



General Assembly

February Session, 2014

Raised Bill No. 5412

LCO No. 1906



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING SHARED CLEAN ENERGY FACILITIES.

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

1 Section 1. (NEW) (*Effective October 1, 2014*) (a) As used in this section
2 and section 2 of this act:

3 (1) "Shared clean energy facility" means a Class I renewable energy
4 source, as defined in section 16-1 of the general statutes, that (A) is
5 served by an electric distribution company, as defined in section 16-1
6 of the general statutes, (B) is within the same electric distribution
7 company service territory as the individual billing meters for
8 subscriptions, (C) has a nameplate capacity rating of three megawatts
9 or less, and (D) has at least two subscribers;

10 (2) "Shared clean energy facility credit" means a credit equal to the
11 retail cost per kilowatt hour that the subscriber would have otherwise
12 been charged by an electric distribution company, including, but not
13 limited to, the generation service charges, transmission and
14 distribution charges and any other charges, as determined by the
15 authority;

16 (3) "Authority" means the Public Utilities Regulatory Authority, as
17 defined in section 16-1 of the general statutes;

18 (4) "Individual billing meter" means an individual electric meter or a
19 set of electric meters, when such meters are combined for billing
20 purposes, within the service territory of the subscriber's electric
21 distribution company;

22 (5) "Electric distribution company" has the same meaning as
23 provided in section 16-1 of the general statutes;

24 (6) "Subscriber" means an in-state retail end user of an electric
25 distribution company who (A) has contracted for a subscription, and
26 (B) has identified an individual billing meter to which the subscription
27 shall be attributed;

28 (7) "Subscriber organization" means any for-profit or not-for-profit
29 entity permitted by Connecticut law that (A) owns or operates one or
30 more shared clean energy facilities for the benefit of the subscribers, or
31 (B) contracts with a third-party entity to build, own or operate one or
32 more shared clean energy facilities; and

33 (8) "Subscription" means a beneficial use of a shared clean energy
34 facility, including, but not limited to, a percentage interest in the total
35 amount of electricity produced by such a facility or a set amount of
36 electricity produced by such a facility.

37 (b) A shared clean energy facility may be built, owned or operated
38 by a third-party entity under contract with a subscriber organization.

39 (c) A subscriber shall not have a subscription for more than one
40 hundred per cent of such subscriber's own electric consumption, based
41 upon such subscriber's previous twelve months of energy usage. For a
42 subscriber with less than twelve months of energy usage data, a good
43 faith estimate of the subscriber's electric consumption may be utilized
44 to determine the size of the subscription.

45 (d) Any price paid for a subscription in a shared clean energy
46 facility shall not be subject to regulation by the authority.

47 (e) A subscriber organization or the owner of a shared clean energy
48 facility shall not sell subscriptions totaling more than one hundred per
49 cent of the electricity produced by such facility.

50 (f) A subscriber organization may add capacity and subscribers to
51 the shared clean energy facility if such added capacity and subscribers
52 do not reduce any electricity output to existing subscribers. If such
53 added capacity would cause an existing subscriber to have a
54 subscription for more than one hundred per cent of such subscriber's
55 own electric consumption, as described in subsection (c) of this section,
56 such subscription shall be adjusted to ensure such subscriber is
57 compliant with subsection (c) of this section.

58 (g) A subscriber organization may update its subscribers not more
59 frequently than once per quarter. Each quarter the owner of a shared
60 clean energy facility, or its designated agent, shall provide the
61 following information about each subscriber to the electric distribution
62 company, as required to facilitate crediting subscribers: (1) The name,
63 address, account number and meter number or numbers; and (2) the
64 subscription percentage or amount.

65 (h) A subscriber organization shall fully comply and adhere to the
66 consumer protection provisions contained in section 2 of this act and
67 all applicable state and federal securities and tax laws. The subscriber
68 organization shall be responsible for all liability and costs resulting
69 from noncompliance with any such provision.

70 (i) The electric distribution company may require that a shared clean
71 energy facility and its subscribers have their meters read on the same
72 billing cycle.

73 (j) If the capacity of a shared clean energy facility is not fully
74 subscribed, the electric distribution company shall purchase the

75 electricity associated with the unsubscribed capacity at the locational
76 marginal price for the state of Connecticut, as determined by the
77 regional independent system operator, as defined in section 16-1 of the
78 general statutes.

79 (k) (1) All electricity exported to the electric power grid by the
80 shared clean energy facility shall become the property of the electric
81 distribution company, provided such electricity shall not be counted
82 toward the total output or services of the electric distribution company
83 for purposes of the renewable energy portfolio standards established
84 pursuant to section 16-245a of the general statutes. The electric
85 distribution company shall use all such electricity to offset purchases
86 from wholesale suppliers for standard service and suppliers of last
87 resort service.

88 (2) A subscriber organization or a third-party entity under contract
89 with the subscriber organization shall own the renewable energy
90 credits associated with the electricity generated by the shared clean
91 energy facility, unless the credits were explicitly contracted for
92 through a separate transaction, independent of any net metering or
93 interconnection agreement or contract.

94 (l) The subscriber organization, any subscriber or any third-party
95 entity owning or operating a shared clean energy facility shall not be
96 considered an electric distribution company, as defined in section 16-1
97 of the general statutes, or an electric supplier, as defined in section 16-1
98 of the general statutes, solely as a result of any involvement with the
99 shared clean energy facility.

100 (m) The owner or operator of each shared clean energy facility,
101 whether a subscriber organization or third-party entity, shall follow all
102 procedures for interconnection specified in section 16-243a of the
103 general statutes.

104 (n) The amount of electricity generated each month available for
105 allocation as subscribed or unsubscribed electricity shall be determined

106 by a revenue quality production meter installed and paid for by the
107 owner of the shared clean energy facility. It shall be the electric
108 distribution company's responsibility to read such production meter.

109 (o) The authority may revise the methodology for calculating the
110 shared clean energy facility credit at any time if it concludes that such
111 a revision is in the public interest and (1) the existing methodology
112 does not provide subscribers with the fair value of electricity produced
113 by shared clean energy facilities based on the benefits of shared clean
114 energy facilities, or (2) such credit results in a substantial net shifting of
115 costs to nonparticipating ratepayers. Prior to any such revision, the
116 authority shall institute a public proceeding to develop a methodology
117 for calculating the shared clean energy facility credit, which shall be
118 based off of the costs and benefits to the electric distribution
119 companies, customers of such companies and the society of the state
120 for operating shared clean energy facilities interconnected to the
121 electric power grid. Any revision to the shared clean energy facility
122 credit shall only apply to new shared clean energy facilities
123 interconnected after the authority adopts a new methodology.

124 (p) Each billing month, the value of the on-bill credit allocated to
125 each subscriber shall be calculated by multiplying the quantity of
126 kilowatt hours allocated to each subscriber by the shared clean energy
127 facility credit minus any deductions agreed to by the subscriber that
128 shall instead be paid by the electric distribution company to the
129 subscriber organization or the third-party entity for operations and
130 maintenance purposes on behalf of the subscriber. Any such agreed to
131 amount shall be held in an escrow or trust account on behalf of the
132 subscribers and shall not be property of the subscriber organization,
133 electric distribution company or any third-party entity.

134 (1) If the value of the on-bill credit generated by the shared clean
135 energy facility allocated to the subscriber exceeds the amount owed by
136 the subscriber to the electric distribution company, as shown on such
137 subscriber's bill at the end of the billing period, the remaining value of

138 such credit shall carry over from month to month until the value of
139 any remaining credit is used.

140 (2) If the value of the on-bill credit generated by the shared clean
141 energy facility allocated to the subscriber is less than the amount owed
142 by the subscriber to the electric distribution company, as shown on
143 such subscriber's bill at the end of the applicable billing period, the
144 subscriber shall be billed for the difference between the amount shown
145 on the bill and the value of the available on-bill credit.

146 (q) Except as provided in subsection (d) of this section, the authority
147 may adopt regulations, in accordance with the provisions of chapter 54
148 of the general statutes, to implement the provisions of this section.

149 Sec. 2. (NEW) (*Effective October 1, 2014*) (a) An entity selling or
150 reselling a subscription in a shared clean energy facility shall provide,
151 prior to the sale or resale of such subscription, a disclosure to the
152 potential subscriber that includes, but need not be limited to, the
153 following:

154 (1) A good faith estimate of the annual kilowatt hours to be
155 delivered by the shared clean energy facility based on the size of the
156 subscriber's subscription;

157 (2) A plain language explanation of the terms under which the bill
158 credits will be calculated, including, but not limited to, a plain
159 language explanation of the shared clean energy facility credit;

160 (3) A plain language explanation of the contract provisions
161 regulating the disposition or transfer of the subscription; and

162 (4) A plain language explanation of the costs and benefits to the
163 potential subscriber and all assumptions used therein for the term of
164 the proposed contract, based on the subscriber's current usage and
165 applicable tariff.

166 (b) A subscriber shall be eligible to receive on-bill credits so long as

167 the shared clean energy facility continues to generate and provide
168 power to the electric power grid, regardless of the bankruptcy or
169 contractual default of any subscriber, any subscriber organization or
170 the third-party entity owner or operator of the shared clean energy
171 facility.

172 (c) The authority may adopt regulations, in accordance with the
173 provisions of chapter 54 of the general statutes, consistent with the
174 purpose of this section, upon a showing that additional requirements
175 are necessary to protect existing subscribers or potential subscribers.

176 (d) This section shall in no way limit any other rights a subscriber
177 may have related to the provision of electric service by the electric
178 distribution company or the provision of a subscription by the
179 subscriber organization, third-party entity that owns a shared clean
180 energy facility or other entity as provided by, but not limited to, any
181 tariff, decision of the authority or federal or state statute.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	New section
Sec. 2	<i>October 1, 2014</i>	New section

Statement of Purpose:

To allow for the use of shared clean energy facilities.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]