



House of Representatives

General Assembly

File No. 414

January Session, 2011

House Bill No. 6582

House of Representatives, April 6, 2011

The Committee on Commerce reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING EXPANDING THE STATE'S SOLAR ENERGY ECONOMY.

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

1 Section 1. (NEW) (*Effective from passage*) (a) On or before September
2 1, 2011, the Department of Economic and Community Development, in
3 consultation with the Department of Public Utility Control, the
4 Connecticut Development Authority and the electric distribution
5 companies, as defined in section 16-1 of the general statutes, shall
6 establish a solar energy program to partner with private banks and
7 lending institutions to provide loans to in-state small businesses and
8 residential electric customers to finance solar installations. Said
9 program shall include, but not be limited to, a mechanism for such
10 businesses and customers to repay loans made pursuant to the
11 program established in this section through their monthly electricity
12 bills. Loans made pursuant to this section shall be structured so that
13 the cost savings from such solar installations offset the monthly
14 payback amount.

15 (b) As part of the program established pursuant to subsection (a) of
 16 this section, the Department of Economic and Community
 17 Development shall establish participation criteria for (1) installers of
 18 solar energy systems, which shall include, but not be limited to,
 19 consideration of such installer's prior experience, in-state location and
 20 number of jobs potentially created by such participation, and (2)
 21 private banks and lending institutions.

22 (c) The Department of Economic and Community Development
 23 shall adopt regulations in accordance with the provisions of chapter 54
 24 of the general statutes to implement the program established pursuant
 25 to subsection (a) of this section, including, but not limited to, eligibility
 26 for and the terms of any loans awarded pursuant to such program and
 27 the application procedures.

28 Sec. 2. Subsection (a) of section 32-1m of the general statutes is
 29 amended by adding subdivision (23) as follows (*Effective July 1, 2011,*
 30 *and applicable to the report due on or before February 1, 2012*):

31 (NEW) (23) With regard to the solar installation program,
 32 established pursuant to section 1 of this act, a summary of the activity
 33 of such program, including, but not limited to, the number of
 34 installations, the estimated number of jobs created and the estimated
 35 resulting energy savings.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2011, and applicable to the report due on or before February 1, 2012</i>	32-1m(a)

CE *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Department of Economic & Community Development	GF - Cost	25,000 - 45,000	20,000 - 40,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a cost of \$25,000 - \$45,000 to implement the solar energy program. This cost includes approximately \$20,000 - \$40,000 for legal, marketing, and technical expertise to develop the program and \$5,000 in FY 12 to develop regulations for the program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 6582*****AN ACT CONCERNING EXPANDING THE STATE'S SOLAR ENERGY ECONOMY.*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD) to create a program that, in partnership with private banks and lending institutions, provides loans to small businesses and residential electric customers in the state for solar energy installations. DECD must develop the program by September 1, 2011, in consultation with the Department of Public Utility Control, the Connecticut Development Authority, and the electric companies.

The program must include a mechanism allowing loan recipients to repay the loans through their monthly electric bills. The loans must be structured so that the costs savings from the solar installations offset the monthly loan payback.

The bill requires DECD to set criteria for solar energy system installers to participate in the program. The criteria must consider an installer's experience, location in the state, and the number of jobs potentially created by the installer's participation. DECD must also set criteria for private banks and lending institutions to participate in the program.

DECD must adopt implementing regulations, including regulations for application procedures and loan terms and eligibility. The bill also requires DECD to include a summary of the program's activity in its annual report. The summary must include (1) the number of installations, (2) the estimated number of jobs created, and (3) the estimated energy savings.

EFFECTIVE DATE: Upon passage, except the reporting requirement takes effect July 1, 2011 and applies to the report due February 1, 2012.

BACKGROUND

Related Bills

sSB 1, reported favorably by the Energy and Technology Committee, establishes several programs to promote solar energy, including ones that (1) provide incentives for people to install photovoltaic (PV) systems on their homes, (2) require electric companies to enter into long-term contracts with developers of large-scale PV systems, and (3) study the feasibility of installing PV systems on state facilities.

sHB 6525, reported favorably by the Commerce Committee, also creates a solar energy financing program.

The law requires the Connecticut Health and Educational Facilities Authority (CHEFA) to establish the Green Connecticut Loan Guaranty Fund to help finance energy efficiency and renewable energy measures for individuals, nonprofit organizations, and small businesses. sHB 6544, reported favorably by the Energy and Technology Committee, (1) imposes various requirements on CHEFA in administering this program and (2) specifies the terms CHEFA's financial assistance must meet.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 18 Nay 1 (03/22/2011)