



General Assembly

Substitute Bill No. 1138

January Session, 2013



AN ACT CONCERNING CONNECTICUT'S CLEAN ENERGY GOALS.

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2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2013*):

4 (26) (A) "Class I renewable energy source" means [(A) energy] (i)
5 electricity derived from (I) solar power, (II) wind power, (III) a fuel
6 cell, [methane gas from landfills,] (IV) geothermal, (V) landfill methane
7 gas, anaerobic digestion or other biogas derived from biological
8 sources, (VI) ocean thermal power, (VII) wave or tidal power, (VIII)
9 low emission advanced renewable energy conversion technologies,
10 (IX) a run-of-the-river hydropower facility [provided such facility] that
11 has a generating capacity of not more than [five] thirty megawatts,
12 does not cause an appreciable change in the river flow, and began
13 operation after July 1, 2003, (X) the incremental increase in generation
14 capacity of a run-of-the-river hydropower facility that has a total
15 generating capacity of not more than thirty megawatts, provided such
16 incremental increase in generation capacity began operation on or after
17 July 1, 2003, or (XI) a [sustainable biomass facility with] biomass
18 facility that uses sustainable biomass fuel, has an average emission rate
19 of equal to or less than .075 pounds of nitrogen oxides per million BTU
20 of heat input and, on or after January 1, 2016, has an average emission

21 rate of equal to or less than .07 pounds of nitrogen oxides per million
22 BTU of heat input on a twenty-four-hour basis and an average
23 combined particulate emission rate of equal to or less than .038 pounds
24 per million BTU of heat input for the previous calendar quarter and,
25 on or after January 1, 2016, purchases allowances through the Regional
26 Greenhouse Gas Initiative or other mechanism prescribed by the
27 Commissioner of Energy and Environmental Protection and
28 implemented by the Public Utilities Regulatory Authority to offset
29 emissions from the transportation of such fuel to such facility, except
30 that energy derived from a [sustainable] biomass facility with a
31 capacity of less than five hundred kilowatts that began construction
32 before July 1, 2003, may be considered a Class I renewable energy
33 source, or [(B)] (ii) any electrical generation, including distributed
34 generation, generated from a Class I renewable energy source,
35 provided, on and after January 1, 2014, any megawatt hours of
36 electricity from a renewable energy source described under this
37 subparagraph that are claimed or counted by a load-serving entity,
38 province or state toward compliance with renewable portfolio
39 standards or renewable energy policy goals in another province or
40 state, other than the state of Connecticut, shall not be eligible for
41 compliance with the renewable portfolio standards established
42 pursuant to section 16-245a, as amended by this act;

43 (B) "Class IA renewable energy source" means any Class I renewable
44 energy source or hydropower facility that (i) began operation on or
45 after January 1, 2003, (ii) is located in the New England Power Pool
46 Generation Information System geographic eligibility area in
47 accordance with Rule 2.3 or an area abutting the northern boundary of
48 the New England Power Pool Generation Information System
49 geographic eligibility area that is not interconnected with any other
50 control area that is not a part of the New England Power Pool
51 Generation Information System geographic eligibility area, and (iii)
52 delivers power into such geographic eligibility area, provided no such
53 hydropower facility shall be deemed eligible to (I) comply with the
54 Class I renewable energy source requirements pursuant to section 16-

55 245a, as amended by this act, or (II) trade in the New England Power
56 Pool Generation Information System renewable energy credit market;

57 Sec. 2. Subdivision (44) of subsection (a) of section 16-1 of the
58 general statutes is repealed and the following is substituted in lieu
59 thereof (*Effective July 1, 2013*):

60 (44) "Class III source" means the electricity output from combined
61 heat and power systems with an operating efficiency level of no less
62 than fifty per cent that are part of customer-side distributed resources
63 developed at commercial and industrial facilities in this state on or
64 after January 1, 2006, a waste heat recovery system installed on or after
65 April 1, 2007, that produces electrical or thermal energy by capturing
66 preexisting waste heat or pressure from industrial or commercial
67 processes, or the electricity savings created in this state from
68 conservation and load management programs begun on or after
69 January 1, 2006, provided on and after January 1, 2014, no such
70 programs supported by ratepayers, including programs overseen by
71 the Energy Conservation Management Board or third-party programs,
72 or auction revenues from the Regional Greenhouse Gas Initiative shall
73 be considered a Class III source;

74 Sec. 3. Subdivision (45) of subsection (a) of section 16-1 of the
75 general statutes is repealed and the following is substituted in lieu
76 thereof (*Effective July 1, 2013*):

77 (45) "Sustainable biomass fuel" means biomass that is cultivated and
78 harvested in a sustainable manner. "Sustainable biomass fuel" does not
79 mean construction and demolition waste, as defined in section 22a-
80 208x, finished biomass products from sawmills, paper mills or stud
81 mills, organic refuse fuel derived separately from municipal solid
82 waste, or biomass from old growth timber stands, except where (A)
83 such biomass is used in a biomass gasification plant that received
84 funding prior to May 1, 2006, from the Clean Energy Fund established
85 pursuant to section 16-245n, or (B) the energy derived from such
86 biomass is subject to a long-term power purchase contract pursuant to

87 subdivision (2) of subsection (j) of section 16-244c entered into prior to
88 May 1, 2006; [(C) such biomass is used in a renewable energy facility
89 that is certified as a Class I renewable energy source by the authority
90 until such time as the authority certifies that any biomass gasification
91 plant, as defined in subparagraph (A) of this subdivision, is
92 operational and accepting such biomass, in an amount not to exceed
93 one hundred forty thousand tons annually, is used in a renewable
94 energy facility that was certified as a Class I renewable energy source
95 by the authority prior to December 31, 2007, and uses biomass,
96 including construction and demolition waste as defined in section 22a-
97 208x, from a Connecticut-sited transfer station and volume-reduction
98 facility that generated biomass during calendar year 2007 that was
99 used during calendar year 2007 to generate Class I renewable energy
100 certificates, or (D) in the event there is no facility as described in
101 subparagraph (A) or (C) of this subdivision accepting such biomass, in
102 an amount not to exceed one hundred forty thousand tons annually, is
103 used in one or more other renewable energy facilities certified either as
104 a Class I or Class II renewable energy source by the authority,
105 provided such facilities use biomass, including construction and
106 demolition waste as defined in said section 22a-208x, from a
107 Connecticut-sited transfer station and volume-reduction facility that
108 generated biomass during calendar year 2007 that was used during
109 calendar year 2007 to generate Class I renewable energy certificates.
110 Notwithstanding the provisions of subparagraphs (C) and (D) of this
111 subdivision, the amount of biomass specified in said subparagraphs
112 shall not apply to a biomass gasification plant, as defined in
113 subparagraph (A) of this subdivision;]

114 Sec. 4. Subsection (a) of section 16-245a of the general statutes is
115 repealed and the following is substituted in lieu thereof (*Effective July*
116 *1, 2013*):

117 (a) An electric supplier and an electric distribution company
118 providing standard service or supplier of last resort service, pursuant
119 to section 16-244c, shall demonstrate:

120 (1) On and after January 1, 2006, that not less than two per cent of
121 the total output or services of any such supplier or distribution
122 company shall be generated from Class I renewable energy sources
123 and an additional three per cent of the total output or services shall be
124 from Class I or Class II renewable energy sources;

125 (2) On and after January 1, 2007, not less than three and one-half per
126 cent of the total output or services of any such supplier or distribution
127 company shall be generated from Class I renewable energy sources
128 and an additional three per cent of the total output or services shall be
129 from Class I or Class II renewable energy sources;

130 (3) On and after January 1, 2008, not less than five per cent of the
131 total output or services of any such supplier or distribution company
132 shall be generated from Class I renewable energy sources and an
133 additional three per cent of the total output or services shall be from
134 Class I or Class II renewable energy sources;

135 (4) On and after January 1, 2009, not less than six per cent of the
136 total output or services of any such supplier or distribution company
137 shall be generated from Class I renewable energy sources and an
138 additional three per cent of the total output or services shall be from
139 Class I or Class II renewable energy sources;

140 (5) On and after January 1, 2010, not less than seven per cent of the
141 total output or services of any such supplier or distribution company
142 shall be generated from Class I renewable energy sources and an
143 additional three per cent of the total output or services shall be from
144 Class I or Class II renewable energy sources;

145 (6) On and after January 1, 2011, not less than eight per cent of the
146 total output or services of any such supplier or distribution company
147 shall be generated from Class I renewable energy sources and an
148 additional three per cent of the total output or services shall be from
149 Class I or Class II renewable energy sources;

150 (7) On and after January 1, 2012, not less than nine per cent of the

151 total output or services of any such supplier or distribution company
152 shall be generated from Class I renewable energy sources and an
153 additional three per cent of the total output or services shall be from
154 Class I or Class II renewable energy sources;

155 (8) On and after January 1, 2013, not less than ten per cent of the
156 total output or services of any such supplier or distribution company
157 shall be generated from Class I renewable energy sources and an
158 additional three per cent of the total output or services shall be from
159 Class I or Class II renewable energy sources;

160 (9) On and after January 1, 2014, not less than eleven per cent of the
161 total output or services of any such supplier or distribution company
162 shall be generated from Class I renewable energy sources or Class IA
163 renewable energy sources, provided not more than two per cent of
164 such total output or services may be generated from Class IA
165 renewable energy sources, and an additional three per cent of the total
166 output or services shall be from Class I or Class II renewable energy
167 sources;

168 (10) On and after January 1, 2015, not less than twelve and one-half
169 per cent of the total output or services of any such supplier or
170 distribution company shall be generated from Class I renewable
171 energy sources or Class IA renewable energy sources, provided not
172 more than three per cent of such total output or services may be
173 generated from Class IA renewable energy sources, and an additional
174 three per cent of the total output or services shall be from Class I or
175 Class II renewable energy sources;

176 (11) On and after January 1, 2016, not less than fourteen per cent of
177 the total output or services of any such supplier or distribution
178 company shall be generated from Class I renewable energy sources or
179 Class IA renewable energy sources, provided not more than three per
180 cent of such total output or services may be generated from Class IA
181 renewable energy sources, and an additional three per cent of the total
182 output or services shall be from Class I or Class II renewable energy

183 sources;

184 (12) On and after January 1, 2017, not less than fifteen and one-half
185 per cent of the total output or services of any such supplier or
186 distribution company shall be generated from Class I renewable
187 energy sources or Class IA renewable energy sources, provided not
188 more than three per cent of such total output or services may be
189 generated from Class IA renewable energy sources, and an additional
190 three per cent of the total output or services shall be from Class I or
191 Class II renewable energy sources;

192 (13) On and after January 1, 2018, not less than seventeen per cent of
193 the total output or services of any such supplier or distribution
194 company shall be generated from Class I renewable energy sources or
195 Class IA renewable energy sources, provided not more than three and
196 one-half per cent of such total output or services may be generated
197 from Class IA renewable energy sources, and an additional three per
198 cent of the total output or services shall be from Class I or Class II
199 renewable energy sources;

200 (14) On and after January 1, 2019, not less than nineteen and one-
201 half per cent of the total output or services of any such supplier or
202 distribution company shall be generated from Class I renewable
203 energy sources or Class IA renewable energy sources, provided not
204 more than four per cent of such total output or services may be
205 generated from Class IA renewable energy sources, and an additional
206 three per cent of the total output or services shall be from Class I or
207 Class II renewable energy sources;

208 (15) On and after January 1, 2020, not less than twenty per cent of
209 the total output or services of any such supplier or distribution
210 company shall be generated from Class I renewable energy sources or
211 Class IA renewable energy sources, provided not more than four and
212 one-half per cent of such total output or services may be generated
213 from Class IA renewable energy sources, and an additional three per
214 cent of the total output or services shall be from Class I or Class II

215 renewable energy sources; [.]

216 (16) On and after January 1, 2021, not less than twenty-one per cent
217 of the total output or services of any such supplier or distribution
218 company shall be generated from Class I renewable energy sources or
219 Class IA renewable energy sources, provided not more than five per
220 cent of such total output or services may be generated from Class IA
221 renewable energy sources, and an additional three per cent of the total
222 output or services shall be from Class I or Class II renewable energy
223 sources;

224 (17) On and after January 1, 2022, not less than twenty-two per cent
225 of the total output or services of any such supplier or distribution
226 company shall be generated from Class I renewable energy sources or
227 Class IA renewable energy sources, provided not more than five and
228 one-half per cent of such total output or services may be generated
229 from Class IA renewable energy sources, and an additional three per
230 cent of the total output or services shall be from Class I or Class II
231 renewable energy sources;

232 (18) On and after January 1, 2023, not less than twenty-three per cent
233 of the total output or services of any such supplier or distribution
234 company shall be generated from Class I renewable energy sources or
235 Class IA renewable energy sources, provided not more than six per
236 cent of such total output or services may be generated from Class IA
237 renewable energy sources, and an additional three per cent of the total
238 output or services shall be from Class I or Class II renewable energy
239 sources;

240 (19) On and after January 1, 2024, not less than twenty-four per cent
241 of the total output or services of any such supplier or distribution
242 company shall be generated from Class I renewable energy sources or
243 Class IA renewable energy sources, provided not more than six and
244 one-half per cent of such total output or services may be generated
245 from Class IA renewable energy sources, and an additional three per
246 cent of the total output or services shall be from Class I or Class II

247 renewable energy sources;

248 (20) On and after January 1, 2025, not less than twenty-five per cent
249 of the total output or services of any such supplier or distribution
250 company shall be generated from Class I renewable energy sources or
251 Class IA renewable energy sources, provided not more than seven and
252 one-half per cent of such total output or services may be generated
253 from Class IA renewable energy sources, and an additional three per
254 cent of the total output or services shall be from Class I or Class II
255 renewable energy sources.

256 Sec. 5. Section 16-245a of the general statutes is amended by adding
257 subsections (h) and (i) as follows (*Effective from passage*):

258 (NEW) (h) On or after March 31, 2013, the Commissioner of Energy
259 and Environmental Protection, in conjunction with the procurement
260 manager, may, in coordination with other states in the ISO-New
261 England region, or on the commissioner's own, solicit proposals from
262 providers of Class I renewable energy sources constructed on or after
263 the date of such solicitation. If the commissioner finds such proposals
264 to be in the interest of ratepayers and consistent with the policy goals
265 outlined in the Comprehensive Energy Strategy and section 129 of
266 public act 11-80, the commissioner may direct the electric distribution
267 companies to enter into power purchase agreements for energy,
268 capacity and environmental attributes, or any combination thereof, for
269 periods of not more than twenty years for not more than one hundred
270 fifty megawatts of electricity generated by Class I renewable energy
271 sources on behalf of all customers of electric distribution companies to
272 comply with all or part of the renewable portfolio standards
273 obligations of the electric suppliers and electric distribution companies
274 pursuant to this section. Such agreements shall be subject to review
275 and approval by the Public Utilities Regulatory Authority, which
276 review shall commence upon filing the signed power purchase
277 agreements with the authority and the review shall be deemed
278 complete not later than thirty days after such filing. In the event the
279 authority does not issue a decision not later than thirty days after such

280 filing, such agreements shall be deemed approved. The costs of such
 281 agreements shall be recovered through a fully reconciling component
 282 of electric rates for all customers of electric distribution companies.
 283 Such costs shall include reasonable costs incurred by electric
 284 distribution companies pursuant to this subsection.

285 (NEW) (i) On or after July 1, 2013, the Commissioner of Energy and
 286 Environmental Protection, in conjunction with the procurement
 287 manager, may solicit proposals from providers of Class I renewable
 288 energy sources or Class IA renewable energy sources. If the
 289 commissioner finds such proposals to be in the interest of ratepayers,
 290 including, but not limited to, the delivered price of such sources, and
 291 consistent with the policy goals outlined in the Comprehensive Energy
 292 Strategy and section 129 of public act 11-80, including, but not limited
 293 to, peak load shaving and promotion of wind, solar and other
 294 renewable energy technologies, the commissioner may direct the
 295 electric distribution companies to enter into power purchase
 296 agreements for energy, capacity and environmental attributes, or any
 297 combination thereof, for periods of not more than twenty years on
 298 behalf of all customers of electric distribution companies to comply
 299 with all or part of the renewable portfolio standards obligations of the
 300 electric suppliers and electric distribution companies pursuant to this
 301 section. Not later than sixty days after receipt of any such agreement,
 302 such agreement shall be subject to review and approval by the Public
 303 Utilities Regulatory Authority. The costs of such agreements shall be
 304 recovered through a fully reconciling component of electric rates for all
 305 customers of electric distribution companies. Such costs include the
 306 reasonable costs incurred by the electric distribution companies
 307 pursuant to this subsection.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	16-1(a)(26)
Sec. 2	<i>July 1, 2013</i>	16-1(a)(44)
Sec. 3	<i>July 1, 2013</i>	16-1(a)(45)

Sec. 4	<i>July 1, 2013</i>	16-245a(a)
Sec. 5	<i>from passage</i>	16-245a

Statement of Legislative Commissioners:

In section 1(26)(A)(i)(X), "in generation capacity" was added for clarity.

ET *Joint Favorable Subst.*