



General Assembly

January Session, 2015

Raised Bill No. 928

LCO No. 3739



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, 2015*) (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 the electric distribution company that services the
13 territory where the subscriber is located, including, but not limited to,
14 the generation service charges, transmission and distribution charges
15 and any other charges, as determined by the 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 facility or a set amount of
36 electricity produced by such 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 than once per quarter. Each quarter, the owner of a shared clean
60 energy facility or its designated agent shall provide the following
61 information about each subscriber to the electric distribution company,
62 as required to facilitate crediting subscribers: (1) The name, address,
63 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, as determined by the regional independent
77 system operator, as defined in section 16-1 of the general statutes.

78 (k) (1) All electricity exported to the electric power grid by the
79 shared clean energy facility shall become the property of the electric
80 distribution company, provided such electricity shall not be counted
81 toward the total output or services of the electric distribution company
82 for purposes of the renewable energy portfolio standards established
83 pursuant to section 16-245a of the general statutes. The electric
84 distribution company may use all such electricity to offset purchases
85 from wholesale suppliers for standard service and suppliers of last
86 resort service, or may sell such electricity into the wholesale market
87 and credit the revenues, net of administrative costs against the costs
88 incurred by the company in implementing the provisions of this act,
89 subject to review by the authority.

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

96 (l) The subscriber organization, any subscriber or any third-party
97 entity owning or operating a shared clean energy facility shall not be
98 considered an electric distribution company or an electric supplier, as
99 defined in section 16-1 of the general statutes, solely as a result of any
100 involvement with the shared clean energy facility, and shall have no
101 rights to own or operate an electric distribution system.

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

106 (n) The amount of electricity generated each month available for
107 allocation as subscribed or unsubscribed electricity shall be determined
108 by a revenue quality production meter installed and paid for by the
109 owner of the shared clean energy facility. It shall be the electric
110 distribution company's responsibility to read such production meter.
111 The shared clean energy facility shall be obligated to compensate the
112 electric distribution company for the company's reasonable costs of
113 interconnection to accommodate the facility.

114 (o) The authority may revise the methodology for calculating the
115 shared clean energy facility credit at any time if it concludes that such
116 a revision is in the public interest and (1) the existing methodology
117 does not provide subscribers with the fair value of electricity produced
118 by shared clean energy facilities based on the benefits of shared clean
119 energy facilities, or (2) such shared clean energy facility credit results
120 in a substantial net shifting of costs to nonparticipating ratepayers.
121 Prior to any such revision, the authority shall institute a public
122 proceeding to develop a methodology for calculating the shared clean
123 energy facility credit, which shall be based off of the costs and benefits
124 to the electric distribution companies, customers of such companies
125 and the economic conditions for operating shared clean energy
126 facilities interconnected to the electric power grid. Alternatively,
127 should the authority conduct any proceeding comprehensively
128 addressing costs and benefits of renewable distributed generation that
129 could reasonably be seen to include shared clean energy facilities, the
130 outcome of that proceeding may inform revisions to the shared clean
131 energy facility credit. Any revision to the shared clean energy facility
132 credit shall only apply to new shared clean energy facilities
133 interconnected after the authority adopts a new methodology.

134 (p) Each billing month, a subscriber may be eligible for a bill credit.
135 The bill credit shall be calculated by multiplying the quantity of
136 kilowatt hours allocated to each subscriber by the shared clean energy
137 facility credit minus any deductions agreed to by the subscriber that
138 shall instead be paid by the electric distribution company to the

139 subscriber organization or the third-party entity for operations and
140 maintenance purposes on behalf of the subscriber. Any such agreed to
141 amount shall be held in an escrow or trust account on behalf of the
142 subscribers and shall not be property of the subscriber organization,
143 electric distribution company or any third-party entity.

144 (1) If the value of the bill credit allocated to the subscriber exceeds
145 the amount owed by the subscriber to the electric distribution
146 company, as shown on such subscriber's bill at the end of the billing
147 period, the remaining value of such bill credit shall carry over from
148 month to month until the value of any remaining bill credit is used.

149 (2) If the value of the bill credit allocated to the subscriber is less
150 than the amount owed by the subscriber to the electric distribution
151 company as shown on such subscriber's bill at the end of the
152 applicable billing period, the subscriber shall be billed for the
153 difference between the amount shown on the bill and the value of the
154 available bill credit.

155 (q) At the request of a subscriber organization, the electric
156 distribution company may bill the subscriber on behalf of the
157 subscriber organization, provided the subscriber organization pays the
158 company's costs associated with billing and collection from the
159 subscriber, with these costs subject to review by the authority.

160 (r) Electric distribution companies may seek recovery of any costs
161 associated with the administration of the shared clean energy facility.

162 (s) Except as provided in subsection (d) of this section, the authority
163 may adopt regulations, in accordance with the provisions of chapter 54
164 of the general statutes, to implement the provisions of this section.

165 Sec. 2. (NEW) (*Effective October 1, 2015*) (a) Any entity selling or
166 reselling a subscription in a shared clean energy facility shall provide,
167 prior to the sale or resale of such subscription, a disclosure to the
168 potential subscriber that includes, but need not be limited to, the

169 following:

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

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

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

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

182 (b) A subscriber shall be eligible to receive bill credits so long as the
183 shared clean energy facility continues to generate and provide power
184 to the electric power grid, regardless of the bankruptcy or contractual
185 default of any subscriber, any subscriber organization or the third-
186 party entity owner or operator of the shared clean energy facility.

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

191 (d) This section shall in no way limit any other rights and
192 obligations a subscriber may have related to the provision of electric
193 service and delivery of electricity by the electric distribution company
194 or the provision of a subscription by the subscriber organization, third-
195 party entity that owns a shared clean energy facility or other entity as
196 provided by, but not limited to, any tariff, decision of the authority or
197 federal or state statute.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>October 1, 2015</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.]