



Senate

General Assembly

File No. 120

January Session, 2013

Substitute Senate Bill No. 1138

Senate, March 25, 2013

The Committee on Energy and Technology reported through SEN. DUFF of the 25th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

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2 general statutes is repealed and the following is substituted in lieu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	July 1, 2013	16-1(a)(26)
Sec. 2	July 1, 2013	16-1(a)(44)
Sec. 3	July 1, 2013	16-1(a)(45)
Sec. 4	July 1, 2013	16-245a(a)

Sec. 5	from passage	16-245a
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Statement of Legislative Commissioners:

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

ET *Joint Favorable Subst.*

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: See Below

Municipal Impact: See Below

Explanation

The bill expands certain renewable energy standards that electric utilities and suppliers must achieve. It is uncertain if this will result in increased or decreased rates for ratepayers, including the state and municipalities, as energy market fluctuations would be a consideration.

The Out Years

State Impact: See Above

Municipal Impact: See Above

OLR Bill Analysis**sSB 1138****AN ACT CONCERNING CONNECTICUT'S CLEAN ENERGY GOALS.****SUMMARY:**

This bill modifies the renewable portfolio standard (RPS), which requires electric companies and competitive suppliers to get part of their power from renewable resources. Among other things, it:

1. expands the types of hydropower and biogas resources that count as Class I resources used to meet the RPS,
2. imposes additional environmental conditions on biomass facilities in order to qualify for this class,
3. creates a new class that includes certain large-scale hydropower resources,
4. allows these new resources to meet part of the current RPS requirements starting in 2014, and
5. adds additional steps in the RPS requirements starting in 2021.

The bill also allows the Department of Energy and Environmental Protection (DEEP) commissioner to solicit proposals from renewable generators and direct the electric companies to enter into agreements with them, subject to review and approval by the Public Utilities Regulatory Authority (PURA).

EFFECTIVE DATE: Upon passage for the solicitation provisions, July 1, 2013 for the remaining provisions.

WHAT COUNTS AS A RENEWABLE

Under the RPS, electric companies must obtain part of their power from Class I resources, such as wind and solar power; part from either Class I or Class II resources (e.g., power from resource recovery facilities); and part from Class III resources (e.g., power from cogeneration facilities or savings from certain energy conservation programs).

Hydropower

The bill expands the scope of Class I resources with regard to hydropower facilities. To be eligible under current law, a facility can have a capacity of up to 5 megawatts (MW) and may not cause an appreciable change in the river flow. The bill increases this limit to 30 MW. It also counts, as a Class I resource, the increase in generation capacity of a run-of-the-river hydropower facility that has a total capacity of up to 30 MW, if the increase occurred on or after July 1, 2003.

Biomass

The bill tightens emission standards for power from sustainable biomass facilities to count as Class I resources. Under current law, to qualify as Class I, a facility must use sustainable biomass fuel and have an average nitrogen oxide emission rate of no more than .075 pounds of nitrogen oxides per million British thermal units (BTU). Starting January 1, 2016, the bill requires that such facilities have an average (1) nitrogen oxide emission rate of no more than .07 pounds of nitrogen oxides per million BTU of heat input on a 24-hour basis and (2) combined particulate emission rate of no more than .038 pounds per million BTU.

Also starting on January 1, 2016, the bill requires that such resources buy allowances through the Regional Greenhouse Gas Initiative (RGGI) or other mechanism prescribed by the DEEP commissioner and implemented by PURA to offset emissions from the fuel's transportation to the facility.

Current law's emissions restriction does not apply to facilities with a

capacity under 0.5 MW that began construction before July 1, 2003. The bill exempts these facilities from its emission and RGGI allowances provisions.

The bill also narrows the types of facilities where certain types of biomass can be used to produce power that counts as a Class I resource. By law, certain types of biomass, such as construction and demolition waste and finished products from sawmills generally do not count as sustainable biomass, and the power they produce does not count as a Class I resource. But, under current law, these types of biomass can be used in four types of facilities:

1. those that received funding from the Clean Energy Fund before May 1, 2006;
2. those that have long-term contracts with electric companies under the Project 150 program;
3. facilities that meet specified requirements, until the plants identified in category 1 go into operation;
4. if no facilities in categories 1 or 3 are accepting such biomass, other facilities that meet different criteria.

The bill eliminates the second two exceptions, limiting the eligibility to use biomass such as construction and demolition wood to facilities in the first two categories. By law, biomass facilities that do not meet the Class I criteria, but meet other criteria, are considered Class II resources.

New Class 1A

The bill establishes a new type of renewable energy under the RPS called Class IA. This is any Class I resource or hydropower facility that (1) began operation on or after January 1, 2003 and (2) is located in the area eligible to participate in New England's market for renewable energy credits (which are used to comply with the RPS) or an area abutting the northern boundary of this area that is not connected with

any other control area (electric region) that is not a part of this area. It appears that this provision would allow electricity from large-scale hydropower resources in eastern Canada to qualify as Class 1A resources.

Under the bill, the hydropower resources in this class cannot be used to comply with the Class I RPS requirements. Nor can they trade in the New England renewable energy credit market.

Other Class I Provisions

The bill makes electricity from geothermal resources a Class I resource. By law, methane gas from landfills is a Class I; the bill additionally includes other biogas derived from biological processes, such as anaerobic digestion.

Starting January 1, 2014, the bill makes electrical generation from Class I resources ineligible to count towards Connecticut RPS if a load-serving entity (e.g., an electric company), province, or state claims or counts it to comply with another state's RPS or renewable energy goals. Most of the states in the northeast have an RPS; Vermont has renewable energy goals.

Class III

The bill limits the types of resources that count as Class III. Under current law, these resources are the (1) energy produced by certain cogeneration or waste heat recovery facilities and (2) electric savings produced by conservation programs that began on or after January 1, 2006. Starting January 1, 2014, the bill restricts eligibility to those resources that have not received support from ratepayers or the proceeds of the RGGI cap and trade program for electric generators in the northeast.

RPS REQUIREMENT

Starting in 2014, the bill allows an electric company or supplier to meet part of the Class I requirement by using Class IA resources. It also adds steps in the RPS requirements each year from 2021 through 2025, as shown in Table I. By law, electric companies and competitive

suppliers must also get 3% of their power from Class I or Class II resources and 4% of their requirements from Class III resources.

Table 1: RPS Requirements

Year	Current Class I Requirement (%)	Bill's Class I Requirement (%)	Percentage that Can Come from Class 1A under the Bill
2014	11	11	2
2015	12.5	12.5	3
2016	14	14	3
2017	15.5	15.5	3
2018	17	17	3.5
2019	19.5	19.5	4
2020	20	20	4.5
2021	20	21	5
2022	20	22	5.5
2023	20	23	6
2024	20	24	6.5
2025	20	25	7.5

PURCHASES

Starting March 31, 2013, the bill allows the DEEP commissioner to solicit proposals from providers of Class I renewable energy sources built on or after the solicitation date. He must do this in conjunction with the state official who procures power for the standard service that electric companies provide to customers who have not chosen competitive suppliers. He may do this in coordination with other New England states.

If the commissioner finds the proposals are (1) in ratepayers' interest and (2) consistent with the policy goals outlined in the Comprehensive Energy Strategy and state energy policy, he may direct the electric companies to enter into agreements for up to 20 years with the providers. The agreements must be for energy, capacity, and environmental attributes (e.g., the renewable energy credits used to

comply with the RPS), or any combination of them, for up to 150 MW of electricity generated by Class I renewable energy sources. These products are to be obtained on behalf of all electric company customers to comply with all or part of the companies' and electric suppliers' RPS obligations. The bill does not specify how the purchased products would be allocated among the electric companies and suppliers.

The agreements are subject to PURA review and approval. A review must start when an agreement is filed with PURA. If PURA does not issue a decision within 30 days, the agreement is deemed approved. The costs of the agreements must be recovered through a fully reconciling component of electric rates for all of the electric companies' customers. These costs must include reasonable costs incurred by electric companies under this provision.

The bill also allows the commissioner, starting July 1, 2013, in conjunction with the procurement official, to solicit proposals from providers of Class I or Class IA renewable energy sources. If the commissioner finds the proposals to be in ratepayers' interest, he may direct the electric companies to enter into agreements for energy, capacity and environmental attributes, or any combination of them, for periods of no more than 20 years. In this case, ratepayers' interests include the delivered price of such sources, state energy policy goals, peak load shaving, and promotion of wind, solar and other renewable energy technologies. Again, the products must be purchased on behalf of all customers of electric companies to comply with all or part of the RPS obligations of the companies and suppliers.

PURA must review any agreement within 60 days after receiving it. The costs of the agreements must be recovered through a fully reconciling component of electric rates for all electric company customers. These costs must include the reasonable costs incurred by the electric companies under this provision.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 16 Nay 8 (03/21/2013)