
OLR Bill Analysis

sSB 944

AN ACT ESTABLISHING A PILOT PROGRAM TO ALLOW FOR MUNICIPAL AGGREGATION.

SUMMARY:

This bill allows a municipality that meets specific criteria (i.e., Bridgeport) to establish a pilot “opt-out” municipal electric aggregation program. Under the program, residential customers who have not chosen an electric supplier would be allocated to a supplier selected by the municipality following a request for proposals (RFP), unless they affirmatively chose not to be served by this supplier. Residential customers who already had a supplier could switch to the municipally designated supplier, unless this was precluded by an existing contract.

The bill requires the Public Utilities Regulatory Authority (PURA) to develop program requirements and PURA, in consultation with the Office of Consumer Counsel, to report on it to the Energy and Technology Committee by January 1, 2016.

EFFECTIVE DATE: Upon passage

CREATING THE PROGRAM

The bill allows a municipality with a population of more than 140,000 that, on or before January 1, 2013, established a city-wide energy improvement district (i.e., Bridgeport), to adopt an ordinance to form a municipal aggregation unit. A municipality served by a municipal electric utility that declined to participate in the competitive electric generation market prior to January 1, 2013, may not form an aggregation unit.

The ordinance must specify the unit’s organizational structure. By January 1, 2014, the municipality must file the ordinance with PURA. PURA may establish additional filing deadlines as it deems

appropriate. Unlike other aggregators, the municipal aggregation unit is not subject to the laws governing how customers confirm that they are switching their supplier.

PROGRAM REQUIREMENTS

A participating municipality must serve as an aggregator to negotiate the purchase of generation services from a supplier for all residential electric customers in its legal boundaries.

By October 1, 2013, PURA must start a proceeding to develop a set of program requirements. These must at least specify how residential customers are provided:

1. notice of the start of a program,
2. information on rates and environmental characteristics (presumably of the power being sold by the chosen supplier),
3. information on contract terms and conditions, and
4. notice on a customer's right to cancel service.

The customers must be given at least 60 days' notice before the unit enrolls them. The program must allow residential customers who have not contracted with an electric supplier to opt-out of the electric service offered by the municipal aggregation unit. Residential customers who have contracted with an electric supplier may opt-in to the program, but the bill does not affect or impair any existing contracts with a supplier.

REQUEST FOR PROPOSALS

The municipal aggregation unit must issue an RFP to licensed suppliers to provide electric generation service. It must select a bidder after providing a written analysis that the economic benefits will be equal to or exceed the current or projected economic benefits of receiving generation services through standard service (the service electric companies provide to customers who have not chosen a supplier). Each municipal aggregation unit must retain the services of

a firm with expertise in electric aggregation and energy procurement to help its participation in the pilot program, including developing the RFP.

REPORT

The bill requires PURA, by January 1, 2016 and in consultation with the Office of Consumer Counsel, to submit a report on the performance of the program to the Energy and Technology Committee. The report must also include findings and recommendations regarding whether the program should be extended and expanded statewide.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 24 Nay 0 (03/14/2013)