



General Assembly

January Session, 2017

**Committee Bill No. 106**

LCO No. 5352



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

**AN ACT CONCERNING THE DIVERSITY OF BASELOAD ENERGY SUPPLIES IN THE STATE AND ACHIEVING CONNECTICUT'S GREENHOUSE GAS EMISSIONS MANDATED LEVELS.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) In order to secure a long  
2 term supply of diverse cost-effective resources to provide more reliable  
3 electric service for the benefit of the state's electric ratepayers and to  
4 meet the state's energy and environmental goals and policies  
5 established in the Integrated Resources Plan, pursuant to section 16a-  
6 3a of the general statutes, the Comprehensive Energy Strategy,  
7 pursuant to section 16a-3d of the general statutes, section 22a-200a of  
8 the general statutes and the state-wide solid waste management plan  
9 developed pursuant to section 22a-241a of the general statutes, on or  
10 after October 1, 2017, the Commissioner of Energy and Environmental  
11 Protection, in consultation with the procurement manager identified in  
12 subsection (l) of section 16-2 of the general statutes, the Office of  
13 Consumer Counsel and the Attorney General, shall, on behalf of  
14 Connecticut alone: (1) Issue one or more solicitations from providers of  
15 the following resources constructed on or after the date the  
16 commissioner issues the solicitation pursuant to this subdivision: (A)

17 Class I renewable energy sources, as defined in section 16-1 of the  
18 general statutes, that emit no pollutants and have a nameplate capacity  
19 rating of twenty megawatts or more and can achieve a combined  
20 project total capacity factor of at least sixty per cent; (B) verifiable  
21 large-scale hydropower, as defined in section 16-1 of the general  
22 statutes, and any associated transmission; (C) Class I renewable energy  
23 resources that use Class I technologies that have no emissions of no  
24 more than 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10  
25 pounds per megawatt-hour of carbon monoxide, 0.02 pounds per  
26 megawatt-hour of volatile organic compounds, and one grain per one  
27 hundred standard cubic feet; and (D) Class I anaerobic digestion  
28 facilities that are part of a provider response under subparagraph (B)  
29 of subdivision (2) of this subsection; and (2) issue one or more  
30 solicitations from providers of the following resources constructed  
31 before the date the commissioner issues the solicitation pursuant to  
32 this subdivision: (A) Nuclear power generating facilities that are fully  
33 relicensed to operate by the federal Nuclear Regulatory Commission  
34 by the effective date of this section and through 2029 or later; (B) trash-  
35 to-energy facilities that are registered Class II renewable energy  
36 sources, as defined in section 16-1 of the general statutes, provided  
37 such facilities (i) advance the state's recycling and waste diversion  
38 goals by acquiring and installing new or upgraded material recovery  
39 technology, and (ii) develop new Class I anaerobic digestion facilities  
40 or partner with existing Class I anaerobic digestion facilities to divert  
41 material recovered from the waste stream; and (C) Class I biomass  
42 facilities that went into service on or after December 1, 2013, and  
43 provide a waste stream management benefit to the state in accordance  
44 with the state-wide solid waste management plan developed pursuant  
45 to section 22a-241a of the general statutes. All such resources shall be  
46 delivered into the control area of the regional independent system  
47 operator, as defined in section 16-1 of the general statutes.

48 (b) The Commissioner of Energy and Environmental Protection, in  
49 consultation with the procurement manager identified in subsection (l)  
50 of section 16-2 of the general statutes, the Office of Consumer Counsel

51 and the Attorney General: (1) Shall evaluate project proposals received  
52 in response to any solicitation issued pursuant to subsection (a) of this  
53 section based on whether such proposal is in the best interest of  
54 ratepayers and the benefits of such proposal outweigh the costs to  
55 ratepayers, based on the following: (A) The delivered prices of such  
56 sources compared to the forecasted price of energy, as determined by  
57 the commissioner or his or her designee; (B) impacts on electric system  
58 operations and reliability; (C) the extent to which such proposal will  
59 contribute to: (i) The local sourcing requirement set by the regional  
60 independent system operator, as defined in section 16-1 of the general  
61 statutes; and (ii) the goals established in the state-wide solid waste  
62 management plan developed pursuant to section 22a-241a of the  
63 general statutes; and (D) fuel diversity; and (2) may evaluate project  
64 proposals received in response to any solicitation issued pursuant to  
65 subsection (a) of this section based on the forecasted price of capacity  
66 or environmental attributes, as determined by the commissioner or his  
67 or her designee.

68 (c) The commissioner may hire consultants with expertise in the  
69 quantitative modeling of electric markets and physical electric system  
70 modeling, as applicable, to assist in implementing this section,  
71 including, but not limited to, evaluating proposals submitted pursuant  
72 to this section. All reasonable costs, not to exceed one million five  
73 hundred thousand dollars, associated with the commissioner's  
74 solicitation and review of proposals pursuant to this section shall be  
75 recoverable through the nonbypassable federally mandated congestion  
76 charge, as defined in subsection (a) of section 16-1 of the general  
77 statutes. Such costs shall be recoverable regardless of whether the  
78 commissioner selects any proposal pursuant to solicitations issued  
79 pursuant to this section. The commissioner may charge a reasonable  
80 fee to bidders for submitting a proposal in response to any solicitation  
81 issued pursuant to this section in order to reduce any consultant costs  
82 recoverable pursuant to this section.

83 (d) If the commissioner finds one or more proposals received

84 pursuant to this section to be in the best interest of ratepayers, in  
85 accordance with the provisions of subsection (b) of this section,  
86 consistent with the requirements to reduce greenhouse gas emissions  
87 in accordance with section 22a-200a of the general statutes, and in  
88 accordance with the policy goals outlined in the Comprehensive  
89 Energy Strategy, adopted pursuant to section 16a-3d of the general  
90 statutes, the commissioner may select one or more proposals,  
91 provided: (1) The benefits of each proposal exceeds the costs of such  
92 proposal; and (2) the total annual energy output of the proposals  
93 selected pursuant to this section, in the aggregate, shall not exceed  
94 fourteen million megawatt-hours of electricity, provided: (A) The total  
95 annual energy output of the proposals described in subparagraph (A)  
96 of subdivision (1) of subsection (a) of this section and subparagraph  
97 (C) of subdivision (1) of subsection (a) of this section selected pursuant  
98 to this section shall not exceed two hundred sixty-two thousand nine  
99 hundred fifty megawatt-hours of electricity; (B) the total annual energy  
100 output of the proposals described in subparagraph (B) of subdivision  
101 (1) of subsection (a) of this section selected pursuant to this section  
102 shall not exceed two million one hundred ninety-one thousand two  
103 hundred fifty megawatt-hours of electricity; (C) the total annual  
104 energy output of the proposals described in subparagraph (D) of  
105 subdivision (1) of subsection (a) of this section selected pursuant to this  
106 section shall not exceed eighty-seven thousand six hundred fifty  
107 megawatt-hours of electricity; (D) the total annual energy output of the  
108 proposals described in subparagraph (A) of subdivision (2) of  
109 subsection (a) of this section selected pursuant to this section shall not  
110 exceed eight million three hundred twenty-six thousand seven  
111 hundred fifty megawatt-hours of electricity; (E) the total annual energy  
112 output of the proposals described in subparagraph (B) of subdivision  
113 (2) of subsection (a) of this section selected pursuant to this section  
114 shall not exceed eight million seven hundred sixty-five thousand  
115 megawatt-hours of electricity; and (F) the total annual energy output  
116 of the proposals described in subparagraph (C) of subdivision (2) of  
117 subsection (a) of this section selected pursuant to this section shall not

118 exceed eighty-seven thousand six hundred fifty megawatt-hours of  
119 electricity.

120 (e) The commissioner may, on behalf of all customers of electric  
121 distribution companies, direct the electric distribution companies to  
122 enter into agreements for energy, capacity, any environmental  
123 attributes and any associated transmission, or any combination  
124 thereof, from proposals submitted pursuant to this section as follows:  
125 (1) For resources constructed on or after the date the commissioner  
126 issues the solicitation pursuant to subdivision (1) of subsection (a) of  
127 this section, for a period of twenty years; and (2) for resources  
128 constructed before the date the commissioner issues the solicitation  
129 pursuant to subdivision (2) of subsection (a) of this section, for a  
130 period of not more than five years.

131 (f) Any agreement described in subsection (e) of this section shall be  
132 subject to review and approval by the Public Utilities Regulatory  
133 Authority. Such review shall commence upon the filing of the signed  
134 power purchase agreement with the authority. The authority shall  
135 issue a decision on any such agreement not later than ninety days after  
136 such filing, except that if the commissioner delegates any authority to  
137 the electric distribution companies pursuant to subsection (i) of this  
138 section, the authority shall issue a decision on such agreement not later  
139 than one hundred twenty days after such filing. In the event the  
140 authority does not issue a decision within ninety days or one hundred  
141 twenty days, as applicable, after such agreement is filed with the  
142 authority, the agreement shall be deemed approved. The net costs of  
143 any such agreement, including costs incurred by the electric  
144 distribution companies under the agreement and reasonable costs  
145 incurred by the electric distribution companies in connection with the  
146 agreement, shall be recovered on a timely basis through a fully  
147 reconciling component of electric rates for all customers of electric  
148 distribution companies. Any net revenues from the sale of products  
149 purchased in accordance with any agreement entered into pursuant to  
150 this section shall be credited on a timely basis to customers through the

151 same fully reconciling rate component for all customers of the  
152 contracting electric distribution company.

153 (g) With regard to the energy procured by an electric distribution  
154 company pursuant to subsection (e) of this section, such electric  
155 distribution company may: (1) Sell such energy into the relevant  
156 market; or (2) retain such energy to meet the standard service  
157 requirements of section 16-244c of the general statutes. In determining  
158 whether to sell or retain such energy, the company shall select the  
159 option that is in the best interest of such company's ratepayers.

160 (h) Any certificates issued by the New England Power Pool  
161 Generation Information System for any Class I renewable energy  
162 source or Class II renewable energy source procured by an electric  
163 distribution company pursuant to subsection (e) of this section may be:  
164 (1) Sold into the New England Power Pool Generation Information  
165 System renewable energy credit market to be used by any electric  
166 supplier or electric distribution company to meet the requirements of  
167 section 16-245a of the general statutes, as amended by this act,  
168 provided any revenues from such sale are credited to electric  
169 distribution company customers as described in this subsection; or (2)  
170 retained by the electric distribution company to meet the requirements  
171 of section 16-245a of the general statutes, as amended by this act. In  
172 determining whether to sell or retain such certificates, the electric  
173 distribution company shall select the option that is in the best interest  
174 of such company's ratepayers.

175 (i) The commissioner may, at his or her discretion, delegate his or  
176 her authority in subsections (b) to (h), inclusive, of this section to the  
177 electric distribution companies, provided any necessary procedures  
178 are put in place, in accordance with the provisions of this subsection,  
179 to avoid any potential conflicts of interest. The commissioner may not  
180 delegate his or her authority in subsection (a) of this section. If the  
181 commissioner delegates his or her authority pursuant to this  
182 subsection, the commissioner shall provide notice of such delegation at

183 the time the commissioner issues the solicitation pursuant to  
184 subsection (a) of this section. Such procedures to avoid any potential  
185 conflicts of interest shall include, but not be limited to, the following:  
186 (1) Each electric distribution company shall notify the commissioner  
187 and provide public notice prior to the end of the solicitation period if  
188 such electric distribution company, such electric distribution  
189 company's parent company, any subsidiary of such electric  
190 distribution company or any entity in which such electric distribution  
191 company has a financial interest intends to respond to the solicitation  
192 pursuant to this section. The commissioner shall not delegate his or her  
193 authority to: (A) Any electric distribution company that responds to  
194 the solicitation but did not notify the commissioner pursuant to this  
195 subsection; or (B) any electric distribution company that cannot  
196 demonstrate that it has complied with the provisions of this  
197 subsection, if such demonstration is requested by the commissioner;  
198 (2) each electric distribution company that intends to respond to the  
199 solicitation pursuant to this section shall: (A) Establish a group of  
200 individuals responsible for developing a response to the solicitation  
201 issued pursuant to subsection (a) of this section, which shall be known  
202 as the bid team; and (B) establish a group of individuals responsible  
203 for evaluating and selecting proposals pursuant to subsections (b) to  
204 (h), inclusive, of this section, which shall be known as the evaluation  
205 team. No individual may be a member of both the bid team and the  
206 evaluation team; (3) each electric distribution company that intends to  
207 respond to the solicitation pursuant to this section shall establish and  
208 maintain a screen or firewall between its bid team and evaluation team  
209 with respect to information or communications relating to the  
210 solicitation and potential responses pursuant to this section. Each  
211 electric distribution company shall ensure that no substantive or  
212 material internal or external communications, in any form, occur  
213 between any member of its bid team and any member of its evaluation  
214 team about such solicitation, the solicitation process, or any potential  
215 responses to such solicitation; (4) each electric distribution company  
216 that intends to respond to the solicitation pursuant to this section shall

217 ensure that all activity conducted pursuant to subsection (a) of this  
218 section is conducted solely by the bid team. Such electric distribution  
219 company shall ensure that no member of the bid team consults,  
220 advises or communicates directly or indirectly with a member of the  
221 evaluation team about the solicitation or any response to the  
222 solicitation during the preparation or submission of the response or the  
223 evaluation process; (5) each electric distribution company that intends  
224 to respond to the solicitation pursuant to this section shall ensure that  
225 the evaluation team responsibilities do not involve any  
226 communication, advice or consultation with the bid team about the  
227 solicitation or any response to the solicitation. Such electric  
228 distribution company shall ensure that no member of the evaluation  
229 team consults, advises or communicates directly or indirectly with a  
230 member of the bid team about the solicitation or any response to the  
231 solicitation during the preparation or submission of such response or  
232 the evaluation process; (6) each electric distribution company that  
233 intends to respond to the solicitation pursuant to this section shall  
234 ensure that the evaluation team does not open or review any  
235 submitted responses until after the deadline for submitting responses  
236 to the solicitation pursuant to this section; and (7) each electric  
237 distribution company delegated authority pursuant to this section  
238 shall direct all questions regarding submitted responses to the  
239 commissioner and shall not contact any individual or entity that  
240 responded to the solicitation pursuant to this section. Only the  
241 commissioner may contact any individual or entity that responds to  
242 such a solicitation.

243 Sec. 2. Subsection (a) of section 16-245a of the general statutes is  
244 repealed and the following is substituted in lieu thereof (*Effective*  
245 *October 1, 2017*):

246 (a) An electric supplier and an electric distribution company  
247 providing standard service or supplier of last resort service, pursuant  
248 to section 16-244c, shall demonstrate:



249 (1) On and after January 1, 2006, that not less than two per cent of  
250 the total output or services of any such supplier or distribution  
251 company shall be generated from Class I renewable energy sources  
252 and an additional three per cent of the total output or services shall be  
253 from Class I or Class II renewable energy sources;

254 (2) On and after January 1, 2007, not less than three and one-half per  
255 cent of the total output or services of any such supplier or distribution  
256 company shall be generated from Class I renewable energy sources  
257 and an additional three per cent of the total output or services shall be  
258 from Class I or Class II renewable energy sources;

259 (3) On and after January 1, 2008, not less than five per cent of the  
260 total output or services of any such supplier or distribution company  
261 shall be generated from Class I renewable energy sources and an  
262 additional three per cent of the total output or services shall be from  
263 Class I or Class II renewable energy sources;

264 (4) On and after January 1, 2009, not less than six per cent of the  
265 total output or services of any such supplier or distribution company  
266 shall be generated from Class I renewable energy sources and an  
267 additional three per cent of the total output or services shall be from  
268 Class I or Class II renewable energy sources;

269 (5) On and after January 1, 2010, not less than seven per cent of the  
270 total output or services of any such supplier or distribution company  
271 shall be generated from Class I renewable energy sources and an  
272 additional three per cent of the total output or services shall be from  
273 Class I or Class II renewable energy sources;

274 (6) On and after January 1, 2011, not less than eight per cent of the  
275 total output or services of any such supplier or distribution company  
276 shall be generated from Class I renewable energy sources and an  
277 additional three per cent of the total output or services shall be from  
278 Class I or Class II renewable energy sources;

279 (7) On and after January 1, 2012, not less than nine per cent of the  
280 total output or services of any such supplier or distribution company  
281 shall be generated from Class I renewable energy sources and an  
282 additional three per cent of the total output or services shall be from  
283 Class I or Class II renewable energy sources;

284 (8) On and after January 1, 2013, not less than ten per cent of the  
285 total output or services of any such supplier or distribution company  
286 shall be generated from Class I renewable energy sources and an  
287 additional three per cent of the total output or services shall be from  
288 Class I or Class II renewable energy sources;

289 (9) On and after January 1, 2014, not less than eleven per cent of the  
290 total output or services of any such supplier or distribution company  
291 shall be generated from Class I renewable energy sources and an  
292 additional three per cent of the total output or services shall be from  
293 Class I or Class II renewable energy sources;

294 (10) On and after January 1, 2015, not less than twelve and one-half  
295 per cent of the total output or services of any such supplier or  
296 distribution company shall be generated from Class I renewable  
297 energy sources and an additional three per cent of the total output or  
298 services shall be from Class I or Class II renewable energy sources;

299 (11) On and after January 1, 2016, not less than fourteen per cent of  
300 the total output or services of any such supplier or distribution  
301 company shall be generated from Class I renewable energy sources  
302 and an additional three per cent of the total output or services shall be  
303 from Class I or Class II renewable energy sources;

304 (12) On and after January 1, 2017, not less than fifteen and one-half  
305 per cent of the total output or services of any such supplier or  
306 distribution company shall be generated from Class I renewable  
307 energy sources and an additional three per cent of the total output or  
308 services shall be from Class I or Class II renewable energy sources;

309 (13) On and after January 1, 2018, not less than seventeen per cent of  
310 the total output or services of any such supplier or distribution  
311 company shall be generated from Class I renewable energy sources  
312 and an additional three per cent of the total output or services shall be  
313 from Class I or Class II renewable energy sources;

314 (14) On and after January 1, 2019, not less than nineteen and one-  
315 half per cent of the total output or services of any such supplier or  
316 distribution company shall be generated from Class I renewable  
317 energy sources and an additional three per cent of the total output or  
318 services shall be from Class I or Class II renewable energy sources;

319 (15) On and after January 1, 2020, not less than twenty per cent of  
320 the total output or services of any such supplier or distribution  
321 company shall be generated from Class I renewable energy sources  
322 and an additional three per cent of the total output or services shall be  
323 from Class I or Class II renewable energy sources;

324 (16) On and after January 1, 2021, not less than twenty-one per cent  
325 of the total output or services of any such supplier or distribution  
326 company shall be generated from Class I renewable energy sources  
327 and an additional three per cent of the total output or services shall be  
328 from Class I or Class II renewable energy sources;

329 (17) On and after January 1, 2022, not less than twenty-two per cent  
330 of the total output or services of any such supplier or distribution  
331 company shall be generated from Class I renewable energy sources  
332 and an additional three per cent of the total output or services shall be  
333 from Class I or Class II renewable energy sources;

334 (18) On and after January 1, 2023, not less than twenty-three per cent  
335 of the total output or services of any such supplier or distribution  
336 company shall be generated from Class I renewable energy sources  
337 and an additional three per cent of the total output or services shall be  
338 from Class I or Class II renewable energy sources;

339 (19) On and after January 1, 2024, not less than twenty-four per cent  
340 of the total output or services of any such supplier or distribution  
341 company shall be generated from Class I renewable energy sources  
342 and an additional three per cent of the total output or services shall be  
343 from Class I or Class II renewable energy sources;

344 (20) On and after January 1, 2025, not less than twenty-five per cent  
345 of the total output or services of any such supplier or distribution  
346 company shall be generated from Class I renewable energy sources  
347 and an additional three per cent of the total output or services shall be  
348 from Class I or Class II renewable energy sources;

349 (21) On and after January 1, 2026, not less than twenty-six per cent  
350 of the total output or services of any such supplier or distribution  
351 company shall be generated from Class I renewable energy sources  
352 and an additional three per cent of the total output or services shall be  
353 from Class I or Class II renewable energy sources;

354 (22) On and after January 1, 2027, not less than twenty-seven per  
355 cent of the total output or services of any such supplier or distribution  
356 company shall be generated from Class I renewable energy sources  
357 and an additional three per cent of the total output or services shall be  
358 from Class I or Class II renewable energy sources;

359 (23) On and after January 1, 2028, not less than twenty-eight per cent  
360 of the total output or services of any such supplier or distribution  
361 company shall be generated from Class I renewable energy sources  
362 and an additional three per cent of the total output or services shall be  
363 from Class I or Class II renewable energy sources;

364 (24) On and after January 1, 2029, not less than twenty-nine per cent  
365 of the total output or services of any such supplier or distribution  
366 company shall be generated from Class I renewable energy sources  
367 and an additional three per cent of the total output or services shall be  
368 from Class I or Class II renewable energy sources;

369 (25) On and after January 1, 2030, not less than thirty per cent of the  
370 total output or services of any such supplier or distribution company  
371 shall be generated from Class I renewable energy sources and an  
372 additional three per cent of the total output or services shall be from  
373 Class I or Class II renewable energy sources;

374 (26) On and after January 1, 2031, not less than thirty-one per cent of  
375 the total output or services of any such supplier or distribution  
376 company shall be generated from Class I renewable energy sources  
377 and an additional three per cent of the total output or services shall be  
378 from Class I or Class II renewable energy sources;

379 (27) On and after January 1, 2032, not less than thirty-two per cent of  
380 the total output or services of any such supplier or distribution  
381 company shall be generated from Class I renewable energy sources  
382 and an additional three per cent of the total output or services shall be  
383 from Class I or Class II renewable energy sources;

384 (28) On and after January 1, 2033, not less than thirty-three per cent  
385 of the total output or services of any such supplier or distribution  
386 company shall be generated from Class I renewable energy sources  
387 and an additional three per cent of the total output or services shall be  
388 from Class I or Class II renewable energy sources;

389 (29) On and after January 1, 2034, not less than thirty-four per cent  
390 of the total output or services of any such supplier or distribution  
391 company shall be generated from Class I renewable energy sources  
392 and an additional three per cent of the total output or services shall be  
393 from Class I or Class II renewable energy sources;

394 (30) On and after January 1, 2035, not less than thirty-five per cent of  
395 the total output or services of any such supplier or distribution  
396 company shall be generated from Class I renewable energy sources  
397 and an additional three per cent of the total output or services shall be  
398 from Class I or Class II renewable energy sources;

399 (31) On and after January 1, 2036, not less than thirty-six per cent of  
400 the total output or services of any such supplier or distribution  
401 company shall be generated from Class I renewable energy sources  
402 and an additional three per cent of the total output or services shall be  
403 from Class I or Class II renewable energy sources;

404 (32) On and after January 1, 2037, not less than thirty-seven per cent  
405 of the total output or services of any such supplier or distribution  
406 company shall be generated from Class I renewable energy sources  
407 and an additional three per cent of the total output or services shall be  
408 from Class I or Class II renewable energy sources;

409 (33) On and after January 1, 2038, not less than thirty-eight per cent  
410 of the total output or services of any such supplier or distribution  
411 company shall be generated from Class I renewable energy sources  
412 and an additional three per cent of the total output or services shall be  
413 from Class I or Class II renewable energy sources;

414 (34) On and after January 1, 2039, not less than thirty-nine per cent  
415 of the total output or services of any such supplier or distribution  
416 company shall be generated from Class I renewable energy sources  
417 and an additional three per cent of the total output or services shall be  
418 from Class I or Class II renewable energy sources;

419 (35) On and after January 1, 2040, not less than forty per cent of the  
420 total output or services of any such supplier or distribution company  
421 shall be generated from Class I renewable energy sources and an  
422 additional three per cent of the total output or services shall be from  
423 Class I or Class II renewable energy sources.

424 Sec. 3. Subsection (c) of section 16-244r of the general statutes is  
425 repealed and the following is substituted in lieu thereof (*Effective July*  
426 *1, 2017*):

427 (c) (1) The aggregate procurement of renewable energy credits by  
428 electric distribution companies pursuant to this section shall (A) be

429 eight million dollars in the first year, and (B) increase by an additional  
430 eight million dollars per year in years two to four, inclusive.

431 (2) After year four, the authority shall review contracts entered into  
432 pursuant to this section and if the cost of the technologies included in  
433 such contracts have been reduced, the authority shall seek to enter new  
434 contracts for the total of six years.

435 (3) After year six, the authority shall seek to enter new contracts for  
436 the total of seven years.

437 (A) The aggregate procurement of renewable energy credits by  
438 electric distribution companies pursuant to this subdivision shall (i)  
439 increase by an additional eight million dollars per year in years five,  
440 [and] six and seven, (ii) be [forty-eight] fifty-six million dollars in years  
441 [seven] eight to fifteen, inclusive, and (iii) decline by eight million  
442 dollars per year in years sixteen to [twenty-one] twenty-two, inclusive,  
443 provided any money not allocated in any given year may roll into the  
444 next year's available funds.

445 (B) For the sixth and seventh year [solicitation] solicitations, each  
446 electric distribution company shall solicit and file with the Public  
447 Utilities Regulatory Authority for its approval one or more long-term  
448 contracts with owners or developers of Class I generation projects that:  
449 (i) Emit no pollutants and that are less than one thousand kilowatts in  
450 size, located on the customer side of the revenue meter and serve the  
451 distribution system of the electric distribution company, provided such  
452 contracts do not exceed fifty per cent of the dollar amount established  
453 for [year] years six and seven under subparagraph (A) of this  
454 subdivision; and (ii) are less than two megawatts in size, located on the  
455 customer side of the revenue meter, serve the distribution system of  
456 the electric distribution company, and use Class I technologies that  
457 have no emissions of no more than 0.07 pounds per megawatt-hour of  
458 nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide,  
459 0.02 pounds per megawatt-hour of volatile organic compounds, and  
460 one grain per one hundred standard cubic feet, provided such

461 contracts do not exceed fifty per cent of the dollar amount established  
462 for [year] years six and seven under subparagraph (A) of this  
463 subdivision. The authority may give a preference to contracts for  
464 technologies manufactured, researched or developed in the state.

465 [(3)] (4) The production of a megawatt hour of electricity from a  
466 Class I renewable energy source first placed in service on or after July  
467 1, 2011, shall create one renewable energy credit. A renewable energy  
468 credit shall have an effective life covering the year in which the credit  
469 was created and the following calendar year. The obligation to  
470 purchase renewable energy credits shall be apportioned to electric  
471 distribution companies based on their respective distribution system  
472 loads at the commencement of the procurement period, as determined  
473 by the authority. For contracts entered into in calendar year 2012, an  
474 electric distribution company shall not be required to enter into a  
475 contract that provides a payment of more than three hundred fifty  
476 dollars, per renewable energy credit in any year over the term of the  
477 contract. For contracts entered into in calendar years 2013 to 2017,  
478 inclusive, at least ninety days before each annual electric distribution  
479 company solicitation, the Public Utilities Regulatory Authority may  
480 lower the renewable energy credit price cap specified in this subsection  
481 by three to seven per cent annually, during each of the six years of the  
482 program over the term of the contract. For contracts entered into in  
483 calendar year 2018, at least ninety days before the electric distribution  
484 company solicitation, the Public Utilities Regulatory Authority may  
485 lower the renewable energy credit price cap specified in this subsection  
486 by \_\_\_\_ per cent, during year seven of the program over the term of  
487 the contract. In the course of lowering such price cap applicable to each  
488 annual solicitation, the authority shall, after notice and opportunity for  
489 public comment, consider such factors as the actual bid results from  
490 the most recent electric distribution company solicitation and  
491 reasonably foreseeable reductions in the cost of eligible technologies.

492 Sec. 4. (NEW) (*Effective October 1, 2017*) An electric distribution  
493 company may submit to the Public Utilities Regulatory Authority for



494 approval one or more plans to acquire new fuel cell electricity  
495 generation that began operation on or after October 1, 2017. Any such  
496 plan shall utilize a competitive process for the purpose of providing  
497 distribution system benefits, including, but not limited to, avoiding or  
498 deferring distribution capacity upgrades, and enhancing distribution  
499 system reliability, including, but not limited to, voltage or frequency  
500 improvements. Any such plan shall give preference to proposals that  
501 make efficient use of existing sites and supply infrastructure. In the  
502 event that the authority approves such plan, an electric distribution  
503 company may submit to the authority (1) proposed power purchase  
504 agreements negotiated with persons to build, own and operate new  
505 fuel cell generation, or (2) proposals to provide financial incentives for  
506 the installation of combined heat and power systems powered by fuel  
507 cells, provided any such incentives shall be consistent with the  
508 Comprehensive Energy Strategy pursuant to section 16a-3d of the  
509 general statutes. The facilities built pursuant to said power purchase  
510 agreements and that receive said financial incentives under this section  
511 shall not exceed a total nameplate capacity rating of ten megawatts in  
512 the aggregate. The authority shall evaluate any proposal submitted  
513 pursuant to this section in a manner that is consistent with the  
514 principles of sections 16-19 and 16-19e of the general statutes and may  
515 approve one or more proposals if it finds that such proposal (A) was  
516 developed in a manner that is consistent with the acquisition plan  
517 approved by the authority, (B) serves the long-term interests of  
518 ratepayers, and (C) cost-effectively avoids or defers distribution  
519 system costs. The costs incurred by an electric distribution company  
520 under this section shall be recovered from all customers of the  
521 contracting electric distribution company through a fully reconciling  
522 component of electric rates for all customers of electric distribution  
523 companies, until the electric distribution company's next rate case, at  
524 which time such costs and investments shall be recoverable through  
525 base distribution rates. Nothing in this section shall preclude the resale  
526 or other disposition of any energy products, capacity and associated  
527 environmental attributes purchased by the electric distribution

528 company, provided the electric distribution company shall net the cost  
 529 of payments made to projects under any long-term contracts entered  
 530 into pursuant to subdivision (1) of this section against the proceeds of  
 531 the sale of any energy products, capacity and environmental attributes  
 532 and the difference shall be credited or charged to distribution  
 533 customers through a reconciling component of electric rates, as  
 534 determined by the authority, that is nonbypassable when switching  
 535 electric suppliers. The electric distribution company may use any  
 536 energy products, capacity and environmental attributes produced by  
 537 such facility to meet the needs of customers served pursuant to section  
 538 16-244c of the general statutes. Notwithstanding the provisions of  
 539 subdivision (1) of subsection (h) of section 16-244c of the general  
 540 statutes, certificates issued by the New England Power Pool  
 541 Generation Information System for any Class I renewable energy  
 542 source acquired pursuant to this section may be retained by the electric  
 543 distribution company to meet the requirements of section 16-245a of  
 544 the general statutes, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2017</i>	16-245a(a)
Sec. 3	<i>July 1, 2017</i>	16-244r(c)
Sec. 4	<i>October 1, 2017</i>	New section

**Statement of Purpose:**

To provide a mechanism for baseload energy resources to sell power to electric utilities, increase the renewable portfolio standard, require electric distribution companies to solicit long-term contracts for zero emission renewable energy credits and low-emission renewable energy credits for an additional year and allow electric distribution companies to acquire new fuel cell electricity generation.

*[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.]*

Co-Sponsors: SEN. FORMICA, 20th Dist.; REP. MCCARTY, 38th Dist.  
REP. ZIOBRON, 34th Dist.; REP. CARNEY, 23rd Dist.  
REP. CHEESEMAN, 37th Dist.

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