



General Assembly

Amendment

February Session, 2018

LCO No. 5432



Offered by:

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To: Subst. Senate Bill No. 9

File No. 460

Cal. No. 283

"AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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4 to the general statutes is repealed and the following is substituted in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

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

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

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

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

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

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

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

43 (7) On and after January 1, 2012, not less than nine per cent of the

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

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

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

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

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

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

73 (13) On and after January 1, 2018, not less than seventeen per cent of
74 the total output or services of any such supplier or distribution

75 company shall be generated from Class I renewable energy sources
76 and an additional four per cent of the total output or services shall be
77 from Class I or Class II renewable energy sources;

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

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

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

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

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

107 from Class I or Class II renewable energy sources;

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

113 (20) On and after January 1, 2025, not less than thirty per cent of the
114 total output or services of any such supplier or distribution company
115 shall be generated from Class I renewable energy sources and an
116 additional four per cent of the total output or services shall be from
117 Class I or Class II renewable energy sources;

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

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

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

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

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

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

145 (NEW) (h) The authority shall establish procedures for the
146 disposition of renewable energy certificates purchased pursuant to
147 section 7 of this act, which may include procedures for selling
148 renewable energy certificates consistent with section 7 of this act or, if
149 renewable energy certificates procured pursuant to section 7 of this act
150 are retired and never used for compliance in any other jurisdiction,
151 reductions to the percentage of the total output or services of an
152 electric supplier or an electric distribution company generated from
153 Class I renewable energy sources required pursuant to subsection (a)
154 of this section. Any such reduction shall be based on the energy
155 production that the authority forecasts will be procured pursuant to
156 subsections (a) and (b) of section 7 of this act. The authority shall
157 determine any such reduction of an annual renewable portfolio
158 standard not later than one year prior to the effective date of such
159 annual renewable portfolio standard. An electric distribution company
160 shall not be responsible for any administrative or other costs or
161 expenses associated with any difference between the number of
162 renewable energy certificates planned to be retired pursuant to the
163 authority's reduction and the actual number of renewable energy
164 certificates retired.

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

168 (h) (1) Notwithstanding the provisions of subsection (b) of this
169 section regarding an alternative standard service option, an electric

170 distribution company providing standard service, supplier of last
171 resort service or back-up electric generation service in accordance with
172 this section shall contract with its wholesale suppliers to comply with
173 the renewable portfolio standards. The Public Utilities Regulatory
174 Authority shall annually conduct an uncontested proceeding in order
175 to determine whether the electric distribution company's wholesale
176 suppliers met the renewable portfolio standards during the preceding
177 year. On or before December 31, 2013, the authority shall issue a
178 decision on any such proceeding for calendar years up to and
179 including 2012, for which a decision has not already been issued. Not
180 later than December 31, 2014, and annually thereafter, the authority
181 shall, following such proceeding, issue a decision as to whether the
182 electric distribution company's wholesale suppliers met the renewable
183 portfolio standards during the preceding year. An electric distribution
184 company shall include a provision in its contract with each wholesale
185 supplier that requires the wholesale supplier to pay the electric
186 distribution company an amount of: (A) For calendar years up to and
187 including calendar year 2017, five and one-half cents per kilowatt hour
188 if the wholesale supplier fails to comply with the renewable portfolio
189 standards during the subject annual period, [and] (B) for calendar
190 years commencing on [and after] January 1, 2018, up to and including
191 the calendar year commencing on January 1, 2020, five and one-half
192 cents per kilowatt hour if the wholesale supplier fails to comply with
193 the renewable portfolio standards during the subject annual period for
194 Class I renewable energy sources, and two and one-half cents per
195 kilowatt hour if the wholesale supplier fails to comply with the
196 renewable portfolio standards during the subject annual period for
197 Class II renewable energy sources, and (C) for calendar years
198 commencing on and after January 1, 2021, four cents per kilowatt hour
199 if the wholesale supplier fails to comply with the renewable portfolio
200 standards during the subject annual period for Class I renewable
201 energy sources, and two and one-half cents per kilowatt hour if the
202 wholesale supplier fails to comply with the renewable portfolio
203 standards during the subject annual period for Class II renewable
204 energy sources. The electric distribution company shall promptly

205 transfer any payment received from the wholesale supplier for the
206 failure to meet the renewable portfolio standards to the Clean Energy
207 Fund for the development of Class I renewable energy sources,
208 provided, on and after June 5, 2013, any such payment shall be
209 refunded to ratepayers by using such payment to offset the costs to all
210 customers of electric distribution companies of the costs of contracts
211 and tariffs entered into pursuant to sections 16-244r, as amended by
212 this act, [and] 16-244t and section 7 of this act. Any excess amount
213 remaining from such payment shall be applied to reduce the costs of
214 contracts entered into pursuant to subdivision (2) of this subsection,
215 and if any excess amount remains, such amount shall be applied to
216 reduce costs collected through nonbypassable, federally mandated
217 congestion charges, as defined in section 16-1, as amended by this act.

218 (2) Notwithstanding the provisions of subsection (b) of this section
219 regarding an alternative standard service option, an electric
220 distribution company providing transitional standard offer service,
221 standard service, supplier of last resort service or back-up electric
222 generation service in accordance with this section shall, not later than
223 July 1, 2008, file with the Public Utilities Regulatory Authority for its
224 approval one or more long-term power purchase contracts from Class I
225 renewable energy source projects with a preference for projects located
226 in Connecticut that receive funding from the Clean Energy Fund and
227 that are not less than one megawatt in size, at a price that is either, at
228 the determination of the project owner, (A) not more than the total of
229 the comparable wholesale market price for generation plus five and
230 one-half cents per kilowatt hour, or (B) fifty per cent of the wholesale
231 market electricity cost at the point at which transmission lines intersect
232 with each other or interface with the distribution system, plus the
233 project cost of fuel indexed to natural gas futures contracts on the New
234 York Mercantile Exchange at the natural gas pipeline interchange
235 located in Vermillion Parish, Louisiana that serves as the delivery
236 point for such futures contracts, plus the fuel delivery charge for
237 transporting fuel to the project, plus five and one-half cents per
238 kilowatt hour. In its approval of such contracts, the authority shall give

239 preference to purchase contracts from those projects that would
240 provide a financial benefit to ratepayers and would enhance the
241 reliability of the electric transmission system of the state. Such projects
242 shall be located in this state. The owner of a fuel cell project principally
243 manufactured in this state shall be allocated all available air emissions
244 credits and tax credits attributable to the project and no less than fifty
245 per cent of the energy credits in the Class I renewable energy credits
246 program established in section 16-245a, as amended by this act,
247 attributable to the project. On and after October 1, 2007, and until
248 September 30, 2008, such contracts shall be comprised of not less than a
249 total, apportioned among each electric distribution company, of one
250 hundred twenty-five megawatts; and on and after October 1, 2008,
251 such contracts shall be comprised of not less than a total, apportioned
252 among each electrical distribution company, of one hundred fifty
253 megawatts. The Public Utilities Regulatory Authority shall not issue
254 any order that results in the extension of any in-service date or
255 contractual arrangement made as a part of Project 100 or Project 150
256 beyond the termination date previously approved by the authority
257 established by the contract, provided any party to such contract may
258 provide a notice of termination in accordance with the terms of, and to
259 the extent permitted under, its contract, except the authority shall
260 grant, upon request, an extension of the latest of any such in-service
261 date by (i) twelve months for any project located in a distressed
262 municipality, as defined in section 32-9p, with a population of more
263 than one hundred twenty-five thousand, and (ii) not more than thirty-
264 six months for any project having a capacity of less than five
265 megawatts, provided any such project (I) commences construction by
266 April 30, 2015, and (II) the authority has provided previous approval
267 of such contract. The cost of such contracts and the administrative
268 costs for the procurement of such contracts directly incurred shall be
269 eligible for inclusion in the adjustment to any subsequent rates for
270 standard service, provided such contracts are for a period of time
271 sufficient to provide financing for such projects, but not less than ten
272 years, and are for projects which began operation on or after July 1,
273 2003. Except as provided in this subdivision, the amount from Class I

274 renewable energy sources contracted under such contracts shall be
275 applied to reduce the applicable Class I renewable energy source
276 portfolio standards. For purposes of this subdivision, the authority's
277 determination of the comparable wholesale market price for
278 generation shall be based upon a reasonable estimate. On or before
279 September 1, 2011, the authority, in consultation with the Office of
280 Consumer Counsel and the Connecticut Green Bank, shall study the
281 operation of such renewable energy contracts and report its findings
282 and recommendations to the joint standing committee of the General
283 Assembly having cognizance of matters relating to energy.

284 (3) Notwithstanding the provisions of subsection (b) of this section
285 regarding an alternative standard service option, an electric
286 distribution company providing transitional standard offer service,
287 standard service, supplier of last resort service or back-up electric
288 generation service in accordance with this section that has within its
289 service territory a biomass facility that is a Class I renewable energy
290 source and began operation after December 1, 2013, shall, not later
291 than July 1, 2018, file with the Public Utilities Regulatory Authority for
292 its approval a ten-year power purchase contract not to exceed nine
293 cents per kilowatt hour for energy and renewable energy certificates
294 with such facility for generation equivalent to seven and one-half
295 megawatts of electric capacity. The costs incurred by an electric
296 distribution company pursuant to this subdivision shall be recovered
297 on a timely basis through a nonbypassable fully reconciling
298 component of electric rates for all customers of such electric
299 distribution company.

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

303 (k) Any licensee who fails to comply with a license condition or who
304 violates any provision of this section, except for the renewable
305 portfolio standards contained in subsection (g) of this section, shall be
306 subject to civil penalties by the Public Utilities Regulatory Authority in

307 accordance with section 16-41, or the suspension or revocation of such
308 license or a prohibition on accepting new customers following a
309 hearing that is conducted as a contested case in accordance with
310 chapter 54. Notwithstanding the provisions of subsection (b) of section
311 16-244c regarding an alternative transitional standard offer option or
312 an alternative standard service option, the authority shall require a
313 payment by a licensee that fails to comply with the renewable portfolio
314 standards in accordance with subdivision (4) of subsection (g) of this
315 section in the amount of: (1) For calendar years up to and including
316 calendar year 2017, five and one-half cents per kilowatt hour, [and] (2)
317 for calendar years commencing on [and after] January 1, 2018, and up
318 to and including the calendar year commencing on January 1, 2020,
319 five and one-half cents per kilowatt hour if the licensee fails to comply
320 with the renewable portfolio standards during the subject annual
321 period for Class I renewable energy sources, and two and one-half
322 cents per kilowatt hour if the licensee fails to comply with the
323 renewable portfolio standards during the subject annual period for
324 Class II renewable energy sources, and (3) for calendar years
325 commencing on and after January 1, 2021, four cents per kilowatt hour
326 if the licensee fails to comply with the renewable portfolio standards
327 during the subject annual period for Class I renewable energy sources,
328 and two and one-half cents per kilowatt hour if the licensee fails to
329 comply with the renewable portfolio standards during the subject
330 annual period for Class II renewable energy sources. On or before
331 December 31, 2013, the authority shall issue a decision, following an
332 uncontested proceeding, on whether any licensee has failed to comply
333 with the renewable portfolio standards for calendar years up to and
334 including 2012, for which a decision has not already been issued. On
335 and after June 5, 2013, the Public Utilities Regulatory Authority shall
336 annually conduct an uncontested proceeding in order to determine
337 whether any licensee has failed to comply with the renewable portfolio
338 standards during the preceding year. Not later than December 31,
339 2014, and annually thereafter, the authority shall, following such
340 proceeding, issue a decision as to whether the licensee has failed to
341 comply with the renewable portfolio standards during the preceding

342 year. The authority shall allocate such payment to the Clean Energy
343 Fund for the development of Class I renewable energy sources,
344 provided, on and after June 5, 2013, any such payment shall be
345 refunded to ratepayers by using such payment to offset the costs to all
346 customers of electric distribution companies of the costs of contracts
347 and tariffs entered into pursuant to sections 16-244r, as amended by
348 this act, [and] 16-244t and section 7 of this act. Any excess amount
349 remaining from such payment shall be applied to reduce the costs of
350 contracts entered into pursuant to subdivision (2) of subsection (j) of
351 section 16-244c, and if any excess amount remains, such amount shall
352 be applied to reduce costs collected through nonbypassable, federally
353 mandated congestion charges, as defined in section 16-1, as amended
354 by this act.

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

357 On and after January 1, 2000, and until (1) for residential customers,
358 the expiration of the residential solar investment program pursuant to
359 subsection (b) of section 16-245ff, and (2) for all other customers not
360 covered in subdivision (1) of this section, the date the Public Utilities
361 Regulatory Authority approves the procurement plan pursuant to
362 subsection (a) of section 7 of this act, each electric supplier or any
363 electric distribution company providing standard offer, transitional
364 standard offer, standard service or back-up electric generation service,
365 pursuant to section 16-244c, as amended by this act, shall give a credit
366 for any electricity generated by a customer from a Class I renewable
367 energy source or a hydropower facility that has a nameplate capacity
368 rating of two megawatts or less for a term ending on December 31,
369 2039. The electric distribution company providing electric distribution
370 services to such a customer shall make such interconnections necessary
371 to accomplish such purpose. An electric distribution company, at the
372 request of any residential customer served by such company and if
373 necessary to implement the provisions of this section, shall provide for
374 the installation of metering equipment that [(1)] (A) measures
375 electricity consumed by such customer from the facilities of the electric

376 distribution company, [(2)] (B) deducts from the measurement the
377 amount of electricity produced by the customer and not consumed by
378 the customer, and [(3)] (C) registers, for each billing period, the net
379 amount of electricity either [(A)] (i) consumed and produced by the
380 customer, or [(B)] (ii) the net amount of electricity produced by the
381 customer. If, in a given monthly billing period, a customer-generator
382 supplies more electricity to the electric distribution system than the
383 electric distribution company or electric supplier delivers to the
384 customer-generator, the electric distribution company or electric
385 supplier shall credit the customer-generator for the excess by reducing
386 the customer-generator's bill for the next monthly billing period to
387 compensate for the excess electricity from the customer-generator in
388 the previous billing period at a rate of one kilowatt-hour for one
389 kilowatt-hour produced. The electric distribution company or electric
390 supplier shall carry over the credits earned from monthly billing
391 period to monthly billing period, and the credits shall accumulate until
392 the end of the annualized period. At the end of each annualized
393 period, the electric distribution company or electric supplier shall
394 compensate the customer-generator for any excess kilowatt-hours
395 generated, at the avoided cost of wholesale power. A customer who
396 generates electricity from a generating unit with a nameplate capacity
397 of more than ten kilowatts of electricity pursuant to the provisions of
398 this section shall be assessed for the competitive transition assessment,
399 pursuant to section 16-245g and the systems benefits charge, pursuant
400 to section 16-245l, based on the amount of electricity consumed by the
401 customer from the facilities of the electric distribution company
402 without netting any electricity produced by the customer. For
403 purposes of this section, "residential customer" means a customer of a
404 single-family dwelling or multifamily dwelling consisting of two to
405 four units. The Public Utilities Regulatory Authority shall establish a
406 rate on a cents-per-kilowatt-hour basis for the electric distribution
407 company to purchase the electricity generated by a customer pursuant
408 to this section after December 31, 2039.

409 Sec. 6. Subsection (c) of section 16-244r of the 2018 supplement to

410 the general statutes is repealed and the following is substituted in lieu
411 thereof (*Effective from passage*):

412 (c) (1) The aggregate procurement of renewable energy credits by
413 electric distribution companies pursuant to this section shall (A) be
414 eight million dollars in the first year, and (B) increase by an additional
415 eight million dollars per year in years two to four, inclusive.

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

420 (3) After year six, the authority shall seek to enter new contracts for
421 the total of ~~[seven]~~ eight years.

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

433 (B) For the sixth, ~~[and]~~ seventh and eighth year solicitations, each
434 electric distribution company shall solicit and file with the Public
435 Utilities Regulatory Authority for its approval one or more long-term
436 contracts with owners or developers of Class I generation projects that:
437 (i) Emit no pollutants and that are less than one thousand kilowatts in
438 size, located on the customer side of the revenue meter and serve the
439 distribution system of the electric distribution company, provided such
440 contracts do not exceed fifty per cent of the dollar amount established
441 for years six, ~~[and]~~ seven and eight under subparagraph (A) of this

442 subdivision; and (ii) are less than two megawatts in size, located on the
443 customer side of the revenue meter, serve the distribution system of
444 the electric distribution company, and use Class I technologies that
445 have no emissions of no more than 0.07 pounds per megawatt-hour of
446 nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide,
447 0.02 pounds per megawatt-hour of volatile organic compounds, and
448 one grain per one hundred standard cubic feet, provided such
449 contracts do not exceed fifty per cent of the dollar amount established
450 for years six, [and] seven and eight under subparagraph (A) of this
451 subdivision. The authority may give a preference to contracts for
452 technologies manufactured, researched or developed in the state.

453 (4) The production of a megawatt hour of electricity from a Class I
454 renewable energy source first placed in service on or after July 1, 2011,
455 shall create one renewable energy credit. A renewable energy credit
456 shall have an effective life covering the year in which the credit was
457 created and the following calendar year. The obligation to purchase
458 renewable energy credits shall be apportioned to electric distribution
459 companies based on their respective distribution system loads at the
460 commencement of the procurement period, as determined by the
461 authority. For contracts entered into in calendar year 2012, an electric
462 distribution company shall not be required to enter into a contract that
463 provides a payment of more than three hundred fifty dollars, per
464 renewable energy credit in any year over the term of the contract. For
465 contracts entered into in calendar years 2013 to 2017, inclusive, at least
466 ninety days before each annual electric distribution company
467 solicitation, the Public Utilities Regulatory Authority may lower the
468 renewable energy credit price cap specified in this subsection by three
469 to seven per cent annually, during each of the six years of the program
470 over the term of the contract. For contracts entered into in calendar
471 year 2018, at least ninety days before the electric distribution company
472 solicitation, the Public Utilities Regulatory Authority may lower the
473 renewable energy credit price cap specified in this subsection by sixty-
474 four per cent, during year seven of the program over the term of the
475 contract. For contracts entered into in calendar year 2019, at least

476 ninety days before the electric distribution company solicitation, the
477 Public Utilities Regulatory Authority may lower the renewable energy
478 credit price cap specified in this subsection by sixty-four per cent,
479 during year eight of the program over the term of the contract. In the
480 course of lowering such price cap applicable to each annual
481 solicitation, the authority shall, after notice and opportunity for public
482 comment, consider such factors as the actual bid results from the most
483 recent electric distribution company solicitation and reasonably
484 foreseeable reductions in the cost of eligible technologies.

485 Sec. 7. (NEW) (*Effective from passage*) (a) (1) (A) On or before
486 September 1, 2018, the Public Utilities Regulatory Authority shall
487 initiate a proceeding to establish a procurement plan for each electric
488 distribution company pursuant to this subsection and may give a
489 preference to technologies manufactured, researched or developed in
490 the state, provided such procurement plan is consistent with and
491 contributes to the requirements to reduce greenhouse gas emissions in
492 accordance with section 22a-200a of the general statutes. Each electric
493 distribution company shall develop such procurement plan in
494 consultation with the Department of Energy and Environmental
495 Protection and shall submit such procurement plan to the authority not
496 later than sixty days after the authority initiates the proceeding
497 pursuant to this subdivision, provided the department shall submit the
498 program requirements pursuant to subparagraph (C) of this
499 subdivision on or before July 1, 2019. The authority may require such
500 electric distribution companies to conduct separate solicitations
501 pursuant to subdivision (2) of this subsection for the resources in
502 subparagraphs (A), (B) and (C) of said subdivision, including separate
503 solicitations based upon the size of such resources to allow for a
504 diversity of selected projects.

505 (B) On or before September 1, 2018, the authority shall initiate a
506 proceeding to establish tariffs that provide for twenty-year terms of
507 service described in subdivision (3) of this subsection for each electric
508 distribution company pursuant to subparagraphs (A) and (B) of
509 subdivision (2) of this subsection. In such proceeding, the authority

510 shall establish the period of time that will be used for calculating the
511 net amount of energy produced by a facility and not consumed,
512 provided the authority shall assess whether to incorporate time-of-use
513 rates or other dynamic pricing and such period of time shall be either
514 (i) in real time, (ii) in one day, or (iii) in any fraction of a day not to
515 exceed one day. The rate for such tariffs shall be established by the
516 solicitation pursuant to subdivision (2) of this subsection.

517 (C) On or before September 1, 2018, the Department of Energy and
518 Environmental Protection shall (i) initiate a proceeding to develop
519 program requirements and tariff proposals for shared clean energy
520 facilities eligible pursuant to subparagraph (C) of subdivision (2) of
521 this subsection, including, but not limited to, the requirements in
522 subdivision (6) of this subsection, and (ii) establish either or both of the
523 following tariff proposals: (I) A tariff proposal that includes a price cap
524 on a cents-per-kilowatt-hour basis for any procurement for such
525 resources based on the procurement results of any other procurement
526 issued pursuant to this subsection, and (II) a tariff proposal that
527 includes a tariff rate for customers eligible under subparagraph (C) of
528 subdivision (2) of this subsection based on energy policy goals
529 identified by the department in the Comprehensive Energy Strategy
530 pursuant to section 16a-3d of the general statutes. On or before July 1,
531 2019, the department shall submit any such program requirements and
532 tariff proposals to the authority for review and approval. On or before
533 January 1, 2020, the authority shall approve or modify such program
534 requirements and tariff proposals submitted by the department. If the
535 authority approves two tariff proposals pursuant to this subparagraph,
536 the authority shall determine how much of the total compensation
537 authorized for customers eligible under this subparagraph pursuant to
538 subparagraph (A) of subdivision (1) of subsection (c) of this section
539 shall be available under each tariff.

540 (2) Not later than July 1, 2020, and annually thereafter, each electric
541 distribution company shall solicit and file with the Public Utilities
542 Regulatory Authority for its approval one or more projects selected
543 resulting from any procurement issued pursuant to subdivision (1) of

544 this subsection that are consistent with the tariffs approved by the
545 authority pursuant to subparagraphs (B) and (C) of subdivision (1) of
546 this subsection and that are applicable to (A) customers that own or
547 develop new generation projects on a customer's own premises that
548 are less than two megawatts in size, serve the distribution system of
549 the electric distribution company, are constructed after the solicitation
550 conducted pursuant to subdivision (4) of this subsection to which the
551 customer is responding, and use a Class I renewable energy source
552 that either (i) uses anaerobic digestion, or (ii) has emissions of no more
553 than 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds
554 per megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-
555 hour of volatile organic compounds and one grain per one hundred
556 standard cubic feet, (B) customers that own or develop new generation
557 projects on a customer's own premises that are less than two
558 megawatts in size, serve the distribution system of the electric
559 distribution company, are constructed after the solicitation conducted
560 pursuant to subdivision (4) of this subsection to which the customer is
561 responding, and use a Class I renewable energy source that emits no
562 pollutants, and (C) customers that own or develop new generation
563 projects that are a shared clean energy facility, as defined in section 16-
564 244x of the general statutes, and subscriptions, as defined in such
565 section, associated with such facility, consistent with the program
566 requirements developed pursuant to subparagraph (C) of subdivision
567 (1) of this subsection. Any project that is eligible pursuant to
568 subparagraph (C) of this subdivision shall not be eligible pursuant to
569 subparagraph (A) or (B) of this subdivision.

570 (3) A customer that is eligible pursuant to subparagraphs (A) or (B)
571 of subdivision (2) of this subsection may elect in any such solicitation
572 to utilize either (A) a tariff for the purchase of all energy and
573 renewable energy certificates on a cents-per-kilowatt-hour basis, or (B)
574 a tariff for the purchase of any energy produced by a facility and not
575 consumed in the period of time established by the authority pursuant
576 to subparagraph (B) of subdivision (1) of this subsection and all
577 renewable energy certificates generated by such facility on a cents-per-

578 kilowatt-hour basis.

579 (4) Each electric distribution company shall conduct an annual
580 solicitation or solicitations, as determined by the authority, for the
581 purchase of energy and renewable energy certificates produced by
582 eligible generation projects under this subsection over the duration of
583 each applicable tariff. Generation projects eligible pursuant to
584 subparagraphs (A) and (B) of subdivision (2) of this subsection shall be
585 sized so as not to exceed the load at the customer's individual electric
586 meter or a set of electric meters, when such meters are combined for
587 billing purposes, from the electric distribution company providing
588 service to such customer, as determined by such electric distribution
589 company, unless such customer is a state, municipal or agricultural
590 customer, then such generation project shall be sized so as not to
591 exceed the load at such customer's individual electric meter or a set of
592 electric meters at the same customer premises, when such meters are
593 combined for billing purposes, and the load of up to five state,
594 municipal or agricultural beneficial accounts, as defined in section 16-
595 244u of the general statutes, identified by such state, municipal or
596 agricultural customer, and such state, municipal or agricultural
597 customer may include the load of up to five additional nonstate or
598 municipal beneficial accounts, as defined in section 16-244u of the
599 general statutes, when sizing such generation project, provided such
600 accounts are critical facilities, as defined in subdivision (2) of
601 subsection (a) of section 16-243y of the general statutes, and are
602 connected to a microgrid.

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

612 (6) The program requirements for shared clean energy facilities
613 developed pursuant to subparagraph (C) of subdivision (1) of this
614 subsection shall include, but not be limited to, the following:

615 (A) The department shall allow cost-effective projects of various
616 nameplate capacities that may allow for the construction of multiple
617 projects in the service area of each electric distribution company that
618 operates within the state.

619 (B) The department shall determine the billing credit for any
620 subscriber of a shared clean energy facility that may be issued through
621 the electric distribution companies' monthly billing systems, and
622 establish consumer protections for subscribers and potential
623 subscribers of such a facility, including, but not limited to, disclosures
624 to be made when selling or reselling a subscription.

625 (C) Such program shall utilize one or more tariff mechanisms with
626 the electric distribution companies for a term not to exceed twenty
627 years, subject to approval by the Public Utilities Regulatory Authority,
628 to pay for the purchase of any energy products and renewable energy
629 certificates produced by any eligible shared clean energy facility, or to
630 deliver any billing credit of any such facility.

631 (D) The department shall limit subscribers to (i) low-income
632 customers, (ii) moderate-income customers, (iii) small business
633 customers, (iv) state or municipal customers, and (v) residential
634 customers who can demonstrate, pursuant to criteria determined by
635 the department in the program requirements recommended by the
636 department and approved by the authority, that they are unable to
637 utilize the tariffs offered pursuant to subsection (b) of this section.

638 (E) The department shall require that (i) not less than ten per cent of
639 the total capacity of each shared clean energy facility is sold, given or
640 provided to low-income customers, and (ii) in addition to the
641 requirement of clause (i) of this subparagraph, not less than ten per
642 cent of the total capacity of each shared clean energy facility is sold,
643 given or provided to low-income customers, moderate-income

644 customers or low-income service organizations.

645 (F) The department may allow preferences to projects that serve
646 low-income customers and shared clean energy facilities that benefit
647 customers who reside in environmental justice communities.

648 (G) The department may create incentives or other financing
649 mechanisms to encourage participation by low-income customers.

650 (7) For purposes of this subsection:

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

653 (B) "Low-income customer" means an in-state retail end user of an
654 electric distribution company (i) whose income does not exceed eighty
655 per cent of the area median income as defined by the United States
656 Department of Housing and Urban Development, adjusted for family
657 size, or (ii) that is an affordable housing facility as defined in section 8-
658 39a of the general statutes;

659 (C) "Low-income service organization" means a for-profit or
660 nonprofit organization that provides service or assistance to low-
661 income individuals;

662 (D) "Moderate-income customer" means an in-state retail end user
663 of an electric distribution company whose income is between eighty
664 per cent and one hundred per cent of the area median income as
665 defined by the United States Department of Housing and Urban
666 Development, adjusted for family size;

667 (b) (1) On or before September 1, 2019, the authority shall initiate a
668 proceeding to establish (A) tariffs for each electric distribution
669 company pursuant to subdivision (2) of this subsection, (B) a rate for
670 such tariffs, which may be based upon the results of one or more
671 competitive solicitations issued pursuant to subsection (a) of this
672 section, or on the average cost of installing the generation project and a
673 reasonable rate of return that is just, reasonable and adequate, as

674 determined by the authority, and shall be guided by the
675 Comprehensive Energy Strategy prepared pursuant to section 16a-3d
676 of the general statutes, and (C) the period of time that will be used for
677 calculating the net amount of energy produced by a facility and not
678 consumed, provided the authority shall assess whether to incorporate
679 time-of-use rates or other dynamic pricing and such period of time
680 shall be either (i) in real time, (ii) in one day, or (iii) in any fraction of a
681 day not to exceed one day. The authority may modify such rate for
682 new customers under this subsection based on changed circumstances
683 and may establish an interim tariff rate prior to the expiration of the
684 residential solar investment program pursuant to subsection (b) of
685 section 16-245ff of the general statutes as an alternative to such
686 program, provided any residential customer utilizing a tariff pursuant
687 to this subsection at such customer's electric meter shall not be eligible
688 for any incentives offered pursuant to section 16-245ff of the general
689 statutes at the same such electric meter and any residential customer
690 utilizing any incentives offered pursuant to section 16-245ff of the
691 general statutes at such customer's electric meter shall not be eligible
692 for a tariff pursuant to this subsection at the same such electric meter.

693 (2) At the expiration of the residential solar investment program
694 pursuant to subsection (b) of section 16-245ff of the general statutes,
695 each electric distribution company shall offer the following options to
696 residential customers for the purchase of products generated from a
697 Class I renewable energy source that is located on a customer's own
698 premises and has a nameplate capacity rating of twenty-five kilowatts
699 or less for a term not to exceed twenty years: (A) A tariff for the
700 purchase of all energy and renewable energy certificates on a cents-
701 per-kilowatt-hour basis; and (B) a tariff for the purchase of any energy
702 produced and not consumed in the period of time established by the
703 authority pursuant to subparagraph (C) of subdivision (1) of this
704 subsection and all renewable energy certificates generated by such
705 facility on a cents-per-kilowatt-hour basis. A residential customer shall
706 select either option authorized pursuant to subparagraphs (A) or (B) of
707 this subdivision, consistent with the requirements of this section. Such

708 generation projects shall be sized so as not to exceed the load at the
709 customer's individual electric meter from the electric distribution
710 company providing service to such customer, as determined by such
711 electric distribution company. For purposes of this section, "residential
712 customer" means a customer of a single-family dwelling or a
713 multifamily dwelling consisting of two to four units.

714 (c) (1) (A) The aggregate total megawatts available to all customers
715 utilizing a procurement and tariff offered by electric distribution
716 companies pursuant to subsection (a) of this section shall be up to
717 eighty-five megawatts in year one and increase by up to an additional
718 eighty-five megawatts per year in each of the years two through six of
719 such a tariff, provided the total megawatts available to customers
720 eligible under subparagraph (A) of subdivision (2) of subsection (a) of
721 this section shall not exceed ten megawatts per year, the total
722 megawatts available to customers eligible under subparagraph (B) of
723 subdivision (2) of subsection (a) of this section shall not exceed fifty
724 megawatts per year and the total megawatts available to customers
725 eligible under subparagraph (C) of subdivision (2) of subsection (a) of
726 this section shall not exceed twenty-five megawatts per year. The
727 authority shall monitor the competitiveness of any procurements
728 authorized pursuant to subsection (a) of this section and may adjust
729 the annual purchase amount established in this subsection or other
730 procurement parameters to maintain competitiveness. Any megawatts
731 not allocated in any given year shall not roll into the next year's
732 available megawatts. The obligation to purchase energy and renewable
733 energy certificates shall be apportioned to electric distribution
734 companies based on their respective distribution system loads, as
735 determined by the authority.

736 (B) The electric distribution companies shall offer any tariffs
737 developed pursuant to subsection (b) of this section for six years. At
738 the end of the tariff term pursuant to subparagraph (B) of subdivision
739 (2) of subsection (b) of this section, residential customers that elected
740 the option pursuant to said subparagraph shall be credited all cents-
741 per-kilowatt-hour charges pursuant to the tariff rate for such customer

742 for energy produced by the Class I renewable energy source against
743 any energy that is consumed in real time by such residential customer.

744 (C) The authority shall establish tariffs for the purchase of energy on
745 a cents-per-kilowatt-hour basis at the expiration of any tariff terms
746 authorized pursuant to this section.

747 (2) At the beginning of year six of the procurements authorized
748 pursuant to this subsection, the department, in consultation with the
749 authority, shall assess the tariff offerings pursuant to this section and
750 determine if such offerings are competitive compared to the cost of the
751 technologies. The department shall report, in accordance with section
752 11-4a of the general statutes, the results of such determination to the
753 General Assembly.

754 (3) For any tariff established pursuant to this section, the authority
755 shall examine how to incorporate the following energy system benefits
756 into the rate established for any such tariff: (A) Energy storage systems
757 that provide electric distribution benefits, (B) location of a facility on
758 the distribution system, (C) time-of-use rates or other dynamic pricing,
759 and (D) other energy policy benefits identified in the Comprehensive
760 Energy Strategy prepared pursuant to section 16a-3d of the general
761 statutes.

762 (d) In accordance with subsection (h) of section 16-245a of the
763 general statutes, as amended by this act, the authority shall determine
764 which of the following two options is in the best interest of ratepayers
765 and shall direct each electric distribution company to either (1) retire
766 the renewable energy certificates it purchases pursuant to subsections
767 (a) and (b) of this section on behalf of all ratepayers to satisfy the
768 obligations of all electric suppliers and electric distribution companies
769 providing standard service or supplier of last resort service pursuant
770 to section 16-245a of the general statutes, as amended by this act, or (2)
771 sell such renewable energy certificates into the New England Power
772 Pool Generation information system renewable energy credit market.
773 The authority shall establish procedures for the retirement of such

774 renewable energy certificates. Any net revenues from the sale of
775 products purchased in accordance with this section shall be credited to
776 customers through a nonbypassable fully reconciling component of
777 electric rates for all customers of the electric distribution company.

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

786 Sec. 8. (NEW) (*Effective from passage*) It shall be the policy of the state
787 to reduce energy consumption by not less than 1.6 million MMBtu, or
788 the equivalent megawatts of electricity, as defined in subdivision (4) of
789 section 22a-197 of the general statutes, annually each year for calendar
790 years commencing on and after January 1, 2020, up to and including
791 calendar year 2025.

792 Sec. 9. Subdivision (1) of subsection (d) of section 16-245m of the
793 general statutes is repealed and the following is substituted in lieu
794 thereof (*Effective January 1, 2020*):

795 (d) (1) Not later than November 1, 2012, and every three years
796 thereafter, electric distribution companies, as defined in section 16-1, as
797 amended by this act, in coordination with the gas companies, as
798 defined in section 16-1, as amended by this act, shall submit to the
799 Energy Conservation Management Board a combined electric and gas
800 Conservation and Load Management Plan, in accordance with the
801 provisions of this section, to implement cost-effective energy
802 conservation programs, demand management and market
803 transformation initiatives. All supply and conservation and load
804 management options shall be evaluated and selected within an
805 integrated supply and demand planning framework. Services

806 provided under the plan shall be available to all customers of electric
807 distribution companies and gas companies, [Each such company shall
808 apply to the Energy Conservation Management Board for
809 reimbursement for expenditures pursuant to the plan] provided a
810 customer of an electric distribution company may not be denied such
811 services based on the fuel such customer uses to heat such customer's
812 home. The Energy Conservation Management Board shall advise and
813 assist the electric distribution companies and gas companies in the
814 development of such plan. The Energy Conservation Management
815 Board shall approve the plan before transmitting it to the
816 Commissioner of Energy and Environmental Protection for approval.
817 The commissioner shall, in an uncontested proceeding during which
818 the commissioner may hold a public meeting, approve, modify or
819 reject said plan prepared pursuant to this subsection. Following
820 approval by the commissioner, the board shall assist the companies in
821 implementing the plan and collaborate with the Connecticut Green
822 Bank to further the goals of the plan. Said plan shall include a detailed
823 budget sufficient to fund all energy efficiency that is cost-effective or
824 lower cost than acquisition of equivalent supply, and shall be reviewed
825 and approved by the commissioner. [To the extent that the budget in
826 the plan approved by the commissioner with regard to electric
827 distribution companies exceeds the revenues collected pursuant to
828 subdivision (1) of subsection (a) of this section, the] The Public Utilities
829 Regulatory Authority shall, not later than sixty days after the plan is
830 approved by the commissioner, ensure that the balance of revenues
831 required to fund such [budget] plan is provided through [a] fully
832 reconciling conservation adjustment [mechanism of not more than
833 three mills per kilowatt hour of electricity sold to each end use
834 customer of an electric distribution company during the three years of
835 any Conservation and Load Management Plan] mechanisms. Electric
836 distribution companies shall collect a conservation adjustment
837 mechanism that ensures the plan is fully funded by collecting an
838 amount that is not more than the sum of six mills per kilowatt hour of
839 electricity sold to each end use customer of an electric distribution
840 company during the three years of any Conservation and Load

841 Management Plan. The authority shall ensure that the revenues
842 required to fund such [budget] plan with regard to gas companies are
843 provided through a fully reconciling conservation adjustment
844 mechanism for each gas company of not more than the equivalent of
845 four and six-tenth cents per hundred cubic feet during the three years
846 of any Conservation and Load Management Plan. Said plan shall
847 include steps that would be needed to achieve the goal of
848 weatherization of eighty per cent of the state's residential units by 2030
849 and to reduce energy consumption by 1.6 million MMBtu, or the
850 equivalent megawatts of electricity, as defined in subdivision (4) of
851 section 22a-197, annually each year for calendar years commencing on
852 and after January 1, 2020, up to and including calendar year 2025. Each
853 program contained in the plan shall be reviewed by such companies
854 and accepted, modified or rejected by the Energy Conservation
855 Management Board prior to submission to the commissioner for
856 approval. The Energy Conservation Management Board shall, as part
857 of its review, examine opportunities to offer joint programs providing
858 similar efficiency measures that save more than one fuel resource or
859 otherwise to coordinate programs targeted at saving more than one
860 fuel resource. Any costs for joint programs shall be allocated equitably
861 among the conservation programs. The Energy Conservation
862 Management Board shall give preference to projects that maximize the
863 reduction of federally mandated congestion charges.

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

867 (h) (1) The state of Connecticut does hereby pledge to and agree
868 with any person with whom the Connecticut Green Bank may enter
869 into contracts pursuant to the provisions of this section that the state
870 will not limit or alter the rights hereby vested in said bank until such
871 contracts and the obligations thereunder are fully met and performed
872 on the part of said bank, provided nothing herein contained shall
873 preclude such limitation or alteration if adequate provision shall be
874 made by law for the protection of such persons entering into contracts

875 with said bank. The pledge provided by this subsection shall be
876 interpreted and applied broadly to effectuate and maintain the bank's
877 financial capacity to perform its essential public and governmental
878 function.

879 (2) The contracts and obligations thereunder of said bank shall be
880 obligatory upon the bank, and the bank may appropriate in each year
881 during the term of such contracts an amount of money that, together
882 with other funds of the bank available for such purposes, shall be
883 sufficient to pay such contracts and obligations or meet any contractual
884 covenants or warranties.

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

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

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

907 thereof (*Effective January 1, 2020*):

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

925 (c) An electric supplier or electric distribution company may satisfy
926 the requirements of this section by participating in a conservation and
927 distributed resources trading program approved by the Public Utilities
928 Regulatory Authority. Credits created by conservation and customer-
929 side distributed resources shall be allocated to the person that
930 conserved the electricity or installed the project for customer-side
931 distributed resources to which the credit is attributable and to the
932 [Energy] Conservation and Load Management [Fund] Plan. Such
933 credits shall be made in the following manner: A minimum of twenty-
934 five per cent of the credits shall be allocated to the person that
935 conserved the electricity or installed the project for customer-side
936 distributed resources to which the energy credit is attributable and the
937 remainder of the credits shall be [allocated to the Energy] used in
938 furtherance of the Conservation and Load Management [Fund] Plan,
939 based on a schedule created by the authority no later than January 1,
940 2007, and reviewed annually thereafter. The authority may, in a

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

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

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

971 (a) Notwithstanding the provisions of this title, a customer who
972 implements energy conservation or customer-side distributed
973 resources, as defined in section 16-1, as amended by this act, on or after

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

994 (b) In order to be eligible for ongoing Class III credits, the customer
995 shall file an application that contains information necessary for the
996 authority to determine that the resource qualifies for Class III status.
997 Such application shall (1) certify that installation and metering
998 requirements have been met where appropriate, (2) provide a detailed
999 energy savings or energy output calculation for such time period as
1000 specified by the authority, and (3) include any other information that
1001 the authority deems appropriate.

1002 (c) For conservation and load management projects that serve
1003 residential customers, seventy-five per cent of the financial value
1004 derived from the credits shall be directed [to] in furtherance of the
1005 Conservation and Load Management [Funds] Plan.

1006 Sec. 14. Subsections (d) and (e) of section 16-243v of the general

1007 statutes are repealed and the following is substituted in lieu thereof
1008 (*Effective January 1, 2020*):

1009 (d) Commencing April 1, 2008, any person may apply to the
1010 authority for certification and funding as a Connecticut electric
1011 efficiency partner. Such application shall include the technologies that
1012 the applicant shall purchase or provide and that have been approved
1013 pursuant to subsection (b) of this section. In evaluating the application,
1014 the authority shall (1) consider the applicant's potential to reduce
1015 customers' electric demand, including peak electric demand, and
1016 associated electric charges tied to electric demand and peak electric
1017 demand growth, (2) determine the portion of the total cost of each
1018 project that shall be paid for by the customer participating in this
1019 program and the portion of the total cost of each project that shall be
1020 paid for by all electric ratepayers and collected pursuant to subsection
1021 (h) of this section. In making such determination, the authority shall
1022 ensure that all ratepayer investments maintain a minimum two-to-one
1023 payback ratio, and (3) specify that participating Connecticut electric
1024 efficiency partners shall maintain the technology for a period sufficient
1025 to achieve such investment payback ratio. The annual ratepayer
1026 contribution for projects approved pursuant to this section shall not
1027 exceed sixty million dollars. Not less than seventy-five per cent of such
1028 annual ratepayer investment shall be used for the technologies
1029 themselves. No person shall receive electric ratepayer funding
1030 pursuant to this subsection if such person has received or is receiving
1031 funding from the [Energy] Conservation and Load Management
1032 [Funds] Plan for the projects included in said person's application. No
1033 person shall receive electric ratepayer funding without receiving a
1034 certificate of public convenience and necessity as a Connecticut electric
1035 efficiency partner by the authority. The authority may grant an
1036 applicant a certificate of public convenience if it possesses and
1037 demonstrates adequate financial resources, managerial ability and
1038 technical competency. The authority may conduct additional requests
1039 for proposals from time to time as it deems appropriate. The authority
1040 shall specify the manner in which a Connecticut electric efficiency

1041 partner shall address measures of effectiveness and shall include
1042 performance milestones.

1043 (e) Beginning February 1, 2010, a certified Connecticut electric
1044 efficiency partner may only receive funding if selected in a request for
1045 proposal developed, issued and evaluated by the authority. In
1046 evaluating a proposal, the authority shall take into consideration the
1047 potential to reduce customers' electric demand including peak electric
1048 demand, and associated electric charges tied to electric demand and
1049 peak electric demand growth, including, but not limited to, federally
1050 mandated congestion charges and other electric costs, and shall utilize
1051 a cost benefit test established pursuant to subsection (c) of this section
1052 to rank responses for selection. The authority shall determine the
1053 portion of the total cost of each project that shall be paid by the
1054 customer participating in this program and the portion of the total cost
1055 of each project that shall be paid by all electric ratepayers and collected
1056 pursuant to the provisions of this subsection. In making such
1057 determination, the authority shall (1) ensure that all ratepayer
1058 investments maintain a minimum two-to-one payback ratio, and (2)
1059 specify that participating Connecticut electric efficiency partners shall
1060 maintain the technology for a period sufficient to achieve such
1061 investment payback ratio. The annual ratepayer contribution shall not
1062 exceed sixty million dollars. Not less than seventy-five per cent of such
1063 annual ratepayer investment shall be used for the technologies
1064 themselves. No Connecticut electric efficiency partner shall receive
1065 funding pursuant to this subsection if such partner has received or is
1066 receiving funding from the [Energy] Conservation and Load
1067 Management [Funds] Plan for such technology. The authority may
1068 conduct additional requests for proposals from time to time as it
1069 deems appropriate. The authority shall specify the manner in which a
1070 Connecticut electric efficiency partner shall address measures of
1071 effectiveness and shall include performance milestones.

1072 Sec. 15. Subsection (e) of section 16-245c of the general statutes is
1073 repealed and the following is substituted in lieu thereof (*Effective*
1074 *January 1, 2020*):

1075 (e) Any municipal electric utility created on or after July 1, 1998,
1076 pursuant to section 7-214 or a special act and any municipal electric
1077 utility that expands its service area on or after July 1, 1998, shall collect
1078 from its new customers the competitive transition assessment imposed
1079 pursuant to section 16-245g, the systems benefits charge imposed
1080 pursuant to section 16-245l, three mills per kilowatt hour of electricity
1081 sold for the conservation adjustment mechanisms described in section
1082 16-245m, as amended by this act, and the assessments charged under
1083 [sections 16-245m and] section 16-245n, as amended by this act, in such
1084 manner and at such rate as the authority prescribes, provided the
1085 authority shall order the collection of said assessment and said charge
1086 in a manner and rate equal to that to which the customers would have
1087 been subject had the municipal electric utility not been created or
1088 expanded.

1089 Sec. 16. Subdivisions (1) and (2) of subsection (a) of section 16-245e
1090 of the general statutes are repealed and the following is substituted in
1091 lieu thereof (*Effective January 1, 2020*):

1092 (1) "Rate reduction bonds" means bonds, notes, certificates of
1093 participation or beneficial interest, or other evidences of indebtedness
1094 or ownership, issued pursuant to an executed indenture or other
1095 agreement of a financing entity, in accordance with this section and
1096 sections 16-245f to 16-245k, inclusive, as amended by this act, the
1097 proceeds of which are used, directly or indirectly, to provide, recover,
1098 finance, or refinance stranded costs or economic recovery transfer, or
1099 to sustain funding of conservation and load management and
1100 renewable energy investment programs by substituting for
1101 disbursements to the General Fund from the [Energy] Conservation
1102 and Load Management [Fund] Plan established by section 16-245m, as
1103 amended by this act, and from the Clean Energy Fund established by
1104 section 16-245n, as amended by this act, and which, directly or
1105 indirectly, are secured by, evidence ownership interests in, or are
1106 payable from, transition property;

1107 (2) "Competitive transition assessment" means those nonbypassable

1108 rates and other charges, that are authorized by the authority (A) in a
1109 financing order in respect to the economic recovery transfer, or in a
1110 financing order, to sustain funding of conservation and load
1111 management and renewable energy investment programs by
1112 substituting disbursements to the General Fund from proceeds of rate
1113 reduction bonds for such disbursements from the [Energy]
1114 Conservation and Load Management [Fund] Plan established by
1115 section 16-245m, as amended by this act, and from the Clean Energy
1116 Fund established by section 16-245n, as amended by this act, or to
1117 recover those stranded costs that are eligible to be funded with the
1118 proceeds of rate reduction bonds pursuant to section 16-245f, as
1119 amended by this act, and the costs of providing, recovering, financing,
1120 or refinancing the economic recovery transfer or such substitution of
1121 disbursements to the General Fund or such stranded costs through a
1122 plan approved by the authority in the financing order, including the
1123 costs of issuing, servicing, and retiring rate reduction bonds, (B) to
1124 recover those stranded costs determined under this section but not
1125 eligible to be funded with the proceeds of rate reduction bonds
1126 pursuant to section 16-245f, as amended by this act, or (C) to recover
1127 costs determined under subdivision (1) of subsection (e) of section 16-
1128 244g. If requested by the electric distribution company, the authority
1129 shall include in the competitive transition assessment nonbypassable
1130 rates and other charges to recover federal and state taxes whose
1131 recovery period is modified by the transactions contemplated in this
1132 section and sections 16-245f to 16-245k, inclusive, as amended by this
1133 act;

1134 Sec. 17. Subdivision (13) of subsection (a) of section 16-245e of the
1135 general statutes is repealed and the following is substituted in lieu
1136 thereof (*Effective January 1, 2020*):

1137 (13) "State rate reduction bonds" means the rate reduction bonds
1138 issued on June 23, 2004, by the state to sustain funding of conservation
1139 and load management and renewable energy investment programs by
1140 substituting for disbursements to the General Fund from the [Energy]
1141 Conservation and Load Management [Fund] Plan, established by

1142 section 16-245m, as amended by this act, and from the Clean Energy
1143 Fund, established by section 16-245n, as amended by this act. The state
1144 rate reduction bonds for the purposes of section 4-30a shall be deemed
1145 to be outstanding indebtedness of the state;

1146 Sec. 18. Subsection (a) of section 16-245f of the general statutes is
1147 repealed and the following is substituted in lieu thereof (*Effective*
1148 *January 1, 2020*):

1149 (a) An electric distribution company shall submit to the authority an
1150 application for a financing order with respect to any proposal to
1151 sustain funding of conservation and load management and renewable
1152 energy investment programs by substituting disbursements to the
1153 General Fund from proceeds of rate reduction bonds for such
1154 disbursements from the [Energy] Conservation and Load Management
1155 [Fund] Plan established by section 16-245m, as amended by this act,
1156 and from the Clean Energy Fund established by section 16-245n, as
1157 amended by this act, and may submit to the authority an application
1158 for a financing order with respect to the following stranded costs: (1)
1159 The cost of mitigation efforts, as calculated pursuant to subsection (c)
1160 of section 16-245e; (2) generation-related regulatory assets, as
1161 calculated pursuant to subsection (e) of section 16-245e; and (3) those
1162 long-term contract costs that have been reduced to a fixed present
1163 value through the buyout, buydown, or renegotiation of such
1164 contracts, as calculated pursuant to subsection (f) of section 16-245e.
1165 No stranded costs shall be funded with the proceeds of rate reduction
1166 bonds unless (A) the electric distribution company proves to the
1167 satisfaction of the authority that the savings attributable to such
1168 funding will be directly passed on to customers through lower rates,
1169 and (B) the authority determines such funding will not result in giving
1170 the electric distribution company or any generation entities or affiliates
1171 an unfair competitive advantage. The authority shall hold a hearing for
1172 each such electric distribution company to determine the amount of
1173 disbursements to the General Fund from proceeds of rate reduction
1174 bonds that may be substituted for such disbursements from the
1175 [Energy] Conservation and Load Management [Fund] Plan established

1176 by section 16-245m, as amended by this act, and from the Clean Energy
1177 Fund established by section 16-245n, as amended by this act, and
1178 thereby constitute transition property and the portion of stranded costs
1179 that may be included in such funding and thereby constitute transition
1180 property. Any hearing shall be conducted as a contested case in
1181 accordance with chapter 54, except that any hearing with respect to a
1182 financing order or other order to sustain funding for conservation and
1183 load management and renewable energy investment programs by
1184 substituting the disbursement to the General Fund from the [Energy]
1185 Conservation and Load Management [Fund] Plan established by
1186 section 16-245m, as amended by this act, and from the Clean Energy
1187 Investment Fund established by section 16-245n, as amended by this
1188 act, shall not be a contested case, as defined in section 4-166. The
1189 authority shall not include any rate reduction bonds as debt of an
1190 electric distribution company in determining the capital structure of
1191 the company in a rate-making proceeding, for calculating the
1192 company's return on equity or in any manner that would impact the
1193 electric distribution company for rate-making purposes, and shall not
1194 approve such rate reduction bonds that include covenants that have
1195 provisions prohibiting any change to their appointment of an
1196 administrator of the [Energy] Conservation and Load Management
1197 [Fund. Nothing in this subsection shall be deemed to affect the terms
1198 of subsection (b) of section 16-245m] Plan.

1199 Sec. 19. Subsections (a) and (b) of section 16-245i of the general
1200 statutes are repealed and the following is substituted in lieu thereof
1201 (*Effective January 1, 2020*):

1202 (a) The authority may issue financing orders in accordance with
1203 sections 16-245e to 16-245k, inclusive, as amended by this act, to fund
1204 the economic recovery transfer, to sustain funding of conservation and
1205 load management and renewable energy investment programs by
1206 substituting disbursements to the General Fund from proceeds of rate
1207 reduction bonds for such disbursements [from the Energy] in
1208 furtherance of the Conservation and Load Management [Fund] Plan
1209 established by section 16-245m, as amended by this act, and from the

1210 Clean Energy Fund established by section 16-245n, as amended by this
1211 act, and to facilitate the provision, recovery, financing, or refinancing
1212 of stranded costs. Except for a financing order in respect to the
1213 economic recovery revenue bonds, a financing order may be adopted
1214 only upon the application of an electric distribution company,
1215 pursuant to section 16-245f, as amended by this act, and shall become
1216 effective in accordance with its terms only after the electric distribution
1217 company files with the authority the electric distribution company's
1218 written consent to all terms and conditions of the financing order. Any
1219 financing order in respect to the economic recovery revenue bonds
1220 shall be effective on issuance.

1221 (b) (1) Notwithstanding any general or special law, rule, or
1222 regulation to the contrary, except as otherwise provided in this
1223 subsection with respect to transition property that has been made the
1224 basis for the issuance of rate reduction bonds, the financing orders and
1225 the competitive transition assessment shall be irrevocable and the
1226 authority shall not have authority either by rescinding, altering, or
1227 amending the financing order or otherwise, to revalue or revise for
1228 rate-making purposes the stranded costs, or the costs of providing,
1229 recovering, financing, or refinancing the stranded costs, the amount of
1230 the economic recovery transfer or the amount of disbursements to the
1231 General Fund from proceeds of rate reduction bonds substituted for
1232 such disbursements [from the Energy] in furtherance of the
1233 Conservation and Load Management [Fund] Plan established by
1234 section 16-245m, as amended by this act, and from the Clean Energy
1235 Fund established by section 16-245n, as amended by this act,
1236 determine that the competitive transition assessment is unjust or
1237 unreasonable, or in any way reduce or impair the value of transition
1238 property either directly or indirectly by taking the competitive
1239 transition assessment into account when setting other rates for the
1240 electric distribution company; nor shall the amount of revenues arising
1241 with respect thereto be subject to reduction, impairment,
1242 postponement, or termination.

1243 (2) Notwithstanding any other provision of this section, the

1244 authority shall approve the adjustments to the competitive transition
1245 assessment as may be necessary to ensure timely recovery of all
1246 stranded costs that are the subject of the pertinent financing order, and
1247 the costs of capital associated with the provision, recovery, financing,
1248 or refinancing thereof, including the costs of issuing, servicing, and
1249 retiring the rate reduction bonds issued to recover stranded costs
1250 contemplated by the financing order and to ensure timely recovery of
1251 the costs of issuing, servicing, and retiring the rate reduction bonds
1252 issued to sustain funding of conservation and load management and
1253 renewable energy investment programs contemplated by the financing
1254 order, and to ensure timely recovery of the costs of issuing, servicing
1255 and retiring the economic recovery revenue bonds issued to fund the
1256 economic recovery transfer contemplated by the financing order.

1257 (3) Notwithstanding any general or special law, rule, or regulation
1258 to the contrary, any requirement under sections 16-245e to 16-245k,
1259 inclusive, as amended by this act, or a financing order that the
1260 authority take action with respect to the subject matter of a financing
1261 order shall be binding upon the authority, as it may be constituted
1262 from time to time, and any successor agency exercising functions
1263 similar to the authority and the authority shall have no authority to
1264 rescind, alter, or amend that requirement in a financing order. Section
1265 16-43 shall not apply to any sale, assignment, or other transfer of or
1266 grant of a security interest in any transition property or the issuance of
1267 rate reduction bonds under sections 16-245e to 16-245k, inclusive, as
1268 amended by this act.

1269 Sec. 20. Subparagraph (A) of subdivision (4) of subsection (c) of
1270 section 16-245j of the general statutes is repealed and the following is
1271 substituted in lieu thereof (*Effective January 1, 2020*):

1272 (4) (A) The proceeds of any rate reduction bonds, other than
1273 economic recovery revenue bonds, shall be used for the purposes
1274 approved by the authority in the financing order, including, but not
1275 limited to, disbursements to the General Fund in substitution for such
1276 disbursements [from the Energy] in furtherance of the Conservation

1277 and Load Management [Fund] Plan established by section 16-245m, as
1278 amended by this act, and from the Clean Energy Fund established by
1279 section 16-245n, as amended by this act, the costs of refinancing or
1280 retiring of debt of the electric distribution company, and associated
1281 federal and state tax liabilities; provided such proceeds shall not be
1282 applied to purchase generation assets or to purchase or redeem stock
1283 or to pay dividends to shareholders or operating expenses other than
1284 taxes resulting from the receipt of such proceeds.

1285 Sec. 21. Subdivision (3) of subsection (d) of section 16-245m of the
1286 general statutes is repealed and the following is substituted in lieu
1287 thereof (*Effective January 1, 2020*):

1288 (3) Programs included in the plan developed under subdivision (1)
1289 of this subsection shall be screened through cost-effectiveness testing
1290 that compares the value and payback period of program benefits for all
1291 energy savings to program costs to ensure that programs are designed
1292 to obtain energy savings and system benefits, including mitigation of
1293 federally mandated congestion charges, whose value is greater than
1294 the costs of the programs. Program cost-effectiveness shall be reviewed
1295 by the Commissioner of Energy and Environmental Protection
1296 annually, or otherwise as is practicable, and shall incorporate the
1297 results of the evaluation process set forth in subdivision (4) of this
1298 subsection. If a program is determined to fail the cost-effectiveness test
1299 as part of the review process, it shall either be modified to meet the test
1300 or shall be terminated, unless it is integral to other programs that in
1301 combination are cost-effective. On or before March 1, 2005, and on or
1302 before March first annually thereafter, the board shall provide a report,
1303 in accordance with the provisions of section 11-4a, to the joint standing
1304 committees of the General Assembly having cognizance of matters
1305 relating to energy and the environment that documents (A)
1306 expenditures and fund balances and evaluates the cost-effectiveness of
1307 such programs conducted in the preceding year, and (B) the extent to
1308 and manner in which the programs of such board collaborated and
1309 cooperated with programs, established under section 7-233y, of
1310 municipal electric energy cooperatives. To maximize the reduction of

1311 federally mandated congestion charges, programs in the plan may
1312 allow for disproportionate allocations between the amount of
1313 contributions [to the Energy Conservation and Load Management
1314 Funds] pursuant to this section by a certain rate class and the
1315 programs that benefit such a rate class. Before conducting such
1316 evaluation, the board shall consult with the board of directors of the
1317 Connecticut Green Bank. The report shall include a description of the
1318 activities undertaken during the reporting period.

1319 Sec. 22. Subdivision (1) of subsection (f) of section 16-245n of the
1320 general statutes is repealed and the following is substituted in lieu
1321 thereof (*Effective January 1, 2020*):

1322 (f) (1) The board shall issue annually a report to the Department of
1323 Energy and Environmental Protection reviewing the activities of the
1324 Connecticut Green Bank in detail and shall provide a copy of such
1325 report, in accordance with the provisions of section 11-4a, to the joint
1326 standing committees of the General Assembly having cognizance of
1327 matters relating to energy and commerce. The report shall include a
1328 description of the programs and activities undertaken during the
1329 reporting period jointly or in collaboration with the [Energy]
1330 Conservation and Load Management [Funds] Plan established
1331 pursuant to section 16-245m, as amended by this act.

1332 Sec. 23. Subsection (b) of section 16-245w of the general statutes is
1333 repealed and the following is substituted in lieu thereof (*Effective*
1334 *January 1, 2020*):

1335 (b) The Public Utilities Regulatory Authority shall design a process
1336 for determining a fee to be paid by customers who have installed self-
1337 generation facilities in order to offset any loss or potential loss in
1338 revenue from such facilities toward the competitive transition
1339 assessment, the systems benefits charge, [the conservation and load
1340 management assessment] the conservation adjustment mechanisms
1341 collected under section 16-245m, as amended by this act, and the Clean
1342 Energy Fund assessment collected under section 16-245n, as amended

1343 by this act. Except as provided in subsection (c) of this section, such fee
1344 shall apply to customers who have installed self-generation facilities
1345 that begin operation on or after July 1, 1998.

1346 Sec. 24. Subsection (d) of section 16-258d of the general statutes is
1347 repealed and the following is substituted in lieu thereof (*Effective*
1348 *January 1, 2020*):

1349 (d) The Public Utilities Regulatory Authority shall ensure that the
1350 revenues required to fund such incentive payments made pursuant to
1351 this section are provided through a fully reconciling conservation
1352 adjustment mechanism, which shall not exceed more than nine million
1353 dollars in total for the program established under this section,
1354 provided (1) such revenues shall be in addition to the revenues
1355 authorized to fund the [conservation and load management fund]
1356 Conservation and Load Management Plan pursuant to section 16-
1357 245m, as amended by this act, and (2) such revenues exceeding two
1358 million dollars required to fund such incentive payments shall be paid
1359 over a period of not less than two years. Such revenues shall only be
1360 collected from the gas customers of the company in whose service area
1361 such district heating system is located.

1362 Sec. 25. Section 4-141 of the general statutes is repealed and the
1363 following is substituted in lieu thereof (*Effective from passage*):

1364 As used in this chapter:

1365 (1) "Claim" means a petition for the payment or refund of money by
1366 the state or for permission to sue the state;

1367 (2) "Just claim" means a claim which in equity and justice the state
1368 should pay, provided the state has caused damage or injury or has
1369 received a benefit;

1370 (3) "Person" means any individual, firm, partnership, corporation,
1371 limited liability company, association or other group, including
1372 political subdivisions of the state;

1373 (4) "State agency" includes every department, division, board, office,
1374 commission, arm, agency and institution of the state government,
1375 whatever its title or function; and

1376 (5) "State officers and employees" includes (A) every person elected
1377 or appointed to or employed in any office, position or post in the state
1378 government, whatever such person's title, classification or function
1379 and whether such person serves with or without remuneration or
1380 compensation, including judges of probate courts, employees of such
1381 courts and special limited conservators appointed by such courts
1382 pursuant to section 17a-543a, and (B) attorneys appointed as victim
1383 compensation commissioners, attorneys appointed by the Public
1384 Defender Services Commission as public defenders, assistant public
1385 defenders or deputy assistant public defenders and attorneys
1386 appointed by the court as Division of Public Defender Services
1387 assigned counsel, individuals appointed by the Public Defender
1388 Services Commission, or by the court, as a guardian ad litem or
1389 attorney for a party in a neglect, abuse, termination of parental rights,
1390 delinquency or family with service needs proceeding, the Attorney
1391 General, the Deputy Attorney General and any associate attorney
1392 general or assistant attorney general, any other attorneys employed by
1393 any state agency, any commissioner of the Superior Court hearing
1394 small claims matters or acting as a fact-finder, arbitrator or magistrate
1395 or acting in any other quasi-judicial position, any person appointed to
1396 a committee established by law for the purpose of rendering services
1397 to the Judicial Department, including, but not limited to, the Legal
1398 Specialization Screening Committee, the State-Wide Grievance
1399 Committee, the Client Security Fund Committee, the advisory
1400 committee appointed pursuant to section 51-81d and the State Bar
1401 Examining Committee, any member of a multidisciplinary team
1402 established by the Commissioner of Children and Families pursuant to
1403 section 17a-106a, the Municipal Electric Consumer Advocate selected
1404 pursuant to section 7-121f, the Independent Consumer Advocate
1405 selected pursuant to section 7-334a, and any physicians or
1406 psychologists employed by any state agency. "State officers and

1407 employees" does not include any medical or dental intern, resident or
1408 fellow of The University of Connecticut when (i) the intern, resident or
1409 fellow is assigned to a hospital affiliated with the university through
1410 an integrated residency program, and (ii) such hospital provides
1411 protection against professional liability claims in an amount and
1412 manner equivalent to that provided by the hospital to its full-time
1413 physician employees.

1414 Sec. 26. Subsection (h) of section 7-233c of the 2018 supplement to
1415 the general statutes is repealed and the following is substituted in lieu
1416 thereof (*Effective from passage*):

1417 (h) A municipal electric energy cooperative shall cause a forensic
1418 examination to be conducted by a certified forensic auditor which shall
1419 include a review of the revenue and expenditures of a municipal
1420 electric energy cooperative for the preceding five years. The auditor
1421 shall submit [(1) a report that includes an opinion regarding the
1422 financial statements and a management letter, and (2) a report that
1423 includes an opinion on conformance of the operating procedures of the
1424 municipal electric energy cooperative] a report that includes a review
1425 of whether such municipal electric energy cooperative's operating
1426 procedures conform with the provisions of chapter 101a and the
1427 bylaws of the municipal electric energy cooperative, and any
1428 recommendations for any corrective actions needed to ensure such
1429 conformance. The auditor shall not be required to perform a full
1430 financial audit of the five-year period or submit an opinion regarding
1431 the financial statements or a management letter. The municipal electric
1432 energy cooperative shall post on its Internet web site and provide to
1433 participants such reports not later than seven days after such reports
1434 are received by the municipal electric energy cooperative. Each
1435 participant shall post on its Internet web site and provide to the
1436 municipality in which it operates such reports not later than five days
1437 after such reports are received from the municipal electric energy
1438 cooperative. Each such municipality shall post on its Internet web site
1439 such reports not later than five days after such reports are received
1440 from the participant.

1441 Sec. 27. Subdivision (20) of subsection (a) of section 16-1 of the 2018
1442 supplement to the general statutes is repealed and the following is
1443 substituted in lieu thereof (*Effective October 1, 2018*):

1444 (20) "Class I renewable energy source" means (A) electricity derived
1445 from (i) solar power, (ii) wind power, (iii) a fuel cell, (iv) geothermal,
1446 (v) landfill methane gas, anaerobic digestion or other biogas derived
1447 from biological sources, (vi) thermal electric direct energy conversion
1448 from a certified Class I renewable energy source, (vii) ocean thermal
1449 power, (viii) wave or tidal power, (ix) low emission advanced
1450 renewable energy conversion technologies, including, but not limited
1451 to, zero emission low grade heat power generation systems based on
1452 organic oil free rankine, kalina or other similar nonsteam cycles that
1453 use waste heat from an industrial or commercial process that does not
1454 generate electricity, (x) (I) a run-of-the-river hydropower facility that
1455 began operation after July 1, 2003, and has a generating capacity of not
1456 more than thirty megawatts, or (II) a run-of-the-river hydropower
1457 facility that received a new license after January 1, 2018, under the
1458 Federal Energy Regulatory Commission rules pursuant to 18 CFR 16,
1459 as amended from time to time, and provided a facility that applies for
1460 certification under this clause after January 1, 2013, shall not be based
1461 on a new dam or a dam identified by the commissioner as a candidate
1462 for removal, and shall meet applicable state and federal requirements,
1463 including applicable site-specific standards for water quality and fish
1464 passage, or (xi) a biomass facility that uses sustainable biomass fuel
1465 and has an average emission rate of equal to or less than .075 pounds
1466 of nitrogen oxides per million BTU of heat input for the previous
1467 calendar quarter, except that energy derived from a biomass facility
1468 with a capacity of less than five hundred kilowatts that began
1469 construction before July 1, 2003, may be considered a Class I renewable
1470 energy source, or (B) any electrical generation, including distributed
1471 generation, generated from a Class I renewable energy source,
1472 provided, on and after January 1, 2014, any megawatt hours of
1473 electricity from a renewable energy source described under this
1474 subparagraph that are claimed or counted by a load-serving entity,

1475 province or state toward compliance with renewable portfolio
1476 standards or renewable energy policy goals in another province or
1477 state, other than the state of Connecticut, shall not be eligible for
1478 compliance with the renewable portfolio standards established
1479 pursuant to section 16-245a, as amended by this act;

1480 Sec. 28. Subsection (b) of section 16-245a of the 2018 supplement to
1481 the general statutes is repealed and the following is substituted in lieu
1482 thereof (*Effective October 1, 2018*):

1483 (b) (1) An electric supplier or electric distribution company may
1484 satisfy the requirements of this section ~~[(1)]~~ (A) by purchasing
1485 certificates issued by the New England Power Pool Generation
1486 Information System, provided the certificates are for ~~[(A)]~~ (i) energy
1487 produced by a generating unit using Class I or Class II renewable
1488 energy sources and the generating unit is located in the jurisdiction of
1489 the regional independent system operator, or ~~[(B)]~~ (ii) energy imported
1490 into the control area of the regional independent system operator
1491 pursuant to New England Power Pool Generation Information System
1492 Rule 2.7(c), as in effect on January 1, 2006; ~~[(2)]~~ (B) for those renewable
1493 energy certificates under contract to serve end use customers in the
1494 state on or before October 1, 2006, by participating in a renewable
1495 energy trading program within said jurisdictions as approved by the
1496 Public Utilities Regulatory Authority; or ~~[(3)]~~ (C) by purchasing
1497 eligible renewable electricity and associated attributes from residential
1498 customers who are net producers. (2) Not more than one per cent of
1499 the total output or services of an electric supplier or electric
1500 distribution company shall be generated from Class I renewable
1501 energy sources eligible as described in subparagraph (A)(x)(II) of
1502 subdivision (20) of subsection (a) of section 16-1, as amended by this
1503 act.

1504 Sec. 29. Subsection (e) of section 16a-3i of the general statutes is
1505 repealed and the following is substituted in lieu thereof (*Effective*
1506 *October 1, 2018*):

1507 (e) Notwithstanding subdivision (1) of subsection (b) of section 16-
1508 245a, as amended by this act, in the event that (1) for any calendar year
1509 commencing on or after January 1, 2014, there is such a presumption
1510 pursuant to subsection (a) of this section, (2) the commissioner finds
1511 material shortage of Class I renewable energy sources pursuant to
1512 subsection (b) of this section, (3) there is a determination of inadequacy
1513 pursuant to subsection (c) of this section, and (4) any contracts for
1514 Class I renewable energy sources approved by the Public Utilities
1515 Regulatory Authority pursuant to subsection (d) of this section yield
1516 an amount of Class I renewable energy sources that is insufficient to
1517 rectify any projected shortage pursuant to subsection (c) of this section,
1518 then commencing on or after January 1, 2016, the commissioner may
1519 allow not more than one percentage point of the Class I renewable
1520 portfolio standards established pursuant to section 16-245a, as
1521 amended by this act, effective for the succeeding and subsequent
1522 calendar years to be satisfied by large-scale hydropower procured
1523 pursuant to section 16a-3g. The requirements applicable to electric
1524 suppliers and electric distribution companies pursuant to section 16-
1525 245a, as amended by this act, shall consequently be reduced by not
1526 more than one percentage point in proportion to the commissioner's
1527 action, provided (A) the commissioner shall not allow a total of more
1528 than five percentage points of the Class I renewable portfolio standard
1529 to be met by large-scale hydropower by December 31, 2020, and (B) no
1530 such large-scale hydropower shall be eligible to trade in the New
1531 England Power Pool Generation Information System renewable energy
1532 credit market.

1533 Sec. 30. Subsection (c) of section 16-19f of the general statutes is
1534 repealed and the following is substituted in lieu thereof (*Effective from*
1535 *passage*):

1536 (c) Each municipal electric company shall (1) [within two years] not
1537 later than July 1, 2018, consider and determine whether it is
1538 appropriate to implement any of the following rate design standards:
1539 (A) Cost of service; (B) prohibition of declining block rates; (C) time of
1540 day rates; (D) seasonal rates; (E) interruptible rates; and (F) load

1541 management techniques, and (2) not later than June 1, 2017, consider
1542 and determine whether it is appropriate to implement electric vehicle
1543 time of day rates for residential and commercial customers. The
1544 consideration of said standards by each municipal electric company
1545 shall be made after public notice and hearing. Each municipal electric
1546 company shall make a determination on whether it is appropriate to
1547 implement any of said standards. Said determination shall be in
1548 writing, shall take into consideration the evidence presented at the
1549 hearing and shall be available to the public. A standard shall be
1550 deemed to be appropriate for implementation if such implementation
1551 would encourage energy conservation, optimal and efficient use of
1552 facilities and resources by a municipal electric company and equitable
1553 rates for electric consumers. No municipal electric company that
1554 completed such consideration and determination regarding any rate
1555 design standard or electric vehicle time of day rate before July 1, 2017,
1556 shall be required to conduct another consideration and determination
1557 regarding the same such rate design standard or electric vehicle time
1558 of day rate.

1559 Sec. 31. Section 16a-3h of the 2018 supplement to the general statutes
1560 is repealed and the following is substituted in lieu thereof (*Effective*
1561 *from passage*):

1562 On or after October 1, 2013, the Commissioner of Energy and
1563 Environmental Protection, in consultation with the procurement
1564 manager identified in subsection (l) of section 16-2, the Office of
1565 Consumer Counsel and the Attorney General, may solicit proposals, in
1566 one solicitation or multiple solicitations, from providers of the
1567 following resources or any combination of the following resources:
1568 Run-of-the-river hydropower, landfill methane gas, biomass, fuel cell,
1569 offshore wind or anaerobic digestion, provided such source meets the
1570 definition of a Class I renewable energy source pursuant to section 16-
1571 1, as amended by this act, or energy storage systems. In making any
1572 selection of such proposals, the commissioner shall consider factors,
1573 including, but not limited to (1) whether the proposal is in the interest
1574 of ratepayers, including, but not limited to, the delivered price of such

1575 sources, (2) the emissions profile of a relevant facility, (3) any
1576 investments made by a relevant facility to improve the emissions
1577 profile of such facility, (4) the length of time a relevant facility has
1578 received renewable energy credits, (5) any positive impacts on the
1579 state's economic development, (6) whether the proposal is consistent
1580 with requirements to reduce greenhouse gas emissions in accordance
1581 with section 22a-200a, including, but not limited to, the development
1582 of combined heat and power systems, (7) whether the proposal is
1583 consistent with the policy goals outlined in the Comprehensive Energy
1584 Strategy adopted pursuant to section 16a-3d, (8) whether the proposal
1585 promotes electric distribution system reliability and other electric
1586 distribution system benefits, including, but not limited to, microgrids,
1587 (9) whether the proposal promotes the policy goals outlined in the
1588 state-wide solid waste management plan developed pursuant to
1589 section 22a-241a, and (10) the positive reuse of sites with limited
1590 development opportunities, including, but not limited to, brownfields
1591 or landfills, as identified by the commissioner in any solicitation issued
1592 pursuant to this section. The commissioner may select proposals from
1593 such resources to meet up to [four] six per cent of the load distributed
1594 by the state's electric distribution companies, provided the
1595 commissioner shall not select proposals for more than three per cent of
1596 the load distributed by the state's electric distribution companies from
1597 offshore wind resources. The commissioner may direct the electric
1598 distribution companies to enter into power purchase agreements for
1599 energy, capacity and environmental attributes, or any combination
1600 thereof, for periods of not more than twenty years on behalf of all
1601 customers of the state's electric distribution companies. Certificates
1602 issued by the New England Power Pool Generation Information
1603 System for any Class I renewable energy sources procured under this
1604 section may be: (A) Sold in the New England Power Pool Generation
1605 Information System renewable energy credit market to be used by any
1606 electric supplier or electric distribution company to meet the
1607 requirements of section 16-245a, as amended by this act, provided the
1608 revenues from such sale are credited to all customers of the contracting
1609 electric distribution company; or (B) retained by the electric

1610 distribution company to meet the requirements of section 16-245a, as
 1611 amended by this act. In considering whether to sell or retain such
 1612 certificates, the company shall select the option that is in the best
 1613 interest of such company's ratepayers. Any such agreement shall be
 1614 subject to review and approval by the Public Utilities Regulatory
 1615 Authority, which review shall be completed not later than sixty days
 1616 after the date on which such agreement is filed with the authority. The
 1617 net costs of any such agreement, including costs incurred by the
 1618 electric distribution companies under the agreement and reasonable
 1619 costs incurred by the electric distribution companies in connection
 1620 with the agreement, shall be recovered through a fully reconciling
 1621 component of electric rates for all customers of electric distribution
 1622 companies. All reasonable costs incurred by the Department of Energy
 1623 and Environmental Protection associated with the commissioner's
 1624 solicitation and review of proposals pursuant to this section shall be
 1625 recoverable through the nonbypassable federally mandated congestion
 1626 charges, as defined in section 16-1, as amended by this act.

1627 Sec. 32. Subdivision (1) of subsection (a) and subsection (b) of
 1628 section 16-245m of the general statutes are repealed. (*Effective January 1,*
 1629 *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)
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)
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>January 1, 2020</i>	16-245m(d)(1)
Sec. 10	<i>from passage</i>	16-245n(h)
Sec. 11	<i>January 1, 2020</i>	12-264(c)(2)
Sec. 12	<i>January 1, 2020</i>	16-243q(b) to (d)
Sec. 13	<i>January 1, 2020</i>	16-243t

Sec. 14	<i>January 1, 2020</i>	16-243v(d) and (e)
Sec. 15	<i>January 1, 2020</i>	16-245c(e)
Sec. 16	<i>January 1, 2020</i>	16-245e(a)(1) and (2)
Sec. 17	<i>January 1, 2020</i>	16-245e(a)(13)
Sec. 18	<i>January 1, 2020</i>	16-245f(a)
Sec. 19	<i>January 1, 2020</i>	16-245i(a) and (b)
Sec. 20	<i>January 1, 2020</i>	16-245j(c)(4)(A)
Sec. 21	<i>January 1, 2020</i>	16-245m(d)(3)
Sec. 22	<i>January 1, 2020</i>	16-245n(f)(1)
Sec. 23	<i>January 1, 2020</i>	16-245w(b)
Sec. 24	<i>January 1, 2020</i>	16-258d(d)
Sec. 25	<i>from passage</i>	4-141
Sec. 26	<i>from passage</i>	7-233c(h)
Sec. 27	<i>October 1, 2018</i>	16-1(a)(20)
Sec. 28	<i>October 1, 2018</i>	16-245a(b)
Sec. 29	<i>October 1, 2018</i>	16a-3i(e)
Sec. 30	<i>from passage</i>	16-19f(c)
Sec. 31	<i>from passage</i>	16a-3h
Sec. 32	<i>January 1, 2020</i>	Repealer section