General Assembly **Substitute Bill No. 9**

February Session, 2018

* SB00009ET 032918 *

AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE.

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

Section 1. Subsection (a) of section 16-245a of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) **[**An**]** Subject to any modifications required by the Public Utilities Regulatory Authority for retiring renewable energy certificates on behalf of all electric ratepayers pursuant to subsection (h) of this section and sections 16a-3f, 16a-3g, 16a-3h, 16a-3i, 16a-3j and 16a-3m, an electric supplier and an electric distribution company providing standard service or supplier of last resort service, pursuant to section 16-244c, as amended by this act, shall demonstrate:

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

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

and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

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

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

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

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

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

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

Class I or Class II renewable energy sources;

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

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

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

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

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

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

(15) On and after January 1, 2020, not less than **[**twenty**]** twenty-one per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources, **[**.**]** except that for any electric supplier that has entered into or renewed a retail electric supply contract on or before the effective date of this section, on and after January 1, 2020, not less than twenty per cent of the total output or services of any such electric supplier shall be generated from Class I renewable energy sources;

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

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

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

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

(20) On and after January 1, 2025, not less than thirty per cent of the

total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(21) On and after January 1, 2026, not less than thirty-two per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

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

(23) On and after January 1, 2028, not less than thirty-six per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(24) On and after January 1, 2029, not less than thirty-eight per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(25) On and after January 1, 2030, not less than forty per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources.

Sec. 2. Section 16-245a of the 2018 supplement to the general statutes is amended by adding subsection (h) as follows (*Effective from passage*):

(NEW) (h) The authority shall establish procedures for the retirement of renewable energy certificates purchased pursuant to section 7 of this act, which may include reductions to the percentage of the total output or services of an electric supplier or an electric distribution company generated from Class I renewable energy sources required pursuant to subsection (a) of this section, as amended by this act. Any such reduction shall be based on the energy production that the authority forecasts will be procured pursuant to subsections (a) and (b) of section 7 of this act. The authority shall determine any such reduction of an annual renewable portfolio standard not later than one year prior to the effective date of such annual renewable portfolio standard. An electric distribution company shall not be responsible for any administrative or other costs or expenses associated with any difference between the number of renewable energy certificates planned to be retired pursuant to the authority's reduction and the actual number of renewable energy certificates retired.

Sec. 3. Subdivision (1) of subsection (h) of section 16-244c of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(h) (1) Notwithstanding the provisions of subsection (b) of this section regarding an alternative standard service option, an electric distribution company providing standard service, supplier of last resort service or back-up electric generation service in accordance with this section shall contract with its wholesale suppliers to comply with the renewable portfolio standards. The Public Utilities Regulatory Authority shall annually conduct an uncontested proceeding in order to determine whether the electric distribution company's wholesale suppliers met the renewable portfolio standards during the preceding year. On or before December 31, 2013, the authority shall issue a decision on any such proceeding for calendar years up to and including 2012, for which a decision has not already been issued. Not later than December 31, 2014, and annually thereafter, the authority

shall, following such proceeding, issue a decision as to whether the electric distribution company's wholesale suppliers met the renewable portfolio standards during the preceding year. An electric distribution company shall include a provision in its contract with each wholesale supplier that requires the wholesale supplier to pay the electric distribution company an amount of: (A) For calendar years up to and including calendar year 2017, five and one-half cents per kilowatt hour if the wholesale supplier fails to comply with the renewable portfolio standards during the subject annual period, **[**and**]** (B) for calendar years commencing on **[**and after**]** January 1, 2018, up to and including the calendar year commencing on January 1, 2020, five and one-half cents per kilowatt hour if the wholesale supplier fails to comply with the renewable portfolio standards during the subject annual period for Class I renewable energy sources, and two and one-half cents per kilowatt hour if the wholesale supplier fails to comply with the renewable portfolio standards during the subject annual period for Class II renewable energy sources, and (C) for calendar years commencing on and after January 1, 2021, four cents per kilowatt hour if the wholesale supplier fails to comply with the renewable portfolio standards during the subject annual period for Class I renewable energy sources, and two and one-half cents per kilowatt hour if the wholesale supplier fails to comply with the renewable portfolio standards during the subject annual period for Class II renewable energy sources. The electric distribution company shall promptly transfer any payment received from the wholesale supplier for the failure to meet the renewable portfolio standards to the Clean Energy Fund for the development of Class I renewable energy sources, provided, on and after June 5, 2013, any such payment shall be refunded to ratepayers by using such payment to offset the costs to all customers of electric distribution companies of the costs of contracts and tariffs entered into pursuant to sections 16-244r, as amended by this act, **[**and**]** 16-244t and section 7 of this act. Any excess amount remaining from such payment shall be applied to reduce the costs of contracts entered into pursuant to subdivision (2) of this subsection, and if any excess amount remains, such amount shall be applied to

reduce costs collected through nonbypassable, federally mandated congestion charges, as defined in section 16-1.

Sec. 4. Subsection (k) of section 16-245 of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(k) Any licensee who fails to comply with a license condition or who violates any provision of this section, except for the renewable portfolio standards contained in subsection (g) of this section, shall be subject to civil penalties by the Public Utilities Regulatory Authority in accordance with section 16-41, or the suspension or revocation of such license or a prohibition on accepting new customers following a hearing that is conducted as a contested case in accordance with chapter 54. Notwithstanding the provisions of subsection (b) of section 16-244c regarding an alternative transitional standard offer option or an alternative standard service option, the authority shall require a payment by a licensee that fails to comply with the renewable portfolio standards in accordance with subdivision (4) of subsection (g) of this section in the amount of: (1) For calendar years up to and including calendar year 2017, five and one-half cents per kilowatt hour, **[**and**]** (2) for calendar years commencing on **[**and after**]** January 1, 2018, and up to and including the calendar year commencing on January 1, 2020, five and one-half cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class I renewable energy sources, and two and one-half cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class II renewable energy sources, and (3) for calendar years commencing on and after January 1, 2021, four cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class I renewable energy sources, and two and one-half cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class II renewable energy sources. On or before

December 31, 2013, the authority shall issue a decision, following an uncontested proceeding, on whether any licensee has failed to comply with the renewable portfolio standards for calendar years up to and including 2012, for which a decision has not already been issued. On and after June 5, 2013, the Public Utilities Regulatory Authority shall annually conduct an uncontested proceeding in order to determine whether any licensee has failed to comply with the renewable portfolio standards during the preceding year. Not later than December 31, 2014, and annually thereafter, the authority shall, following such proceeding, issue a decision as to whether the licensee has failed to comply with the renewable portfolio standards during the preceding year. The authority shall allocate such payment to the Clean Energy Fund for the development of Class I renewable energy sources, provided, on and after June 5, 2013, any such payment shall be refunded to ratepayers by using such payment to offset the costs to all customers of electric distribution companies of the costs of contracts and tariffs entered into pursuant to sections 16-244r, as amended by this act, **[**and**]** 16-244t and section 7 of this act. Any excess amount remaining from such payment shall be applied to reduce the costs of contracts entered into pursuant to subdivision (2) of subsection (j) of section 16-244c, and if any excess amount remains, such amount shall be applied to reduce costs collected through nonbypassable, federally mandated congestion charges, as defined in section 16-1.

Sec. 5. Section 16-243h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

On and after January 1, 2000, and until (1) for residential customers, the expiration of the residential solar investment program pursuant to subsection (b) of section 16-245ff, and (2) for all other customers not covered in subdivision (1) of this section, December 31, 2018, each electric supplier or any electric distribution company providing standard offer, transitional standard offer, standard service or back-up electric generation service, pursuant to section 16-244c, as amended by this act, shall give a credit for any electricity generated by a customer

from a Class I renewable energy source or a hydropower facility that has a nameplate capacity rating of two megawatts or less for a term ending on December 31, 2039. The electric distribution company providing electric distribution services to such a customer shall make such interconnections necessary to accomplish such purpose. An electric distribution company, at the request of any residential customer served by such company and if necessary to implement the provisions of this section, shall provide for the installation of metering equipment that **[**(1)**]** (A) measures electricity consumed by such customer from the facilities of the electric distribution company, **[**(2)**]** (B) deducts from the measurement the amount of electricity produced by the customer and not consumed by the customer, and **[**(3)**]** (C) registers, for each billing period, the net amount of electricity either **[**(A)**]** (i) consumed and produced by the customer, or **[**(B)**]** (ii) the net amount of electricity produced by the customer. If, in a given monthly billing period, a customer-generator supplies more electricity to the electric distribution system than the electric distribution company or electric supplier delivers to the customer-generator, the electric distribution company or electric supplier shall credit the customer-generator for the excess by reducing the customer-generator's bill for the next monthly billing period to compensate for the excess electricity from the customer-generator in the previous billing period at a rate of one kilowatt-hour for one kilowatt-hour produced. The electric distribution company or electric supplier shall carry over the credits earned from monthly billing period to monthly billing period, and the credits shall accumulate until the end of the annualized period. At the end of each annualized period, the electric distribution company or electric supplier shall compensate the customer-generator for any excess kilowatt-hours generated, at the avoided cost of wholesale power. A customer who generates electricity from a generating unit with a nameplate capacity of more than ten kilowatts of electricity pursuant to the provisions of this section shall be assessed for the competitive transition assessment, pursuant to section 16-245g and the systems benefits charge, pursuant to section 16-245*l*, based on the amount of electricity consumed by the customer from the facilities of

the electric distribution company without netting any electricity produced by the customer. For purposes of this section, "residential customer" means a customer of a single-family dwelling or multifamily dwelling consisting of two to four units. The Public Utilities Regulatory Authority shall establish a rate on a cents-per-kilowatt-hour basis for the electric distribution company to purchase the electricity generated by a customer pursuant to this section after December 31, 2039.

Sec. 6. Subparagraph (A) of subdivision (3) of subsection (c) of section 16-244r of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(A) The aggregate procurement of renewable energy credits by electric distribution companies pursuant to this subdivision shall (i) increase by an additional eight million dollars per year in years five, six and seven, (ii) be fifty-six million dollars in years eight to fifteen, inclusive, and (iii) decline by eight million dollars per year in years sixteen to twenty-two, inclusive, provided any money not allocated in any given year may roll into the next year's available funds. On the date of approval of the procurement plan by the authority pursuant to subsection (a) of section 7 of this act, any money not yet allocated pursuant to this section shall expire.

Sec. 7. (NEW) (*Effective from passage*) (a) (1) On or before September 1, 2018, the authority shall initiate a proceeding to establish a procurement plan and tariffs for each electric distribution company pursuant to this subsection and may give a preference to technologies manufactured, researched or developed in the state. Each electric distribution company shall develop such procurement plan in consultation with the Department of Energy and Environmental Protection and shall submit such procurement plan to the authority not later than sixty days after the authority initiates the proceeding pursuant to this subdivision. The authority may require such electric distribution companies to conduct separate solicitations for the

resources in subparagraphs (A) and (B) of subdivision (2) of this subsection based upon the size of such resources to allow for a diversity of selected projects.

(2) Not later than July 1, 2019, and annually thereafter, each electric distribution company shall solicit and file with the Public Utilities Regulatory Authority for its approval one or more twenty-year tariffs that are consistent with the procurement plan established pursuant to this subsection and that are applicable to (A) customers that own or develop new generation projects that are less than two megawatts in size, serve the distribution system of the electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (3) of this subsection to which the customer is responding, and use a Class I renewable energy source that either (i) uses anaerobic digestion, or (ii) has emissions of no more than 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-hour of volatile organic compounds and one grain per one hundred standard cubic feet, and (B) customers that own or develop new generation projects that are less than two megawatts in size, serve the distribution system of the electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (3) of this subsection to which the customer is responding, and use a Class I renewable energy source that emits no pollutants. Any system that is eligible pursuant to subparagraph (B) of this subdivision shall not be eligible pursuant to subparagraph (A) of this subdivision.

(3) Each electric distribution company shall conduct an annual solicitation or solicitations, as determined by the authority, for the purchase of energy and renewable energy certificates produced by eligible generation projects under this subsection over the duration of the tariff. Such generation projects shall be sized so as not to exceed the load at the customer's individual electric meter or a set of electric meters, when such meters are combined for billing purposes, from the electric distribution company providing service to such customer, as

determined by such electric distribution company, unless such customer is a state, municipal or agricultural customer, then such generation project shall be sized so as not to exceed the load at such customer's individual electric meter or a set of electric meters at the same customer premises, when such meters are combined for billing purposes, and the load of up to five state, municipal or agricultural beneficial accounts identified by such state, municipal or agricultural customer, and such state, municipal or agricultural customer may include the load of up to five additional nonstate or municipal beneficial accounts when sizing such generation project, provided such accounts are critical facilities, as defined in subdivision (2) of subsection (a) of section 16-243y of the general statutes and are connected to a microgrid. A shared clean energy facility, as defined in section 16-244x of the general statutes, may participate in any solicitation pursuant to this subsection consistent with the program requirements established by the Department of Energy and Environmental Protection and included in the procurement plan established pursuant to this subsection.

(4) The maximum selected purchase price of energy and renewable energy certificates on a cents-per-kilowatt-hour basis in any given solicitation shall not exceed such maximum selected purchase price for the same resources in the prior year's solicitation, unless the authority makes a determination that there are changed circumstances in any given year. For the first year solicitation issued pursuant to this subsection, the authority shall establish a cap for the selected purchase price for energy and renewable energy certificates on a cents-per-kilowatt-hour basis for any resources authorized under this subsection.

(b) At the expiration of the residential solar investment program pursuant to subsection (b) of section 16-245ff of the general statutes, each electric distribution company shall offer the following options to residential customers for the purchase of products generated from a Class I renewable energy source that has a nameplate capacity rating of twenty-five kilowatts or less for a term not to exceed twenty years:

(1) A tariff for the purchase of all energy and renewable energy certificates on a cents-per-kilowatt-hour basis; and (2) a pricing structure that consists of (A) the crediting of all kilowatt-hour charges applicable to such residential customer of any energy that is produced by such Class I renewable energy source against any energy that is simultaneously consumed on a real-time basis by such residential customer, and (B) a tariff for the purchase of any energy not simultaneously consumed and credited pursuant to subparagraph (A) of this subdivision and renewable energy certificates on a cents-per-kilowatt-hour basis. A residential customer shall select either option authorized pursuant to subdivision (1) or (2) of this subsection, consistent with the requirements of this section. Such generation projects shall be sized so as not to exceed the load at the customer's individual electric meter from the electric distribution company providing service to such customer, as determined by such electric distribution company. The authority shall initiate a proceeding not later than September 1, 2018, to establish a rate for such tariffs, which may be based upon the results of one or more competitive solicitations issued pursuant to subsection (a) of this section and shall be guided by the Comprehensive Energy Strategy prepared pursuant to section 16a-3d of the general statutes. The authority may modify such rate for new customers under this subsection based on changed circumstances and may establish an interim tariff rate prior to the expiration of the residential solar investment program pursuant to subsection (b) of section 16-245ff of the general statutes as an alternative to such program, provided any residential customer utilizing a tariff pursuant to this subsection at such customer's electric meter shall not be eligible for any incentives offered pursuant to section 16-245ff of the general statutes at the same such electric meter and any residential customer utilizing any incentives offered pursuant to section 16-245ff of the general statutes at such customer's electric meter shall not be eligible for a tariff pursuant to this subsection at the same such electric meter. For purposes of this section, "residential customer" means a customer of a single-family dwelling or a multifamily dwelling consisting of two to four units.

(c) The aggregate procurement and tariff purchases of energy and renewable energy certificates by electric distribution companies pursuant to subsections (a) and (b) of this section shall be budgeted up to thirty-five million dollars in year one and increase by up to an additional thirty-five million dollars per year in each of the years two through six of such a tariff, provided the annual purchases under subparagraph (A) of subdivision (2) of subsection (a) of this section, subparagraph (B) of subdivision (2) of subsection (a) of this section or subsection (b) of this section, each in the aggregate, shall not exceed forty per cent of the total annual dollar amount established pursuant to this subsection except that actual expenditures may vary based on reasonable variations between budgeted and actual energy production, as outlined in the procurement plan established pursuant to subsection (a) of this section and determined by the authority. For the purposes of budgeting, the amount of energy purchased pursuant to subdivision (2) of subsection (b) of this section shall be based on a reasonable forecast, as determined by the authority, when a residential customer enters into the tariff. The authority shall monitor the competitiveness of any procurements authorized under this section and may adjust the annual purchase amount established in this subsection or other procurement parameters to maintain competitiveness. Any money not allocated in any given year shall not roll into the next year's available funds. The obligation to purchase energy and renewable energy certificates shall be apportioned to electric distribution companies based on their respective distribution system loads, as determined by the authority. The authority shall give preference to projects that provide electric distribution system benefits, include energy storage systems, utilize time of use rates or other dynamic pricing or provide other energy policy benefits identified in the Comprehensive Energy Strategy prepared pursuant to section 16a-3d of the general statutes. The authority shall establish tariffs for the purchase of energy on a cents-per-kilowatt-hour basis at the expiration of any tariff terms authorized pursuant to this section. At the end of the tariff term pursuant to subdivision (2) of subsection (b) of this section, residential customers that elected the option pursuant to said subdivision shall be

credited all cents-per-kilowatt-hour charges pursuant to the tariff rate for such customer for energy produced by the Class I renewable energy source against any energy that is simultaneously consumed on a real-time basis by such residential customer.

(d) In accordance with subsection (h) of section 16-245a of the general statutes, as amended by this act, each electric distribution company shall retire the renewable energy certificates it purchases pursuant to subsections (a) and (b) of this section on behalf of all ratepayers to satisfy the obligations of all electric suppliers and electric distribution companies providing standard service or supplier of last resort service pursuant to section 16-245a of the general statutes, as amended by this act. The authority shall establish procedures for the retirement of such renewable energy certificates.

(e) The net costs of any tariff offered by an electric distribution company pursuant to this section shall be recovered on a timely basis through a nonbypassable fully reconciling component of electric rates for all customers of the electric distribution company. Any net revenues from the sale of products purchased in accordance with any tariff offered pursuant to this section shall be credited to customers through the same fully reconciling rate component for all customers of such electric distribution company.

Sec. 8. (NEW) (*Effective from passage*) The state may reduce energy consumption by not less than 1.6 million MMBtu, as defined in subdivision (4) of section 22a-197 of the general statutes, annually each year for calendar years commencing on and after January 1, 2020, up to and including calendar year 2025.

Sec. 9. Subdivision (1) of subsection (d) of section 16-245m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) (1) Not later than November 1, 2012, and every three years thereafter, electric distribution companies, as defined in section 16-1, in

coordination with the gas companies, as defined in section 16-1, shall submit to the Energy Conservation Management Board a combined electric and gas Conservation and Load Management Plan, in accordance with the provisions of this section, to implement cost-effective energy conservation programs, demand management and market transformation initiatives. All supply and conservation and load management options shall be evaluated and selected within an integrated supply and demand planning framework. Services provided under the plan shall be available to all customers of electric distribution companies and gas companies, **[**. Each such company shall apply to the Energy Conservation Management Board for reimbursement for expenditures pursuant to the plan**]** provided a customer of an electric distribution company may not be denied such services based on the fuel such customer uses to heat such customer's home. The Energy Conservation Management Board shall advise and assist the electric distribution companies and gas companies in the development of such plan. The Energy Conservation Management Board shall approve the plan before transmitting it to the Commissioner of Energy and Environmental Protection for approval. The commissioner shall, in an uncontested proceeding during which the commissioner may hold a public meeting, approve, modify or reject said plan prepared pursuant to this subsection. Following approval by the commissioner, the board shall assist the companies in implementing the plan and collaborate with the Connecticut Green Bank to further the goals of the plan. Said plan shall include a detailed budget sufficient to fund all energy efficiency that is cost-effective or lower cost than acquisition of equivalent supply, and shall be reviewed and approved by the commissioner. **[**To the extent that the budget in the plan approved by the commissioner with regard to electric distribution companies exceeds the revenues collected pursuant to subdivision (1) of subsection (a) of this section, the**]** The Public Utilities Regulatory Authority shall, not later than sixty days after the plan is approved by the commissioner, ensure that the balance of revenues required to fund such **[**budget**]** plan is provided through **[**a**]** fully reconciling conservation adjustment **[**mechanism of not more than

three mills per kilowatt hour of electricity sold to each end use customer of an electric distribution company during the three years of any Conservation and Load Management Plan**]** mechanisms. Electric distribution companies shall collect a conservation adjustment mechanism that ensures the plan is fully funded by collecting an amount that is not more than the sum of six mills per kilowatt hour of electricity sold to each end use customer of an electric distribution company during the three years of any Conservation and Load Management Plan. The authority shall ensure that the revenues required to fund such **[**budget**]** plan with regard to gas companies are provided through a fully reconciling conservation adjustment mechanism for each gas company of not more than the equivalent of four and six-tenth cents per hundred cubic feet during the three years of any Conservation and Load Management Plan. Said plan shall include steps that would be needed to achieve the goal of weatherization of eighty per cent of the state's residential units by 2030 and to reduce energy consumption by 1.6 million MMBtu, as defined in subdivision (4) of section 22a-197, annually each year for calendar years commencing on and after January 1, 2020, up to and including calendar year 2025. Each program contained in the plan shall be reviewed by such companies and accepted, modified or rejected by the Energy Conservation Management Board prior to submission to the commissioner for approval. The Energy Conservation Management Board shall, as part of its review, examine opportunities to offer joint programs providing similar efficiency measures that save more than one fuel resource or otherwise to coordinate programs targeted at saving more than one fuel resource. Any costs for joint programs shall be allocated equitably among the conservation programs. The Energy Conservation Management Board shall give preference to projects that maximize the reduction of federally mandated congestion charges.

Sec. 10. Subsection (b) of section 16-245n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) On and after July 1, 2004, and until June 30, 2019, the Public Utilities Regulatory Authority shall assess or cause to be assessed a charge of not less than one mill per kilowatt hour charged to each end use customer of electric services in this state which shall be deposited into the Clean Energy Fund established under subsection (c) of this section. On and after July 1, 2019, and until June 30, 2025, the Public Utilities Regulatory Authority shall assess or cause to be assessed a charge of not less than two mills per kilowatt hour charged to each end use customer of electric services in this state which shall be deposited into the Clean Energy Fund established under subsection (c) of this section.

Sec. 11. Subdivision (2) of subsection (c) of section 12-264 of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(2) For purposes of this subsection, gross earnings from providing electric transmission services or electric distribution services shall include (A) all income classified as income from providing electric transmission services or electric distribution services, as determined by the Commissioner of Revenue Services in consultation with the Public Utilities Regulatory Authority, and (B) the competitive transition assessment collected pursuant to section 16-245g, other than any component of such assessment that constitutes transition property as to which an electric distribution company has no right, title or interest pursuant to subsection (a) of section 16-245h, the systems benefits charge collected pursuant to section 16-245*l*, the conservation adjustment mechanisms charged under section 16-245m, as amended by this act, and the assessments charged under **[**sections 16-245m and**]** section 16-245n, as amended by this act. Such gross earnings shall not include income from providing electric transmission services or electric distribution services to a company described in subsection (c) of section 12-265.

Sec. 12. Subsections (b) to (d), inclusive, of section 16-243q of the general statutes are repealed and the following is substituted in lieu

thereof (*Effective July 1, 2020*):

(b) Except as provided in subsection (d) of this section, the Public Utilities Regulatory Authority shall assess each electric supplier and each electric distribution company that fails to meet the percentage standards of subsection (a) of this section a charge of up to five and five-tenths cents for each kilowatt hour of electricity that such supplier or company is deficient in meeting such percentage standards. Seventy-five per cent of such assessed charges shall be **[**deposited in the Energy**]** used in furtherance of the Conservation and Load Management **[**Fund**]** Plan established in section 16-245m, as amended by this act, and twenty-five per cent shall be deposited in the Clean Energy Fund established in section 16-245n, as amended by this act, except that such seventy-five per cent of assessed charges with respect to an electric supplier shall be **[**divided**]** allocated among the **[**Energy**]** Conservation and Load Management **[**Funds**]** Plan of electric distribution companies in proportion to the amount of electricity such electric supplier provides to end use customers in the state using the facilities of each electric distribution company.

(c) An electric supplier or electric distribution company may satisfy the requirements of this section by participating in a conservation and distributed resources trading program approved by the Public Utilities Regulatory Authority. Credits created by conservation and customer-side distributed resources shall be allocated to the person that conserved the electricity or installed the project for customer-side distributed resources to which the credit is attributable and to the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan. Such credits shall be made in the following manner: A minimum of twenty-five per cent of the credits shall be allocated to the person that conserved the electricity or installed the project for customer-side distributed resources to which the energy credit is attributable and the remainder of the credits shall be **[**allocated to the Energy**]** used in furtherance of the Conservation and Load Management **[**Fund**]** Plan, based on a schedule created by the authority no later than January 1,

2007, and reviewed annually thereafter. The authority may, in a proceeding and for good cause shown, allocate a larger proportion of such credits to the person who conserved the electricity or installed the customer-side distributed resources. The authority shall consider the proportion of investment made by a ratepayer through various ratepayer-funded incentive programs and the resulting reduction in federally mandated congestion charges. The portion **[**allocated to the Energy**]** used in furtherance of the Conservation and Load Management **[**Fund**]** Plan shall be used for measures that respond to energy demand and for peak reduction programs.

(d) An electric distribution company providing standard service may contract with its wholesale suppliers to comply with the conservation and customer-side distributed resources standards set forth in subsection (a) of this section. The Public Utilities Regulatory Authority shall annually conduct a contested case, in accordance with the provisions of chapter 54, to determine whether the electric distribution company's wholesale suppliers met the conservation and distributed resources standards during the preceding year. Any such contract shall include a provision that requires such supplier to pay the electric distribution company in an amount of up to five and one-half cents per kilowatt hour if the wholesale supplier fails to comply with the conservation and distributed resources standards during the subject annual period. The electric distribution company shall immediately transfer seventy-five per cent of any payment received from the wholesale supplier for the failure to meet the conservation and distributed resources standards to the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan and twenty-five per cent to the Clean Energy Fund. Any payment made pursuant to this section shall not be considered revenue or income to the electric distribution company.

Sec. 13. Section 16-243t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(a) Notwithstanding the provisions of this title, a customer who implements energy conservation or customer-side distributed

resources, as defined in section 16-1, on or after January 1, 2008, shall be eligible for Class III credits, pursuant to section 16-243q, as amended by this act. The Class III credit shall be not less than one cent per kilowatt hour. For nonresidential projects receiving conservation and load management funding, twenty-five per cent of the financial value derived from the credits earned pursuant to this section shall be directed to the customer who implements energy conservation or customer-side distribution resources pursuant to this section with the remainder of the financial value directed **[**to**]** in furtherance of the Conservation and Load Management **[**Funds**]** Plan. For nonresidential projects not receiving conservation and load management funding submitted on or after March 9, 2007, seventy-five per cent of the financial value derived from the credits earned pursuant to this section shall be directed to the customer who implements energy conservation or customer-side distribution resources pursuant to this section with the remainder of the financial value directed **[**to**]** in furtherance of the Conservation and Load Management **[**Funds**]** Plan. Not later than July 1, 2007, the Public Utilities Regulatory Authority shall initiate a contested case proceeding in accordance with the provisions of chapter 54, to implement the provisions of this section.

(b) In order to be eligible for ongoing Class III credits, the customer shall file an application that contains information necessary for the authority to determine that the resource qualifies for Class III status. Such application shall (1) certify that installation and metering requirements have been met where appropriate, (2) provide a detailed energy savings or energy output calculation for such time period as specified by the authority, and (3) include any other information that the authority deems appropriate.

(c) For conservation and load management projects that serve residential customers, seventy-five per cent of the financial value derived from the credits shall be directed **[**to**]** in furtherance of the Conservation and Load Management **[**Funds**]** Plan.

Sec. 14. Subsections (d) and (e) of section 16-243v of the general

statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(d) Commencing April 1, 2008, any person may apply to the authority for certification and funding as a Connecticut electric efficiency partner. Such application shall include the technologies that the applicant shall purchase or provide and that have been approved pursuant to subsection (b) of this section. In evaluating the application, the authority shall (1) consider the applicant's potential to reduce customers' electric demand, including peak electric demand, and associated electric charges tied to electric demand and peak electric demand growth, (2) determine the portion of the total cost of each project that shall be paid for by the customer participating in this program and the portion of the total cost of each project that shall be paid for by all electric ratepayers and collected pursuant to subsection (h) of this section. In making such determination, the authority shall ensure that all ratepayer investments maintain a minimum two-to-one payback ratio, and (3) specify that participating Connecticut electric efficiency partners shall maintain the technology for a period sufficient to achieve such investment payback ratio. The annual ratepayer contribution for projects approved pursuant to this section shall not exceed sixty million dollars. Not less than seventy-five per cent of such annual ratepayer investment shall be used for the technologies themselves. No person shall receive electric ratepayer funding pursuant to this subsection if such person has received or is receiving funding from the **[**Energy**]** Conservation and Load Management **[**Funds**]** Plan for the projects included in said person's application. No person shall receive electric ratepayer funding without receiving a certificate of public convenience and necessity as a Connecticut electric efficiency partner by the authority. The authority may grant an applicant a certificate of public convenience if it possesses and demonstrates adequate financial resources, managerial ability and technical competency. The authority may conduct additional requests for proposals from time to time as it deems appropriate. The authority shall specify the manner in which a Connecticut electric efficiency

partner shall address measures of effectiveness and shall include performance milestones.

(e) Beginning February 1, 2010, a certified Connecticut electric efficiency partner may only receive funding if selected in a request for proposal developed, issued and evaluated by the authority. In evaluating a proposal, the authority shall take into consideration the potential to reduce customers' electric demand including peak electric demand, and associated electric charges tied to electric demand and peak electric demand growth, including, but not limited to, federally mandated congestion charges and other electric costs, and shall utilize a cost benefit test established pursuant to subsection (c) of this section to rank responses for selection. The authority shall determine the portion of the total cost of each project that shall be paid by the customer participating in this program and the portion of the total cost of each project that shall be paid by all electric ratepayers and collected pursuant to the provisions of this subsection. In making such determination, the authority shall (1) ensure that all ratepayer investments maintain a minimum two-to-one payback ratio, and (2) specify that participating Connecticut electric efficiency partners shall maintain the technology for a period sufficient to achieve such investment payback ratio. The annual ratepayer contribution shall not exceed sixty million dollars. Not less than seventy-five per cent of such annual ratepayer investment shall be used for the technologies themselves. No Connecticut electric efficiency partner shall receive funding pursuant to this subsection if such partner has received or is receiving funding from the **[**Energy**]** Conservation and Load Management **[**Funds**]** Plan for such technology. The authority may conduct additional requests for proposals from time to time as it deems appropriate. The authority shall specify the manner in which a Connecticut electric efficiency partner shall address measures of effectiveness and shall include performance milestones.

Sec. 15. Subsection (e) of section 16-245c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July*

1, 2020):

(e) Any municipal electric utility created on or after July 1, 1998, pursuant to section 7-214 or a special act and any municipal electric utility that expands its service area on or after July 1, 1998, shall collect from its new customers the competitive transition assessment imposed pursuant to section 16-245g, the systems benefits charge imposed pursuant to section 16-245*l*, the conservation adjustment mechanisms charged under section 16-245m, as amended by this act, and the assessments charged under **[**sections 16-245m and**]** section 16-245n, as amended by this act, in such manner and at such rate as the authority prescribes, provided the authority shall order the collection of said assessment and said charge in a manner and rate equal to that to which the customers would have been subject had the municipal electric utility not been created or expanded.

Sec. 16. Subdivisions (1) and (2) of subsection (a) of section 16-245e of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(1) "Rate reduction bonds" means bonds, notes, certificates of participation or beneficial interest, or other evidences of indebtedness or ownership, issued pursuant to an executed indenture or other agreement of a financing entity, in accordance with this section and sections 16-245f to 16-245k, inclusive, as amended by this act, the proceeds of which are used, directly or indirectly, to provide, recover, finance, or refinance stranded costs or economic recovery transfer, or to sustain funding of conservation and load management and renewable energy investment programs by substituting for disbursements to the General Fund from the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, as amended by this act, and which, directly or indirectly, are secured by, evidence ownership interests in, or are payable from, transition property;

(2) "Competitive transition assessment" means those nonbypassable rates and other charges, that are authorized by the authority (A) in a financing order in respect to the economic recovery transfer, or in a financing order, to sustain funding of conservation and load management and renewable energy investment programs by substituting disbursements to the General Fund from proceeds of rate reduction bonds for such disbursements from the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, as amended by this act, or to recover those stranded costs that are eligible to be funded with the proceeds of rate reduction bonds pursuant to section 16-245f, as amended by this act, and the costs of providing, recovering, financing, or refinancing the economic recovery transfer or such substitution of disbursements to the General Fund or such stranded costs through a plan approved by the authority in the financing order, including the costs of issuing, servicing, and retiring rate reduction bonds, (B) to recover those stranded costs determined under this section but not eligible to be funded with the proceeds of rate reduction bonds pursuant to section 16-245f, as amended by this act, or (C) to recover costs determined under subdivision (1) of subsection (e) of section 16-244g. If requested by the electric distribution company, the authority shall include in the competitive transition assessment nonbypassable rates and other charges to recover federal and state taxes whose recovery period is modified by the transactions contemplated in this section and sections 16-245f to 16-245k, inclusive, as amended by this act;

Sec. 17. Subdivision (13) of subsection (a) of section 16-245e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(13) "State rate reduction bonds" means the rate reduction bonds issued on June 23, 2004, by the state to sustain funding of conservation and load management and renewable energy investment programs by

substituting for disbursements to the General Fund from the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan, established by section 16-245m, as amended by this act, and from the Clean Energy Fund, established by section 16-245n, as amended by this act. The state rate reduction bonds for the purposes of section 4-30a shall be deemed to be outstanding indebtedness of the state;

Sec. 18. Subsection (a) of section 16-245f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(a) An electric distribution company shall submit to the authority an application for a financing order with respect to any proposal to sustain funding of conservation and load management and renewable energy investment programs by substituting disbursements to the General Fund from proceeds of rate reduction bonds for such disbursements from the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, as amended by this act, and may submit to the authority an application for a financing order with respect to the following stranded costs: (1) The cost of mitigation efforts, as calculated pursuant to subsection (c) of section 16-245e; (2) generation-related regulatory assets, as calculated pursuant to subsection (e) of section 16-245e; and (3) those long-term contract costs that have been reduced to a fixed present value through the buyout, buydown, or renegotiation of such contracts, as calculated pursuant to subsection (f) of section 16-245e. No stranded costs shall be funded with the proceeds of rate reduction bonds unless (A) the electric distribution company proves to the satisfaction of the authority that the savings attributable to such funding will be directly passed on to customers through lower rates, and (B) the authority determines such funding will not result in giving the electric distribution company or any generation entities or affiliates an unfair competitive advantage. The authority shall hold a hearing for each such electric distribution company to determine the amount of

disbursements to the General Fund from proceeds of rate reduction bonds that may be substituted for such disbursements from the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, as amended by this act, and thereby constitute transition property and the portion of stranded costs that may be included in such funding and thereby constitute transition property. Any hearing shall be conducted as a contested case in accordance with chapter 54, except that any hearing with respect to a financing order or other order to sustain funding for conservation and load management and renewable energy investment programs by substituting the disbursement to the General Fund from the **[**Energy**]** Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Investment Fund established by section 16-245n, as amended by this act, shall not be a contested case, as defined in section 4-166. The authority shall not include any rate reduction bonds as debt of an electric distribution company in determining the capital structure of the company in a rate-making proceeding, for calculating the company's return on equity or in any manner that would impact the electric distribution company for rate-making purposes, and shall not approve such rate reduction bonds that include covenants that have provisions prohibiting any change to their appointment of an administrator of the **[**Energy**]** Conservation and Load Management **[**Fund. Nothing in this subsection shall be deemed to affect the terms of subsection (b) of section 16-245m**]** Plan.

Sec. 19. Subsections (a) and (b) of section 16-245i of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(a) The authority may issue financing orders in accordance with sections 16-245e to 16-245k, inclusive, as amended by this act, to fund the economic recovery transfer, to sustain funding of conservation and load management and renewable energy investment programs by

substituting disbursements to the General Fund from proceeds of rate reduction bonds for such disbursements **[**from the Energy**]** in furtherance of the Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, as amended by this act, and to facilitate the provision, recovery, financing, or refinancing of stranded costs. Except for a financing order in respect to the economic recovery revenue bonds, a financing order may be adopted only upon the application of an electric distribution company, pursuant to section 16-245f, as amended by this act, and shall become effective in accordance with its terms only after the electric distribution company files with the authority the electric distribution company's written consent to all terms and conditions of the financing order. Any financing order in respect to the economic recovery revenue bonds shall be effective on issuance.

(b) (1) Notwithstanding any general or special law, rule, or regulation to the contrary, except as otherwise provided in this subsection with respect to transition property that has been made the basis for the issuance of rate reduction bonds, the financing orders and the competitive transition assessment shall be irrevocable and the authority shall not have authority either by rescinding, altering, or amending the financing order or otherwise, to revalue or revise for rate-making purposes the stranded costs, or the costs of providing, recovering, financing, or refinancing the stranded costs, the amount of the economic recovery transfer or the amount of disbursements to the General Fund from proceeds of rate reduction bonds substituted for such disbursements **[**from the Energy**]** in furtherance of the Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, as amended by this act, determine that the competitive transition assessment is unjust or unreasonable, or in any way reduce or impair the value of transition property either directly or indirectly by taking the competitive transition assessment into account when setting other rates for the

electric distribution company; nor shall the amount of revenues arising with respect thereto be subject to reduction, impairment, postponement, or termination.

(2) Notwithstanding any other provision of this section, the authority shall approve the adjustments to the competitive transition assessment as may be necessary to ensure timely recovery of all stranded costs that are the subject of the pertinent financing order, and the costs of capital associated with the provision, recovery, financing, or refinancing thereof, including the costs of issuing, servicing, and retiring the rate reduction bonds issued to recover stranded costs contemplated by the financing order and to ensure timely recovery of the costs of issuing, servicing, and retiring the rate reduction bonds issued to sustain funding of conservation and load management and renewable energy investment programs contemplated by the financing order, and to ensure timely recovery of the costs of issuing, servicing and retiring the economic recovery revenue bonds issued to fund the economic recovery transfer contemplated by the financing order.

(3) Notwithstanding any general or special law, rule, or regulation to the contrary, any requirement under sections 16-245e to 16-245k, inclusive, as amended by this act, or a financing order that the authority take action with respect to the subject matter of a financing order shall be binding upon the authority, as it may be constituted from time to time, and any successor agency exercising functions similar to the authority and the authority shall have no authority to rescind, alter, or amend that requirement in a financing order. Section 16-43 shall not apply to any sale, assignment, or other transfer of or grant of a security interest in any transition property or the issuance of rate reduction bonds under sections 16-245e to 16-245k, inclusive, as amended by this act.

Sec. 20. Subparagraph (A) of subdivision (4) of subsection (c) of section 16-245j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(4) (A) The proceeds of any rate reduction bonds, other than economic recovery revenue bonds, shall be used for the purposes approved by the authority in the financing order, including, but not limited to, disbursements to the General Fund in substitution for such disbursements **[**from the Energy**]** in furtherance of the Conservation and Load Management **[**Fund**]** Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, as amended by this act, the costs of refinancing or retiring of debt of the electric distribution company, and associated federal and state tax liabilities; provided such proceeds shall not be applied to purchase generation assets or to purchase or redeem stock or to pay dividends to shareholders or operating expenses other than taxes resulting from the receipt of such proceeds.

Sec. 21. Subdivision (3) of subsection (d) of section 16-245m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(3) Programs included in the plan developed under subdivision (1) of this subsection shall be screened through cost-effectiveness testing that compares the value and payback period of program benefits for all energy savings to program costs to ensure that programs are designed to obtain energy savings and system benefits, including mitigation of federally mandated congestion charges, whose value is greater than the costs of the programs. Program cost-effectiveness shall be reviewed by the Commissioner of Energy and Environmental Protection annually, or otherwise as is practicable, and shall incorporate the results of the evaluation process set forth in subdivision (4) of this subsection. If a program is determined to fail the cost-effectiveness test as part of the review process, it shall either be modified to meet the test or shall be terminated, unless it is integral to other programs that in combination are cost-effective. On or before March 1, 2005, and on or before March first annually thereafter, the board shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters

relating to energy and the environment that documents (A) expenditures and fund balances and evaluates the cost-effectiveness of such programs conducted in the preceding year, and (B) the extent to and manner in which the programs of such board collaborated and cooperated with programs, established under section 7-233y, of municipal electric energy cooperatives. To maximize the reduction of federally mandated congestion charges, programs in the plan may allow for disproportionate allocations between the amount of contributions **[**to the Energy Conservation and Load Management Funds**]** pursuant to this section by a certain rate class and the programs that benefit such a rate class. Before conducting such evaluation, the board shall consult with the board of directors of the Connecticut Green Bank. The report shall include a description of the activities undertaken during the reporting period.

Sec. 22. Subdivision (1) of subsection (f) of section 16-245n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(f) (1) The board shall issue annually a report to the Department of Energy and Environmental Protection reviewing the activities of the Connecticut Green Bank in detail and shall provide a copy of such report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce. The report shall include a description of the programs and activities undertaken during the reporting period jointly or in collaboration with the **[**Energy**]** Conservation and Load Management **[**Funds**]** Plan established pursuant to section 16-245m, as amended by this act.

Sec. 23. Subsection (b) of section 16-245w of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(b) The Public Utilities Regulatory Authority shall design a process for determining a fee to be paid by customers who have installed self-

generation facilities in order to offset any loss or potential loss in revenue from such facilities toward the competitive transition assessment, the systems benefits charge, **[**the conservation and load management assessment**]** the conservation adjustment mechanisms collected under section 16-245m, as amended by this act, and the Clean Energy Fund assessment collected under section 16-245n, as amended by this act. Except as provided in subsection (c) of this section, such fee shall apply to customers who have installed self-generation facilities that begin operation on or after July 1, 1998.

Sec. 24. Subsection (d) of section 16-258d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2020*):

(d) The Public Utilities Regulatory Authority shall ensure that the revenues required to fund such incentive payments made pursuant to this section are provided through a fully reconciling conservation adjustment mechanism, which shall not exceed more than nine million dollars in total for the program established under this section, provided (1) such revenues shall be in addition to the revenues authorized to fund the **[**conservation and load management fund**]** Conservation and Load Management Plan pursuant to section 16-245m, as amended by this act, and (2) such revenues exceeding two million dollars required to fund such incentive payments shall be paid over a period of not less than two years. Such revenues shall only be collected from the gas customers of the company in whose service area such district heating system is located.

Sec. 25. Subdivision (1) of subsection (a) and subsection (b) of section 16-245m of the general statutes are repealed. (*Effective July 1, 2020*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	16-245a(a)

Sec. 2	*from passage*	16-245a
Sec. 3	*from passage*	16-244c(h)(1)
Sec. 4	*from passage*	16-245(k)
Sec. 5	*from passage*	16-243h
Sec. 6	*from passage*	16-244r(c)(3)(A)
Sec. 7	*from passage*	New section
Sec. 8	*from passage*	New section
Sec. 9	*from passage*	16-245m(d)(1)
Sec. 10	*from passage*	16-245n(b)
Sec. 11	*July 1, 2020*	12-264(c)(2)
Sec. 12	*July 1, 2020*	16-243q(b) to (d)
Sec. 13	*July 1, 2020*	16-243t
Sec. 14	*July 1, 2020*	16-243v(d) and (e)
Sec. 15	*July 1, 2020*	16-245c(e)
Sec. 16	*July 1, 2020*	16-245e(a)(1) and (2)
Sec. 17	*July 1, 2020*	16-245e(a)(13)
Sec. 18	*July 1, 2020*	16-245f(a)
Sec. 19	*July 1, 2020*	16-245i(a) and (b)
Sec. 20	*July 1, 2020*	16-245j(c)(4)(A)
Sec. 21	*July 1, 2020*	16-245m(d)(3)
Sec. 22	*July 1, 2020*	16-245n(f)(1)
Sec. 23	*July 1, 2020*	16-245w(b)
Sec. 24	*July 1, 2020*	16-258d(d)
Sec. 25	*July 1, 2020*	Repealer section

Statement of Legislative Commissioners:

In Section 1(a), "16a-6h" was changed to "16a-3h" for accuracy, in Section 6, "any money not allocated before such date of approval" was changed to "any money not yet allocated", for clarity and in Section 7(c), "subparagraph (A) of subdivision (1) of subsection (a) of this section, subparagraph (B) of subdivision (1) of subsection (a) of this section" was changed to "subparagraph (A) of subdivision (2) of subsection (a) of this section, subparagraph (B) of subdivision (2) of subsection (a) of this section" for accuracy.

ET *Joint Favorable Subst.*