



General Assembly

June Special Session, 2017

**Bill No. 1501**

LCO No. 10053



Referred to Committee on No Committee

Introduced by:

SEN. LOONEY, 11<sup>th</sup> Dist.

REP. ARESIMOWICZ, 30<sup>th</sup> Dist.

***AN ACT CONCERNING ZERO CARBON PROCUREMENT.***

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

1 Section 1. (NEW) (*Effective from passage*) (a) For the purposes of this  
2 section:

3 (1) "Best interest of ratepayers" means the benefits of a contract or  
4 proposal outweigh the costs to electric ratepayers, based on whether  
5 the delivered prices of sources included in such contract or proposal  
6 are less than the forecasted price of energy and capacity, as determined  
7 by the commissioner or the commissioner's designee, and based on a  
8 consideration of the following factors, as determined by the  
9 commissioner or the commissioner's designee: (A) Impacts on electric  
10 system operations and reliability; (B) the extent to which such contract  
11 or proposal will contribute to (i) the local sourcing requirement set by  
12 the regional independent system operator, as defined in section 16-1 of  
13 the general statutes, and (ii) meeting the requirements to reduce  
14 greenhouse gas emissions and improve air quality in accordance with

15 sections 16-245a, 22a-174 and 22a-200a of the general statutes; (C) fuel  
16 diversity; and (D) whether the proposal is aligned with the policy  
17 goals outlined in the Integrated Resources Plan developed pursuant to  
18 section 16a-3a of the general statutes and the Comprehensive Energy  
19 Strategy developed pursuant to section 16a-3d of the general statutes,  
20 including, but not limited to, environmental impacts; and

21 (2) "Eligible nuclear power generating facility" means a nuclear  
22 power generating facility that is located in the control area of the  
23 regional independent system operator, as defined in section 16-1 of the  
24 general statutes, and is licensed to operate through January 1, 2030, or  
25 later.

26 (b) The Commissioner of Energy and Environmental Protection and  
27 the Public Utilities Regulatory Authority shall (1) conduct an appraisal  
28 regarding nuclear power generating facilities in accordance with  
29 subsection (c) of this section, and (2) determine whether a competitive  
30 procurement process for nuclear power generating facilities shall be  
31 conducted pursuant to subsection (d) of this section. On or before  
32 February 1, 2018, the commissioner and the authority shall report, in  
33 accordance with section 11-4a of the general statutes, the results of the  
34 appraisal and the selection conducted pursuant to subsection (d) of  
35 this section to the General Assembly. If the General Assembly does not  
36 reject such results by a simple majority vote in each house on or before  
37 March 1, 2018, such results shall be deemed approved.

38 (c) The appraisal conducted pursuant to subdivision (1) of  
39 subsection (b) of this section shall assess: (1) The current economic  
40 condition of nuclear generating facilities located in the control area of  
41 the regional independent system operator, as defined in section 16-1 of  
42 the general statutes; (2) the projected economic condition of nuclear  
43 power generating facilities located in the control area of the regional  
44 independent system operator, as defined in section 16-1 of the general  
45 statutes; (3) the impact on the following considerations if such nuclear  
46 power generating facilities retire before July 1, 2027: (A) Electric

47 markets, fuel diversity, energy security and grid reliability, (B) the  
48 state's greenhouse gas emissions mandated levels established pursuant  
49 to section 22a-200a of the general statutes, and (C) the state, regional  
50 and local economy.

51 (d) After completing the appraisal, if the results of such appraisal  
52 demonstrate that action is necessary, the commissioner shall act and  
53 may issue one or more solicitations for zero-carbon electricity  
54 generating resources, including, but not limited to, eligible nuclear  
55 power generation facilities, hydropower, Class I renewable energy  
56 sources, as defined in section 16-1 of the general statutes, and energy  
57 storage systems, provided (1) the total annual energy output of any  
58 proposals selected, in the aggregate, shall be not more than twelve  
59 million megawatt hours of electricity, (2) any agreement entered into  
60 pursuant to this subdivision with an eligible nuclear power generation  
61 facility or hydropower shall be for a period of not less than three years  
62 and not more than ten years, and (3) any agreement entered into  
63 pursuant to this subdivision with Class I renewable energy sources, as  
64 defined in section 16-1 of the general statutes, and energy storage  
65 systems shall be for a period of not more than twenty years. On or  
66 before May 1, 2018, if the results of such appraisal demonstrate that  
67 action is necessary, the commissioner shall initiate such competitive  
68 procurement process selected pursuant to this subsection, in  
69 accordance with subsection (e) of this section, provided any changes  
70 made, contracts entered into or agreements entered into are in the best  
71 interest of ratepayers.

72 (e) (1) Any solicitation issued pursuant to subsection (d) of this  
73 section for zero-carbon electricity generating resources, including, but  
74 not limited to, eligible nuclear power generation facilities,  
75 hydropower, Class I renewable energy sources, as defined in section  
76 16-1 of the general statutes, and energy storage systems, shall be for  
77 resources delivered into the control area of the regional independent  
78 system operator, as defined in section 16-1 of the general statutes, and  
79 any agreement entered into pursuant to subdivision (2) of this

80 subsection shall be in the best interest of ratepayers. If the  
81 commissioner finds proposals received pursuant to such solicitations  
82 to be in the best interest of ratepayers, the commissioner may select  
83 any such proposal or proposals, provided (A) the total annual energy  
84 output of any proposals selected, in the aggregate, shall be not more  
85 than twelve million megawatt hours of electricity, (B) any agreement  
86 entered into pursuant to this subdivision with an eligible nuclear  
87 power generation facility or hydropower shall be for a period of not  
88 less than three years and not more than ten years, and (C) any  
89 agreement entered into pursuant to this subdivision with Class I  
90 renewable energy sources, as defined in section 16-1 of the general  
91 statutes, and energy storage systems shall be for a period of not more  
92 than twenty years.

93 (2) If the commissioner has made the determination and finding  
94 pursuant to subdivision (1) of this subsection, the commissioner shall,  
95 on behalf of all customers of electric distribution companies, direct the  
96 electric distribution companies to enter into agreements for energy,  
97 capacity and any environmental attributes, or any combination thereof,  
98 from proposals submitted pursuant to this subdivision.

99 (3) Any agreement entered into pursuant to subdivision (2) of this  
100 subsection shall be subject to review and approval by the Public  
101 Utilities Regulatory Authority. The electric distribution company shall  
102 file an application for the approval of any such agreement with the  
103 authority. The authority's review shall commence upon the filing of  
104 the signed power purchase agreement with the authority. The  
105 authority shall approve agreements that it determines (A) provide for  
106 the delivery of adequate and reliable products and services, for which  
107 there is a clear public need, at a just and reasonable price, (B) are  
108 prudent and cost effective, and (C) that the respondent to the  
109 solicitation has the technical, financial and managerial capabilities to  
110 perform pursuant to such agreement. The authority shall issue a  
111 decision not later than one hundred eighty days after such filing. If the  
112 authority does not issue a decision within one hundred eighty days

113 after such filing, the agreement shall be deemed approved. The net  
114 costs of any such agreement, including costs incurred by the electric  
115 distribution company under the agreement and reasonable costs  
116 incurred by the electric distribution company in connection with the  
117 agreement, shall be recovered on a timely basis through a  
118 nonbypassable fully reconciling component of electric rates for all  
119 customers of the electric distribution company. Any net revenues from  
120 the sale of products purchased in accordance with long-term contracts  
121 entered into pursuant to this section shall be credited to customers  
122 through the same nonbypassable fully reconciling rate component for  
123 all customers of the contracting electric distribution company.

124 (f) Each person owning and operating a nuclear power generating  
125 facility in the state shall pay a pro rata share of all reasonable costs  
126 associated with the department's appraisal pursuant to subsection (c)  
127 of this section, determination pursuant to subsection (d) of this section,  
128 and actions taken pursuant to subsection (e) of this section in an  
129 amount not to exceed one million dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section