



General Assembly

February Session, 2016

Raised Bill No. 5427

LCO No. 2093



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

***AN ACT CONCERNING THE SHARED CLEAN ENERGY FACILITY
PILOT PROGRAM.***

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

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2 repealed and the following is substituted in lieu thereof (*Effective from*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

4 (a) An electric distribution company may recover its costs and
5 investments that have been prudently incurred as well as its revenues
6 lost resulting from the provisions of sections 16-1, 16-19ff, 16-50k, 16-
7 50x, 16-243h to 16-243q, inclusive, 16-244c, 16-244u, 16-245d, 16-245m,
8 16-245n, 16-245z, 16-262i, 16a-40l, [and] 16a-40m and public act 15-113,
9 as amended by this act, and section 21 of public act 05-1 of the June
10 special session. The Public Utilities Regulatory Authority shall, after a
11 hearing held pursuant to the provisions of chapter 54, determine the
12 appropriate mechanism to obtain such recovery in a timely manner
13 which mechanism may be one or more of the following: (1) Approval
14 of rates as provided in sections 16-19 and 16-19e; (2) the energy
15 adjustment clause as provided in section 16-19b; or (3) the federally

16 mandated congestion charges, as defined in section 16-1.

17 Sec. 2. Section 1 of public act 15-113 is repealed and the following is
18 substituted in lieu thereof (*Effective from passage*):

19 (a) As used in this section:

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

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

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

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

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

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

45 electricity produced by such facility.

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

53 (c) The department shall select, pursuant to the request for
54 proposals process, shared clean energy facility projects as follows: (1)
55 In the service area of an electric distribution company that has a
56 service area of not more than seventeen cities and towns, a project or
57 projects that do not exceed a nameplate capacity rating of two
58 megawatts in the aggregate; and (2) in the service area of an electric
59 distribution company that has a service area of eighteen or more cities
60 and towns, a project or projects that do not exceed a nameplate
61 capacity rating of four megawatts in the aggregate. All projects
62 selected by the department shall not exceed a total nameplate capacity
63 rating of six megawatts in the aggregate. The [department shall
64 establish a] results of such request for proposals process shall
65 determine the billing credit for any subscriber of a shared clean energy
66 facility [.] that may be issued through the electric distribution
67 companies' monthly billing system, and establish consumer
68 protections for subscribers and potential subscribers of such a facility,
69 including, but not limited to, disclosures to be made when selling or
70 reselling a subscription.

71 (d) The financing of the pilot program shall be provided for as
72 follows: (1) Such pilot program shall utilize one or more tariff
73 mechanisms with the electric distribution companies for a term not to
74 exceed fifteen years, subject to approval by the Public Utilities
75 Regulatory Authority, to pay for the purchase of any energy products
76 produced by any shared clean energy facility identified by the

77 department in the request for proposals, or to deliver any billing credit
78 of any such selected facility, as authorized pursuant to subsection (c) of
79 this section. (2) The terms of such tariff shall be consistent with the
80 program requirements established by the department in the request for
81 proposals. (3) The electric distribution companies shall be entitled to
82 recover all reasonable costs and expenses prudently incurred for the
83 implementation and operation of such pilot program through a
84 reconciling component of electric rates, as determined by the authority.
85 (4) The electric distribution companies shall be entitled to such
86 recovery for the period that any shared clean energy facility is enrolled
87 in the tariff, or the term of the pilot program, whichever is longer.

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

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

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>from passage</i>	16-243p(a)
Sec. 2	<i>from passage</i>	PA 15-113, Sec. 1

Statement of Purpose:

To make changes to the shared clean energy facility pilot program regarding utilities' cost recovery, tariff mechanisms, and other technical changes.

[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.]