



General Assembly

January Session, 2015

Committee Bill No. 570

LCO No. 5657



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Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING ELECTRIC FIXED BILL FEES AND GRID MODERNIZATION.

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

- 1 Section 1. (NEW) (*Effective July 1, 2015*) (a) As used in this section:
- 2 (1) "Residential fixed charge" means any (A) fixed charge for
3 distribution basic service, (B) distribution customer service charge, (C)
4 customer charge, (D) basic service fee, (E) demand charge, or (F) other
5 fixed charge, which is separate and distinct from any distribution
6 charge per kilowatt-hour.
- 7 (2) "Electric distribution company" has the same meaning as
8 provided in section 16-1 of the general statutes, as amended by this act.
- 9 (b) The Public Utilities Regulatory Authority shall adjust each
10 electric distribution company's residential fixed charge upon such
11 company's filing with the authority an amendment of rate schedules
12 pursuant to section 16-19 of the general statutes, to not more than ten
13 dollars per monthly billing cycle. Once adjusted, the residential fixed
14 charge shall not exceed ten dollars per billing cycle. The authority shall

15 not adjust a company's residential fixed charge to an amount that
16 exceeds ten dollars per billing cycle in any rate case thereafter.

17 (c) On or after October 1, 2025, the authority shall initiate a docket
18 proceeding to investigate whether to eliminate the residential fixed
19 charge or to adjust the residential fixed charge to an amount exceeding
20 ten dollars per monthly billing cycle. On or before January 1, 2026, the
21 authority shall report, in accordance with section 11-4a of the general
22 statutes, the results of such proceeding to the joint standing committee
23 of the General Assembly having cognizance of matters relating to
24 energy.

25 Sec. 2. Subsection (a) of section 16-1 of the general statutes is
26 amended by adding subdivisions (48) and (49) as follows (*Effective July*
27 *1, 2015*):

28 (NEW) (48) "Distributed energy resource" means any zero-emission
29 customer-side distributed resource, demand response, end user energy
30 efficiency and conservation measure, combined heat and power
31 system, thermal energy generated by a thermal energy transportation
32 company, distributed intelligence, microgrid or energy storage device,
33 including but not limited to, a battery, flywheel or electric vehicle.

34 (NEW) (49) "Energy storage device" means any technology used to
35 store electric energy including, but not limited to, a conventional
36 battery, advanced battery, flywheel, electric vehicle, electrochemical
37 capacitor, superconducting magnetic energy storage, power electronics
38 or control system.

39 Sec. 3. (NEW) (*Effective July 1, 2015*) (a) Not later than August 1,
40 2015, the Commissioner of Energy and Environmental Protection shall
41 conduct a public information meeting and hear public comments
42 regarding methods to: (1) Analyze the costs and benefits that different
43 distributed energy resources, as defined in section 16-1 of the general
44 statutes, as amended by this act, provide to the electric distribution
45 companies and ratepayers; (2) account for such costs and benefits; and

46 (3) implement changes to the regulation of electric distribution
47 companies that conform electric rate and revenue structures to state
48 energy policy.

49 (b) The Commissioner of Energy and Environmental Protection
50 shall submit a report, in accordance with the provisions of section 11-
51 4a of the general statutes, to the joint standing committee of the
52 General Assembly having cognizance of matters relating to energy on
53 the commissioner's findings from such public information meeting.
54 The commissioner may initiate additional proceedings if the
55 commissioner determines that substantial changes are necessary to
56 properly account for the costs and benefits of distributed energy
57 resources.

58 Sec. 4. (NEW) (*Effective July 1, 2015*) (a) Notwithstanding subsection
59 (a) of section 16-244e of the general statutes, each electric distribution
60 company, as defined in section 16-1 of the general statutes, as amended
61 by this act, may, in consultation with the Connecticut Green Bank,
62 submit a proposal to the Department of Energy and Environmental
63 Protection to build, own or operate facilities, devices, services or
64 technologies, including, but not limited to, energy storage devices, as
65 defined in section 16-1, of the general statutes, as amended by this act,
66 for the purpose of demonstrating and investigating how distributed
67 energy resources, as defined in section 16-1 of the general statutes, as
68 amended by this act, can be reliably and efficiently integrated into the
69 operation of the electric distribution system in a manner that
70 maximizes the value provided to the electric distribution company, its
71 ratepayers and society from such resources.

72 (b) The department shall, in consultation with the Connecticut
73 Green Bank, evaluate such proposals and may approve such
74 proposals, provided the net cost of all department approved proposals,
75 in the aggregate, do not exceed five million dollars.

76 (c) Each electric distribution company may enter into joint
77 ownership agreements, partnerships or other contractual agreements

78 for services with private entities to carry out the provisions of this
79 section.

80 (d) Not later than July 1, 2016, the department shall evaluate such
81 approved proposals pursuant to this section and submit a report, in
82 accordance with the provisions of section 11-4a of the general statutes,
83 to the joint standing committee of the General Assembly having
84 cognizance of matters relating to energy regarding the performance,
85 costs and benefits associated with the facilities, devices, services or
86 technologies procured pursuant to this section.

87 Sec. 5. (NEW) (*Effective July 1, 2015*) (a) Not later than August 1,
88 2015, each electric distribution company, as defined in section 16-1 of
89 the general statutes, as amended by this act, shall submit to the
90 Commissioner of Energy and Environmental Protection a protocol for
91 regularly disclosing to the public, electric distribution company circuit
92 maps, based on season and time of day, information regarding areas of
93 electric distribution system need, including locations of actual or
94 projected conditions, including, but not limited to, congestion,
95 increased demand or increased need for operational flexibility due to
96 the interconnection of customer-side distributed resources, as defined
97 in section 16-1 of the general statutes, as amended by this act, and any
98 other information deemed relevant by the commissioner. Such
99 protocol shall include:

100 (1) Appropriate protections for consumer privacy and for
101 safeguarding the security of electric distribution company assets; and

102 (2) A methodology to designate areas of electric distribution system
103 need.

104 (b) Not later than December 1, 2015, the commissioner shall conduct
105 a proceeding to review, approve or modify such protocol, providing
106 opportunity for public review and comment on such protocol.

107 (c) Not later than January 1, 2016, and each successive year

108 thereafter, each electric distribution company shall make available to
109 the public, information regarding areas of electric distribution system
110 need in accordance with the company's protocol approved by the
111 commissioner pursuant to this section.

112 Sec. 6. Subsection (a) of section 16-244r of the general statutes is
113 repealed and the following is substituted in lieu thereof (*Effective July*
114 *1, 2015*):

115 (a) Commencing on January 1, 2012, and within the period
116 established in subsection (a) of section 16-244s, each electric
117 distribution company shall solicit and file with the Public Utilities
118 Regulatory Authority for its approval one or more long-term contracts
119 with owners or developers of Class I generation projects that emit no
120 pollutants and that are less than one thousand kilowatts in size,
121 located on the customer side of the revenue meter and serve the
122 distribution system of the electric distribution company. In conducting
123 such solicitation, each electric distribution company shall give
124 preference to projects located in areas of electric distribution system
125 need, as designated by the Commissioner of Energy and
126 Environmental Protection pursuant to section 5 of this act. The
127 authority may give a preference to contracts for technologies
128 manufactured, researched or developed in the state.

129 Sec. 7. (NEW) (*Effective July 1, 2015*) (a) Not later than October 1,
130 2015, the Commissioner of Energy and Environmental Protection shall
131 initiate an uncontested proceeding or proceedings to (1) determine the
132 net value that distributed energy resources, as defined in section 16-1
133 of the general statutes, as amended by this act, provide to electric
134 distribution companies, ratepayers and society; and (2) consider
135 whether to establish a methodology to credit the owners of such
136 distributed energy resource.

137 (b) In determining the value of distributed energy resources in a
138 proceeding initiated pursuant to subsection (a) of this section, the
139 commissioner shall consider the costs and benefits associated with the

140 following factors: (1) Energy; (2) capacity; (3) grid support services; (4)
141 financial risk; (5) reliability; (6) resiliency; (7) environmental attributes;
142 (8) social values; and (9) any other factors deemed relevant by the
143 commissioner.

144 (c) Not less than sixty days prior to convening an uncontested
145 proceeding initiated pursuant to subsection (a) of this section, the
146 commissioner shall convene a meeting with interested stakeholders to
147 determine the scope of distributed energy resources to be evaluated at
148 such proceeding and any other issues the commissioner deems
149 relevant. Prior to convening any uncontested proceeding initiated
150 pursuant to subsection (a) of this section, the commissioner shall
151 conduct not less than one public meeting and one technical meeting
152 where technical personnel shall be made available to respond to
153 questions.

154 (1) Not less than fifteen days prior to convening a public or technical
155 meeting, such commissioner shall publish notice of such meeting. Such
156 notice shall disclose the commissioner's proposed recommendations
157 regarding the net value of such distributed energy resource, time
158 period for public comment and the time, date and location of such
159 meeting.

160 (2) The commissioner shall make proposed recommendations
161 available for public comment for a period of not less than thirty days
162 prior to any proceeding conducted pursuant to subsection (a) of this
163 section. The commissioner shall fully consider all oral and written
164 public comments concerning the proposed valuation methodology for
165 such distributed energy resource before issuing the final valuation
166 methodology. The testimony, public comments and remarks made at
167 such proceeding and at such public and technical meetings shall be
168 transcribed and made available on the department's Internet web site.

169 (d) If at the conclusion of any proceeding conducted pursuant to
170 subsection (a) of this section, the commissioner establishes a valuation
171 methodology for a distributed energy resource, the commissioner may:

172 (1) Direct each electric distribution company to provide a tariff to
173 owners of such distributed energy resource. Not later than the
174 department publishes such final valuation methodology, each electric
175 distribution company shall file such tariff for approval with the Public
176 Utilities Regulatory Authority. Such tariff shall include, but not be
177 limited to, new qualifying facilities for virtual net metering pursuant to
178 section 16-244u of the general statutes, as amended by this act, and net
179 metering pursuant to section 16-243h of the general statutes, as
180 amended by this act; and

181 (2) Update the final valuation methodology as needed and require
182 each electric distribution company to revise such tariff in accordance
183 with such update.

184 Sec. 8. Subsection (b) of section 16-244u of the general statutes is
185 repealed and the following is substituted in lieu thereof (*Effective July*
186 *1, 2015*):

187 (b) Each electric distribution company shall provide virtual net
188 metering to its municipal, state or agricultural customer hosts and
189 shall make any necessary interconnections for a virtual net metering
190 facility or an agricultural virtual net metering facility. Upon request by
191 a municipal, state or agricultural customer host to implement the
192 provisions of this section, an electric distribution company shall install
193 metering equipment, if necessary. For each municipal, state or
194 agricultural customer host, such metering equipment shall (1) measure
195 electricity consumed from the electric distribution company's facilities;
196 (2) deduct the amount of electricity produced but not consumed; and
197 (3) register, for each monthly billing period, the net amount of
198 electricity produced and, if applicable, consumed. If, in a given
199 monthly billing period, a municipal, state or agricultural customer host
200 supplies more electricity to the electric distribution system than the
201 electric distribution company delivers to the municipal, state or
202 agricultural customer host, the electric distribution company shall bill
203 the municipal, state or agricultural customer host for zero kilowatt

204 hours of generation and assign a virtual net metering credit to the
205 municipal, state or agricultural customer host's beneficial accounts for
206 the next monthly billing period. Such credit shall be applied against
207 the generation service component and a declining percentage of the
208 transmission and distribution charges billed to the beneficial accounts.
209 Such credit shall be allocated among such accounts in proportion to
210 their consumption for the previous twelve billing periods for a
211 customer host implementing virtual net metering under this section on
212 or before the Commissioner of Energy and Environmental Protection
213 establishes a final methodology and each electric distribution company
214 implements a tariff pursuant to section 7 of this act. For any new
215 customer host qualifying under this section, such virtual net metering
216 credit shall be established by such commissioner pursuant to section 7
217 of this act.

218 Sec. 9. Section 16-243h of the general statutes is repealed and the
219 following is substituted in lieu thereof (*Effective July 1, 2015*):

220 On and after January 1, 2000, each electric supplier or any electric
221 distribution company providing standard offer, transitional standard
222 offer, standard service or back-up electric generation service, pursuant
223 to section 16-244c, shall give a credit for any electricity generated by a
224 customer from a Class I renewable energy source or a hydropower
225 facility that has a nameplate capacity rating of two megawatts or less.
226 The electric distribution company providing electric distribution
227 services to such a customer shall make such interconnections necessary
228 to accomplish such purpose. An electric distribution company, at the
229 request of any residential customer served by such company and if
230 necessary to implement the provisions of this section, shall provide for
231 the installation of metering equipment that (1) measures electricity
232 consumed by such customer from the facilities of the electric
233 distribution company, (2) deducts from the measurement the amount
234 of electricity produced by the customer and not consumed by the
235 customer, and (3) registers, for each billing period, the net amount of
236 electricity either (A) consumed and produced by the customer, or (B)

237 the net amount of electricity produced by the customer. If, in a given
238 monthly billing period, a customer-generator supplies more electricity
239 to the electric distribution system than the electric distribution
240 company or electric supplier delivers to the customer-generator, the
241 electric distribution company or electric supplier shall credit the
242 customer-generator for the excess by reducing the customer-
243 generator's bill for the next monthly billing period to compensate for
244 the excess electricity from the customer-generator in the previous
245 billing period at a rate of one kilowatt-hour for one kilowatt-hour
246 produced. The electric distribution company or electric supplier shall
247 carry over the credits earned from monthly billing period to monthly
248 billing period, and the credits shall accumulate until the end of the
249 annualized period. At the end of each annualized period, the electric
250 distribution company or electric supplier shall compensate the
251 customer-generator for any excess kilowatt-hours generated, at the
252 avoided cost of wholesale power for a customer implementing net
253 metering under this section on or before the Commissioner of Energy
254 and Environmental Protection establishes a final valuation
255 methodology and each electric distribution company implements a
256 tariff pursuant to section 7 of this act. For any new source or facility
257 qualifying under this section, the electric distribution company or
258 electric supplier shall compensate the customer-generator at a rate
259 established by the commissioner pursuant to section 7 of this act. A
260 customer who generates electricity from a generating unit with a
261 nameplate capacity of more than ten kilowatts of electricity pursuant
262 to the provisions of this section shall be assessed for the competitive
263 transition assessment, pursuant to section 16-245g and the systems
264 benefits charge, pursuant to section 16-245l, based on the amount of
265 electricity consumed by the customer from the facilities of the electric
266 distribution company without netting any electricity produced by the
267 customer. For purposes of this section, "residential customer" means a
268 customer of a single-family dwelling or multifamily dwelling
269 consisting of two to four units.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	New section
Sec. 2	<i>July 1, 2015</i>	16-1(a)
Sec. 3	<i>July 1, 2015</i>	New section
Sec. 4	<i>July 1, 2015</i>	New section
Sec. 5	<i>July 1, 2015</i>	New section
Sec. 6	<i>July 1, 2015</i>	16-244r(a)
Sec. 7	<i>July 1, 2015</i>	New section
Sec. 8	<i>July 1, 2015</i>	16-244u(b)
Sec. 9	<i>July 1, 2015</i>	16-243h

Statement of Purpose:

To modernize the electric grid, create a methodology to value distributed energy resources, initiate a distributed energy resource grid integration pilot program, compel the public disclosure of the circuit map of the electric distribution system, alleviate areas of electric distribution system congestion, promote and incentivize the conservation of electricity and provide associated savings to ratepayers by reducing and capping the electric distribution companies' residential fixed charge.

[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.]

Co-Sponsors: SEN. LOONEY, 11th Dist.; SEN. DUFF, 25th Dist.
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