



Substitute House Bill No. 5427

Public Act No. 16-116

AN ACT CONCERNING THE SHARED CLEAN ENERGY FACILITY PILOT PROGRAM.

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

Section 1. Subsection (a) of section 16-243p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An electric distribution company may recover its costs and investments that have been prudently incurred as well as its revenues lost resulting from the provisions of sections 16-1, 16-19ff, 16-50k, 16-50x, 16-243h to 16-243q, inclusive, 16-244c, 16-244u, 16-245d, 16-245m, 16-245n, 16-245z, 16-262i, 16a-40l and 16a-40m, public act 15-113, as amended by this act, and section 21 of public act 05-1 of the June special session. The Public Utilities Regulatory Authority shall, after a hearing held pursuant to the provisions of chapter 54, determine the appropriate mechanism to obtain such recovery in a timely manner which mechanism may be one or more of the following: (1) Approval of rates as provided in sections 16-19 and 16-19e; (2) the energy adjustment clause as provided in section 16-19b; or (3) the federally mandated congestion charges, as defined in section 16-1.

Sec. 2. Section 1 of public act 15-113 is repealed and the following is

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substituted in lieu thereof (*Effective from passage*):

(a) As used in this section:

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

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

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

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

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

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

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(b) The Department of Energy and Environmental Protection, in consultation with the electric distribution companies, shall establish a two-year pilot program to support the development of shared clean energy facilities. On or before [January] July 1, 2016, the department shall develop, seek public comment on and issue a request for proposals from subscriber organizations seeking to develop a shared clean energy facility.

(c) The department shall select, pursuant to the request for proposals process, shared clean energy facility projects as follows: (1) In the service area of an electric distribution company that has a service area of not more than seventeen cities and towns, a project or projects that do not exceed a nameplate capacity rating of two megawatts in the aggregate; and (2) in the service area of an electric distribution company that has a service area of eighteen or more cities and towns, a project or projects that do not exceed a nameplate capacity rating of four megawatts in the aggregate. All projects selected by the department shall not exceed a total nameplate capacity rating of six megawatts in the aggregate. The department shall [establish a] consider all proposals received, including cost-effective projects of various nameplate capacities that may allow for the construction of multiple projects in each service area within the requirements of this subsection. After receiving proposals pursuant to such issued request for proposals, the department shall determine the billing credit for any subscriber of a shared clean energy facility [,] that may be issued through the electric distribution companies' monthly billing systems, and establish consumer protections for subscribers and potential subscribers of such a facility, including, but not limited to, disclosures to be made when selling or reselling a subscription.

(d) The financing of the pilot program, described in subsection (b) of this section, shall be provided as follows: (1) Such pilot program shall utilize one or more tariff mechanisms with the electric distribution

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companies for a term not to exceed twenty years, subject to approval by the Public Utilities Regulatory Authority, to pay for the purchase of any energy products produced by any shared clean energy facility identified by the department in the request for proposals, or to deliver any billing credit of any such selected facility, as authorized pursuant to subsection (c) of this section; (2) the terms of such tariff shall be consistent with the program requirements established by the department in the request for proposals; (3) the electric distribution companies shall be entitled to recover all reasonable costs and expenses prudently incurred for the implementation and operation of such pilot program through a reconciling component of electric rates, as determined by the authority; (4) the electric distribution companies shall be entitled to such recovery for the period that any shared clean energy facility is enrolled in the tariff, or the term of the pilot program, whichever is longer; and (5) the electric distribution companies shall submit to the Public Utilities Regulatory Authority for review and approval: (A) Any tariffs proposed pursuant to this subsection with shared clean energy facility projects selected in the department's request for proposal process; (B) any tariffs proposed pursuant to this subsection with shared clean energy facility project subscribers; (C) any other tariffs proposed pursuant to this subsection; and (D) any proposal to recover costs associated with administering the implementation and operation of the shared clean energy facility pilot program.

[(d)] (e) Not later than one year after being selected for an award under the shared clean energy facility pilot program and annually for two years thereafter, each recipient shall submit a report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and to the Department of Energy and Environmental Protection. Such report shall include, but not be limited to, information concerning the status of the shared clean energy

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facility.

[(e)] (f) On or before [January] July 1, 2018, the department shall file a report, in accordance with the provisions of section 11-4a of the general statutes, with the joint standing committee of the General Assembly having cognizance of matters relating to energy, (1) analyzing the success of the shared clean energy pilot program, (2) identifying and analyzing the success of programs in other states that allow facilities similar to a shared clean energy facility, and (3) recommending whether a permanent program should be established in this state and, if so, any necessary legislation.

Approved May 31, 2016