



General Assembly

January Session, 2013

Raised Bill No. 946

LCO No. 3467



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING CONTRACT EXTENSIONS FOR PROJECT 150 PROJECTS.

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

1 Section 1. Subdivision (2) of subsection (j) of section 16-244c of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (2) Notwithstanding the provisions of subsection (d) of this section
5 regarding an alternative transitional standard offer option or an
6 alternative standard service option, an electric distribution company
7 providing transitional standard offer service, standard service,
8 supplier of last resort service or back-up electric generation service in
9 accordance with this section shall, not later than July 1, 2008, file with
10 the Public Utilities Regulatory Authority for its approval one or more
11 long-term power purchase contracts from Class I renewable energy
12 source projects with a preference for projects located in Connecticut
13 that receive funding from the Clean Energy Fund and that are not less
14 than one megawatt in size, at a price that is either, at the determination
15 of the project owner, (A) not more than the total of the comparable
16 wholesale market price for generation plus five and one-half cents per

17 kilowatt hour, or (B) fifty per cent of the wholesale market electricity
18 cost at the point at which transmission lines intersect with each other
19 or interface with the distribution system, plus the project cost of fuel
20 indexed to natural gas futures contracts on the New York Mercantile
21 Exchange at the natural gas pipeline interchange located in Vermillion
22 Parish, Louisiana that serves as the delivery point for such futures
23 contracts, plus the fuel delivery charge for transporting fuel to the
24 project, plus five and one-half cents per kilowatt hour. In its approval
25 of such contracts, the authority shall give preference to purchase
26 contracts from those projects that would provide a financial benefit to
27 ratepayers and would enhance the reliability of the electric
28 transmission system of the state. Such projects shall be located in this
29 state. The owner of a fuel cell project principally manufactured in this
30 state shall be allocated all available air emissions credits and tax credits
31 attributable to the project and no less than fifty per cent of the energy
32 credits in the Class I renewable energy credits program established in
33 section 16-245a attributable to the project. On and after October 1, 2007,
34 and until September 30, 2008, such contracts shall be comprised of not
35 less than a total, apportioned among each electric distribution
36 company, of one hundred twenty-five megawatts; and on and after
37 October 1, 2008, such contracts shall be comprised of not less than a
38 total, apportioned among each electrical distribution company, of one
39 hundred fifty megawatts. The Public Utilities Regulatory Authority
40 shall not issue any order that results in the extension of any in-service
41 date or contractual arrangement made as a part of Project 100 or
42 Project 150 beyond the termination date previously approved by the
43 authority established by the contract, provided any party to such
44 contract may provide a notice of termination in accordance with the
45 terms of, and to the extent permitted under, its contract, except the
46 authority shall grant, upon request, [and] an extension of such latest
47 in-service date by (i) twelve months for any project located in a
48 distressed municipality, as defined in section 32-9p, with a population
49 of more than one hundred twenty-five thousand, and (ii) not more
50 than twenty-four months for any project having a capacity of less than
51 five megawatts. The cost of such contracts and the administrative costs

52 for the procurement of such contracts directly incurred shall be eligible
53 for inclusion in the adjustment to the transitional standard offer as
54 provided in this section and any subsequent rates for standard service,
55 provided such contracts are for a period of time sufficient to provide
56 financing for such projects, but not less than ten years, and are for
57 projects which began operation on or after July 1, 2003. Except as
58 provided in this subdivision, the amount from Class I renewable
59 energy sources contracted under such contracts shall be applied to
60 reduce the applicable Class I renewable energy source portfolio
61 standards. For purposes of this subdivision, the authority's
62 determination of the comparable wholesale market price for
63 generation shall be based upon a reasonable estimate. On or before
64 September 1, 2011, the authority, in consultation with the Office of
65 Consumer Counsel and the Clean Energy Finance and Investment
66 Authority, shall study the operation of such renewable energy
67 contracts and report its findings and recommendations to the joint
68 standing committee of the General Assembly having cognizance of
69 matters relating to energy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-244c(j)(2)

ET *Joint Favorable*