



General Assembly

February Session, 2006

Raised Bill No. 211

LCO No. 1542

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Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING RENEWABLE ENERGY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (26) of subsection (a) of section 16-1 of the
2 2006 supplement to the general statutes is repealed and the following
3 is substituted in lieu thereof (*Effective October 1, 2006*):

4 (26) "Class I renewable energy source" means (A) energy derived
5 from solar power, wind power, a fuel cell, methane gas from landfills,
6 ocean thermal power, wave or tidal power, low emission advanced
7 renewable energy conversion technologies, waste heat recovery
8 systems, a run-of-the-river hydropower facility provided such facility
9 has a generating capacity of not more than five megawatts, does not
10 cause an appreciable change in the river flow, is certified as low-
11 impact by the Low-Impact Hydropower Institute, and began operation
12 after July 1, 2003, or a biomass facility, including, but not limited to, a
13 biomass gasification plant that utilizes land clearing debris, tree
14 stumps or other biomass that regenerates or the use of which will not
15 result in a depletion of resources, provided such biomass is cultivated
16 and harvested in a sustainable manner and the average emission rate
17 for such facility is equal to or less than .075 pounds of nitrogen oxides

18 per million BTU of heat input for the previous calendar quarter, except
19 that energy derived from a biomass facility with a capacity of less than
20 five hundred kilowatts that began construction before July 1, 2003,
21 may be considered a Class I renewable energy source, provided such
22 biomass is cultivated and harvested in a sustainable manner, or (B) any
23 electrical generation, including distributed generation, generated from
24 a Class I renewable energy source.

25 Sec. 2. Subsection (a) of section 16-50k of the 2006 supplement to the
26 general statutes is repealed and the following is substituted in lieu
27 thereof (*Effective October 1, 2006*):

28 (a) Except as provided in subsection (b) of section 16-50z, no person
29 shall exercise any right of eminent domain in contemplation of,
30 commence the preparation of the site for, or commence the
31 construction or supplying of a facility, or commence any modification
32 of a facility, that may, as determined by the council, have a substantial
33 adverse environmental effect in the state without having first obtained
34 a certificate of environmental compatibility and public need,
35 hereinafter referred to as a "certificate", issued with respect to such
36 facility or modification by the council, except fuel cells with a
37 generating capacity of ten kilowatts or less which shall not require
38 such certificate. Any facility with respect to which a certificate is
39 required shall thereafter be built, maintained and operated in
40 conformity with such certificate and any terms, limitations or
41 conditions contained therein. Notwithstanding the provisions of this
42 chapter or title 16a, the council shall, in the exercise of its jurisdiction
43 over the siting of generating facilities, approve by declaratory ruling
44 (1) the construction of a facility solely for the purpose of generating
45 electricity, other than an electric generating facility that uses nuclear
46 materials or coal as fuel, at a site where an electric generating facility
47 operated prior to July 1, 2004, (2) the construction or location of any
48 fuel cell, unless the council finds a substantial adverse environmental
49 effect, or of any customer-side distributed resources project or facility
50 or grid-side distributed resources project or facility with a capacity of

51 not more than sixty-five megawatts, so long as such project meets air
52 and water quality standards of the Department of Environmental
53 Protection, and (3) the siting of temporary generation solicited by the
54 Department of Public Utility Control pursuant to section 16-19ss, as
55 amended.

56 Sec. 3. Subsection (b) of section 16-243a of the general statutes is
57 repealed and the following is substituted in lieu thereof (*Effective*
58 *October 1, 2006*):

59 (b) Each electric public service company, municipal electric energy
60 cooperative and municipal electric utility shall: (1) Purchase any
61 electrical energy and capacity made available, directly by a private
62 power producer or indirectly under subdivision (4) of this subsection;
63 (2) sell backup electricity to any private power producer in its service
64 territory; (3) make such interconnections necessary to accomplish such
65 purchases and sales, which interconnections shall meet the standards
66 adopted by the New York State Public Service Commission in docket
67 number 02-E-1282; (4) upon approval by the Department of Public
68 Utility Control of an application filed by a willing private power
69 producer, transmit energy or capacity from the private power
70 producer to any other such company, cooperative or utility or to
71 another facility operated by the private power producer; and (5) offer
72 to operate in parallel with a private power producer. In making a
73 decision on an application filed under subdivision (4) of this
74 subsection, the department shall consider whether such transmission
75 would (A) adversely impact the customers of the company,
76 cooperative or utility which would transmit energy or capacity to the
77 private power producer, (B) result in an uncompensated loss for, or
78 unduly burden, such company, cooperative, utility or private power
79 producer, (C) impair the reliability of service of such company,
80 cooperative or utility, or (D) impair the ability of the company,
81 cooperative or utility to provide adequate service to its customers. The
82 department shall issue a decision on such an application not later than
83 one hundred twenty days after the application is filed, provided, the

84 department may, before the end of such period and upon notifying all
85 parties and intervenors to the proceeding, extend the period by thirty
86 days. If the department does not issue a decision within one hundred
87 twenty days after receiving such an application, or within one hundred
88 fifty days if the department extends the period in accordance with the
89 provisions of this subsection, the application shall be deemed to have
90 been approved. The requirements under subdivisions (3), (4) and (5) of
91 this subsection shall be subject to reasonable standards for operating
92 safety and reliability and the nondiscriminatory assessment of costs
93 against private power producers, approved by the Department of
94 Public Utility Control with respect to electric public service companies
95 or determined by municipal electric energy cooperatives and
96 municipal electric utilities.

97 Sec. 4. Subsection (a) of section 16-243q of the 2006 supplement to
98 the general statutes is repealed and the following is substituted in lieu
99 thereof (*Effective October 1, 2006*):

100 (a) On and after January 1, 2007, each electric distribution company
101 providing standard service pursuant to section 16-244c, as amended,
102 and each electric supplier as defined in section 16-1, as amended, shall
103 demonstrate to the satisfaction of the Department of Public Utility
104 Control that not less than one per cent of the total output of such
105 supplier or such standard service of an electric distribution company
106 shall be obtained from Class III resources. On and after January 1,
107 2008, not less than two per cent of the total output of any such supplier
108 or such standard service of an electric distribution company shall, on
109 demonstration satisfactory to the Department of Public Utility Control,
110 be obtained from Class III resources. On or after January 1, 2009, not
111 less than three per cent of the total output of any such supplier or such
112 standard service of an electric distribution company shall, on
113 demonstration satisfactory to the Department of Public Utility Control,
114 be obtained from Class III resources. On and after January 1, 2010, not
115 less than four per cent of the total output of any such supplier or such
116 standard service of an electric distribution company shall, on

117 demonstration satisfactory to the Department of Public Utility Control,
118 be obtained from Class III resources. Electric power obtained from
119 customer-side distributed resources that does not meet air and water
120 quality standards of the Department of Environmental Protection is
121 not eligible for purposes of meeting the percentage standards in this
122 section.

123 Sec. 5. Section 16-243h of the general statutes is repealed and the
124 following is substituted in lieu thereof (*Effective October 1, 2006*):

125 On and after January 1, 2000, each electric supplier or any electric
126 distribution company providing standard offer, transitional standard
127 offer, standard service or back-up electric generation service, pursuant
128 to section 16-244c, as amended, shall give a credit for any electricity
129 generated by a residential or commercial customer from a Class I
130 renewable energy source or a hydropower facility that has a nameplate
131 capacity rating of one megawatt or less. The electric distribution
132 company providing electric distribution services to such a customer
133 shall make such interconnections necessary to accomplish such
134 purpose. An electric distribution company, at the request of any
135 residential customer served by such company and if necessary to
136 implement the provisions of this section, shall provide for the
137 installation of metering equipment that (1) measures electricity
138 consumed by such customer from the facilities of the electric
139 distribution company, (2) deducts from the measurement the amount
140 of electricity produced by the customer and not consumed by the
141 customer, and (3) registers, for each billing period, the net amount of
142 electricity either (A) consumed and produced by the customer, or (B)
143 the net amount of electricity produced by the customer. If the customer
144 is a net producer over the billing period, any excess kilowatt hours
145 generated during the billing period shall be carried over and credited
146 to the next billing period until the end of twelve months. At the end of
147 each twelve-month period, where the electricity generated by the
148 customer exceeds the electricity supplied by the electric distribution
149 company to that customer during that same twelve-month period, the

150 electric distribution company shall retain all such excess kilowatt
151 hours generated. An electric distribution company may cease offering
152 net metering whenever the total rated generating capacity owned and
153 operated by net metering customers equals four per cent of that
154 electric distribution company's peak electricity demand. A residential
155 or commercial customer who generates electricity from a generating
156 unit with a name plate capacity of more than ten kilowatts of electricity
157 pursuant to the provisions of this section shall be assessed for the
158 competitive transition assessment, pursuant to section 16-245g and the
159 systems benefits charge, pursuant to section 16-245l, as amended,
160 based on the amount of electricity consumed by the customer from the
161 facilities of the electric distribution company without netting any
162 electricity produced by the customer. [For purposes of this section,
163 "residential customer" means a customer of a single-family dwelling or
164 multifamily dwelling consisting of two to four units.]

165 Sec. 6. Subsection (a) of section 16-245a of the 2006 supplement to
166 the general statutes is repealed and the following is substituted in lieu
167 thereof (*Effective October 1, 2006*):

168 (a) (1) [On and after January 1, 2004, an electric supplier and an
169 electric distribution company providing transitional standard offer
170 pursuant to section 16-244c shall demonstrate to the satisfaction of the
171 Department of Public Utility Control that not less than one per cent of
172 the total output or services of such supplier or distribution company
173 shall be generated from Class I renewable energy sources and an
174 additional three per cent of the total output or services shall be from
175 Class I or Class II renewable energy sources. On and after January 1,
176 2005, not less than one and one-half per cent of the total output or
177 services of any such supplier or distribution company shall be
178 generated from Class I renewable energy sources and an additional
179 three per cent of the total output or services shall be from Class I or
180 Class II renewable energy sources. On and after January 1, 2006, an]
181 An electric supplier and an electric distribution company providing
182 standard service or supplier of last resort service, pursuant to section

183 16-244c, as amended, shall demonstrate;

184 (A) On and after January 1, 2006, that not less than two per cent of
185 the total output or services of any such supplier or distribution
186 company shall be generated from Class I renewable energy sources
187 and an additional three per cent of the total output or services shall be
188 from Class I or Class II renewable energy sources; [.]

189 (B) On and after January 1, 2007, not less than three and one-half per
190 cent of the total output or services of any such supplier or distribution
191 company shall be generated from Class I renewable energy sources
192 and an additional three per cent of the total output or services shall be
193 from Class I or Class II renewable energy sources; [.]

194 (C) On and after January 1, 2008, not less than five per cent of the
195 total output or services of any such supplier or distribution company
196 shall be generated from Class I renewable energy sources, an
197 additional on-half per cent shall be from Class I renewable energy
198 sources that received funding from the Renewable Energy Investment
199 Fund, and an additional three per cent of the total output or services
200 shall be from Class I or Class II renewable energy sources; [.]

201 (D) On and after January 1, 2009, not less than six per cent of the
202 total output or services of any such supplier or distribution company
203 shall be generated from Class I renewable energy sources, an
204 additional one per cent shall be from Class I renewable energy sources
205 that received funding from the Renewable Energy Investment Fund,
206 and an additional three per cent of the total output or services shall be
207 from Class I or Class II renewable energy sources; [.]

208 (E) On and after January 1, 2010, not less than seven per cent of the
209 total output or services of any such supplier or distribution company
210 shall be generated from Class I renewable energy sources, an
211 additional two per cent shall be from Class I renewable energy sources
212 that received funding from the Renewable Energy Investment Fund,
213 and an additional three per cent of the total output or services shall be

214 from Class I or Class II renewable energy sources.

215 (2) An electric supplier or electric distribution company may satisfy
216 the requirements of this subsection, except with regard to the sources
217 that received funding from the Renewable Energy Investment Fund,
218 established in section 16-245n, as amended by this act, by (A)
219 purchasing Class I or Class II renewable energy sources within the
220 jurisdiction of the regional independent system operator, or* within
221 the jurisdiction of New York, Pennsylvania, New Jersey, Maryland,
222 and Delaware, provided the department determines such states have a
223 renewable portfolio standard that is comparable to this section; or (B)
224 by participating in a renewable energy trading program within said
225 jurisdictions as approved by the Department of Public Utility Control.

226 (3) Any supplier who provides electric generation services solely
227 from a Class II renewable energy source shall not be required to
228 comply with the provisions of this section.

229 Sec. 7. Subsection (a) of section 16-245n of the 2006 supplement to
230 the general statutes is repealed and the following is substituted in lieu
231 thereof (*Effective October 1, 2006*):

232 (a) For purposes of this section, "renewable energy" means solar
233 energy, wind, ocean thermal energy, wave or tidal energy, fuel cells,
234 landfill gas, hydropower that will meet the low-impact standards of
235 the Low-Impact Hydropower Institute, hydrogen production and
236 hydrogen conversion technologies, low emission advanced biomass
237 conversion technologies, usable electricity from combined heat and
238 power systems with waste heat recovery systems, thermal storage
239 systems and other energy resources and emerging technologies which
240 have significant potential for commercialization and which do not
241 involve the combustion of coal, petroleum or petroleum products,
242 municipal solid waste or nuclear fission.

243 Sec. 8. Subsection (c) of section 16-245n of the 2006 supplement to
244 the general statutes is repealed and the following is substituted in lieu

245 thereof (*Effective October 1, 2006*):

246 (c) There is hereby created a Renewable Energy Investment Fund
247 which shall be administered by Connecticut Innovations, Incorporated.
248 The fund may receive any amount required by law to be deposited
249 into the fund and may receive any federal funds as may become
250 available to the state for renewable energy investments. Connecticut
251 Innovations, Incorporated, may use any amount in said fund for
252 expenditures in the state which promote investment in renewable
253 energy sources in accordance with a comprehensive plan developed by
254 it to foster the growth, development and commercialization of
255 renewable energy sources, related enterprises and stimulate demand
256 for renewable energy and deployment of renewable energy sources
257 which serve end use customers in this state. Such expenditures may
258 include, but not be limited to, grants, direct or equity investments,
259 contracts or other actions which support research, development,
260 manufacture, commercialization, deployment and installation of
261 renewable energy technologies, and actions which expand the
262 expertise of individuals, businesses and lending institutions with
263 regard to renewable energy technologies.

264 Sec. 9. Subdivision (57) of section 12-81 of the 2006 supplement to
265 the general statutes is repealed and the following is substituted in lieu
266 thereof (*Effective October 1, 2006, and applicable to assessment years*
267 *commencing on or after October 1, 2006*):

268 (57) (a) Subject to authorization of the exemption by ordinance in
269 any municipality, any Class I renewable energy source, as defined in
270 section 16-1, as amended, or any hydropower facility described in
271 subdivision (27) of said section 16-1, as amended, installed for the
272 generation of electricity for private residential use, provided such
273 installation occurs on or after October 1, 1977, and further provided,
274 except for a solar power energy source, such installation is for a single
275 family dwelling or multifamily dwelling consisting of two to four
276 units;

277 (b) Any person claiming the exemption provided in this subdivision
 278 for any assessment year shall, on or before the first day of November
 279 in such assessment year, file with the assessor or board of assessors in
 280 the town in which such Class I renewable energy source is located,
 281 written application claiming such exemption. Failure to file such
 282 application in the manner and form as provided by such assessor or
 283 board within the time limit prescribed shall constitute a waiver of the
 284 right to such exemption for such assessment year. Such application
 285 shall not be required for any assessment year following that for which
 286 the initial application is filed, provided if such Class I renewable
 287 energy source is altered in a manner which would require a building
 288 permit, such alteration shall be deemed a waiver of the right to such
 289 exemption until a new application, applicable with respect to such
 290 altered source, is filed and the right to such exemption is established as
 291 required initially.

292 Sec. 10. Section 12-412 of the 2006 supplement to the general statutes
 293 is amended by adding subdivision (117) as follows (*Effective July 1,*
 294 *2006, and applicable to sales occurring on or after July 1, 2006*):

295 (NEW) (117) Sales of services relating to the installation of a solar
 296 energy electricity generating system that is designed, operated and
 297 installed as a system that utilizes solar energy as the energy source for
 298 at least seventy-five per cent of the electricity produced by the system.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	16-1(a)(26)
Sec. 2	<i>October 1, 2006</i>	16-50k(a)
Sec. 3	<i>October 1, 2006</i>	16-243a(b)
Sec. 4	<i>October 1, 2006</i>	16-243q(a)
Sec. 5	<i>October 1, 2006</i>	16-243h
Sec. 6	<i>October 1, 2006</i>	16-245a(a)
Sec. 7	<i>October 1, 2006</i>	16-245n(a)
Sec. 8	<i>October 1, 2006</i>	16-245n(c)

Sec. 9	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	12-81(57)
Sec. 10	<i>July 1, 2006, and applicable to sales occurring on or after July 1, 2006</i>	12-412

Statement of Purpose:

To revise existing provisions of the general statutes to further promote the development and use of renewable energy.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]