



General Assembly

February Session, 2010

Raised Bill No. 5362

LCO No. 1545

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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. (NEW) (*Effective from passage*) (a) Any residential solar
2 photovoltaic direct incentive program administered by the Renewable
3 Energy Investment Fund shall be structured and implemented
4 pursuant to this section and shall result in a minimum of thirty
5 megawatts of new residential solar photovoltaic installations on or
6 before December 31, 2021. For the purposes of this section and section
7 3 of this act, "residential" means dwellings with one to four units.

8 (b) The Renewable Energy Investments Board, through the
9 Renewable Energy Investment Fund, shall offer direct financial
10 incentives, in the form of performance-based incentives or expected
11 performance-based buydowns, for the purchase or lease of qualifying
12 residential solar photovoltaic systems. For the purposes of this section,
13 "performance-based incentives" means incentives paid out on a per
14 kilowatt-hour basis, and "expected performance-based buydowns"
15 means incentives paid out as a one-time upfront incentive based on
16 expected system performance. The Renewable Energy Investments

17 Board shall consider willingness to pay studies and verified solar
18 photovoltaic system characteristics, such as operational efficiency, size,
19 location, shading and orientation, when determining the type and
20 amount of incentive.

21 (c) Beginning with the comprehensive plan covering the period
22 from July 1, 2010, to June 30, 2012, the Renewable Energy Investments
23 Board shall develop and publish in each such plan a proposed
24 schedule for the offering of performance-based incentives or expected
25 performance-based buydowns over the duration of any such solar
26 incentive program. Such schedule shall: (1) Provide for a series of solar
27 capacity blocks the combined total of which shall be a minimum of
28 thirty megawatts and projected incentive levels for each such block; (2)
29 provide incentives that decline over time and will foster the sustained,
30 orderly development of a state-based solar industry; (3) automatically
31 adjust to the next block once the board has issued reservations for
32 financial incentives provided pursuant to this section from the
33 Renewable Energy Investment Fund fully committing the target solar
34 capacity and available incentives in that block; and (4) provide
35 comparable economic incentives for the purchase or lease of qualifying
36 residential solar photovoltaic systems. The Renewable Energy
37 Investments Board may retain the services of a third-party entity with
38 expertise in the area of solar energy program design to assist in the
39 development of the incentive schedule or schedules. The Department
40 of Public Utility Control shall review and approve such schedule.
41 Nothing in this subsection shall restrict the board from modifying the
42 approved incentive schedule before the issuance of its next
43 comprehensive plan to account for changes in federal or state law or
44 regulation or developments in the solar market when such changes
45 would affect the expected return on investment for a typical residential
46 solar photovoltaic system by twenty per cent or more.

47 (d) The Renewable Energy Investments Board shall establish and
48 periodically update program guidelines, including, but not limited to,
49 requirements for systems and program participants related to: (1)

50 Eligibility criteria, (2) standards for deployment of energy efficient
51 equipment or building practices as a condition for receiving incentive
52 funding, and (3) procedures to provide reasonable assurance that such
53 reservations are made and incentives are paid out only to qualifying
54 residential solar photovoltaic systems demonstrating a high likelihood
55 of being installed and operated as indicated in application materials.

56 (e) The Renewable Energy Investment Fund shall maintain on its
57 web site the schedule of incentives, solar capacity remaining in the
58 current block and available funding and incentive estimators.

59 (f) Funding for the residential performance-based incentive
60 program and expected performance-based buydowns shall be
61 apportioned from the moneys collected under the surcharge specified
62 in section 16-245n of the general statutes, as amended by this act,
63 provided such apportionment shall not exceed one-third of the total
64 surcharge collected annually, and supplemented by federal funding as
65 may become available.

66 (g) The Renewable Energy Investments Board shall identify barriers
67 to the development of a permanent Connecticut-based solar workforce
68 and shall make provision for comprehensive training, accreditation
69 and certification programs through institutions and individuals
70 accredited and certified to national standards.

71 (h) On or before January 1, 2013, and every two years thereafter for
72 the duration of the program, the Renewable Energy Investments Board
73 shall report to the joint standing committee of the General Assembly
74 having cognizance of matters relating to energy on progress toward
75 the goals identified in subsection (a) of this section.

76 Sec. 2. Section 16-245n of the general statutes is amended by adding
77 subsection (i) as follows (*Effective from passage*):

78 (NEW) (i) The Renewable Energy Investments Board, through the
79 Renewable Energy Investment Fund, shall establish funding for

80 performance-based incentives to qualifying residential solar energy
81 systems pursuant to section 1 of this act by: (1) Including in its
82 comprehensive plan for the period July 1, 2010, to June 30, 2012,
83 inclusive, an estimate of the total funding needed to support the
84 performance-based incentives to qualifying residential solar energy
85 systems in its entirety and allocating up to one-third for such purpose,
86 (2) including in its comprehensive plan for the period July 1, 2012, to
87 June 30, 2014, inclusive, an estimate of remaining funding needed to
88 support the outstanding capacity blocks for performance-based
89 incentives to qualifying residential solar energy systems and allocating
90 up to one-half of all such funding, (3) carrying forward any funding
91 allocated to support performance-based incentives pursuant to
92 subdivision (1) or (2) of this subsection disbursed during the two-year
93 period covered by the comprehensive plan for the same purpose until
94 all capacity blocks have been filled, (4) allocating the balance of the
95 funding as necessary, and (5) monitoring the status of available funds
96 and expected demand and including such assessment in its annual
97 report to the Department of Public Utility Control pursuant to
98 subsection (f) of section 1 of this act.

99 Sec. 3. (NEW) (*Effective from passage*) (a) Commencing on January 1,
100 2011, and within the period established in subsection (a) of section 4 of
101 this act, each electric distribution company shall solicit and file with
102 the Department of Public Utility Control for its approval, one or more
103 long-term power purchase contracts with owners or developers of
104 customer-sited, nonresidential solar photovoltaic generation projects
105 located in this state that are less than two thousand kilowatts in size,
106 located on the customer side of the revenue meter and connected to the
107 distribution system of the electric distribution company. For purposes
108 of this subsection, "nonresidential" shall include all utility retail rate
109 classes with the exception of residential, as defined in subsection (a) of
110 section 1 of this act.

111 (b) Solicitations conducted by the electric distribution company
112 shall be for the purchase of solar renewable energy credits produced

113 by eligible nonresidential, customer-sited solar photovoltaic generating
114 projects over the duration of the long-term contract. For purposes of
115 this section, a long-term contract is a contract for a minimum of fifteen
116 years. The electric distribution company may solicit proposals for a
117 combination of renewable energy and associated solar renewable
118 energy credits.

119 (c) The aggregate procurement of solar renewable energy credits by
120 electric distribution companies pursuant to this section shall be no less
121 than four million three hundred fifty thousand. The production of a
122 megawatt hour of electricity from a nonresidential Class I solar
123 renewable energy source first placed in service on or after the effective
124 date of this section shall create one solar renewable energy credit. The
125 obligation to purchase solar renewable energy credits shall be
126 apportioned to electric distribution companies based on their
127 respective distribution system loads at the commencement of the
128 procurement period, as determined by the department.

129 (d) Notwithstanding subdivision (1) of subsection (j) of section 16-
130 244c of the general statutes, an electric distribution company may
131 retire the solar renewable energy credits it procures through long-term
132 contracting to satisfy its obligation pursuant to section 16-245a of the
133 general statutes.

134 (e) Nothing in this section shall preclude the resale or other
135 disposition of energy or associated solar renewable energy credits
136 purchased by the electric distribution company, provided the
137 distribution company shall net the cost of payments made to projects
138 under the long-term contracts against the proceeds of the sale of
139 energy or solar renewable energy credits and the difference shall be
140 credited or charged to distribution customers through a reconciling
141 component of electric rates as determined by the department.

142 Sec. 4. (NEW) (*Effective from passage*) (a) Each electric distribution
143 company shall, not later than one hundred eighty days after the
144 effective date of this section, propose a ten-year solar solicitation plan

145 that shall include a timetable and methodology for soliciting proposals
146 for long-term solar renewable energy credits or energy contracts from
147 in-state generators. The electric distribution company's solar
148 solicitation plan shall be subject to the review and approval of the
149 Department of Public Utility Control, provided contracts comprising
150 no less than twenty-five per cent of the electric distribution company's
151 obligation shall be submitted for department approval on or before
152 January 1, 2012, no less than fifty per cent of such obligation shall be
153 submitted for such approval on or before July 1, 2014, and no less than
154 seventy-five per cent of such obligation shall be submitted for such
155 approval on or before July 1, 2016.

156 (b) The electric distribution company's approved solar solicitation
157 plan shall be designed to foster a diversity of solar project sizes and
158 participation among all eligible customer classes subject to cost-
159 effectiveness considerations. Separate procurement processes shall be
160 conducted for (1) nonresidential systems between ten kilowatts and
161 fifty kilowatts, and (2) nonresidential systems greater than fifty
162 kilowatts but less than two thousand kilowatts. The department shall
163 give preference to competitive bidding for resources of more than fifty
164 kilowatts, unless the department determines that an alternative
165 methodology is in the best interests of the electric distribution
166 company's customers and the development of a competitive and self-
167 sustaining solar market. Systems up to fifty kilowatts in size shall be
168 eligible to receive a solar renewable energy credit price equivalent to
169 the highest accepted bid price in the most recent solicitation for
170 systems greater than fifty kilowatts but less than two thousand
171 kilowatts, plus an additional incentive of ten per cent.

172 (c) Each electric distribution company shall execute its approved
173 ten-year solicitation plan and submit for department review and
174 approval its preferred solar procurement plan comprised of any
175 proposed contract or contracts with independent solar developers.

176 (d) The department shall hold a hearing that shall be conducted as

177 an uncontested case, in accordance with the provisions of chapter 54 of
178 the general statutes, to approve, reject or modify an application for
179 approval of the electric distribution company's solar procurement
180 plan. The department shall only approve such proposed plan if the
181 department finds that (1) the solicitation and evaluation conducted by
182 the electric distribution company was the result of a fair, open,
183 competitive and transparent process; (2) approval of the solar
184 procurement plan would result in the greatest expected ratepayer
185 value from solar energy or solar renewable energy credits at the lowest
186 reasonable cost; and (3) such procurement plan satisfies other criteria
187 established in the approved solicitation plan. The department shall not
188 approve any proposal made under such plan unless it determines that
189 the plan and proposals encompass all foreseeable sources of revenue
190 or benefits and that such proposals, together with such revenue or
191 benefits, would result in the greatest expected ratepayer value from
192 solar energy or solar renewable energy credits. The department may,
193 in its discretion, retain the services of an independent consultant with
194 expertise in the area of energy procurement. The independent
195 consultant shall be unaffiliated with the electric distribution company
196 or its affiliates and shall not, directly or indirectly, have benefited from
197 employment or contracts with the electric distribution company or its
198 affiliates in the preceding five years, except as an independent
199 consultant. For purposes of such audit, the electric distribution
200 company shall provide the independent consultant immediate and
201 continuing access to all documents and data reviewed, used or
202 produced by the electric distribution company in its bid solicitation
203 and evaluation process. The electric distribution company shall make
204 all its personnel, agents and contractors used in the bid solicitation and
205 evaluation available for interview by the consultant. The electric
206 distribution company shall conduct any additional modeling
207 requested by the independent auditor to test the assumptions and
208 results of the bid evaluation process. The independent consultant shall
209 not participate in or advise the electric distribution company with
210 respect to any decisions in the bid solicitation or bid evaluation

211 process. The department's administrative costs in reviewing the
212 electric distribution company's solar procurement plan and the costs of
213 the consultant shall be recovered through a reconciling component of
214 electric rates as determined by the department.

215 (e) The electric distribution company shall be entitled to recover its
216 reasonable costs of complying with its approved solar procurement
217 plan through a reconciling component of electric rates as determined
218 by the department.

219 (f) If, by January 1, 2012, the department has not received proposed
220 long-term solar renewable energy credit contracts consisting of at least
221 twenty-five per cent of each electric distribution company's
222 procurement obligation or by July 1, 2014, has not received proposed
223 long-term solar renewable energy contracts consisting of at least fifty
224 per cent of each electric distribution company's procurement
225 obligation, or by July 1, 2016, has not proposed long-term solar
226 renewable energy contracts consisting of at least seventy-five per cent
227 of each electric distribution company's procurement obligation,
228 respectively, the department shall notify the electric distribution
229 company and the Renewable Energy Investments Board of the
230 shortfall. Unless, upon petition by the electric distribution company,
231 the department grants the distribution company an extension not to
232 exceed ninety days to correct this deficiency, the Renewable Energy
233 Investments Board shall issue one or more requests for proposals to
234 address the shortfall. The board shall perform an initial review of each
235 proposal, examine the financial and technical viability of each proposal
236 and analyze project costs and benefits for the purpose of selecting
237 projects that will promote the provision of long-term solar renewable
238 energy contracts. Upon selection of the projects, the board shall
239 forward such projects to each electric distribution company for review.
240 For each project, each electric distribution company shall analyze the
241 interconnection point and costs related thereto, reliability and other
242 impacts of such project to determine whether the project will promote
243 the provision of additional long-term solar renewable energy contracts.

244 Each electric distribution company shall provide the results of its
245 analysis to the department, which shall conduct a proceeding to
246 determine whether to approve or reject each project. The reasonable
247 administrative costs associated with the procurement of long-term
248 solar renewable energy contracts shall be collected by the distribution
249 company, maintained in a separate interest-bearing account and
250 disbursed to the Renewable Energy Investment Fund on a quarterly
251 basis.

252 (g) Not later than sixty days after its approval of the distribution
253 company procurement plans submitted on or before January 1, 2012,
254 the department shall submit a report to the joint standing committee of
255 the General Assembly having cognizance of matters relating to energy.
256 The report shall document for each distribution company procurement
257 plan: (1) The total number of solar renewable energy credits bid
258 relative to the number of solar renewable energy credits requested by
259 the distribution company; (2) the total number of bidders in each
260 market segment; (3) the number of contracts awarded; and (4) the total
261 weighted average price of the solar renewable energy credits or energy
262 so purchased. The department shall not report individual bid
263 information or other proprietary information.

264 Sec. 5. (NEW) (*Effective from passage*) (a) On or before July 1, 2011,
265 the Renewable Energy Investment Fund, in consultation with the
266 Office of Policy and Management and the Department of Public
267 Works, shall, within available funding, complete, or cause to be
268 completed by private vendors, a comprehensive solar feasibility
269 survey of facilities owned or operated by the state with a load of fifty
270 kilowatts or more. The survey shall rank state-owned or operated
271 facilities based on their technical feasibility to accommodate solar
272 photovoltaic generating systems by considering such factors as: (1) On-
273 site energy consumption; (2) building orientation; (3) roof age and
274 condition; (4) shading and the potential for obstruction to sunlight
275 over the life of the solar system; (5) structural load capacity; (6)
276 availability of ancillary facilities, such as parking lots, walkways or

277 maintenance areas; (7) nonenergy related amenities; and (8) other
278 factors that the Renewable Energy Investment Fund deems may bear
279 on the technical feasibility of such solar deployment.

280 (b) The Office of Policy and Management, in consultation with the
281 Renewable Energy Investment Fund, shall, within available funding,
282 issue one or more requests for proposals for the deployment of solar
283 photovoltaic generating systems at state-owned or operated facilities.
284 Any such request for proposals shall be structured to maximize the
285 state's ability to secure incentives available from the federal
286 government or other sources. The Office of Policy and Management
287 may seek in any request for proposals the services of an entity to
288 finance, design, construct, own or maintain such solar photovoltaic
289 system under a long-term solar services agreement. Any such entity
290 chosen to provide such services shall not be considered a public
291 service company under section 16-1 of the general statutes.

292 Sec. 6. (NEW) (*Effective from passage*) (a) Each electric distribution
293 company shall, not later than July 1, 2011, file with the Department of
294 Public Utility Control for its approval a tariff for production-based
295 payments to owners or operators of Class I solar renewable energy
296 source projects located in this state that are not less than one megawatt
297 and connected directly to the distribution system of an electric
298 distribution company.

299 (b) Such tariffs shall provide production-based payments for a
300 period not less than fifteen years from the in-service date of the Class I
301 solar renewable energy source project at a price that is, at the
302 determination of the Department of Public Utility Control, a cost-based
303 payment consisting of the fully allocated cost of constructing and
304 operating a Class I solar renewable energy source of from one
305 megawatt to seven and one-half megawatts were such construction
306 and operation to be undertaken or procured by the electric distribution
307 company itself. In calculating the cost-based tariff, the department
308 shall consider actual cost data for Class I solar energy sources

309 constructed and operated by the electric distribution company
310 pursuant to subsection (e) of this section taking into consideration all
311 available state and federal incentives.

312 (c) Such tariffs shall include a per project eligibility cap of seven and
313 one-half megawatts and an aggregate eligibility cap of fifty megawatts,
314 apportioned among each electric distribution company in proportion
315 to distribution load.

316 (d) The cost of such tariff payments shall be eligible for inclusion in
317 any subsequent rates, provided such payments are for projects
318 operational on or after the effective date of this section, and recovered
319 through a reconciling component of electric rates as determined by the
320 department.

321 (e) On and after July 1, 2011, electric distribution companies may
322 construct, own and operate solar electric generating facilities up to
323 one-third of their proportional share of the total cap amounts specified
324 under subsection (c) of this section, provided any such development
325 shall be phased in over a period of no less than three years. Such
326 projects shall be located on company-owned properties, brownfields or
327 other locations identified by the Department of Public Utility Control
328 for strategic placement of distributed generation. The department, in a
329 contested case, shall authorize the electric distribution company to
330 recover in rates its costs to construct, own and operate solar electric
331 generating facilities, including a reasonable return on its investment, if
332 such approval would result in a reasonable cost of meeting the solar
333 energy requirements pursuant to said subsection (c) of this section and
334 that such investment will not restrict competition or restrict growth in
335 the state's solar energy industry or unfairly employ in a manner which
336 would restrict competition in the market for solar energy systems any
337 financial, marketing, distributing or generating advantage that the
338 electric distribution company may exercise as a result of its authority
339 to operate as a public service company.

340 (f) Notwithstanding subdivision (1) of subsection (j) of section 16-

341 244c of the general statutes, the amount of renewable energy produced
342 from Class I renewable energy sources receiving tariff payments or
343 included in utility rates under this section shall be applied to reduce
344 the electric distribution company's Class I renewable energy source
345 portfolio standard.

346 (g) On or before September 1, 2012, the Department of Public Utility
347 Control, in consultation with the Office of Consumer Counsel and the
348 Renewable Energy Investments Board, shall study the operation of
349 solar renewable energy tariffs and shall report, in accordance with the
350 provisions of section 11-4a of the general statutes, its findings and
351 recommendations to the joint standing committee of the General
352 Assembly having cognizance of matters relating to energy.

353 (h) The department shall suspend the tariff established pursuant to
354 this section upon the earlier of (1) an electric distribution company
355 reaching its aggregate cap pursuant to subsection (c) of this section, or
356 (2) three years from the effective date of the tariff.

357 Sec. 7. (NEW) (*Effective from passage*) The Renewable Energy
358 Investment Fund and the Conservation and Load Management Fund
359 shall develop coordinated programs to create a self-sustaining market
360 for solar thermal systems for electricity, natural gas and fuel oil
361 customers.

362 Sec. 8. (NEW) (*Effective from passage*) The Renewable Energy
363 Investment Fund, shall provide an additional incentive of up to five
364 per cent of the then-applicable incentive provided pursuant to sections
365 1 and 7 of this act for the use of major system components
366 manufactured or assembled in Connecticut, and another additional
367 incentive of up to five per cent of the then applicable incentive
368 provided pursuant to sections 1 and 7 of this act for the use of major
369 system components manufactured or assembled in a distressed
370 municipality, as defined in section 32-9p of the general statutes, or a
371 targeted investment community, as defined in section 32-222 of the
372 general statutes.

373 Sec. 9. (NEW) (*Effective from passage*) (a) For the two-year period
374 starting January 1, 2011, and ending June 30, 2013, the aggregate net
375 annual cost recovered for electric ratepayers pursuant to section 1 and
376 sections 3 to 8, inclusive, of this act and subsection (i) of section 16-
377 245n of the general statutes, as amended by this act, shall not exceed
378 one-half of one per cent of total retail electricity sales revenues of each
379 electric distribution company. For the two-year period starting July 1,
380 2013, and ending June 30, 2015, the aggregate net annual cost
381 recovered for electric ratepayers pursuant to section 1 and sections 3 to
382 8, inclusive, of this act and subsection (i) of section 16-245n of the
383 general statutes, as amended by this act, shall not exceed three-fourths
384 of one per cent of total retail electricity sales revenues of each electric
385 distribution company. For each twelve-month period starting July 1,
386 2015, and every July first thereafter for the duration of the solar
387 programs established pursuant to section 1 and sections 3 to 8,
388 inclusive, of this act and subsection (i) of section 16-245n of the general
389 statutes, as amended by this act, the aggregate net cost of such
390 programs recovered for electric ratepayers shall not exceed one per
391 cent of total retail electricity sales revenues of each electric distribution
392 company.

393 (b) The Department of Public Utility Control shall net out the
394 incentives paid by the Renewable Energy Investment Fund pursuant to
395 section 16-245n of the general statutes, as amended by this act, for solar
396 deployment programs against the aggregate annual costs identified in
397 this section.

398 (c) If the department projects that the annual cost cap will be
399 exceeded, the department may take the following cost mitigation
400 measures: (1) Delay or modify the development of solar electric
401 generating facilities by electric distribution companies pursuant to
402 subsection (e) of section 6 of this act; (2) temporarily suspend the
403 availability of production-based incentives to customers not already
404 eligible to receive such incentives under section 6 of this act; and (3)
405 extend the scheduled electric distribution company solar renewable

406 energy credit procurement plans under section 4 of this act. If the
407 department determines that cost mitigation measures are required, it
408 shall reduce proportionally the annual funding for the programs
409 identified in subdivisions (1) to (3), inclusive, of this subsection and
410 only to the extent required to bring projected annual costs below the
411 cost cap.

412 (d) On or before January 1, 2014, the department shall report to the
413 joint standing committee of the General Assembly having cognizance
414 of matters relating to energy on the cost and charges involved in the
415 implementation of this program, including a cost-benefit analysis.

416 Sec. 10. Subdivision (2) of subsection (j) of section 16-244c of the
417 general statutes is repealed and the following is substituted in lieu
418 thereof (*Effective from passage*):

419 (2) Notwithstanding the provisions of subsection (d) of this section
420 regarding an alternative transitional standard offer option or an
421 alternative standard service option, an electric distribution company
422 providing transitional standard offer service, standard service,
423 supplier of last resort service or back-up electric generation service in
424 accordance with this section shall, not later than July 1, 2008, file with
425 the Department of Public Utility Control for its approval one or more
426 long-term power purchase contracts from Class I renewable energy
427 source projects that receive funding from the Renewable Energy
428 Investment Fund and that are not less than one megawatt in size, at a
429 price that is either, at the determination of the project owner, (A) not
430 more than the total of the comparable wholesale market price for
431 generation plus five and one-half cents per kilowatt hour, or (B) fifty
432 per cent of the wholesale market electricity cost at the point at which
433 transmission lines intersect with each other or interface with the
434 distribution system, plus the project cost of fuel indexed to natural gas
435 futures contracts on the New York Mercantile Exchange at the natural
436 gas pipeline interchange located in Vermillion Parish, Louisiana that
437 serves as the delivery point for such futures contracts, plus the fuel

438 delivery charge for transporting fuel to the project, plus five and one-
439 half cents per kilowatt hour. In its approval of such contracts, the
440 department shall give preference to purchase contracts from those
441 projects that would provide a financial benefit to ratepayers or would
442 enhance the reliability of the electric transmission system of the state.
443 Such projects shall be located in this state. The owner of a fuel cell
444 project principally manufactured in this state shall be allocated all
445 available air emissions credits and tax credits attributable to the project
446 and no less than fifty per cent of the energy credits in the Class I
447 renewable energy credits program established in section 16-245a
448 attributable to the project. On [and after October 1, 2007, and until
449 September 30, 2008, such contracts shall be comprised of not less than a
450 total, apportioned among each electric distribution company, of one
451 hundred twenty-five megawatts; and on] and after October 1, [2008]
452 2011, such contracts shall be comprised of not less than a total,
453 apportioned among each electrical distribution company, of one
454 hundred fifty megawatts, plus not less than an additional forty-five
455 megawatts to address project attrition after contract execution with the
456 intent that no more than one hundred fifty megawatts reach
457 commercial operation pursuant to this section. The cost of such
458 contracts and the administrative costs for the procurement of such
459 contracts directly incurred shall be eligible for inclusion in the
460 adjustment to the transitional standard offer as provided in this section
461 and any subsequent rates for standard service, provided such contracts
462 are for a period of time sufficient to provide financing for such
463 projects, but not less than ten years, and are for projects which began
464 operation on or after July 1, 2003. Except as provided in this
465 subdivision, the amount from Class I renewable energy sources
466 contracted under such contracts shall be applied to reduce the
467 applicable Class I renewable energy source portfolio standards. For
468 purposes of this subdivision, the department's determination of the
469 comparable wholesale market price for generation shall be based upon
470 a reasonable estimate. On or before September 1, [2007] 2011, the
471 department, in consultation with the Office of Consumer Counsel and

472 the Renewable Energy Investments [Advisory Council] Board, shall
 473 study the operation of such renewable energy contracts and report its
 474 findings and recommendations to the joint standing committee of the
 475 General Assembly having cognizance of matters relating to energy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16-245n
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	16-244c(j)(2)

Statement of Purpose:

To promote the 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.]