



# House of Representatives

## File No. 727

General Assembly

February Session, 2016

**(Reprint of File No. 564)**

Substitute House Bill No. 5496  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 25, 2016

### **AN ACT CONCERNING CERTAIN VIRTUAL NET METERING FACILITIES.**

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

1 Section 1. Section 16-244u of the general statutes is amended by  
2 adding subsection (h) as follows (*Effective from passage*):

3 (NEW) (h) Where a virtual net metering facility or agricultural  
4 virtual net metering facility requires a permit from the Department of  
5 Energy and Environmental Protection under chapter 446c or chapter  
6 446d and the municipal, state or agricultural customer host has  
7 submitted a virtual net metering application to the electric distribution  
8 company for such virtual net metering facility or agricultural virtual  
9 net metering facility on or before December 1, 2015, and the electric  
10 distribution company has accepted such virtual net metering  
11 application, such municipal, state or agricultural customer host shall  
12 have eighteen months from the date of the issuance of the final permit  
13 from the Department of Energy and Environmental Protection to cause  
14 such virtual net metering facility or agricultural virtual net metering

15 facility to become operational.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-244u

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill establishes a timeframe for certain virtual net metering projects to become operational which does not have a fiscal impact to the state or municipalities.

House "A" eliminated the requirement to allow biomass facility project administrators to request a modification to existing purchase agreements with electric distribution companies.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****sHB 5496 (as amended by House "A")\******AN ACT CONCERNING BIOMASS FACILITIES AND CERTAIN VIRTUAL NET METERING FACILITIES.*****SUMMARY:**

This bill establishes a timeframe for certain projects to become operational and remain eligible for virtual net metering (see BACKGROUND). The law required PURA to conduct a proceeding to develop administrative processes and program specifications for virtual net metering by October 1, 2013. In current practice, in accordance with PURA's final decision in Docket 13-08-14RE01, once project administrators have satisfied all electric distribution company (EDC, i.e., Eversource and United Illuminating) requirements on a virtual net metering application and have been assigned an annual virtual net metering cap by the EDC, they have one year to begin commercial operation, though PURA may grant a six month extension. This current time limit applies regardless of any Department of Energy and Environmental Protection (DEEP) permitting requirements or when such permits are issued.

The bill instead gives certain facilities 18 months from the date DEEP issues a final permit to become operational. The bill applies to virtual net metering facilities and agricultural virtual net metering facilities that have met the following conditions:

1. the facility requires a DEEP permit related to emissions or solid waste;
2. the municipal, state, or agricultural customer host has submitted a virtual net metering application to the EDC for the facility as of December 1, 2015; and

3. the EDC has accepted the facility's virtual net metering application.

\*House Amendment "A" eliminates provisions in the underlying bill to allow biomass facility project administrators to request from PURA a modification to existing purchase agreements to allow a project to use additional sustainable biomass fuel.

EFFECTIVE DATE: Upon passage

## **BACKGROUND**

### ***Virtual Net Metering***

The virtual net metering law allows municipal, state agency, and agricultural electric customers that install certain renewable generation systems ("hosts") to (1) receive a billing credit for excess power their system generates and (2) share this credit with certain other accounts ("beneficial accounts.") For example, if a photovoltaic system on a school's roof generated more power than the school used, a town could use the excess credits to reduce the electricity bill for its fire station. The law caps the total amount of credits provided to beneficial accounts at \$10 million per year and limits the three categories of hosts to 40% of this amount.

### ***Related Bill***

sSB 394 (File 580), favorably reported by the Energy and Technology Committee, requires PURA to authorize an additional \$5 million of virtual net metering credits per year to municipal customer hosts that meet certain requirements.

## **COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/22/2016)