AN ACT CONCERNING ELECTRIC FIXED BILL FEES AND GRID MODERNIZATION.

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

Section 1. (NEW) (Effective July 1, 2015) (a) As used in this section:

1. (1) "Residential fixed charge" means any fixed fee charged to residential electric customers, including, but not limited to, (A) a fixed charge for distribution basic service, (B) a distribution customer service charge, (C) a customer charge, (D) a basic service fee, or (E) other fixed charge, which is separate and distinct from any distribution charge per kilowatt-hour.

2. (2) "Electric distribution company" has the same meaning as provided in section 16-1 of the general statutes, as amended by this act.

(b) The Public Utilities Regulatory Authority shall adjust each electric distribution company's residential fixed charge upon such company's filing with the authority an amendment of rate schedules pursuant to section 16-19 of the general statutes, to not more than ten dollars per monthly billing cycle. Once adjusted, the residential fixed charge shall not exceed ten dollars per billing cycle. The authority shall not adjust a company's residential fixed charge to an amount that exceeds ten dollars per billing cycle in any rate case thereafter.
(c) On or after October 1, 2025, the authority shall initiate a docket proceeding to investigate whether to eliminate the residential fixed charge or to adjust the residential fixed charge to an amount exceeding ten dollars per monthly billing cycle. On or before January 1, 2026, the authority shall report, in accordance with section 11-4a of the general statutes, the results of such proceeding to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

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

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

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

Sec. 3. (NEW) (Effective July 1, 2015) (a) Not later than August 1, 2015, the Commissioner of Energy and Environmental Protection shall conduct a public information meeting and hear public comments regarding methods to: (1) Analyze the costs and benefits that different distributed energy resources, as defined in section 16-1 of the general statutes, as amended by this act, provide to the electric distribution companies and ratepayers; (2) account for such costs and benefits; and (3) implement changes to the regulation of electric distribution companies that conform electric rate and revenue structures to state energy policy.
(b) The Commissioner of Energy and Environmental Protection shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy on the commissioner's findings from such public information meeting. The commissioner may initiate additional proceedings if the commissioner determines that substantial changes are necessary to properly account for the costs and benefits of distributed energy resources.

Sec. 4. (NEW) (Effective July 1, 2015) (a) Notwithstanding subsection (a) of section 16-244e of the general statutes, each electric distribution company, as defined in section 16-1 of the general statutes, as amended by this act, may, in consultation with the Connecticut Green Bank, submit a proposal to the Department of Energy and Environmental Protection to build, own or operate energy storage devices, as defined in section 16-1 of the general statutes, as amended by this act, for the purpose of demonstrating and investigating how energy storage devices can be reliably and efficiently integrated into the operation of the electric distribution system in a manner that maximizes the value provided to the electric distribution company, its ratepayers and society from such resources.

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

(c) Each electric distribution company may enter into joint ownership agreements, partnerships or other contractual agreements for services with private entities to carry out the provisions of this section.

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

Sec. 5. (NEW) (Effective July 1, 2015) (a) Not later than October 1,
2015, the Commissioner of Energy and Environmental Protection shall
initiate an uncontested proceeding or proceedings to (1) determine the
net value that distributed energy resources, as defined in section 16-1
of the general statutes, as amended by this act, provide to electric
distribution companies and ratepayers; and (2) consider whether to
establish a methodology to credit the owners of such distributed
energy resource.

(b) In determining the value of distributed energy resources in a
proceeding initiated pursuant to subsection (a) of this section, the
commissioner shall consider the costs and benefits associated with the
following factors: (1) Energy; (2) capacity; (3) grid support services; (4)
financial risk; (5) reliability; (6) resiliency; and (7) environmental
attributes.

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

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

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

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

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

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

Sec. 6. Subsection (b) of section 16-244u of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2015):

(b) Each electric distribution company shall provide virtual net metering to its municipal, state or agricultural customer hosts and
shall make any necessary interconnections for a virtual net metering facility or an agricultural virtual net metering facility. Upon request by a municipal, state or agricultural customer host to implement the provisions of this section, an electric distribution company shall install metering equipment, if necessary. For each municipal, state or agricultural customer host, such metering equipment shall (1) measure electricity consumed from the electric distribution company's facilities; (2) deduct the amount of electricity produced but not consumed; and (3) register, for each monthly billing period, the net amount of electricity produced and, if applicable, consumed. If, in a given monthly billing period, a municipal, state or agricultural customer host supplies more electricity to the electric distribution system than the electric distribution company delivers to the municipal, state or agricultural customer host, the electric distribution company shall bill the municipal, state or agricultural customer host for zero kilowatt hours of generation and assign a virtual net metering credit to the municipal, state or agricultural customer host's beneficial accounts for the next monthly billing period. Such credit shall be applied against the generation service component and a declining percentage of the transmission and distribution charges billed to the beneficial accounts. Such credit shall be allocated among such accounts in proportion to their consumption for the previous twelve billing periods for a customer host implementing virtual net metering under this section on or before the Commissioner of Energy and Environmental Protection establishes a final methodology and each electric distribution company implements a tariff pursuant to section 5 of this act. For any new customer host qualifying under this section, such virtual net metering credit shall be established by such commissioner pursuant to section 5 of this act.

Sec. 7. Section 16-243h of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2015):

On and after January 1, 2000, each electric supplier or any electric distribution company providing standard offer, transitional standard offer, standard service or back-up electric generation service, pursuant
to section 16-244c, shall give a credit for any electricity generated by a customer from a Class I renewable energy source or a hydropower facility that has a nameplate capacity rating of two megawatts or less. The electric distribution company providing electric distribution services to such a customer shall make such interconnections necessary to accomplish such purpose. An electric distribution company, at the request of any residential customer served by such company and if necessary to implement the provisions of this section, shall provide for the installation of metering equipment that (1) measures electricity consumed by such customer from the facilities of the electric distribution company, (2) deducts from the measurement the amount of electricity produced by the customer and not consumed by the customer, and (3) registers, for each billing period, the net amount of electricity either (A) consumed and produced by the customer, or (B) the net amount of electricity produced by the customer. If, in a given monthly billing period, a customer-generator supplies more electricity to the electric distribution system than the electric distribution company or electric supplier delivers to the customer-generator, the electric distribution company or electric supplier shall credit the customer-generator for the excess by reducing the customer-generator's bill for the next monthly billing period to compensate for the excess electricity from the customer-generator in the previous billing period at a rate of one kilowatt-hour for one kilowatt-hour produced. The electric distribution company or electric supplier shall carry over the credits earned from monthly billing period to monthly billing period, and the credits shall accumulate until the end of the annualized period. At the end of each annualized period, the electric distribution company or electric supplier shall compensate the customer-generator for any excess kilowatt-hours generated, at the avoided cost of wholesale power for a customer implementing net metering under this section on or before the Commissioner of Energy and Environmental Protection establishes a final valuation methodology and each electric distribution company implements a tariff pursuant to section 5 of this act. For any new source or facility qualifying under this section, the electric distribution company or
electric supplier shall compensate the customer-generator at a rate established by the commissioner pursuant to section 5 of this act. A customer who generates electricity from a generating unit with a nameplate capacity of more than ten kilowatts of electricity pursuant to the provisions of this section shall be assessed for the competitive transition assessment, pursuant to section 16-245g and the systems benefits charge, pursuant to section 16-245l, based on the amount of electricity consumed by the customer from the facilities of the electric distribution company without netting any electricity produced by the customer. For purposes of this section, "residential customer" means a customer of a single-family dwelling or multifamily dwelling consisting of two to four units.

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