



OLR RESEARCH REPORT

April 14, 2011

2011-R-0183

PENDING CLEAN ENERGY LEGISLATION

By: Kevin McCarthy, Principal Analyst

You asked for a summary of bills dealing with clean energy (energy efficiency and renewable energy) that have been favorably reported to the floor.

SUMMARY

The Energy and Technology, Commerce, and Environment committees have favorably reported bills this session dealing with clean energy. These range from bills addressing a wide range of energy issues, such as [SB 1](#), to those dealing with a specific topic, such as wind energy ([HB 6249](#)) or electric vehicle technology ([SB 1168](#)).

ENERGY AND TECHNOLOGY COMMITTEE

sSB, 1 An Act Concerning Connecticut's Energy Future

This bill establishes the Department of Energy and Environmental Protection (DEEP) as the successor to the departments of Public Utility Control (DPUC) and Environmental Protection (DEP) and establishes DEEP's goals regarding energy. It transfers the powers and responsibilities of DPUC and DEP, as well as the energy powers and responsibilities of the Office of Policy and Management (OPM), to DEEP. The bill establishes three bureaus in DEEP (Energy, Environmental Protection, and Public Utility Control). It requires that the bureaus be

divided into units or divisions, including one on efficiency and renewable energy. It creates an Office of Energy Efficient Businesses within DEEP and requires it to provide in-state businesses with a single point of contact for any state business interested in energy efficiency, renewable energy, or conservation projects, among other responsibilities.

The bill also:

1. establishes several solar programs, including one to finance residential photovoltaic (PV) systems, one that requires electric companies to enter into long-term contracts with large-scale PV generators, and one that establishes a feed-in tariff under which owners of large-scale solar generators are paid based on how much power their systems generate;
2. allows any municipality to establish a loan program (commonly called Property Assessed Clean Energy (PACE)) for financing sustainable energy improvements to qualifying real property located within the municipality;
3. requires DEEP to establish two programs to provide financial assistance for combined heat and power production (cogeneration);
4. requires DEEP to establish a pilot program to promote the use of agricultural waste in anaerobic digestion facilities to generate electricity and heat;
5. requires DEEP to establish a pilot program to provide financial incentives to install energy efficient heating systems;
6. establishes energy efficiency standards for compact audio players, televisions, DVD players, and DVD recorders that go into effect January 1, 2014; and
7. requires DEEP to adopt efficiency standards for other products under specified circumstances.

EFFECTIVE DATE: Various

sSB 102, An Act Concerning Renewable Energy Resources Eligible for Assistance from the Renewable Energy Investment Fund.

[This bill](#) allows the state's Clean Energy Fund to support the development of energy systems that use waste heat recovered from a public wastewater (sewage) treatment plant. However, it limits the fund's

support to no more than 50% of the expenditures for the development, installation, or operation of a plant from which waste heat is recovered. By law, the fund can provide grants, direct or equity investments, contracts, or take other actions to (1) support research, development, manufacture, commercialization, deployment, and installation of renewable energy technologies and (2) expand the expertise of individuals, businesses, and lending institutions with regard to these technologies.

EFFECTIVE DATE: Upon passage

SB 1141, An Act Concerning Net Metering

[This bill](#) requires electric companies to provide their customers with virtual net metering and make any needed interconnections, including installing metering equipment, for customers who need it. The bill specifies how (1) the metering equipment must operate and (2) the electric companies must bill those who participate. It also requires DPUC, by February 1, 2012, to hold a proceeding to develop administrative processes and program specifications to implement the bill.

Current law requires electric utilities to provide equipment and billing for net metering, but not for virtual net metering (CGS § 16-243h). In general, the net metering law allows a customer with an on-site electricity generator powered by a renewable energy resource to earn billing credits from an electric company when the customer generates more power than he or she uses, essentially “running the meter backwards.” “Virtual net metering” allows the customer to use these credits to lower the electricity bills of other accounts designated by the customer.

EFFECTIVE DATE: Upon passage

SB 1168, An Act Concerning an Electric Vehicle Infrastructure

This bill makes numerous changes to the statutes regarding the state’s electric vehicle infrastructure and alternative-energy-fueled vehicles. It:

1. requires the State Building Code to support electric vehicle use;
2. creates a nonlapsing “electric vehicle support account” within the General Fund;
3. requires OPM to develop a plan to promote electric vehicle use and facilitate installation of fast-charging stations;

4. creates a sales tax exemption for hydrogen fuel cell and electric passenger vehicles sold between July 1, 2011 and July 1, 2013; and
5. opens the high occupancy vehicle lane to single-occupant hybrid and hydrogen fuel-cell-powered vehicles.

EFFECTIVE DATE: July 1, 2011, except the section requiring an OPM report, which is effective upon passage

sSB 1176, An Act Concerning Electric Rate Relief.

This bill subjects certain electric generators to a tax on the power they generate in the state, starting July 1, 2011.

[PA 10-179](#) authorized the state to issue securitization bonds backed by the competitive transition assessment (CTA) and part of the conservation charge on electric company bills to provide up to \$ 956 million for a transfer to the General Fund. Under the act, the bonding is tied to a financing order issued by Department of Public Utility Control (DPUC), which had to reduce the conservation charge by 35% as of April 4, 2012 or an earlier date set by DPUC in the order. An amount equal to this reduction would continue to be charged but used as part of the revenue that backs the bonds.

The bill requires that the new tax revenue be used first to pay off these bonds (which have not yet been issued), before the CTA and conservation charged are used to do so. Once the bonds are paid off or defeased, the tax revenue must provide ratepayer relief and funding for clean and renewable energy projects. The bill also makes related changes.

EFFECTIVE DATE: Upon passage for the requirement that the tax revenue be used to pay off the bonds, although the tax itself and the bill's other provisions are effective July 1, 2011.

sHB 6249, An Act Requiring the Adoption of Regulations for the Siting of Wind Projects

This bill requires the Connecticut Siting Council, in consultation with DPUC and DEP, to adopt regulations concerning the siting of wind turbines. The council must resume its consideration of any application pending as of the bill's date of passage upon the adoption of the regulations and give the applicant the opportunity to satisfy the requirements in the regulations. The regulations must at least consider (1) setbacks, including tower height and distance from neighboring

properties; (2) flicker; (3) a requirement for the developer to decommission the facility at the end of its useful life; (4) different requirements for different size projects; (5) ice throw; (6) blade shear; and (7) impact on natural resources. The regulations must also require a public hearing for wind turbine projects.

EFFECTIVE DATE: Upon passage

sHB 6459, An Act Concerning Renewable Resource Generation

[This bill](#) requires DPUC to develop a request for proposals (RFP) for renewable generation in the state. It must do so in a contested case (a quasi-judicial procedure) by October 1, 2011. Proposals submitted in response to the RFP may include cost-recovery methods such as cost-of-service, or production-based payments. An electric company may submit proposals on the same basis as other respondents to the RFP. The department must conduct a docket to determine which proposal would result in the least cost to ratepayers, but may reject all proposals.

The bill does not amend CGS § 16-244e, which generally bars electric companies from owning generating facilities. As a result, the project selected by the RFP could not be built without additional legislation.

EFFECTIVE DATE: Upon passage

sHB 6542, An Act Establishing a Pilot Program for the Development of an Energy Efficient Economy

[This bill](#) requires the Department of Public Works (DPW) to establish a three-year pilot program to increase energy efficiency in state- and municipal-owned buildings. It must do so in consultation with DEP. The bill specifies how DPW must administer the program.

DPW must use (1) moneys from the Energy Conservation and Load Management Fund in consultation with the Energy Conservation Management Board and (2) any other available funding for the program.

DPW must, within available appropriations, provide municipalities with (1) lists of auditors and contractors chosen for the program and (2) technical assistance in developing requests for proposals; reviewing proposals; and developing protocols for project monitoring, data collection, and reporting savings after the energy efficiency measures have been installed.

EFFECTIVE DATE: July 1, 2011

sHB 6544, An Act Concerning Energy Efficiency

By law, the electric companies and the Energy Conservation Management Board (ECMB) must develop a comprehensive energy efficiency plan. [This bill](#) requires the plan to set a goal of weatherizing 80% of the state's residential units by 2030.

The bill expands cost-effectiveness evaluation requirements for the programs the electric companies propose in the plan. Among other things, the bill (1) specifies the purposes of the evaluation, (2) prescribes the evaluation process, and (3) requires ECMB to retain one or more consultants to administer the evaluation process.

The bill allows any state agency or municipality to enter into an energy performance contract with a qualified energy services provider to produce utility or operation and maintenance cost savings.

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 projects for individuals, nonprofit organizations, and small businesses. The bill (1) imposes various requirements on CHEFA in administering this program and (2) specifies the terms CHEFA's financial assistance must meet.

EFFECTIVE DATE: July 1, 2011 for the conservation program evaluation provisions and performance contracting provisions, upon passage for the remaining provisions

COMMERCE COMMITTEE

sHB 6525, An Act Concerning the Continuance of the Majority Leaders' Job Growth Roundtable

[This bill](#) establishes, reestablishes, or modifies a broad range of economic development initiatives, including several related to energy. The new initiatives:

1. authorize the Department of Economic and Community Development (DECD) to finance the installation of solar heating systems in homes and apartments and facilities occupied by small businesses;
2. require the transportation commissioner to convert at least 25% of the state's heavy motor vehicle fleet to alternative fuels; and
3. allow hybrid and electric motor vehicles, regardless of the number of occupants, to travel on limited access lanes reserved for high occupancy vehicles.

The bill temporarily reestablishes the sales tax exemptions for clean alternative fuels and hybrid vehicles.

EFFECTIVE DATE: Various

HB 6582, An Act Concerning Expanding the State's Solar Energy Economy

[This bill](#) requires 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 DPUC, 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 cost 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 the (1) number of installations, (2) estimated number of jobs created, and (3) estimated energy savings.

EFFECTIVE DATE: Upon passage, except the reporting requirement takes effect July 1, 2011

ENVIRONMENT COMMITTEE

SB 839, An Act Defining Biosolids as a Class I Renewable Energy Source

By law, electric companies and competitive electric suppliers must get part of their power from Class I renewable resources such as solar and wind power. [This bill](#) expands this class to include energy derived from waste heat from a public wastewater (sewage) treatment plant. In this case, waste heat is recovered from exhaust gas by processing biosolids removed from wastewater. Biosolids are treated sewage sludge.

EFFECTIVE DATE: Upon passage

sHB 6386, An Act Establishing the Department Of Energy and Environmental Protection

[This bill](#) is similar to SB 1, described above, creating the Department of Energy and Environmental Protection by merging the DPUC and DEP and transferring various energy-related responsibilities and powers from OPM to DEEP. This bill creates four rather than three bureaus in DEEP. This bill also specifies DEEP's environmental as well as energy goals. The bill changes the membership of various boards and commissions to reflect DEEP's creation. It makes many minor, conforming, and technical changes.

EFFECTIVE DATE: July 1, 2011

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