



General Assembly

**Substitute Bill No. 404**

February Session, 2014



**AN ACT CONCERNING RENEWABLE ENERGY CREDITS FOR TRASH-TO-ENERGY FACILITIES AND REQUIRING A REPORT ON ANAEROBIC DIGESTION TECHNOLOGIES.**

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

1 Section 1. Section 16-245a of the 2014 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective October 1, 2014*):

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

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

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

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

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

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

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

37 (7) On and after January 1, 2012, not less than nine per cent of the  
38 total output or services of any such supplier or distribution company  
39 shall be generated from Class I renewable energy sources and an  
40 additional three per cent of the total output or services shall be from  
41 Class I or Class II renewable energy sources;

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

47 (9) On and after January 1, 2014, not less than eleven per cent of the

48 total output or services of any such supplier or distribution company  
49 shall be generated from Class I renewable energy sources and an  
50 additional three per cent of the total output or services shall be from  
51 Class I or Class II renewable energy sources;

52 (10) On and after January 1, 2015, not less than twelve and one-half  
53 per cent of the total output or services of any such supplier or  
54 distribution company shall be generated from Class I renewable  
55 energy sources and an additional three per cent of the total output or  
56 services shall be from [Class I or Class II renewable energy sources]  
57 energy derived from a trash-to-energy facility;

58 (11) On and after January 1, 2016, not less than fourteen per cent of  
59 the total output or services of any such supplier or distribution  
60 company shall be generated from Class I renewable energy sources  
61 and an additional three per cent of the total output or services shall be  
62 from [Class I or Class II renewable energy sources] energy derived  
63 from a trash-to-energy facility;

64 (12) On and after January 1, 2017, not less than fifteen and one-half  
65 per cent of the total output or services of any such supplier or  
66 distribution company shall be generated from Class I renewable  
67 energy sources and an additional three per cent of the total output or  
68 services shall be from [Class I or Class II renewable energy sources]  
69 energy derived from a trash-to-energy facility;

70 (13) On and after January 1, 2018, not less than seventeen per cent of  
71 the total output or services of any such supplier or distribution  
72 company shall be generated from Class I renewable energy sources  
73 and an additional three per cent of the total output or services shall be  
74 from [Class I or Class II renewable energy sources] energy derived  
75 from a trash-to-energy facility;

76 (14) On and after January 1, 2019, not less than nineteen and one-  
77 half per cent of the total output or services of any such supplier or  
78 distribution company shall be generated from Class I renewable

79 energy sources and an additional three per cent of the total output or  
80 services shall be from [Class I or Class II renewable energy sources]  
81 energy derived from a trash-to-energy facility;

82 (15) On and after January 1, 2020, not less than twenty per cent of  
83 the total output or services of any such supplier or distribution  
84 company shall be generated from Class I renewable energy sources  
85 and an additional three per cent of the total output or services shall be  
86 from Class I or Class II renewable energy sources.

87 (b) An electric supplier or electric distribution company may satisfy  
88 the requirements of this section (1) by purchasing certificates issued by  
89 the New England Power Pool Generation Information System,  
90 provided the certificates are for (A) energy produced by a generating  
91 unit using Class I or Class II renewable energy sources and the  
92 generating unit is located in the jurisdiction of the regional  
93 independent system operator, or (B) energy imported into the control  
94 area of the regional independent system operator pursuant to New  
95 England Power Pool Generation Information System Rule 2.7(c), as in  
96 effect on January 1, 2006; (2) for those renewable energy certificates  
97 under contract to serve end-use customers in the state on or before  
98 October 1, 2006, by participating in a renewable energy trading  
99 program within said jurisdictions as approved by the Public Utilities  
100 Regulatory Authority; or (3) by purchasing eligible renewable  
101 electricity and associated attributes from residential customers who are  
102 net producers.

103 (c) Any supplier who provides electric generation services solely  
104 from a Class II renewable energy source shall not be required to  
105 comply with the provisions of this section.

106 (d) An electric supplier or an electric distribution company shall  
107 base its demonstration of generation sources, as required under  
108 subsection (a) of this section on historical data, which may consist of  
109 data filed with the regional independent system operator.

110 (e) (1) A supplier or an electric distribution company may make up  
111 any deficiency within its renewable energy portfolio within the first  
112 three months of the succeeding calendar year or as otherwise provided  
113 by generation information system operating rules approved by New  
114 England Power Pool or its successor to meet the generation source  
115 requirements of subsection (a) of this section for the previous year.

116 (2) No such supplier or electric distribution company shall receive  
117 credit for the current calendar year for generation from Class I or Class  
118 II renewable energy sources pursuant to this section where such  
119 supplier or distribution company receives credit for the preceding  
120 calendar year pursuant to subdivision (1) of this subsection.

121 (f) The authority shall adopt regulations, in accordance with the  
122 provisions of chapter 54, to implement the provisions of this section.

123 (g) (1) Notwithstanding the provisions of this section and section 16-  
124 244c, for periods beginning on and after January 1, 2008, each electric  
125 distribution company may procure renewable energy certificates from  
126 Class I, Class II and Class III renewable energy sources through long-  
127 term contracting mechanisms. The electric distribution companies may  
128 enter into long-term contracts for not more than fifteen years to  
129 procure such renewable energy certificates. The electric distribution  
130 companies shall use any renewable energy certificates obtained  
131 pursuant to this section to meet their standard service and supplier of  
132 last resort renewable portfolio standard requirements.

133 (2) On or before July 1, 2007, the authority shall initiate a contested  
134 case proceeding to examine whether long-term contracts should be  
135 used to procure Class I, Class II and Class III certificates. In such  
136 examination, the authority shall determine (A) the impact of such  
137 contracts on price stability, fuel diversity and cost; (B) the method and  
138 timing of crediting of the procurement of renewable energy certificates  
139 against the renewable portfolio standard purchase obligations of  
140 electric suppliers and the electric distribution companies pursuant to  
141 subsection (a) of this section; (C) the terms and conditions, including

142 reasonable performance assurance commitments, that may be imposed  
143 on entities seeking to supply renewable energy certificates; (D) the  
144 level of one-time compensation, not to exceed one mill per kilowatt  
145 hour of output and services associated with the renewable energy  
146 certificates purchased pursuant to this subsection, which may be  
147 payable to the electric distribution companies for administering the  
148 procurement provided for under this subsection and recovered as part  
149 of the generation services charge or through an appropriate  
150 nonbypassable rate component on customers' bills; (E) the manner in  
151 which costs for such program may be recovered from electric  
152 distribution company customers; and (F) any other issues the authority  
153 deems appropriate. Revenues from such compensation shall not be  
154 included in calculating the electric distribution companies' earnings to  
155 determine if rates are just and reasonable, for earnings sharing  
156 mechanisms or for purposes of sections 16-19, 16-19a and 16-19e.

157 (h) On or before January 1, 2014, the Commissioner of Energy and  
158 Environmental Protection shall, in developing or modifying an  
159 Integrated Resources Plan in accordance with sections 16a-3a and 16a-  
160 3e, establish a schedule to commence on January 1, 2015, for assigning  
161 a gradually reduced renewable energy credit value to all biomass or  
162 landfill methane gas facilities that qualify as a Class I renewable  
163 energy source pursuant to section 16-1, provided this subsection shall  
164 not apply to anaerobic digestion or other biogas facilities, and further  
165 provided any reduced renewable energy credit value established  
166 pursuant to this section shall not apply to any biomass or landfill  
167 methane gas facility that has entered into a power purchase agreement  
168 (1) with an electric supplier or electric distribution company in the  
169 state of Connecticut on or before June 5, 2013, or (2) executed in  
170 accordance with section 16a-3f or 16a-3h. The Commissioner of Energy  
171 and Environmental Protection may review the schedule established  
172 pursuant to this subsection in preparation of each subsequent  
173 Integrated Resources Plan developed pursuant to section 16a-3a and  
174 make any necessary changes thereto to ensure that the rate of  
175 reductions in renewable energy credit value for biomass or landfill

176 methane gas facilities is appropriate given the availability of other  
177 Class I renewable energy sources.

178       Sec. 2. (*Effective from passage*) The Clean Energy Finance and  
179 Investment Authority shall, not later than January 7, 2015, submit a  
180 report in accordance with the requirements of section 11-4a of the  
181 general statutes to the joint standing committees of the General  
182 Assembly having cognizance of matters related to local governments  
183 and energy. Such report shall make recommendations for legislation to  
184 encourage the use of anaerobic digestion technologies by trash-to-  
185 energy facilities located in the state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	16-245a
Sec. 2	<i>from passage</i>	New section

**PD**       *Joint Favorable Subst.*