning that into what is probably a better way of going forward, almost like the -- we had our comprehensive energy strategy. We're going to have a comprehensive recycling strategy and waste management plan.

So I just want to thank a few people, my cochair Representative Reed, Senator Chapin, and Senator Meyer, who can probably explain more of the CRRA bill than I can. Our staff, Alex Judd, the Governor's staff, the DEEP commissioner and his staff and others who've had a hand in this. And I urge passage of the amendment.

Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark?

Senator Chapin.

SENATOR CHAPIN:

Thank you, Madam President.

Madam President, I also rise in support of the amendment before us. I concur with the comments that the good senator of Energy and Technology has presented to the chamber.

You know, once again I stand here with a very large document before us that is the product of much negotiation and compromise. I know originally through the successor agency in the new plans for CRRA there was some concerns raised by municipalities as to how their -- any existing contracts would be affected by that change. It's my understanding that those concerns have been set aside, that they are comfortable. The purchase pool for electricity I think is a big benefit to municipalities, giving them the opportunity to purchase electricity at a cheaper rate.

We heard from some of the waste-to-energy facilities in the state. That is, a technology that the State has embraced really a number of years ago in favor of landfills. I think there's recognition in this bill that some operate better than others, but I think it also recognizes that our electricity financing in the State of Connecticut is a complicated system we have here and some of the waste-to-energy facilities have struggled in recent years due to that complicated system. I think -- I believe it's section 9 in the bill -- addresses some of the concerns that they had raised.

I do agree with the chairman that many of the

sections in here are more or less repeals of obsolete language and conforming changes. The 126 pages before us in this amendment, if you took out all the technical and conforming changes, would be drastically reduced.

And as I stand here this evening I would say that this bill does help to move our energy policy in the State of Connecticut forward and I would encourage my colleagues to support it.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will your remark further? Will your remark further On Senate "A?"

At this time I will try your minds. All those in favor of Senate "A" please say, aye.

SENATORS:

Aye.

THE CHAIR:

Opposed?

Senate "A" passes.

Will your remark?

Senator Duff.

SENATOR DUFF:

Thank you, Madam President.

Madam President, I have another amendment I'd like to call. It's LCO Number 5161.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 5161, Senate "B," offered by Senators Duff and Fasano.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Thank you, Madam President.

Madam President, this is a very -- it's a technical amendment. Basically, it just provides -- it clarifies that certain costs associated with providing electric generation service are not charged by municipal electric energy cooperatives to an electric energy cooperative participant. So it's very simple and technical and I urge the chamber to pass the amendment.

Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark on Senate "B"?

Senator Fasano.

SENATOR FASANO:

Thank you, Madam President.

Madam President, I'd like to thank Senator Duff for helping me get this amendment through which solves an issue that crept up in the Wallingford district. I also thank Luke Barone for his help on this matter as well.

Thank you, Madam President.

THE CHAIR:

Thank you very much.

Will you remark? Will you remark on Senate "B"?

If not, I'll try your minds. All those in favor of Senate "B," please say aye.

SENATORS:

Aye.

THE CHAIR:

Opposed?

Senate "B" passes.

Will you remark?

Senator Duff.

SENATOR DUFF:

Thank you, Madam President.

If there are no further remarks, might we place this on the Consent Calendar.

THE CHAIR:

No -- I'm sorry. Thank you very much.

Mr. Clerk, will you please call for a roll call vote on this bill, please.

THE CLERK:

Immediate roll call has been ordered in the Senate. Immediate roll call ordered in the Senate.

THE CHAIR:

If all members have voted -- all members have voted. The machine will be closed.

Mr. Clerk, will you please call a tally?

THE CHAIR:

Senate Bill Number 357 as amended.

| | |
|---|---|
| Total Number Voting | 33 |
| Necessary for Adoption | 17 |
| Those voting Yea | 33 |
| Those voting Nay | 0 |
| Those absent and not voting | 3 |

THE CHAIR:

The bill is passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if the Clerk would call as the next item from calendar page -- an item, calendar page 38, Calendar 231, Senate Bill 106.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 38, Calendar 231, Substitute for Senate Bill Number 106, AN ACT CONCERNING IMPROVING EMPLOYMENT OPPORTUNITIES THROUGH EDUCATION AND ENSURING SAFE SCHOOL CLIMATES, favorable report of the Committee on Human Services, and there are amendments.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Thank you. Good evening, Madam President.

The Consent Calendar passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would request suspension for purposes of immediate transmittal to the House of calendar page 37, Calendar 198, Senate Bill 357.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, yield the floor to members for announcements or points of personal privilege or upcoming committee meetings.

THE CHAIR:

Are there any points of personal privilege or upcoming meetings?

Senator Linares.

SENATOR LINARES:

Thank you, Madam President.

THE CHAIR:

Good morning, sir.

SENATOR LINARES:

Good morning. Happy Saturday to you.

THE CHAIR:

I don't know about that sir, but go ahead.

**JOINT**
**STANDING**
**COMMITTEE**
**HEARINGS**

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Representative Reed

MEMBERS PRESENT:
SENATORS: Chapin, LeBeau

REPRESENTATIVES: Becker, Bowles, Carter, Case, Davis, Fawcett, Genga, Hoydick, Lesser, Megna, Miller, Morris, Perrone, Piscopo, Ritter, Steinberg, Tong, Yaccarino

REP. REED: Good morning, everybody. We're going to get started knowing some of our Committee members are still taking care of other obligations, but will be coming soon, so I'm going to convene this morning's public hearing.

It's good to see everyone. There are a couple of announcements before we begin. The State Police want us to remind everyone where the exits are, right behind you and should there be any kind of an exit-worthy situation, make sure that you also pay attention to the instructions that will be given you when you leave the Chamber.

And I also want to say that for the first hour we're going to be hearing from public officials and then we will be hearing from members of the public and it looks like a really good turnout, so there's going to be some very interesting testimony and we're going to hear from all of you.

Without further adieu, the first person on our public official list is DEEP Commissioner Robert Klee. Welcome. Good morning.

SB357

COMMISSIONER ROBERT KLEE: Good morning. Thank you. Thank you, Chairwoman Reed, Chairman Duff, Ranking Members Chapin and Hoydick and members of the Energy and Technology Committee. I thank you for allowing me to testify before you today.

I look forward to building on the strong relationship between DEEP and this Committee and returning here often to talk with you and work with you on important energy issues facing our state.

I would note that I'm flying solo here today as our agency senior energy officials, Deputy Commissioner Katy Deutsch, Policy Director Jessie Stratton and PURA Chairman Arthur House are all attending a previously scheduled regional forum on the utility of the future, which is focused on the critical issue of building the regulatory models for a 21st century electric system.

So if any of you later pose a question that stumps the new Commissioner, I will have to get back to you with a more detailed response than I may be able to offer here.

I want to begin my testimony with a few comments about fracking waste, as you have before you today, Raised House Bill 5409 AN ACT CONCERNING HYDRAULIC FRACTURING WASTE.

To address concerns about waste materials associated with the expiration of oil and natural gas, DEEP has offered its own legislation, House Bill 5308, which was raised by the Environment Committee and was the subject of a public hearing there last week.

Our agency bill enhances DEEP's regulation of any materials that are waste products of the

fracking process for natural gas that could be transported to our state for treatment or disposal.

This would be accomplished by extending the quote, cradle to grave protections provided by our hazardous waste regulations to cover fracking waste materials, which are currently exempted from this type of oversight by a categorical exemption contained in both federal and state regulations.

We urge the Energy and Technology Committee to work closely with the Environment Committee to amend the state's hazardous waste program to properly regulate waste materials and to ensure that any byproducts of the fracking process are also properly regulated.

Passage of DEEP's bill will do much to achieve the key goals of the bill before you, House Bill 5409. In addition, DEEP stands ready to work with folks on both Committees, the Energy Committee and the Environment Committees to make sure that any waste or byproducts of the fracking process are properly regulated to protect the citizens of Connecticut.

I also want to briefly review for you our DEEP legislative proposal, Raised Senate Bill 357 AN ACT CONCERNING ENERGY EFFICIENT BUILDING STANDARDS ABD PRODUCT EFFICIENCY STANDARDS. We appreciate the Committee's willingness to raise our bill for legislative action.

This bill will make a strong contribution to Connecticut's nationally recognized efforts to reduce energy consumption through efficiency measures.

In sum, the bill would enable municipalities to adopt a stretch building code that would

require higher energy efficiency standards than the minimum ones included in the current state codes.

On the commercial side, the municipal standards would mirror the strong energy-saving requirements that the state already requires when it is funding construction or significant renovation of commercial property.

On the residential side, municipal stretch requirements would be based on a nationally accepted home energy rating or ATRS or HERS score. To date, Massachusetts, California and Oregon have allowed municipalities to adopt a more energy efficient building code than is set in the overall state code.

In Massachusetts, more than 130 of the state's 351 cities and towns have opted to adopt the stretch code. Action to promote energy efficiency in building is critical, because they consume about 40 percent of the energy we use and are responsible for about 35 percent of our greenhouse gas emissions.

Another important section of this bill would simplify the process for certifying manufacturers as compliant with our state's appliance and equipment efficiency standards. This bill establishes a process that basically uses the certification that already exists from the California Energy Commission as a guide and would make certain that information about which products meet that California standard is published on the DEEP website.

So that concludes my testimony. I think I kept it under three minutes, so I thank you for your time and interest and I'm glad to respond to any questions that you may have.

that was eliminated this year, never mind what has been eliminated for the budget for next year?

ELAINE PRIMO: Right now, we are looking for funds to buy new cameras, so that we could go out and have a better availability to do our meetings, the boards of education, the town council meetings.

Now it may not seem like a lot to someone, but for $135,000 we were able to get an entirely new lighting grid in our studios, which also helps all the programming that we do in the studios and we've had superintendents come in. We've had different candidates come in, so that is also vitally important.

But really, the technology as it improves and upgrades we need to stay on top of that and one of the best ways to do it is with the grant PEGPETIA.

REP. BECKER: Great. Well, thank you very much for coming in.

ELAINE PRIMO: Thank you.

REP. BECKER: Thank you, Madam Chair.

REP. REED: Thank you. Any other questions? Thank you so much for your testimony.

ELAINE PRIMO: Thank you.

REP. REED: Next up, Bill Ethier. Good afternoon.

WILLIAM ETHIER: Good afternoon.

REP. REED: It was a long wait for you.

WILLIAM ETHIER: It is for everyone. That's quite all right. Thank you for your service. Thank you, Representative Reed, Senator Duff, members

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of the Committee. My name is Bill Ethier. I'm the CEO of the Home Builders and Remodelers Association of Connecticut. We have about 900 member companies across the state and our members build between 70 and 80 percent of all the new housing units in the state, each and every year.

I'd like to turn your attention to two bills that I don't think anyone from the public has spoken to you about yet today, and thank you for the opportunity to express our opposition to Senate Bill 352 AN ACT CONCERNING THE STATE BUILDING CODE and Senate Bill 357 and more specifically just Section 1 of Senate Bill 357 AN ACT CONCERNING ENERGY EFFICIENCY STANDARDS.

First of all, our opposition generally, these bills, both of these bills fail to recognize the rigorous nature of our state building code process and the model codes that are produced by other organizations nationally that come to Connecticut and they're reviewed very extensively and then amended by the State Codes and Standards Committee.

Specifically, Senate Bill 352 would demand the adoption of a specific version of a model code, and these model codes are produced on a generally a three-year cycle, but it would, demanding adoption of the 2015 International Energy Conservation Code, this code has not even been published yet. It's expected to be published later this year, so we questioned how you could mandate a specific code that's not even available yet. It hasn't been reviewed.

It also, 352, requires the adoption of an expensive home energy rating system, otherwise known as HERS. It's produced by another nonprofit organization, an analysis, a HERS analysis and the achievement of an unspecified

HERS score that's to be determined by the DEEP Commissioner.

That essentially turns the certainty of a code provision in the State Building Code to an uncertain rating system that will be determined later on down the road. We don't think that's an appropriate building code policy to pursue.

With 357, we strongly oppose that Section 1 because it would, for the first time since 1970, allow our municipalities to vary the statewide building code.

The statewide building code is a state code. It cannot be varied by municipalities. It's a uniform code. We know if we build a certain design home anywhere in the state, it's built to the same requirements. In allowing municipalities to vary that, we think is an unwise policy.

It also requires that Section 1 to, on all private construction, as an alternative if municipalities go down this road, the vague fluid and non-consensus building rating system that's known as LEED produced by the U.S. Green Building Council.

So with that, I heard the bell. I would wrap up by saying, I think the final comment I would make with both these bills is, they misplace the emphasis on energy efficiency on new construction.

There has been a tremendous progression of energy efficiency requirements in our State Building Code, and I think you would get much more bang for the buck if you will, for your, the energy efficiency dollars that you would require of our society if you focus on the older housing stock.

We have a lot of older housing stock in the state. It leaks like a sieve, all right, and if we could wrap up the dollars or the assistance or the information and education that homeowners could, existing homeowners could use, that would go a lot further.

So with that, I urge you not to support 352 and to strike Section 1 from 357. Be happy to answer any questions.

REP. REED: Thank you for your testimony. Senator Duff.

SENATOR DUFF: Thank you. Thank you, Bill, for being here and for your testimony. With these State Building Codes, I guess, they're updated every year?

WILLIAM ETHIER: Not every year. Generally, like I said, the model codes that we use and that most states use come from a couple of different organizations and they're produced, the model codes are produced on a three-year cycle, so generally the state starts over its review process on generally a three-year cycle.

SENATOR DUFF: Okay. And what year, I guess are we using right now?

WILLIAM ETHIER: For the energy efficiency code we're currently using the 2009 version of the International Energy Conservation Code with some slight amendments that Connecticut's adopted. That was put in place in November of 2011, so it's just slightly over two years old. They are currently reviewing as we speak, in fact there was a meeting last month, reviewing the 2012 version, which was published last year.

In talking to the Codes and Standards Committee, they expect to, that will be part of the State Building Code probably by the end of this year, if not, early in 2015.

SENATOR DUFF: Okay. So basically, in 2015 we'll be using 2012 codes.

WILLIAM ETHIER: For the energy code, yes.

SENATOR DUFF: All right.

WILLIAM ETHIER: There's different models that make up, the State Building Code is over a foot thick.

SENATOR DUFF: Oh, I'm sure, yeah.

WILLIAM ETHIER: You know, it's very detailed information. The Energy Efficiency Code is probably a half an inch of that.

SENATOR DUFF: Right.

WILLIAM ETHIER: And again, every three years it's updated and they have to update and review all those other codes.

SENATOR DUFF: Right.

WILLIAM ETHIER: The International Residential Code, which is how one and two-family codes are built, that's a couple of inches thick. We're, you know, we're currently using the 2009 version of that. In fact, that just became effective last Friday.

SENATOR DUFF: Do you know what other states around us are using for their energy codes?

WILLIAM ETHIER: You know, I don't. I know Massachusetts that was mentioned by the Commissioner of DEEP, they allow their municipalities to vary their statewide building

code, what they call the stretch code. It's a fancy name for allowing municipal variance.

There, he mentioned a couple of other states. I'm not as familiar with them. They're out in the west, I believe.

You know, so the states are all over the place. I do know there's a strong movement among a lot of states because these codes are updated so frequently it's really hard to keep up for both the industry and municipal building officials.

SENATOR DUFF: Uh-huh.

WILLIAM ETHIER: There are a lot of contractors and a lot of municipal building officials who have to enforce these codes who are just now coming up to speed with the 2009 version of the various codes that, you know, have been in place for a couple of years.

So a lot of states are moving to a six-year code cycle. They're skipping every other model version. Now the ICC of course hates that. The ICC is the International Code Council that produces a lot of these models. Their business model depends on selling codebooks, right, so they update them every three years and they have to sell them to everyone who adopts their codes.

SENATOR DUFF: Maybe I'm wrong in misplacing this, but it seems to me that, at least on the energy portion, which is kind of our portion here, that it seems that it's taking, if we're using technology that is four or five years old, that doesn't help homeowners from a conservation or efficiency standpoint and that we should be moving ourselves ahead a little bit faster on that.

WILLIAM ETHIER: Well, I would beg to differ that it's technology that's four or five years old. The code is made up of a whole bunch of different requirements, particularly on the energy side. There are prescriptive requirements.

For example, you must use a certain R-value of insulation walls and so forth.

SENATOR DUFF: Right.

WILLIAM ETHIER: And then there's a set of performance requirements. You're pretty much free to do within certain parameters, construct something a certain way as long as you meet certain performance goals, and the 2012 version, or the 2009 version has those built in.

The 2012 version that is currently being reviewed, which is the latest code that is available for energy efficiency, as I said, the 2015 is in draft form. It's not yet published.

So we are going to be adopting this year the latest that's out there. The 2012 version of the conservation code in Climate Zone 5, which includes Connecticut, and I said this in my written testimony, is going to add cost to the average home in Connecticut of over four and a half thousand dollars, all right, over the 2009 version that we currently follow, all right?

So that cost will produce an energy saving for the average home a little over $500 a year for a simple pay back of over nine years, nine point two years. So that's where we're moving right now and we're submitting comments to codes and standards. I'm sure other stakeholders are as well. They review those

comments and they'll adopt it, as I said, likely later this year.

SENATOR DUFF: Okay.

WILLIAM ETHIER: But they have to coordinate that. They can't do it in isolation.

SENATOR DUFF: Yeah.

WILLIAM ETHIER: They have to coordinate all these models with all the other codes that make up the State Building Code.

SENATOR DUFF: Thank you. Thank you, Bill.

REP. REED: Thank you. Senator Chapin.

SENATOR CHAPIN: Thank you, Madam Chair. I think +there was a bill being heard this morning in Public Safety about the qualifications of building inspectors and I'm assuming it's the local building inspector that would be responsible to administer an energy efficiency code in the State of Connecticut as part of their normal inspection process. Is that correct?

WILLIAM ETHIER: Yes, that's correct, although there are pieces of the energy code, our current conservation code and the one we're reviewing that states are reviewing, that require certain testing be done. Blower door test, for example, and I think the way the building inspector community is going to go is, they don't have the expertise to do that, so they're going to require a third party verification.

Even though that's not specifically required in the code, I think that's the way the industry's moving, and so when you submit your building permit application and you ask for, you know, there are scheduled inspections that are done

by the local building official, at the appropriate point where it's applicable, you're going to have to produce third party verification that you've done things the right way.

SENATOR CHAPIN: So the third party verification then would be paid for by the person who pulls the permit.

WILLIAM ETHIER: That's right.

SENATOR CHAPIN: Either the homeowner or the contractor?

WILLIAM ETHIER: That's right.

SENATOR CHAPIN: So we have 169 municipalities and I know in some of the smaller towns I represent there may be one building inspector who contracts with towns who may deal with four or five different towns. Is that true across the state, pretty much?

WILLIAM ETHIER: Yes. The smaller towns oftentimes you go to the office, there's nobody there. You've got to wait for the particular day and the particular time to see the building official.

SENATOR CHAPIN: So it's conceivable if you have a building inspector who covers five towns, if this bill were to pass it would allow municipalities to more or less adopt their own, I guess, modifications to the energy efficiency code that building inspector would need to know all five codes?

WILLIAM ETHIER: The building official will have to know the State Building Code, which includes all those models plus the Connecticut amendment, plus any changes that that particular town adopts. That's right.

SENATOR CHAPIN: And to Senator Duff's point about you know, why it is here in 2014 we're using the 2009 code, assuming the 2015 may be published in 2015. Is that accurate? Or is it published before then?

WILLIAM ETHIER: It will probably, it's scheduled to be published later this year, so the 2015 code will be published, if they keep on schedule, in 2014.

SENATOR CHAPIN: So was the 2012 code actually published in 2011?

WILLIAM ETHIER: It may have been. I don't know the exact date of publication.

SENATOR CHAPIN: So why is it we're in the third month of 2014 and whatever that board is --

WILLIAM ETHIER: The Codes and Standards Committee.

SENATOR CHAPIN: Right. Why haven't they moved a little faster? Is the problem there or is the problem with the regulations review adoption process?

WILLIAM ETHIER: Well, that's a big part of it and as a member of Regs Review, I think you're familiar with the latest delays. You know, we have an effective, a new effective code that became effective last Friday, as I mentioned.

It's a daunting task. The Codes and Standards Committee is a statutory body. They are housed within DAS. It used to be the Department of Public Safety where they were housed. They're now within DAS, the Office of State Building Inspector. There are 21 members, all volunteers. They meet at least monthly, sometimes twice a month and, as I said, they've got a lot of work to do to go through. They're highly technical documents and you know, the

point I make in my written testimony and I'll say here, these model codes are not perfect. You know.

The model code organizations are subject to as much lobbying from all kinds of stakeholders as you folks are, and a lot of times provisions get put into those model codes and they get put out as models that get caught in every state in the country.

There are some outrageous examples, not so much in the energy area, but still, they're not perfect and they need to be reviewed to make sure they're appropriate for Connecticut, Connecticut's public, Connecticut's building industry and appropriate for building officials to enforce.

SENATOR CHAPIN: And as I recall in some meetings prior to the adoption of building code amendments that we did I think at the January meeting, the ones that just became effective --

WILLIAM ETHIER: Yeah.

SENATOR CHAPIN: -- I'm relatively confident that I was told that one of the reasons why DAS didn't want to see any greater delay in their adoption was that there was an energy efficiency provision in the building code itself. I think it was described as we would have been creating a loophole, so is there energy efficiency code as a part of the building code that is outside of the energy efficiency codes themselves?

WILLIAM ETHIER: Yeah. I can speak to the International Residential Code, the IRC, which is how one and two-family homes are built. All other buildings other than one or two-family are built to the International Building Code. I can't speak to that, but within the IRC,

Chapter 11 is the energy efficiency chapter of the Residential Code.

It now, now that we've adopted the 2009 version of the separate energy conservation code, you have to follow both, but they mirror up very closely and I think the marriage between that chapter, in fact I think in the 2011 version of the Residential Code if I'm not mistaken, they're taking out that chapter and just referencing the 2012 conservation code as the energy efficiency piece that you have to follow.

SENATOR CHAPIN: And they're doing that to bring greater consistency?

WILLIAM ETHIER: Right. I mean, the state's goal, what I've always been told by various state building officials, and I've been working with them for over 20 years on, you know, any number of officials is, they want to try to keep down the Connecticut supplement, which is the amendments Connecticut makes to the model codes as narrow as possible. Try to, you know, follow the model code as closely as possible, but again, a lot of amendments are necessary to make the models work for Connecticut, or to take out things that are just frankly, silly, or stupid or dangerous that get into the models.

SENATOR CHAPIN: Thank you. Thank you, Madam Chair.

REP. REED: Thank you. Any other questions? Representative Becker.

REP. BECKER: Thank you, Madam Chair. Good to see you again, Bill.

WILLIAM ETHIER: Good to see you.

REP. BECKER: Thanks for coming in this afternoon. Thank you for your testimony. I just wanted to get a little educated on the IECC, the International Energy Conservation Code versus the home energy rating system. You discussed that in here too, and specifically you say that HERS is not a building code and cannot be equated to a code.

So I'd like to just understand that, and then also what's required under the IECC and is there an expense associated with that, because you mentioned the HERS evaluation costing between $700 and $1,200.

WILLIAM ETHIER: Right. There's a huge difference. The IECC, the conservation code, is a building code. It's written in building code language. It tells you how to construct a building to achieve certain energy efficiency goals.

So again, there's prescriptive requirements, how much insulation to use, the house wrap, how the house wrap has to go on, how it has to be sealed, what caulking to use, you know, the recess lights that you see in homes like these recessed lights.

Under the new version of the code they have to be insulated, each one because on older homes if you have a recessed pocket light, put your hand up there, you can feel cold from the outside. You could be in the middle of the house and you feel the cold draft. So it takes care of those types of things.

HERS is an evaluation system. It was produced by REZNET, which is a 501c-3 nonprofit organization, and it's commonly used, it's a good evaluation system for evaluating the energy efficiency use of a building.

It looks at the heating system, the cooling system, water heating, appliances, how much energy appliances use, so you can't construct a building under HERS, but you can evaluate a building under HERS.

With the energy conservation code, you can't evaluate a building, but you can construct it. So they're really different animals, like comparing apples and oranges.

And one of the failings in these bills is, it gives, I think it was in, it might have been 357 the municipal option, they can choose one or the other. Well, that doesn't make any sense.

REP. BECKER: Actually, I think it was in 352, Section 2(a)(2) where it said, they have language --

WILLIAM ETHIER: Right.

REP. BECKER: -- to (inaudible) the State Building Code to incorporate any subsequent revisions to the IECC or the HERS score recommended by the DEEP Commissioner.

WILLIAM ETHIER: Right. So I would, knowing the people at the state, and I've said this time and time again. I think the Codes and Standards people and the regulators at the Office of State Building Inspector, from speaking as an industry representative, are some of the best regulators in the state.

They know their job. They know their job is to protect the public health and safety. Beyond that, you know, they're not zealots, they're not, they're very reasonable to work with. I can't imagine that they would ever adopt HERS as an option because again, it's, you can't

build a building under HERS, you can only evaluate it.

REP. BECKER: Right. So --

WILLIAM ETHIER: But that's the current group of people.

REP. BECKER: Right. Right.

WILLIAM ETHIER: You know --

REP. BECKER: I was just going to say, in the worst case, you know, from your perspective, if this were to pass, that part would never come into being with the current people, which is your point, and you're also making the point that you really can't use HERS to amend the building code because it doesn't speak the right language, it doesn't give instructions on how to build.

WILLIAM ETHIER: That's right.

REP. BECKER: Okay. Thank you very much for your testimony and to clarify that.

WILLIAM ETHIER: Thank you, Representative.

SENATOR DUFF: Any other questions? Thank you.

WILLIAM ETHIER: Thank you.

SENATOR DUFF: Jim Failla, followed by Lauren, I'm sorry, I can't read your handwriting, Savidge and then Joe Wrinn and Deb Chamberlain after that.

JAMES FAILLA: Hi. Good evening. My name is Jim Failla and I'm the Satellite and Internet Video Engineer at Newington Community Television. While I hold that title, I use it loosely. Our studio is entirely volunteer staffed, so we're all tasked with whatever work is necessary to

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HB5172
HJR18

get Newington's home grown content created and distributed to its residents and (inaudible).

I'm here today to express NCTV's support for the PEGPETIA Program, I say it that way, as well as Bills S.B. 135, H.B. 5172 and H.J. 18, which are currently under review by ENT and that would re-spin the sweep of the PEGPETIA funds.

I cannot stress to the Committee how critical PEGPETIA funds are to NCTV's existence. Unlike most public access stations who have spoken here before, NCTV is not a designated cap so we do not receive our full cap allocation. Instead, Cox Cable does and from that NCTV receives $14,000 a year stipend.

When combined with donations from the Town of Newington and other sources, our yearly budget has been in the ballpark of $30,000. At the same time, we are tasked with and have successfully delivered two channels of programming operating 24 hours a day and 365 days a year. I can assure you that PEGPETIA has been a critical piece of our recipe for success.

PEGPETIA funding helps us dramatically increase our yearly budget, sometimes up to five fold. It really enables us to stay current with technology and keep content fresh for all audiences.

Without PEGPETIA we'd have to save for new equipment each year, which is extremely difficult for us given our current funding arrangement.

NCTV has applied for three PEGPETIA grants since this program has been launched, all of which have replaced critical equipment as

JOSEPH WRINN: Good afternoon, Representative Reed. Members of the Committee, thank you for the opportunity. My name is Joe Wrinn. I'm a commercial realtor in the State of Connecticut, have been for 27 years. I'm here on behalf of the Society of Industrial Realtors and the Connecticut Association of Realtors in opposition to House Bill 357.

This came across my desk a little less than 24 hours ago. I haven't had a whole lot of time to prepare. The bill certainly brought up some good points regarding code and code is not in my area of expertise but fragility of deals certainly is.

One, I don't know why you're taking a code and allowing towns to have different approaches to development. I mean, it's going to increase costs for construction companies. They're going to have to have one set of codes for say, Danbury, one set of codes for Waterbury. I don't quite understand the reasoning behind it. It just seems to increase costs when we're trying to get a more uniform code for everyone to work under.

And as far as energy efficiency, it's my understanding that EPA is working on a code for the entire country, especially with commercial buildings.

We're always looking to try to get the best energy efficiencies out of commercial buildings from (inaudible) construction to skylights that operate, that are made in Connecticut that close off when it's cloudy, open up when it's sunny. I mean, the cost of business in the state is high and we need to control every penny we can.

I certainly hope this, and by allowing towns to conduct these audits, or to enforce the requirements that the state now has that came up a few years ago, that we're not trying to open the door for I guess, another energy scoring system, because this would certainly bring that back into light.

There are a number of reasons that I think this should be looked at pretty had and I don't understand why it's even out there. Thank you.

REP. REED: Thank you for your testimony. When you are taking clients out now, are they, because we're hearing a lot from realtors, that they're asking more and more for real data on energy efficiency at the buildings they're looking at. So I'm just wondering what your experience is and if you see another way to approach this.

JOSEPH WRINN: I find more they're looking for energy costs, which is one and the same. You know, everybody wants to know what the bottom line is and you know, I don't find clients are too concerned about whether some old dungarees are being used as insulation material or something else from the LEED program, but it is important what the costs are, lighting costs, hearing costs, and it's nice to see technology coming up LED lighting, et cetera, that the investment is paying off in time.

I wish we were seeing more new construction, you know, and I do represent a couple of pretty significant tracts of land in Fairfield County. We have had some major corporations look at them and we're competing with Texas. We're competing with North Carolina.

Connecticut's a great place to live but these other places have kind of caught up too. You know, anything we can do, anything we do to add

to that cost without seeing benefits that are returnable in that time span is just hurting us big time.

REP. REED: Thank you. Any other questions?

JOSEPH WRINN: Thank you very much.

REP. REED: Thank you very much. Deb Chamberlain. Good afternoon.

DEBRA CHAMBERLAIN: Good afternoon. Thank you, Representative Reed. My name is Deb Chamberlain and I am the 2014 President for Connecticut Realtors and I am here testifying today on behalf of our over 15,000 members and the thousands of Connecticut buyers and sellers they represent every day here.

I speak today in strong opposition to S.B. 357 AN ACT CONCERNING ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENTY STANDARDS. This legislation would allow municipalities to adopt certain performance building construction standards for new commercial construction or renovations and a certain home energy rating system with scores potentially, for new residential construction.

In fact, this bill is very similar to other proposals the Connecticut Realtors has opposed in past Sessions. Specifically, it could potentially force homeowners, landlords and commercial property owners to provide energy scores for their properties before sale or lease.

We feel that creating an energy score can be costly and many sellers and landlords could not afford to do that. Many don't have those financial resources.

We also feel that the transaction in and of itself, especially with our disclosure laws provides folks with home inspection opportunities to do any number of different kinds of inspections on any property they would potentially purchase.

It is widely understood that energy costs depend on the personal consumption of the owners or tenants such as the numbers who live on the property, whether you have five people or two people or one, the changed use of the commercial building, or how they personally choose to set their thermostats or other methods of heating and cooling.

Most ratings and energy scores are not predictive of what future energy costs will be.

This proposal would create additional impediments to Connecticut's fragile and still recovering housing market, which would further stall our overall economy.

Connecticut's realtors also believe that allowing individual municipalities to adopt different energy efficiency standards moves the state away from the comprehensive state safe building codes that Connecticut has adopted.

In addition the bill specifies certain possible unforeseen costs. These are costs which would most assuredly be passed on to those Connecticut home buyers. This would have an immediate, we feel, and chilling effect on home sales in our state, and Connecticut realtors remain committed to a healthy environment and more energy efficient homes, but not to the extent that it could threaten Connecticut's fragile economic recovery, which is so strongly linked to our housing market.

So in conclusion, Connecticut Realtors urge you to oppose this bill, S.B. 357 and we do thank you for your attention and we would look forward to working with you perhaps in ways that we could work toward more energy efficiency without any kind of a rating system. Thank you. Happy to take questions.

REP. REED: Thank you. Any questions? Thank you very much for your testimony. Noel Lafayette, followed by Jeff Lord. No? Is Jeff Lord here? Oh, there we go. Welcome.

JEFFREY LORD: Thank you. Good afternoon, everyone. Thank you very much for the opportunity to testify today. I'm Jeffrey Lord. I'm the Vice-President of Project Development for Clean Energy Collective. I live in Higganum, Connecticut and I've spent my 28 years in telecom and energy, 14 of them with utilities and 14 with non-utilities, so I like to think I bring a balanced approach to the conversation.

I'm here to testify today in support of House Bill 5412 AN ACT CONCERNING SHARED CLEAN ENERGY FACIILTY. I have worked in, as I mentioned, in energy for a long time. I've worked in solar since 2008, developing projects all around the country, and at Clean Energy Collective, and you have a copy of my written testimony there, at Clean Energy Collective we're the first company in the country developing community shared solar projects.

We're the largest, we're the first, so I'm very excited about what we do. Quite simply, we have a, we have a platform that enables individuals or businesses who either don't, cannot, or don't want to build solar on their roofs or on their properties, to participate in a shared energy facility. Community solar garden is a word, term, that's used a lot and

right to request a service representative in the State of Connecticut if requested.

This is to mention only a few of the areas that deserve protective legislation that could be brought forth by this Committee.

In conclusion, this Legislative Committee should hold hearings on the proposed sale of AT&T wireline services in the State of Connecticut to Frontier Communications. This is a major undertaking with unparalleled consequences if not properly vetted to answer everyone's concerns prior to the sale.

Thank you for giving me this opportunity to give my testimony this evening, and on behalf of the telephone workers of the State of Connecticut, I thank you for all your hard work.

REP. REED: Thank you so much for your testimony. Any questions for Bill? Thank you very much. Good to see you.

WILLIAM HENDERSON: Thank you.

SENATOR DUFF: We're noting for the record Bill Henderson is for the bill.

REP. REED: And that Frontier is going to be in New Haven and Stamford, so you can go there easily. Bill Dornbos.

WILLIAM DORNBOS: Good evening. Another Bill.

REP. REED: Good evening.

WILLIAM DORNBOS: Representative Reed, Senator Duff and Committee members, I am here on behalf of Environment Northeast and we have submitted written testimony supporting three bills, S.B. 134, S.B. 357 and H.B. 5410. I'd like to focus

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So with that, I thank you.

REP. REED: Very nice.

FRANCIS PULLARO: I practiced for three hours last night.

REP. REED: We knew you were a pro, Francis, You're bringing it in. Any questions? Thank you so much.

FRANCIS PULLARO: Great. Have a good evening.

REP. REED: You too. Next up, Kevin Rose, followed by Paul Corey. Good evening.

KEVIN ROSE: Good evening, Representative Reed, Senator Duff and the members of the Committee. My name is Kevin Rose. I am here with Northeast Energy Efficiency Partnership or NEEP. I am a BPI building analyst and (inaudible) professional and HERS field inspector. Keep that last part in mind for later.

Thank you for allowing me to voice my comments on, I'll be speaking on two bills, Senate Bill 352 and 357 regarding building energy codes and building energy above-code standards.

First on 352, I would like to applaud the Committee's recommendation of energy codes as a cost effective way of getting a long-term energy savings.

To answer some of the issues brought up by the gentleman from the Home Builders Association who was concerned about what other local states are doing in terms of the 2015 IECC. We are working with Vermont currently on their adoption and will be, I just started working with Maryland on their adoptions of the 2015 IECC.

I'd also like to mention that the IECC is the product of a consensus process of national building energy efficiency experts, design professionals, state and local government officials, industry representatives and a whole bunch of other folks who are very knowledgeable and have a large, varied group of backgrounds to produce these codes.

Let's talk next about 357. The first section of that brings up what we like to call a stretch code and above, about allowing municipalities to adopt above-code standards. We agree with the spirit of that, but we would like to see an appendix added to the energy code, which formalizes all of that language in a unified way that can be used statewide.

We feel that that would greatly ameliorate the adoption, compliance and enforcement of that above-code process for reasons I think are self explanatory, if not, certainly ask me questions about that.

The gentleman from the Home Builders also brought up an item about the 2012 IECC, which is fairly similar in stringencies as the 2015 IECC in mentioning it had a payback of nine years.

The utility program administrators in Massachusetts did an assessment and they found a two-year payback for their extremely similar Massachusetts stretch code, so I just wanted to make that point.

I will be submitting written testimony as well that covers what I didn't have time to talk about today, mainly Sections 2 and 3 of Senate Bill 357 and I would certainly be happy to take any of your questions. Thank you.

REP. REED: Just to clarify. So Bill Ethier had used the number $500 a year payback and then no pricing, what did we say, nine years? So is the number different in addition to the timeframe?

KEVIN ROSE: I imagine it is. I was actually not in the room when that statement was made, but the two-year payback was made in reference to the Massachusetts stretch code, which is, and for all intents and purposes, the same stringency as the 2012 IECC. In fact, language from that stretch code was lifted because it was developed first and became part of the 2012 IECC.

So it's as close to an apple to apple comparison you can get without it being literally the same. So I imagine that because the payback period is different, that would force the figure to be different, but I can't, without having numbers in front of me tell you what they are.

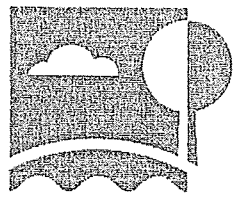
REP. REED: Okay. Thank you for your testimony. Any questions? Thank you.

KEVIN ROSE: Thank you.

REP. REED: Paul Corey. Good evening.

PAUL COREY: Good evening. Senator Duff, Representative Reed, members of the Committee, my name is Paul Corey. I'm testifying on behalf of BNE Energy in support of Raised Bill 353 AN ACT CONCERNING THE DEVELOPMENT OF CLASS I RENEWABLE ENERGY SOURCE PROJECTS.

BNE Energy was formed in 2006 exclusively for the purpose of developing commercial wind in the State of Connecticut. It's been a little bit of a long haul, but I'm pleased to report



**Testimony of Connecticut Fund for the Environment**
**Before the Committee on Energy and Technology**

*In support of SB 134,* AN ACT APPROPRIATING FUNDS TO THE CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

*In support of SB 352,* AN ACT CONCERNING THE STATE BUILDING CODE

*In support of SB 353,* AN ACT CONCERNING THE DEVELOPMENT OF CLASS I RENEWABLE ENERGY SOURCE PROJECTS

*In support of SB 357,* AN ACT CONCERNING ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENCY STANDARDS

*In support of SB 358,* AN ACT CONCERNING THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM

*In support of SB 359,* AN ACT CONCERNING DEVELOPMENT OF ENERGY-RELATED TECHNOLOGIES

*In support of HB 5412,* AN ACT CONCERNING SHARED CLEAN ENERGY FACILITIES

*In support of HB 5414,* AN ACT CONCERNING DEVELOPMENT OF CONNECTICUT-BASED RENEWABLE ENERGY SOURCES

*In support of SJ 22,* RESOLUTION PROPOSING AN AMENDMENT TO THE STATE CONSTITUTION LIMITING THE USE OF MONEYS CONTAINED IN THE CLEAN ENERGY FUND

Submitted by Lauren Savidge
Staff Attorney, Climate & Energy Specialist
March 4, 2014

*Connecticut Fund for the Environment ("CFE") is a non-profit environmental organization with over 5,500 members statewide. The mission of the CFE, and its program Save the Sound, is to protect and improve the land, air and water of Connecticut and Long Island Sound. We use legal and scientific expertise and bring people together to achieve results that benefit our environment for current and future generations.*

Dear Senator Duff, Representative Reed, and members of the Committee on Energy and Technology:

21 Oak Street
Suite 202
Hartford, CT 06106
(860) 246-7121
www.env-ne.org

Rockport, ME
Boston, MA
Providence, RI
Hartford, CT
Ottawa, ON
Canada

TESTIMONY OF ENE (ENVIRONMENT NORTHEAST)
BEFORE THE ENERGY AND TECHNOLOGY COMMITTEE

Supporting:

**Proposed S.B. No. 134, An Act Appropriating Funds to the Clean Energy Finance and Investment Authority**

**S.B. No. 357, An Act Concerning Energy Efficient Building Standards and Product Efficiency Standards**

**H.B. No. 5410, An Act Concerning Gas Companies' Cost Recovery of Lost and Unaccounted for Gas**

**March 4, 2014**

**William E. Dornbos, ENE Connecticut Director**

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Honorable Chairpersons and Committee Members:

ENE (Environment Northeast) appreciates this opportunity to provide written testimony to the Energy and Technology Committee on the three bills referenced above.

ENE is a non-profit organization that researches and advocates innovative policies that tackle our environmental challenges while promoting sustainable economies. ENE is at the forefront of efforts to combat global warming with solutions that promote clean energy, clean air and healthy forests.

**S.B. 134 – An Act Appropriating Funds to the Clean Energy Finance and Investment Authority ("CEFIA")**

ENE's position: **Strongly supports**. This appropriations bill would remedy the planned FY15 fund sweep of $19 million from CEFIA that passed in the last legislative session. ENE has long taken the position that each of the state's important energy-related investment funds – the Clean Energy Fund (CEFIA's successor fund), the Energy Efficiency Fund, and auction revenues from the successful Regional Greenhouse Gas Initiative ("RGGI") – should not be used for general budgetary needs.

In this case, the planned FY15 sweep is particularly unfortunate because it will trigger a domino effect that will deprive the Energy Efficiency Fund of significant RGGI revenues at a time when the state's award-winning and cost-effective efficiency programs are ramping up to dramatically expand customer access in all sectors – residential, industrial, and commercial. RGGI revenues are especially valuable to the efficiency programs because they can be used more flexibly than revenues provided by the statutory ratepayer charges. In the past, for instance, RGGI revenues have primarily been used to provide much needed efficiency measures for oil heat customers.

If the FY15 sweep goes uncorrected, it will risk setting a bad precedent for other RGGI states, which may also be tempted by their general budgetary needs to engage in similar diversions. As the nation's first market-based carbon pollution cap, RGGI has delivered tremendous economic, consumer, and environmental benefits to its member states – for instance, over $2 billion in lifetime energy bill savings for more than 3 million participating households and more than 12,000 businesses in the region.[1]

S.B. 134 will help protect these benefits and also allow the allocation of Connecticut's RGGI auction proceeds to return to its most effective baseline setting, in which almost 70% of those proceeds are invested directly in the state's cost-effective energy efficiency programs.

**S.B. 357 – AAC Energy Efficient Building Standards and Product Efficiency Standards.**

ENE's position: **Support, with one recommended modification.** This bill would allow Connecticut municipalities to exceed the existing State Building Code and place more stringent energy efficiency requirements on new construction in the commercial and residential sectors that meet certain cost or size criteria. ENE supports S.B. 357 because it would enable the state's major municipalities to lead the way on innovative and efficient building energy use – an important reform when the current process for updating the energy-related provisions of the State Building Code can take many years.

ENE's one suggestion for modification of S.B. 357 concerns the language in **Section 1(a)** that sets specific Home Energy Rating System ("HERS") scores as performance standards for new residential construction. We recommend that the statute operate more flexibly by inserting language that would give the Commissioner of the Department of Energy and Environmental Protection ("DEEP") the discretion to set the HERS performance standard within a range of HERS scores that would be lower than the State Building Code in force at the time. In other words, rather than a fixed score, we recommend that the DEEP Commissioner be allowed to set a HERS standard on an annual basis that would be between 10 to 20 points lower (or more stringent) than the applicable State Building Code. This would be a flexible mechanism that would ensure the HERS performance standard remains updated and continually exceeds the State Building Code and, ultimately, drives deeper cuts in energy consumption by those municipalities that take advantage of S.B. 357.

**H.B. 5410 – AAC Gas Companies' Cost Recovery of Lost and Unaccounted for Gas.**

ENE's position: **Support, with two recommended modifications.** ENE supports this bill because it seeks to implement a sensible and flexible approach for minimizing harmful methane leakage in the vast distribution networks of our natural gas utilities. If done effectively, methane leakage reduction will provide ratepayers with energy bill savings, and should also help lower the state's greenhouse gas emissions over time.

ENE recommends two additional requirements for H.B. 5410 in order to strengthen its likely impact on methane leakage in the distribution system. First, the "fixed factor of adjustment" specified in H.B. 5410 should be aligned with the mandatory greenhouse gas emissions reduction targets set out in Connecticut's Global Warming Solutions Act. Accordingly, we recommend that a third element be added to the second sentence of H.B. 5410 that requires the "fixed factor"

[1] *See Regional Investment of RGGI CO2 Allowance Proceeds*, 2012, p. 3, (February 2014) (available online: http://www.rggi.org/docs/Documents/2012-Investment-Report.pdf).

developed by the Public Utilities Regulatory Authority ("PURA") to comply with the long-term emissions reductions required by state law. Second, a periodic reporting requirement should also be added to H.B. 5410. The gas utilities should be required to report annually to PURA and the public on their methane leakage rates and totals, on their leakage monitoring efforts, and on their progress in reducing methane leakage. This will help provide effective oversight of the utilities' compliance efforts with H.B. 5410.

Thank you for the opportunity to testify today.

William E. Dornbos
ENE Connecticut Director
21 Oak St., Ste. 202
Hartford, CT 06511
(860) 246-7121 ext 202
wdornbos@env-ne.org

**From:** Joanie Sutter
**Sent:** Monday, January 27, 2014 4:12 PM
**To:** Catherine.Abercrombie@cga.ct.gov; whit.betts@housegop.ct.gov; Tim.LeGeyt@housegop.ct.gov; Frank.Nicastro@cga.ct.gov; Peter.Tercyak@cga.ct.gov; Brian.Becker@cga.ct.gov; John.Piscopo@housegop.ct.gov; Senator Beth Bye; Senator Terry Gerratana (sent via website form)
**Subject:** Restore $6.9 Million Transferred to General Fund - Deadline for Proposed Bill Feb 7th
**Importance:** High

January 27, 2014

Re: **Put Back $6.9 Million, Taken and Transferred to the General Fund from PEGPETIA**
**Proposed Bill Deadline is February 7th, 2014**

The CT Grant Program PEGPETIA, (Public, Educational, Governmental Programming and Education Technology Investment Account) has been jeopardized; your help is needed!

Public Act No. 13-184 "An Act Concerning Expenditures and Revenue for the Biennium Ending June 30, 2015", (Sec. 100-101 and Sec. 108) http://www.cga.ct.gov/2013/ACT/PA/2013PA-00184-R00HB-06704-PA.htm from the Governor's office swept all funds from this program for the next 2 fiscal years; there is a chance to recover the funds, now!

Administered by the CT's Public Utility Regulatory Authority, PEGPETIA under Section 33 of Public Act 07-253, An Act Concerning Certified Competitive Video Services, now codified as 16-331cc of the General Statutes of CT which created the account, is intended to, "promote and improve public, educational and governmental (PEG) access programming in CT with the goal to increase the quantity, quality and variety of community access productions." Additionally, 50% of PEGPETIA funds are to be made available to boards of education and other educational entities for technology initiatives.

PEGPETIA is funded by a gross earnings tax on cable TV service, to be used to benefit the public's community TV stations and schools. This is not the first time PEGPETIA has been at risk, but ***this is the first time that the funds were robbed to fix other spending problems; we can get them back!***

REQUESTED ACTION:

- Put Back the $6.9 Million Taken in June, 2013!
- **This transfer of funds has hurt our community TV stations and schools.**

Nonprofit organizations, paid for by the public, are asked to perform and teach on old, antiquated equipment and coupled with the loss in cable subscribers (Nutmeg TV's funding levels have dropped over $40,000 annually), we are left with no recourse to somehow stay current with changing technology.

For a further overview of the PEGPETIA program, click on the following link:
http://www.ct.gov/pura/cwp/view.asp?a=3359&Q=490944&puraNav_GID=1702

Please contact me at 860-321-7405 with questions.

# PEGPETIA Timeline

**Public Act 07-253 Sec. 33**

*Separate Non-Lapsing* PEGPETIA Initiated by the General Assembly and **Funded** by gross earnings tax not to exceed **$5,000,000 per fiscal year** on:

- Community Antenna TV Service
- Video Programming Service
- Satellite
- Certified Video Service

**Funding Swept Already?**

- Firstly, in May of 2009, and Continuing Through Rell Administration
- Recently Under Malloy Administration PA 13-184, Sec. 100-101 **lost $6,900,000**

July, 2007 | March, 2008 | May, 2009

**PURA Docket 07-10-11 Criteria/Goals for Fund**

- *Promote and Increase the Quantity, Quality & Variety of PEG and Educational Programming Produced in CT*
- 50% to PEG and 50% to Educational Entities for Technology Initiatives
- Subsidize Capital and Equipment Costs to Produce and Procure Programming
- Dept. Revenue Services to Deposit Remitted Tax
- Funds Can Be Carried Over Year to Year

# What's The Problem? What's the Solution?

## The Language Isn't Clear for Voting Legislators!

You would have to look up the exact program being cut, for example, Section 24 of SB 843 (PA 13-184) actually read, "(Effective from passage) Notwithstanding the provisions of section 16-331cc of the general statutes, the sum of $3,400,000 shall be transferred from the public, educational and governmental programming and education technology investment account and credited to the resources of the General Fund for the fiscal year ending June 30, 2014."

**What does this mean?** $3.4 million in a separate, non-lapsing, targeted fund was moved into the General Fund.

***"If you didn't know what the account was actually used for, you might not fully appreciate what you were voting to cut." AND*** **since the bill doesn't identify how much money is actually available in the account, you wouldn't know that, ALL THE FUNDS WERE CUT!**

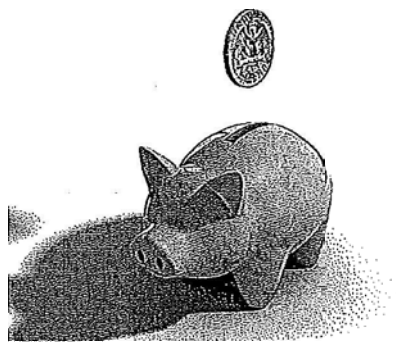
## Work Together!

We appreciate our Legislators and we understand that it takes all of us to watch and protect the vital resources put into place for the Public.

- the State is operating at a surplus

**What does this mean?**

**Please reinstate the funds and vote to protect it from further sliding into the General Fund.**



NutmegTV
Community Television

Respectfully Submitted
Joanie Sutter, Executive Director
9 Eastview Drive
Farmington, CT 06032
860-321-7405
jsutter@nutmegtv.org

*Thursday, February 7th is the deadline to propose bills for the session.*

***REQUESTED ACTION: PEGPETIA funding should be restored rather than swept into the General Fund, by rescinding sections 100 and 101 of PA 13-184.***

The CT Grant Program PEGPETIA, (Public, Educational, Governmental Programming and Education Technology Investment Account) has been jeopardized; your help is needed!

Public Act No. 13-184 "An Act Concerning Expenditures and Revenue for the Biennium Ending June 30, 2015", (Sec. 100-101 and Sec. 108) http://www.cga.ct.gov/2013/ACT/PA/2013PA-00184-R00HB-06704-PA.htm from the Governor's office swept all funds from this program for the next 2 fiscal years; there is a chance to recover the funds, NOW!

Administered by the CT's Public Utility Regulatory Authority, PEGPETIA under Section 33 of Public Act 07-253, An Act Concerning Certified Competitive Video Services, now codified as 16-331cc of the General Statutes of CT which created the account, is intended to, "promote and improve public, educational and governmental (PEG) access programming in CT with the goal to increase the quantity, quality and variety of community access productions." Additionally, 50% of PEGPETIA funds are to be made available to boards of education and other educational entities for technology initiatives.

PEGPETIA is funded by a gross earnings tax on cable TV service, to be used to benefit the public's community TV stations and schools. This is not the first time PEGPETIA has been at risk, but ***this is the first time that the funds were robbed to fix other spending problems; we can get them back!***

- *PEGPETIA fund is currently closed for all applications. Since the state is operating at a surplus and opened a new $10 million technology account for schools last July, it seems that part of this money was derived from a tax on video providers (not state money).*
- *It is our understanding that 100% of the contributions to the fund are currently being taken on a quarterly basis and that PURA does not expect be offering grants again until fall of 2015 unless we act now.*
- *From a historical perspective, these sweeps were removed from the House bill last session but then slid back in when the Senate approved the budget. Many legislators were not aware of this line item and its direct effect on the future of their local access centers' ability to stay relevant to their community and on our schools and libraries to keep pace with rapidly changing technology.*

Nonprofit organizations, paid for by the public, are asked to perform and teach on old, antiquated equipment and coupled with the loss in cable subscribers (Nutmeg TV's funding levels have dropped over $40,000 annually); we are left with no recourse to somehow stay current with changing technology.

*Several legislators--Lonnie Reed & Rob Sampson--are working with the finance committee to restore the fund. Now is the time you determine what to do with "the surplus..."*

For a further overview of the PEGPETIA program, click on the following link:
http://www.ct.gov/pura/cwp/view.asp?a=3359&Q=490944&puraNav_GID=1702

***This is our only source of capital funding beyond what we each can raise in our community.***

Please contact me at 860-321-7405 with questions.

Sincerely,

Joanie Sutter
Executive Director

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES
*of Connecticut*

TESTIMONY BEFORE THE
JOINT COMMITTEE ON ENERGY AND TECHNOLOGY
REGARDING RAISED SENATE BILL 357
March 4, 2014

I am Paul W. Brady, Executive Director of the American Council of Engineering Companies of Connecticut (ACEC/CT), representing over 90 engineering firms providing independent engineering services to the public and private sector.

On behalf of ACEC/CT, I would like to testify in opposition to Raised Senate Bill 357, AN ACT CONCERNING ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENCY STANDARDS.

Section 1 of the bill would allow municipalities to impose more stringent commercial and residential energy code mandates than required by the State Building Code. As you well know, Connecticut is a relatively small state with 169 municipalities. This legislation would significantly increase the complexity and cost of design and construction in the state. Both the commercial and residential construction industries in Connecticut are still suffering from the great recession and further bureaucratic impositions will only delay that recovery.

Thank you for your consideration.

Paul W. Brady, Executive Director
American Council of Engineering Companies of Connecticut (ACEC/CT)
pbrady@ctengineers.org

A Chapter of The American Institute of Architects
370 James Street, Suite 402, New Haven, CT 06513
203-865-2195 FAX: 203-562-5378
aiainfo@aiact.org, **www.aiact.org**

March 3, 2014

Members of the Energy and Technology Committee:

On behalf of the Connecticut Chapter of the American Institute of Architects and our approximately 1,350 members statewide, we would like to express our strong opposition to Raised Bill 357, LCO 1054 *An Act Concerning Energy Efficient Building Standards and Product Efficiency Standards*.

By State Statute (29-253), all Connecticut towns and municipalities are subject to one state building code. The proposed addition to the statute outlined in this bill, allowing any town or municipality to adopt its own construction standards, will undermine all the benefits of a uniform State code, as well as the authority of the State Building Inspector's office to arbitrate code related decisions, and will create an atmosphere of confusion throughout the entire design and building industry.

The use of a statewide building has been in effective for almost forty five years and prevents confusion. The only official interpretations or modifications are done through a long standing tested and proven process with the State Building Inspector, thus creating a positive and consistent process across the State.

We respectfully ask that Raised Bill 357 be withdrawn. Thank you.

Very truly yours,

Diane Harp Jones
CEO/EVP
AIA Connecticut

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Alan S. Lagocki, AIA
President
Philip H. Cerrone, III, AIA
Vice President

Diane Harp Jones, CEO/EVP

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Martin A. Onorato, Assoc. AIA

Michael Pereira, Assoc. AIA
Arthur L. Sanders, AIA
Kermit D. Thompson, AIA

**HOME BUILDERS & REMODELERS ASSOCIATION OF CONNECTICUT, INC.**
3 Regency Drive, Suite 204, Bloomfield, CT 06002
Tel: 860-216-5858 Fax: 860-206-8954 Web: www.hbact.org

*Your Home Is Our Business*

March 4, 2014

To: Senator Bob Duff, Co-Chairman
Representative Lonnie Reed, Co-Chairman
Members of the Energy & Technology Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **Raised Bill 357, AAC Energy Efficiency Standards and Product Efficiency Standards**

The HBRA of Connecticut is a professional trade association with nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, subcontractors, suppliers and businesses and professionals that provide services to our industry and to consumers. Our members build between 70% and 80% of all new homes and apartments in the state each year and perform countless home improvements. **We created and run the HBRACT Green Homes Council and work to promote green home construction standards and building practices, including energy efficiency practices.** See our program at www.hbact.org/HBRACTGreenHomesCouncil.

**In summary, we strongly oppose section 1 of SB 357 because it establishes a very dangerous precedent of allowing municipalities to vary our long-standing statewide building code. It also requires on all private construction in such municipalities the vague, fluid and non-consensus building rating systems created by various private non-profit organizations, such as LEED.**

**Connecticut has had a statewide building code since 1970. While municipalities enforce the State Building Code through local building officials, towns and cities are not allowed to vary the State Building Code.** Also, the only official interpretation of State Building Code provisions, or modifications of same, can be done by the State Building Inspector. Local building officials cannot impose their own interpretations nor can they modify the code. **Our statewide, uniform building code is one of the few regulatory positives in Connecticut regarding building construction.**

Our statewide, uniform building code creates certainty across municipal borders – if you build a home or other building of a certain design, you know it must be constructed under the same code wherever it is placed in CT. That assurance not only provides certainty but also consistency and cost controls for architects, engineers, builders and our many subcontractors and suppliers, as well as the code officials who must enforce our codes.

**Allowing municipalities to vary the State Building Code would destroy that consistency and certainty. We strongly urge the legislature to not allow it.**

continued

**Also, allowing municipalities to adopt their own building code requirements on private building construction by referring to how state buildings are constructed, and its use of the LEED or Green Globes rating systems, or for homes to achieve a specific HERS evaluation score, is potentially highly costly for all of Connecticut's residents.**

LEED and Green Globes are private green building rating systems; they are not building construction codes. LEED, in particular, has not been approved by the American National Standards Institute (ANSI) because it was not adopted by an approved, balanced consensus process. In comparison, the National Green Building Standard (NGBS) that is applicable to residential construction and remodeling is a true consensus standard that has achieved ANSI certification. See a comparison of the NGBS to LEED at: http://www.hbact.org/HBRACTGreenHomesCouncil#NGBSandLEED. **Allowing municipalities to require through a local building code that all buildings follow a non-ANSI certified and private rating system such as LEED is not only unprecedented but also highly costly. All of these green building rating systems should remain voluntary in the marketplace.** Also, see attached a statement from the ICSC on why adopting LEED into building codes is not sound policy.

Finally, we also refer you to our testimony filed today on SB 352 for a background on CT's State Building Code adoption process, our comments on the Home Energy Rating System (HERS), and why, since there a marginal, diminishing returns from increasing the energy efficiency of new buildings, public policy should be focused on energy retrofits of our existing, older building stock. **As with SB 352, the emphasis in SB 357 on new construction is misplaced.**

**We urge you to not adopt SB 357 and allow the progression of energy efficiency standards that has been and is taking place through our State Building Code adoption process to continue.**

Thank you for the opportunity to comment on this legislation.

Attachment (ICSC Statement, Nov. 2008)

## Problems with LEED Standards in City and State Building Codes

The U.S. Green Building Council's "Leadership in Energy and Environmental Design" (LEED) certification process has become the gold standard of sustainability for many types of commercial and residential development. LEED certification is based upon specific levels of achievement in sustainable design and construction. The lowest LEED level is "certified" and the levels increase from "silver" to "gold" to "platinum." Successfully reaching a given LEED certification level requires a subject property to score specific point totals (which differ among building types). There is a "menu" of potential points available for various practices, which range from installing bike racks on site to documenting the source of the iron ore used in any steel used in construction. Even when a construction project does not choose to seek LEED certification, it may benefit from studying the guidelines and identifying sustainable practices that were not otherwise being utilized. However, although the impulse is well intended, there are several potential problems with adopting LEED certification as a building code requirement.

1. If local building codes adopt LEED certification standards by reference only, the public codes will be subject to change by every decision of the private U.S. Green Building Council (USGBC). Even representatives of the USGBC itself have argued against imposing LEED certification through building codes.

2. LEED was intended to be a "cutting edge" standard. It was never intended as a base-line requirement or as a prerequisite for a permit. LEED was intended to "push the envelope" and highlight the best of the best. Building codes are properly intended to establish a minimum standard for safety and other purposes. It is unclear how compatible these two goals can be in the long run.

3. LEED requirements can be in conflict with building codes in critical code categories. Institutions that mandate sustainability requirements often are unaware of the unintended consequences and impacts to the design and development process, and the resulting increases in time for approval and overall project costs.

4. Final LEED Certification is granted only after the subject building's construction has been completed or even after the building's mechanical systems have been operated for some period. Exactly what should happen if the building is not ultimately certified at the mandated level is unclear. Some agencies are requiring up to a $2 million bond as a Certification Compliance Guarantee. There is no clear appeal process for disputes regarding final certification approval except through the USGBC itself.

5. Although USGBC does not charge directly for its certification standards (beyond a registration fee), the lengthy process can be an expensive one for developers. USGBC trains and licenses third party certification experts who do charge for their services. Although costs can vary greatly, achieving LEED certification can add approximately $50,000 to the development of a small retail project. This additional expense does not cover all increases including those associated with design, material or equipment changes driven by the LEED guidelines. In addition, adopting LEED certification as part of a municipal building code effectively gives a monopoly to LEED AP certified examiners.

6. In recent years, the USGBC has intensely advertised programs of building and site certification despite having only a limited capacity to handle the resulting demand. More than 14,000 projects have been registered yet only about 1,700 have been processed (certified) to date. The Certification process is now seriously overloaded and USGBC is having difficulty handling the demand even as it continues to change the rules for new projects. Because the USGBC has insufficient staff resources for the influx of new certification requests, most requests are handled by other third-party consulting firms - and their individual decisions to accept or reject various sustainable designs are effectively final. As demand increases, the USGBC process could collapse under the weight of its own success with no foreseeable agency to replace it or maintain the process.

7. LEED standards do not apply directly to all types of construction. For example, the LEED certification standards for retail buildings are only now moving beyond the pilot phase (2008). And multiple site, "portfolio" certification (which can greatly reduce the per-unit cost of certification for national chains) have yet to be approved.

8. The entire LEED certification process is undergoing significant changes for 2009. This is partially in response to the relatively poor performance of LEED certified buildings in terms of energy efficiency. But it also demonstrates that LEED certification is a moving target that can greatly complicate compliance efforts.

International Council of Shopping Centers, November 2008

Connecticut Department of
ENERGY &
ENVIRONMENTAL
PROTECTION

**STATE OF CONNECTICUT**
**DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION**

Public Hearing – March 4, 2014
Energy and Technology Committee

Testimony Submitted by Commissioner Robert J. Klee
Presented By Deputy Commissioner Katie Dykes

**Raised Senate Bill No. 357 – AAC ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENCY STANDARDS**

Thank you for the opportunity to present testimony regarding Raised Senate Bill No. 357 – AAC ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENCY STANDARDS. The Department of Energy and Environmental Protection (DEEP) appreciates the committee's willingness to raise this bill and welcomes the opportunity to offer the following testimony.

**Energy Efficient Building Standards**
This proposal, which we strongly support, would enable municipalities in the state to require the same energy savings standards that the State requires for the construction or significant renovation of commercial buildings it funds as well as to require higher efficiency standards than those set in the State building code for residential construction.

Buildings consume about 40% of the energy used nationwide and are responsible for about 35% of GHG emissions. Recognizing this, as well as the $8.1 B cost to Connecticut residents of providing all that energy, the State has established a higher standard for itself, by requiring any new buildings or major renovations supported by state funding to meet higher efficiency standards than those in the state-wide building code.

Currently the State is in the process of finalizing adoption of the 2009 IRC/IECC building code; however numerous states have already adopted the 2012 code which is 30% more energy efficient than the 2006 code which for now is the CT code. Unlike many jurisdictions, Connecticut has one statewide code which has many advantages including making training and enforcement easier; however given the advances in building technologies and the lag in adopting the most recent building codes, it also means that residents are often not getting the level of energy benefits that are easily available and which would be in their individual - and the public's - interest. The proposed bill would allow municipalities to add additional energy efficiency requirements to those already embraced in the statewide building code; i.e. the opt in concern would be made up of the State code plus the achievement of the specified HERS efficiency rating.

DEEP appreciates the concerns of those responsible for establishing and amending the State building code and wants to assure the committee that we will continue to work with the State Building Inspector and the Board of Codes and Standards to ensure that nothing in this proposal seeks to replace the applicability of the fundamental State Building Code to all construction in the state and DEEP assures the committee that we are ready to work through any of these issues with the Energy and Technology Committee and the Department of Administrative Services.

To date Massachusetts, California and Oregon have allowed municipalities to adopt a more energy efficient building code. In Massachusetts more than 130 of the state's 351 cities and towns have opted to adopt the stretch code which means that these communities are already using the 2012 IECC code and ASHRAE 2010. Since Massachusetts plans to adopt IECC 2012 effective for the entire state on July 1 of this year, they are currently revising their stretch code to incorporate the higher efficiency standards in IECC 2105 and AHRAE 2013.

The proposed bill uses the same framework as Massachusetts for setting the stretch building code standard for residential buildings - a Home Energy Rating or (HERS) score. They also use the ASHRAE 2013 standard for commercial buildings. To provide some perspective on what the 2006, 2009, 2012 and 2015 IECC codes deliver in terms of energy savings I have attached a chart showing the relative HERS ratings of each, but in brief and on average, a home built in accordance with CT's existing code (IECC 2006) would have a HERS rating of 100; one built to meet the soon to be adopted CT code (IECC 2009) would have a HERS rating of 89 whereas the 2012 IECC would require a baseline score of 65 and the IECC 2015 a HERS rating of 55.

Given the wide adoption of LEED standards in new construction many of the larger commercial construction projects in the state already are being built to exceed current CT requirements. The proposed bill would lock in this trend by requiring commercial buildings to meet the standards the State establishes under section 16a-38k for any construction or major renovations that it funds. Taking this step at a time when commercial building is starting to rebound in the state would lock in significant savings going forward helping reduce the energy costs for those using these buildings for years to come. We would note that in Raised Senate Bill 357 DEEP is proposing to amend the proscriptive requirements in Section 16a-38k that are tied to being 21% better than ASHRAE standards to reflect the reality of dramatically improving standards that could make achieving a specific percent higher efficiency cost prohibitive. By using the Department of Energy's Target Finder instead technological advances will be automatically incorporated and reflected in achieving a 75 score thereby meeting a standard that continues the State's Leading By Example policy of being more energy efficient than the norm at any time.

**Streamlining Compliance with Product Efficiency Standards**

The proposed bill simplifies the process for certifying manufacturers as compliant with the State's Appliance and Equipment Efficiency Standards. The bill proposes to relieve manufacturers of the necessity to provide documentation to the commissioner when products are already certified with the California Energy Commission and requires the commissioner to publish on DEEP's website a list of compliant products. In addition, biannually, the Multi State Appliance Collaborative (MSAC) provides a list of products newly certified with the California Energy Commission. Providing public access to this information will clarify which products are compliant with Connecticut law. This provides a balanced way to efficiently manage information regarding consumer products' compliance with energy efficiency standards.

DEEP strongly supports Raised Senate Bill No. 357 – AAC ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENCY STANDARDS and looks forward to working with the committee on this bill.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact Robert LaFrance, DEEP's Director of Governmental Affairs, at 860.424.3401 or

Robert.LaFrance@ct.gov (or, Elizabeth McAuliffe, DEEP Legislative Liaison, at 860.424.3458 or Elizabeth.McAuliffe@ct.gov ).

CONNECTICUT REALTORS®
111 Founders Plaza, Suite 1101 • East Hartford, CT 06108
Tel: (860) 290-6601 • ctrealtor.com

**Statement on**

**S.B. 357 (Raised): AN ACT CONCERNING ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENCY STANDARD**

**OPPOSED**

Submitted to the Energy and Technology Committee
March 4, 2014

By Debra Chamberlain, President
Connecticut REALTORS®

Good Afternoon. My name is Deb Chamberlain and I am the 2014 President of the Connecticut REALTORS® and I am here testifying today on behalf of over 15,000 members and the thousands of Connecticut buyers and sellers they represent. I speak today in strong opposition to S.B. 357, AN ACT CONCERNING ENERGY EFFICIENT BUILDING STANDARDS AND PRODUCT EFFICIENCY STANDARD.

This legislation would allow municipalities to adopt certain performance building construction standards for new commercial construction or renovations, and a certain home energy rating system with scores for new residential construction.

This bill is, in fact, very similar to other proposals Connecticut REALTORS® has opposed in past sessions. Specially, it would force homeowners, landlords and commercial property owners to provide energy scores for their properties before sale or lease. Creating an energy score can be costly with many sellers and landlords. Some do not have the financial resources to personally fund this kind of a mandate. The transaction already provides the buyer and landlord the ability to voluntarily perform a wide range of inspections on the property and its systems should it be desired.

It is widely understood energy costs depend on the personal consumption of the owners or tenants, such as the numbers who live in the property, the changed use of the commercial building, or how they personally

choose to set thermostats or other methods of heating and cooling. Most ratings and energy scores are not predictive of what a future energy cost will be.

This proposal would create additional impediments to Connecticut's fragile and still recovering housing market which would further stall our overall economy. Connecticut REALTORS® also believe that allowing individual municipalities to adopt different energy efficiency standards moves the state away from the comprehensive state-based building codes that Connecticut has adopted.

In addition, the bill specifies certain possible unforeseen costs...costs which would most assuredly be passed onto Connecticut homebuyers. This would have an immediate and chilling effect on home sales in our state. CT REALTORS® remain committed to a healthier environment and more energy efficient homes, but not to the extent it could threaten Connecticut's fragile economic recovery which is so strongly linked to our housing market.

In conclusion, Connecticut's REALTORS® urge you to oppose S.B. 357.

Thank you for your attention. We look forward to working together this year and would invite you to lean on us in all matters real estate. We are a strong resource and work closely with your constituents every day here in Connecticut. Please use us as the resource we are. Our door is always open.

March 3, 2014

To: Energy and Technology Committee

From: Henry M. Miga Chairman
Codes and Standards Committee

Re: SB 357 and SB 352

SB 357 is proposing to allow each municipality to adopt more stringent regulations than the State requires. There are several issues that would suggest that this is not appropriate. Existing statute requires that the State building Official interprets the codes and not the local officials and the codes and Standards Committee hears appeals to decisions. Having several towns require differing requirements has been seen as cumbersome at least and has not been encouraged nor desired by the Codes and Standards Committee, the State building Official or the industry at large that we have heard from.

Requiring rather than allowing for another rating system or systems in addition to the Building Code requirements adds layers, cost and complexity. Those systems are already allowed to be used when they are shown to meet or exceed the requirements of the code in place. Putting performance standards in Statute has not been shown to be functional and practical in the long run.

With all due respect and with the understanding that we are all aiming at the same target of a built environment that is actually built to use less energy, involving two Commissioners and the Institute for Sustainable Energy is neither efficient nor would be effective. Placing regulations in regulation and not in Statute has been shown to be effective and efficient in comparison. I am sure that you will hear from several other sources who agree with that perspective.

SB352

We would oppose this bill. There is nothing in the present Statutes that would prevent the Codes and Standard Committee and the State Building Official or Fire Marshal from amending the State Codes on an annual or periodic schedule. We have discussed this as a possible course of action following the adoption of the entire family of 2012 ICC codes we are toward the end of evaluating. The reality is that even if we were able to receive proposals, hear those proposals and evaluate the entire volumes of codes and reference standards in one day, it has taken more time in the past code adoption processes to go through the legislative process than this proposed law would require. This does not mean that we should not or could not in the existing regulatory process keep pace with new standards in a systematic and practical manner by periodically amending the regulations in a way that leads us to a shared goal of environmental responsibility. Help us by bringing practical and technically correct proposals that can be applied in a responsible manner.