

Fuel Oil Conservation Board: authorizing legislation

PA 07-242 Sec. 116, as amended by June Sp. Sess. PA 07-1 Sec. 131 and June 11 Sp. Sess., PA 08-2 Sec. 7

To be codified at CT Gen. Stat. sec. 16a-22/

(a) For purposes of this section, "fuel oil" means the product designated by the American Society for Testing and Materials as "Specifications for Heating Oil D396-69", commonly known as number 2 heating oil, and grade number 4, grade number 5 and grade number 6 fuel oil, provided such heating and fuel oil are used for purposes other than the generation of power to propel motor vehicles or for the generation of electricity.

(b) On or before November 1, 2007, the Fuel Oil Conservation Board shall, after issuing a request for proposals, select an entity qualified to administer and implement conservation and energy efficiency programs for fuel oil customers, as described in this section, to act as the program administrator for such programs and shall enter into a contract not to exceed three years in duration for such purpose. At the expiration of the contract, the board may renew the contract if it finds that the administrator's performance has been satisfactory, or the board may issue a new request for proposals.

(c) On or before March 1, 2008, the program administrator shall submit to the Energy Conservation Management Board a fuel oil conservation plan in accordance with the provisions of this section for the balance of 2008. On or before October 1, 2008, and annually thereafter, the program administrator shall submit to the Fuel Oil Conservation Board and the Energy Conservation Management Board a fuel oil conservation plan for the next calendar year in accordance with the provisions of this section. The board shall hold a public hearing on each such plan.

(d) (1) The Fuel Oil Conservation Board shall advise and assist the program administrator in the development and implementation of a comprehensive plan, which shall be approved by the board, that implements cost-effective fuel oil energy conservation programs and market transformation initiatives for residential, commercial and industrial fuel oil customers. The board shall, as part of its review, examine opportunities to offer joint programs providing similar efficiency measures that save more than one fuel resource or to otherwise coordinate programs targeted at saving more than one fuel resource.

(2) Program cost-effectiveness shall be reviewed annually by the Fuel Oil Conservation Board, or otherwise as practicable. Programs included in the plan shall be evaluated as to cost-effectiveness by comparing the value and payback period of the program benefits to the program costs to ensure that the programs are designed to obtain fuel oil savings, the value of which are greater than the costs of the program. If the board determines that a program fails such cost-effectiveness test, the board shall modify the program to meet the test or

terminate the program. On or before January 1, 2009, and annually thereafter, the Fuel Oil Conservation Board shall provide a report to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment, in accordance with the provisions of section 11-4a, that documents expenditures and fund balances and evaluates the cost-effectiveness of such programs conducted in the preceding year, including any increased cost-effectiveness due to offering programs that save more than one fuel resource.

(3) Programs included in the plan may include, but not be limited to: (A) Conservation programs, including programs that benefit low-income persons; (B) research, development and commercialization of products or processes that are more energy-efficient than those generally available; (C) development of markets for such products and processes; (D) support for energy use assessment, engineering studies and services related to new construction or major building renovations; (E) the design, manufacture, commercialization and purchase of energy-efficient appliances and heating devices; (F) program planning and evaluation; (G) joint fuel conservation initiatives and programs targeted at saving more than one fuel resource; and (H) public education regarding conservation. Such support may be by direct funding, manufacturers' rebates, sale price and loan subsidies, leases and promotional and educational activities. The plan shall also provide for expenditures by the Fuel Oil Conservation Board for the retention of expert consultants and reasonable administrative costs, provided such consultants shall not be employed by, or have any contractual relationship with, a fuel oil company or the program administrator. Such costs shall not exceed five per cent of the total cost of the plan.

(e) (1) There is established a Fuel Oil Conservation Board consisting of thirteen members, including:

(A) One member representing dealers with retail oil heat sales in excess of fifteen million gallons in the state, appointed by the president pro tempore of the Senate;

(B) One member representing dealers with retail oil heat sales of less than fifteen million gallons in the state, appointed by the speaker of the House of Representatives;

(C) One member representing the heating, ventilation and air-conditioning trades licensed under chapter 393, appointed by the majority leader of the Senate;

(D) One member representing wholesale heating distributors operating within the state, appointed by the majority leader of the House of Representatives;

(E) One member representing a state-wide environmental advocacy group,

appointed by the minority leader of the Senate;

(F) The chairperson of the Heating, Piping, Cooling and Sheet Metal Work Board established under chapter 393;

(G) One member from a state-wide retail oil dealer trade association, appointed by the minority leader of the House of Representatives;

(H) Six members of the public appointed by the Governor, of which one shall be a representative of an environmental organization knowledgeable in energy efficiency programs, one shall be a representative of an in-state biodiesel distributor, one shall be a representative of a consumer advocacy organization, one shall be a representative of the business community, one shall be a representative of low-income ratepayers and one shall be a representative of state residents, in general, and all of whom shall have expertise in energy issues; and

(I) All appointed members of the board shall serve in accordance with section 4-1a.

(2) The Fuel Oil Conservation Board shall be within the office of the State Comptroller for administrative purposes only, and shall establish itself as a tax exempt organization in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended. Not later than July 1, 2008, and biennially thereafter, a third party selected by the Attorney General shall audit the activities of the board. The results of such audit shall be submitted in a report to the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment, in accordance with the provisions of section 11-4a.

(3) The Fuel Oil Conservation Board shall establish a fuel oil conservation account. The account shall be a separate, nonlapsing account within the restricted grant fund and shall be funded by annual revenue from the tax imposed by section 12-587 of the 2008 supplement to the general statutes, as amended by this act, on the sale of petroleum products gross earnings that is in excess of said revenue collected during fiscal 2006, provided the amount of such revenue that shall be allocated to said account in the fiscal year commencing July 1, 2007, shall not exceed ten million dollars, and the amount of such revenue that shall be allocated to said account in fiscal years commencing on and after July 1, 2008, shall not exceed five million dollars. The Comptroller may deposit into the fuel oil conservation account up to two million five hundred thousand dollars upon the effective date of this section, and any remaining balance for the fiscal year commencing July 1, 2007, shall be deposited as determined by the Comptroller upon the close of the fiscal year, but no later than October 1, 2008.

(4) The Fuel Oil Conservation Board shall authorize specific amounts from the fuel oil conservation account established pursuant to subdivision (3) of this subsection to the program administrator selected to implement an approved plan under this section. Such amounts shall be in the form of grants, which the board shall award twice a year. Any moneys left in the account at the end of each fiscal year shall be transferred outright to the General Fund.