



General Assembly

February Session, 2018

Raised Bill No. 336

LCO No. 1961



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING COMMUNITY SHARED SOLAR.

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

1 Section 1. (NEW) (*Effective October 1, 2018*) (a) As used in this
2 section:

3 (1) "Alternative bill credit" means a value-based bill credit equal to
4 the value per kilowatt-hour of the production of energy as established
5 by the authority pursuant to subdivision (4) of subsection (d) of this
6 section;

7 (2) "Authority" means the Public Utilities Regulatory Authority;

8 (3) "Bill credit" means the monetary value of the electricity
9 generated by the shared clean energy facility assigned to a subscriber
10 to offset such subscriber's electricity bill;

11 (4) "Combined public benefits charge" means the combined charges
12 from the systems benefit charge pursuant to section 16-245l of the
13 general statutes, the assessment for the Energy Conservation and Load
14 Management Fund pursuant to section 16-245m of the general statutes,

15 and the assessment for the Clean Energy Fund pursuant to section 16-
16 245n of the general statutes;

17 (5) "Electric distribution company" has the same meaning as
18 provided in section 16-1 of the general statutes, as amended by this act;

19 (6) "Environmental justice community" has the same meaning as
20 provided in subsection (a) of section 22a-20a of the general statutes;

21 (7) "Initial bill credit" means a bill credit equal to the cost per
22 kilowatt-hour, including the transmission and distribution charges, but
23 not including the combined public benefits charge, that the subscriber
24 may have otherwise been charged for each kilowatt-hour produced by
25 a shared clean energy facility that exceeds the total amount of kilowatt-
26 hours used during an electric distribution company's monthly billing
27 period;

28 (8) "Low-income subscriber" means an in-state retail end user of an
29 electric distribution company (A) whose income does not exceed
30 eighty per cent of the area median income as defined by the United
31 States Department of Housing and Urban Development, adjusted for
32 family size, or (B) that is an affordable housing facility as defined in
33 section 8-39a of the general statutes;

34 (9) "Low income service organization" means a for-profit or
35 nonprofit organization that provides service or assistance to low-
36 income individuals;

37 (10) "Moderate-income subscriber" means an in-state retail end user
38 of an electric distribution company whose income is between eighty
39 per cent and one hundred per cent of the area median income as
40 defined by the United States Department of Housing and Urban
41 Development, adjusted for family size;

42 (11) "Shared clean energy facility" means a Class I renewable energy
43 source, as defined in section 16-1 of the general statutes, as amended
44 by this act, that (A) is served by an electric distribution company, (B) is

45 within the same electric distribution company service territory as the
46 individual billing meters for subscriptions, (C) has a nameplate
47 capacity rating of five megawatts or less, and (D) has at least two
48 subscribers;

49 (12) "Small subscription" means a subscription that is equivalent to
50 not more than twenty-five kilowatts of the nameplate capacity rating
51 of a shared clean energy facility;

52 (13) "Subscriber" means an in-state retail end user of an electric
53 distribution company who (A) has one or more subscriptions of a
54 shared clean energy facility that is interconnected with such electric
55 distribution company, and (B) has identified an individual billing
56 meter that is located in the same electric distribution company service
57 territory where the shared clean energy facility is located to which the
58 subscription shall be assigned;

59 (14) "Subscriber organization" means any for profit or nonprofit
60 entity that (A) owns or operates one or more shared clean energy
61 facilities, or (B) contracts with a third-party entity to build, own or
62 operate one or more shared clean energy facilities;

63 (15) "Subscription" means a contract between a subscriber and the
64 subscriber organization for a percentage share of the output of a
65 shared clean energy facility; and

66 (16) "Unassigned bill credit" means in any given electric distribution
67 monthly billing period, a bill credit generated by a shared clean energy
68 facility that is not assigned to a subscriber.

69 (b) On or before December 1, 2018, the Commissioner of Energy and
70 Environmental Protection, in consultation with the Connecticut Green
71 Bank, shall (1) conduct a public hearing and provide an opportunity
72 for public comment regarding a shared clean energy program, and (2)
73 establish a state-wide shared clean energy program and submit such
74 program to the authority for approval.

75 (c) The shared clean energy program established pursuant to
76 subsection (b) of this section shall:

77 (1) Be implemented by all electric distribution companies pursuant
78 to tariffs approved by the authority;

79 (2) Permit a shared clean energy facility to be built, owned or
80 operated by a subscriber organization or a third-party entity under
81 contract with a subscriber organization;

82 (3) Permit the participation of shared clean energy facilities with a
83 capacity of not less than three hundred megawatts in the aggregate;

84 (4) Set a program implementation schedule and identify the means
85 by which the program will be promoted;

86 (5) Permit a shared clean energy facility to access (A) all available
87 federal and state incentives, financing, tax credits and deductions, (B)
88 Connecticut ratepayer-funded incentives, including, but not limited to,
89 funds collected pursuant to section 16-245n of the general statutes, the
90 zero-emission renewable energy credit program pursuant to section
91 16-244r of the general statutes and the low-emission renewable energy
92 credit program pursuant to section 16-244t of the general statutes, and
93 any successor programs, and (C) direct incentives from the
94 Connecticut Green Bank or the conservation and load management
95 program, provided any such access shall be pursuant to any applicable
96 program requirements and limits, as amended from time to time;

97 (6) Permit the creation, financing and accessibility to retail electric
98 customers of shared clean energy facilities;

99 (7) Permit all rate classes to participate in the program, including,
100 but not limited to, customers on competitive supply service and
101 promote accessibility of shared clean energy facilities to all customer
102 classes, including, but not limited to, the consideration of incentives to
103 encourage participation of small subscribers and low-income
104 subscribers;

105 (8) Prohibit the removal of customers from their customer class as a
106 condition of participation in the program;

107 (9) Identify all rules, fees and charges of subscriber organizations;

108 (10) Require nondiscriminatory and efficient rules for electric
109 distribution companies for the interconnection of shared clean energy
110 facilities;

111 (11) Include guidelines regarding the colocation of two or more
112 shared clean energy facilities on a single parcel of land;

113 (12) Require that not less than fifty per cent of the total capacity of
114 any individual shared clean energy facility with a nameplate capacity
115 of more than five hundred kilowatts is sold to subscribers who
116 purchase small subscriptions;

117 (13) On or before January 1, 2022, require that (A) not less than ten
118 per cent of the total capacity of all shared clean energy facilities, in the
119 aggregate, is sold to low-income subscribers, and (B) in addition to the
120 requirement of subparagraph (A) of this subdivision, not less than ten
121 per cent of the total capacity of all shared clean energy facilities, in the
122 aggregate, is sold to low-income subscribers, moderate-income
123 subscribers or low-income service organizations;

124 (14) Require a subscriber organization to (A) provide to the electric
125 distribution company, on a monthly basis, a subscriber list indicating
126 the percentage share of the shared clean energy facility's energy output
127 that is attributable to each subscriber, (B) provide to the electric
128 distribution company, on a monthly basis, subscription changes, if any,
129 including, but not limited to, subscriber information updates to reflect
130 new and cancelling subscribers, and (C) report to the Department of
131 Energy and Environmental Protection and the Connecticut Green
132 Bank, on January first and July first of each year, the number of
133 subscribers and the income level and zip code of such subscribers;

134 (15) Permit a subscriber organization to accumulate bill credits,

135 unassigned bill credits and require that such subscriber organization,
136 at the end of each fiscal year, provide a list to the electric distribution
137 company that assigns such bill credits to subscribers;

138 (16) Permit a subscriber organization for a shared clean energy
139 facility that signed an interconnection service agreement prior to
140 December 1, 2020, to use the initial bill credit or the alternative bill
141 credit, once established pursuant to subdivision (4) of subsection (d) of
142 this section;

143 (17) Require a subscriber organization for a shared clean energy
144 facility that signed an interconnection service agreement on or after the
145 date the alternative bill credit is approved to use the alternative bill
146 credit, pursuant to subdivision (4) of subsection (d) of this section;

147 (18) Permit a subscriber to retain their subscription if such
148 subscriber relocates to an electric meter within the same electric
149 distribution company service territory;

150 (19) Require an electric distribution company to (A) apply bill
151 credits to subscriber bills not later than one billing cycle following the
152 billing cycle during which such credit was generated, provided if the
153 value of the bill credit exceeds the amount owed by the subscriber the
154 remaining value of such credit shall carry over from one monthly
155 billing period to the next until the end of the fiscal year. At the end of
156 each fiscal year, the electric distribution company shall compensate the
157 subscriber at the avoided cost of energy, (B) on a monthly basis, in a
158 standardized electronic format that is approved by the authority,
159 provide to the subscriber organization a report stating the total value
160 of bill credits generated by the shared clean energy facility in the prior
161 month and the bill credit applied to each subscriber, and (C) upon
162 receipt of written notice from a subscriber organization, bill a
163 subscriber on behalf of such subscriber organization, provided (i) the
164 subscriber has a small subscription, and (ii) such subscriber
165 organization pays the electric distribution company's costs associated
166 with billing and collection from such subscriber, as determined by the

167 authority;

168 (20) Permit an electric distribution company to recover all
169 reasonable costs and expenses prudently incurred for the
170 implementation and operation of the shared clean energy program
171 through a reconciling component of electric rates, as determined by the
172 authority;

173 (21) Include provisions for consumer protection, including, but not
174 limited to, identification of information that shall be provided to
175 potential subscribers to ensure fair disclosure of future costs and
176 benefits of subscriptions and disclaimers regarding the decoupling and
177 sale of renewable energy credits;

178 (22) Include mechanisms to encourage participation in the program
179 by residential, small commercial, low-income residential, nonprofit,
180 and low-income service organization customers. In determining such
181 mechanisms, the commissioner shall consult with the authority,
182 electric distribution companies, stakeholders, the Connecticut Green
183 Bank and the Department of Economic and Community Development
184 and consider the development of financing options, financial
185 incentives, education and outreach programs, program participation
186 goals or requirements to encourage access for the customers described
187 in this subdivision and identification of long-term funding sources to
188 support the successful program adoption by low-income customers;

189 (23) Offer additional preferences, including tariffs, incentives and
190 financing, to low-income subscribers and shared clean energy facilities
191 that benefit subscribers who reside in environmental justice
192 communities, as well as shared clean energy facilities with a nameplate
193 capacity rating of five hundred kilowatts or less that meet
194 programmatic goals including, but not limited to:

195 (A) To maximize the benefits for low-income customers,
196 development of at least one mechanism for low-income subscriber
197 adoption, including low-income residential subscribers and low-
198 income service organization subscribers, that is structured as an

199 assistance program model to reduce the energy burden for such
200 subscribers and integrates with complementary agencies, as identified
201 by the commissioner and the Connecticut Green Bank, and programs,
202 including, but not limited to, low-income energy assistance and
203 efficiency services;

204 (B) Inclusion of workforce development opportunities for various
205 communities, including, but not limited to, low-income and
206 environmental justice communities; and

207 (C) Development of a process for regular program evaluation and
208 adjustments to encourage participation by low-income and moderate-
209 income residential customers, low-income affordable housing and low-
210 income service organizations;

211 (d) After receipt of the program pursuant to subsection (b) of this
212 section, the authority shall, on or before June 1, 2019:

213 (1) Establish a rule, in accordance with the provisions of chapter 54
214 of the general statutes;

215 (2) Establish a schedule to implement the program;

216 (3) Require each electric distribution company to file, on or before
217 August 1, 2019, all tariffs, agreements and forms necessary to
218 implement the program, as required by the authority; and

219 (4) Establish the rate of an alternative bill credit per kilowatt-hour
220 for the energy produced by a shared clean energy facility. Such rate
221 shall (A) be determined after a hearing that is conducted as a contested
222 case, in accordance with chapter 54 of the general statutes, (B) account
223 for the full costs and benefits of behind-the-meter distributed
224 generation, including, but not limited to, avoided transmission and
225 distribution costs, reliability, resiliency, market price suppression,
226 avoided costs of compliance with environmental and public health
227 requirements, benefits for low-income customers and other cobenefits,
228 and (C) be simple and easily understood by customers, subscribers and

229 subscriber organizations and shall ensure that the program meets the
230 policy goals of this section, including project development and access
231 to shared clean energy by all customer classes.

232 (e) Not later than one hundred eighty days after the finalization of
233 the rule established pursuant to subdivision (1) of subsection (d) of this
234 section, an electric distribution company shall (1) file with the
235 authority a description of its crediting system, and (2) begin to credit
236 subscribers.

237 Sec. 2. Section 16-1 of the 2018 supplement to the general statutes is
238 amended by adding subsection (d) as follows (*Effective October 1, 2018*):

239 (NEW) (d) A subscriber organization, as defined in section 1 of this
240 act, shall not be deemed to be a utility, public utility or public service
241 company solely by virtue of the fact that such subscriber organization
242 owns or operates or contracts with a third-party entity to build, own or
243 operate a clean energy facility;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	New section
Sec. 2	<i>October 1, 2018</i>	16-1

Statement of Purpose:

To establish a state-wide community shared solar program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]