



**AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE.**

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

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2 to the general statutes is repealed and the following is substituted in  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

4 (a) [An] Subject to any modifications required by the Public Utilities  
5 Regulatory Authority for retiring renewable energy certificates on  
6 behalf of all electric ratepayers pursuant to subsection (h) of this  
7 section and sections 16a-3f, 16a-3g, 16a-3h, 16a-3i, 16a-3j and 16a-3m,  
8 an electric supplier and an electric distribution company providing  
9 standard service or supplier of last resort service, pursuant to section  
10 16-244c, as amended by this act, shall demonstrate:

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

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

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

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

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

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

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

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

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

50 Class I or Class II renewable energy sources;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

176 shall, following such proceeding, issue a decision as to whether the  
177 electric distribution company's wholesale suppliers met the renewable  
178 portfolio standards during the preceding year. An electric distribution  
179 company shall include a provision in its contract with each wholesale  
180 supplier that requires the wholesale supplier to pay the electric  
181 distribution company an amount of: (A) For calendar years up to and  
182 including calendar year 2017, five and one-half cents per kilowatt hour  
183 if the wholesale supplier fails to comply with the renewable portfolio  
184 standards during the subject annual period, [and] (B) for calendar  
185 years commencing on [and after] January 1, 2018, up to and including  
186 the calendar year commencing on January 1, 2020, five and one-half  
187 cents per kilowatt hour if the wholesale supplier fails to comply with  
188 the renewable portfolio standards during the subject annual period for  
189 Class I renewable energy sources, and two and one-half cents per  
190 kilowatt hour if the wholesale supplier fails to comply with the  
191 renewable portfolio standards during the subject annual period for  
192 Class II renewable energy sources, and (C) for calendar years  
193 commencing on and after January 1, 2021, four cents per kilowatt hour  
194 if the wholesale supplier fails to comply with the renewable portfolio  
195 standards during the subject annual period for Class I renewable  
196 energy sources, and two and one-half cents per kilowatt hour if the  
197 wholesale supplier fails to comply with the renewable portfolio  
198 standards during the subject annual period for Class II renewable  
199 energy sources. The electric distribution company shall promptly  
200 transfer any payment received from the wholesale supplier for the  
201 failure to meet the renewable portfolio standards to the Clean Energy  
202 Fund for the development of Class I renewable energy sources,  
203 provided, on and after June 5, 2013, any such payment shall be  
204 refunded to ratepayers by using such payment to offset the costs to all  
205 customers of electric distribution companies of the costs of contracts  
206 and tariffs entered into pursuant to sections 16-244r, as amended by  
207 this act, [and] 16-244t and section 7 of this act. Any excess amount  
208 remaining from such payment shall be applied to reduce the costs of  
209 contracts entered into pursuant to subdivision (2) of this subsection,  
210 and if any excess amount remains, such amount shall be applied to

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

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

216 (k) Any licensee who fails to comply with a license condition or who  
217 violates any provision of this section, except for the renewable  
218 portfolio standards contained in subsection (g) of this section, shall be  
219 subject to civil penalties by the Public Utilities Regulatory Authority in  
220 accordance with section 16-41, or the suspension or revocation of such  
221 license or a prohibition on accepting new customers following a  
222 hearing that is conducted as a contested case in accordance with  
223 chapter 54. Notwithstanding the provisions of subsection (b) of section  
224 16-244c regarding an alternative transitional standard offer option or  
225 an alternative standard service option, the authority shall require a  
226 payment by a licensee that fails to comply with the renewable portfolio  
227 standards in accordance with subdivision (4) of subsection (g) of this  
228 section in the amount of: (1) For calendar years up to and including  
229 calendar year 2017, five and one-half cents per kilowatt hour, [and] (2)  
230 for calendar years commencing on [and after] January 1, 2018, and up  
231 to and including the calendar year commencing on January 1, 2020,  
232 five and one-half cents per kilowatt hour if the licensee fails to comply  
233 with the renewable portfolio standards during the subject annual  
234 period for Class I renewable energy sources, and two and one-half  
235 cents per kilowatt hour if the licensee fails to comply with the  
236 renewable portfolio standards during the subject annual period for  
237 Class II renewable energy sources, and (3) for calendar years  
238 commencing on and after January 1, 2021, four cents per kilowatt hour  
239 if the licensee fails to comply with the renewable portfolio standards  
240 during the subject annual period for Class I renewable energy sources,  
241 and two and one-half cents per kilowatt hour if the licensee fails to  
242 comply with the renewable portfolio standards during the subject  
243 annual period for Class II renewable energy sources. On or before

244 December 31, 2013, the authority shall issue a decision, following an  
245 uncontested proceeding, on whether any licensee has failed to comply  
246 with the renewable portfolio standards for calendar years up to and  
247 including 2012, for which a decision has not already been issued. On  
248 and after June 5, 2013, the Public Utilities Regulatory Authority shall  
249 annually conduct an uncontested proceeding in order to determine  
250 whether any licensee has failed to comply with the renewable portfolio  
251 standards during the preceding year. Not later than December 31,  
252 2014, and annually thereafter, the authority shall, following such  
253 proceeding, issue a decision as to whether the licensee has failed to  
254 comply with the renewable portfolio standards during the preceding  
255 year. The authority shall allocate such payment to the Clean Energy  
256 Fund for the development of Class I renewable energy sources,  
257 provided, on and after June 5, 2013, any such payment shall be  
258 refunded to ratepayers by using such payment to offset the costs to all  
259 customers of electric distribution companies of the costs of contracts  
260 and tariffs entered into pursuant to sections 16-244r, as amended by  
261 this act, [and] 16-244t and section 7 of this act. Any excess amount  
262 remaining from such payment shall be applied to reduce the costs of  
263 contracts entered into pursuant to subdivision (2) of subsection (j) of  
264 section 16-244c, and if any excess amount remains, such amount shall  
265 be applied to reduce costs collected through nonbypassable, federally  
266 mandated congestion charges, as defined in section 16-1.

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

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

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

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

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

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

334 Sec. 7. (NEW) (*Effective from passage*) (a) (1) On or before September  
335 1, 2018, the authority shall initiate a proceeding to establish a  
336 procurement plan and tariffs for each electric distribution company  
337 pursuant to this subsection and may give a preference to technologies  
338 manufactured, researched or developed in the state. Each electric  
339 distribution company shall develop such procurement plan in  
340 consultation with the Department of Energy and Environmental  
341 Protection and shall submit such procurement plan to the authority not  
342 later than sixty days after the authority initiates the proceeding  
343 pursuant to this subdivision. The authority may require such electric  
344 distribution companies to conduct separate solicitations for the

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

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

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

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

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

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

411 (1) A tariff for the purchase of all energy and renewable energy  
412 certificates on a cents-per-kilowatt-hour basis; and (2) a pricing  
413 structure that consists of (A) the crediting of all kilowatt-hour charges  
414 applicable to such residential customer of any energy that is produced  
415 by such Class I renewable energy source against any energy that is  
416 simultaneously consumed on a real-time basis by such residential  
417 customer, and (B) a tariff for the purchase of any energy not  
418 simultaneously consumed and credited pursuant to subparagraph (A)  
419 of this subdivision and renewable energy certificates on a cents-per-  
420 kilowatt-hour basis. A residential customer shall select either option  
421 authorized pursuant to subdivision (1) or (2) of this subsection,  
422 consistent with the requirements of this section. Such generation  
423 projects shall be sized so as not to exceed the load at the customer's  
424 individual electric meter from the electric distribution company  
425 providing service to such customer, as determined by such electric  
426 distribution company. The authority shall initiate a proceeding not  
427 later than September 1, 2018, to establish a rate for such tariffs, which  
428 may be based upon the results of one or more competitive solicitations  
429 issued pursuant to subsection (a) of this section and shall be guided by  
430 the Comprehensive Energy Strategy prepared pursuant to section 16a-  
431 3d of the general statutes. The authority may modify such rate for new  
432 customers under this subsection based on changed circumstances and  
433 may establish an interim tariff rate prior to the expiration of the  
434 residential solar investment program pursuant to subsection (b) of  
435 section 16-245ff of the general statutes as an alternative to such  
436 program, provided any residential customer utilizing a tariff pursuant  
437 to this subsection at such customer's electric meter shall not be eligible  
438 for any incentives offered pursuant to section 16-245ff of the general  
439 statutes at the same such electric meter and any residential customer  
440 utilizing any incentives offered pursuant to section 16-245ff of the  
441 general statutes at such customer's electric meter shall not be eligible  
442 for a tariff pursuant to this subsection at the same such electric meter.  
443 For purposes of this section, "residential customer" means a customer  
444 of a single-family dwelling or a multifamily dwelling consisting of two  
445 to four units.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

613 thereof (*Effective July 1, 2020*):

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

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

646 2007, and reviewed annually thereafter. The authority may, in a  
647 proceeding and for good cause shown, allocate a larger proportion of  
648 such credits to the person who conserved the electricity or installed the  
649 customer-side distributed resources. The authority shall consider the  
650 proportion of investment made by a ratepayer through various  
651 ratepayer-funded incentive programs and the resulting reduction in  
652 federally mandated congestion charges. The portion [allocated to the  
653 Energy] used in furtherance of the Conservation and Load  
654 Management [Fund] Plan shall be used for measures that respond to  
655 energy demand and for peak reduction programs.

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

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

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

679 resources, as defined in section 16-1, on or after January 1, 2008, shall  
680 be eligible for Class III credits, pursuant to section 16-243q, as  
681 amended by this act. The Class III credit shall be not less than one cent  
682 per kilowatt hour. For nonresidential projects receiving conservation  
683 and load management funding, twenty-five per cent of the financial  
684 value derived from the credits earned pursuant to this section shall be  
685 directed to the customer who implements energy conservation or  
686 customer-side distribution resources pursuant to this section with the  
687 remainder of the financial value directed [to] in furtherance of the  
688 Conservation and Load Management [Funds] Plan. For nonresidential  
689 projects not receiving conservation and load management funding  
690 submitted on or after March 9, 2007, seventy-five per cent of the  
691 financial value derived from the credits earned pursuant to this section  
692 shall be directed to the customer who implements energy conservation  
693 or customer-side distribution resources pursuant to this section with  
694 the remainder of the financial value directed [to] in furtherance of the  
695 Conservation and Load Management [Funds] Plan. Not later than July  
696 1, 2007, the Public Utilities Regulatory Authority shall initiate a  
697 contested case proceeding in accordance with the provisions of chapter  
698 54, to implement the provisions of this section.

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

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

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

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

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

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

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

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

779 1, 2020):

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

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

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

811 (2) "Competitive transition assessment" means those nonbypassable  
812 rates and other charges, that are authorized by the authority (A) in a  
813 financing order in respect to the economic recovery transfer, or in a  
814 financing order, to sustain funding of conservation and load  
815 management and renewable energy investment programs by  
816 substituting disbursements to the General Fund from proceeds of rate  
817 reduction bonds for such disbursements from the [Energy]  
818 Conservation and Load Management [Fund] Plan established by  
819 section 16-245m, as amended by this act, and from the Clean Energy  
820 Fund established by section 16-245n, as amended by this act, or to  
821 recover those stranded costs that are eligible to be funded with the  
822 proceeds of rate reduction bonds pursuant to section 16-245f, as  
823 amended by this act, and the costs of providing, recovering, financing,  
824 or refinancing the economic recovery transfer or such substitution of  
825 disbursements to the General Fund or such stranded costs through a  
826 plan approved by the authority in the financing order, including the  
827 costs of issuing, servicing, and retiring rate reduction bonds, (B) to  
828 recover those stranded costs determined under this section but not  
829 eligible to be funded with the proceeds of rate reduction bonds  
830 pursuant to section 16-245f, as amended by this act, or (C) to recover  
831 costs determined under subdivision (1) of subsection (e) of section 16-  
832 244g. If requested by the electric distribution company, the authority  
833 shall include in the competitive transition assessment nonbypassable  
834 rates and other charges to recover federal and state taxes whose  
835 recovery period is modified by the transactions contemplated in this  
836 section and sections 16-245f to 16-245k, inclusive, as amended by this  
837 act;

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

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

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

850 Sec. 18. Subsection (a) of section 16-245f of the general statutes is  
851 repealed and the following is substituted in lieu thereof (*Effective July*  
852 *1, 2020*):

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

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

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

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

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

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

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

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

961 (3) Notwithstanding any general or special law, rule, or regulation  
962 to the contrary, any requirement under sections 16-245e to 16-245k,  
963 inclusive, as amended by this act, or a financing order that the  
964 authority take action with respect to the subject matter of a financing  
965 order shall be binding upon the authority, as it may be constituted  
966 from time to time, and any successor agency exercising functions  
967 similar to the authority and the authority shall have no authority to  
968 rescind, alter, or amend that requirement in a financing order. Section  
969 16-43 shall not apply to any sale, assignment, or other transfer of or  
970 grant of a security interest in any transition property or the issuance of  
971 rate reduction bonds under sections 16-245e to 16-245k, inclusive, as  
972 amended by this act.

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

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

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

992 (3) Programs included in the plan developed under subdivision (1)  
993 of this subsection shall be screened through cost-effectiveness testing  
994 that compares the value and payback period of program benefits for all  
995 energy savings to program costs to ensure that programs are designed  
996 to obtain energy savings and system benefits, including mitigation of  
997 federally mandated congestion charges, whose value is greater than  
998 the costs of the programs. Program cost-effectiveness shall be reviewed  
999 by the Commissioner of Energy and Environmental Protection  
1000 annually, or otherwise as is practicable, and shall incorporate the  
1001 results of the evaluation process set forth in subdivision (4) of this  
1002 subsection. If a program is determined to fail the cost-effectiveness test  
1003 as part of the review process, it shall either be modified to meet the test  
1004 or shall be terminated, unless it is integral to other programs that in  
1005 combination are cost-effective. On or before March 1, 2005, and on or  
1006 before March first annually thereafter, the board shall provide a report,  
1007 in accordance with the provisions of section 11-4a, to the joint standing  
1008 committees of the General Assembly having cognizance of matters

1009 relating to energy and the environment that documents (A)  
1010 expenditures and fund balances and evaluates the cost-effectiveness of  
1011 such programs conducted in the preceding year, and (B) the extent to  
1012 and manner in which the programs of such board collaborated and  
1013 cooperated with programs, established under section 7-233y, of  
1014 municipal electric energy cooperatives. To maximize the reduction of  
1015 federally mandated congestion charges, programs in the plan may  
1016 allow for disproportionate allocations between the amount of  
1017 contributions [to the Energy Conservation and Load Management  
1018 Funds] pursuant to this section by a certain rate class and the  
1019 programs that benefit such a rate class. Before conducting such  
1020 evaluation, the board shall consult with the board of directors of the  
1021 Connecticut Green Bank. The report shall include a description of the  
1022 activities undertaken during the reporting period.

1023 Sec. 22. Subdivision (1) of subsection (f) of section 16-245n of the  
1024 general statutes is repealed and the following is substituted in lieu  
1025 thereof (*Effective July 1, 2020*):

1026 (f) (1) The board shall issue annually a report to the Department of  
1027 Energy and Environmental Protection reviewing the activities of the  
1028 Connecticut Green Bank in detail and shall provide a copy of such  
1029 report, in accordance with the provisions of section 11-4a, to the joint  
1030 standing committees of the General Assembly having cognizance of  
1031 matters relating to energy and commerce. The report shall include a  
1032 description of the programs and activities undertaken during the  
1033 reporting period jointly or in collaboration with the [Energy]  
1034 Conservation and Load Management [Funds] Plan established  
1035 pursuant to section 16-245m, as amended by this act.

1036 Sec. 23. Subsection (b) of section 16-245w of the general statutes is  
1037 repealed and the following is substituted in lieu thereof (*Effective July*  
1038 *1, 2020*):

1039 (b) The Public Utilities Regulatory Authority shall design a process  
1040 for determining a fee to be paid by customers who have installed self-

1041 generation facilities in order to offset any loss or potential loss in  
 1042 revenue from such facilities toward the competitive transition  
 1043 assessment, the systems benefits charge, [the conservation and load  
 1044 management assessment] the conservation adjustment mechanisms  
 1045 collected under section 16-245m, as amended by this act, and the Clean  
 1046 Energy Fund assessment collected under section 16-245n, as amended  
 1047 by this act. Except as provided in subsection (c) of this section, such fee  
 1048 shall apply to customers who have installed self-generation facilities  
 1049 that begin operation on or after July 1, 1998.

1050       Sec. 24. Subsection (d) of section 16-258d of the general statutes is  
 1051 repealed and the following is substituted in lieu thereof (*Effective July*  
 1052 *1, 2020*):

1053       (d) The Public Utilities Regulatory Authority shall ensure that the  
 1054 revenues required to fund such incentive payments made pursuant to  
 1055 this section are provided through a fully reconciling conservation  
 1056 adjustment mechanism, which shall not exceed more than nine million  
 1057 dollars in total for the program established under this section,  
 1058 provided (1) such revenues shall be in addition to the revenues  
 1059 authorized to fund the [conservation and load management fund]  
 1060 Conservation and Load Management Plan pursuant to section 16-  
 1061 245m, as amended by this act, and (2) such revenues exceeding two  
 1062 million dollars required to fund such incentive payments shall be paid  
 1063 over a period of not less than two years. Such revenues shall only be  
 1064 collected from the gas customers of the company in whose service area  
 1065 such district heating system is located.

1066       Sec. 25. Subdivision (1) of subsection (a) and subsection (b) of  
 1067 section 16-245m of the general statutes are repealed. (*Effective July 1,*  
 1068 *2020*)

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

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