



Senate

General Assembly

File No. 518

February Session, 2018

Substitute Senate Bill No. 336

Senate, April 16, 2018

The Committee on Energy and Technology reported through SEN. WINFIELD of the 10th Dist. and SEN. FORMICA of the 20th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING COMMUNITY SHARED SOLAR.

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

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

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

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

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

11 (4) "Combined public benefits charge" means the combined charges
12 from the systems benefit charge pursuant to section 16-245l of the

13 general statutes, the assessment for the Energy Conservation and Load
14 Management Fund pursuant to section 16-245m of the general statutes,
15 and the assessment for the Clean Energy Fund pursuant to section 16-
16 245n of the general statutes;

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

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

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

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

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

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

42 (11) "Shared clean energy facility" means a Class I renewable energy
43 source, as defined in section 16-1 of the general statutes, as amended

44 by this act, that (A) is served by an electric distribution company, (B) is
45 within the same electric distribution company service territory as the
46 individual billing meters for subscriptions, (C) has a nameplate
47 capacity rating of five megawatts or less, and (D) has at least two
48 subscribers;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

134 (15) Permit a subscriber organization to accumulate bill credits and
135 unassigned bill credits and require that such subscriber organization,

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

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

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

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

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

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

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

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

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

195 (A) The maximization of the benefits for low-income customers,
196 development of at least one mechanism for low-income subscriber
197 adoption, including low-income residential subscribers and low-
198 income service organization subscribers, that is structured as an
199 assistance program model to reduce the energy burden for such
200 subscribers and integrates with complementary agencies, as identified

201 by the commissioner and the Connecticut Green Bank, and programs,
202 including, but not limited to, low-income energy assistance and
203 efficiency services;

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

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

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

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

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

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

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

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

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

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

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

Statement of Legislative Commissioners:

In Section 1(a)(13)(A), "of" was changed to "to" for accuracy, in Section 1(a)(16) "company" was added after "electric distribution" for clarity, in Section (1)(c)(12), "is" was changed to "be" for internal consistency, in Section (1)(c)(13), "is" was changed to "be" twice for internal consistency, in Section (1)(c)(15), the comma after "bill credits" was deleted "and" was inserted for clarity, and in Section (1)(c)(23)(A), "To maximize" was changed to "The maximization of" for internal consistency.

ET Joint Favorable Subst. -LCO

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

This bill requires the Department of Energy and Environmental Protection (DEEP) to establish a statewide shared clean energy program.

The bill: (1) allows electric distribution companies (EDCs) to recover all reasonable costs incurred from operating the shared clean energy program through a reconciling component of electric rates, and (2) requires the Public Utilities Regulation Authority (PURA) to develop an alternative bill credit.¹

Any increased costs that may be incurred through the reconciling component that may minimally increase electric rates to the state and municipalities pay as ratepayers, may be offset by savings to the state and municipalities, by the alternative bill credit.

The Out Years

Any annualized ongoing fiscal impact identified above would continue into the future subject to the cost of electricity.

¹ Under the bill, the alternative bill credit is a value-based bill credit equal to the value per kilowatt-hour (kWh) of the production of energy.

OLR Bill Analysis**sSB 336*****AN ACT CONCERNING COMMUNITY SHARED SOLAR.*****SUMMARY**

This bill requires the Department of Energy and Environmental Protection (DEEP), in consultation with the Green Bank, to establish a statewide shared clean energy program and submit the program to the Public Utilities Regulatory Authority (PURA) by December 1, 2018. DEEP must also hold a public hearing and provide opportunity for public comment on the program before that date.

Under the bill, a shared clean energy facility is a Class I renewable energy source (e.g., solar or wind) of up to 5 megawatts (MW) in capacity that is served by an electric distribution company (EDC, i.e., Eversource and United Illuminating) and has two subscribers with meters in the EDC territory. Under the bill, the program DEEP establishes must allow facilities with no less than 300 MW of aggregate capacity to participate. (It is unclear whether this provision prevents DEEP from establishing a lower cap for the program or if the program cannot be implemented until it has 300 MW of capacity.)

The bill establishes requirements and goals for the program, including requiring all EDCs to implement the program under PURA-approved tariffs (i.e., rates). Under the bill, the program must allow EDCs to recover all reasonable costs and expenses prudently incurred to implement and operate the shared clean energy program through a reconciling component of electric rates, as determined by PURA.

The bill establishes an initial bill credit and also requires PURA to develop an alternative bill credit, which, under the bill, is a value-based bill credit equal to the value per kilowatt-hour (kWh) of the production of energy. Under the bill, the program must allow facilities

that signed an interconnection service agreement before December 1, 2020, to use either the initial bill credit or the alternative bill credit once it is established. The bill also requires subscriber organizations for facilities that signed an interconnection service agreement after PURA approves an alternative bill credit to use the alternative bill credit. (It is unclear whether a facility that signed an agreement before December 1, 2020, but after PURA approves the alternative bill credit, would be able to use the initial bill credit.)

The bill requires PURA, after receiving the program from DEEP, to establish, by June 1, 2019, a rule (presumably on the program), a schedule to implement the program, and the alternative bill credit. PURA must also require each EDC to file, by August 1, 2019, all tariffs, agreements, and forms necessary to implement the program, as PURA requires. Under the bill, EDCs must file a description of their crediting system with PURA and begin to credit subscribers within 180 days after PURA's rule becomes final.

EFFECTIVE DATE: October 1, 2018

PROGRAM REQUIREMENTS AND GOALS

The bill establishes several requirements and goals for the shared clean energy program DEEP establishes and submits to PURA. The program must permit shared clean energy facilities to be (1) built, owned, or operated by a subscriber organization or a third-party under contract with the subscriber organization and (2) created, financed, and accessible to retail electric customers. It must set a program implementation schedule and identify how the program will be promoted. (The bill also requires PURA to establish an implementation schedule after DEEP submits the program to PURA.) The bill also requires the program to include provisions for consumer protection, including information provided to potential subscribers to disclose future costs and benefits of subscriptions and disclaimers on decoupling and sale of renewable energy credits (REC). In this context, decoupling generally means marketing and selling the energy produced by a clean energy facility separately from the sale and

promotion of its environmental attributes (i.e., RECs).

Subscribers

Under the bill, a subscriber to a shared clean energy program is an in-state retail end user of an EDC who has (1) at least one subscription to a shared clean energy facility interconnected with the EDC (presumably, interconnected to the electric grid in the EDC's territory) and (2) identified an individual billing meter located in the same EDC service territory as the shared clean energy facility to assign the subscription. Under the bill, a subscription is a contract between a subscriber and the subscriber organization for a percentage share of a shared clean energy facility's output.

Subscriber Organizations

The bill establishes requirements for subscriber organizations under the program DEEP establishes and submits to PURA. Under the bill, a subscriber organization is any for-profit or non-profit entity that owns or operates one or more shared clean energy facilities or contracts with a third-party to build, own, or operate such facilities. The bill prohibits a subscriber organization from being deemed a utility, public utility, or public service company solely because it owns or operates a clean energy facility or contracts with a third-party to build, own, or operate such a facility.

The bill requires subscriber organizations to provide EDCs, on a monthly basis:

1. a subscriber list indicating the percentage share of the shared clean energy facility's energy output attributable to each subscriber and
2. subscription changes, if any, including subscriber information updates to reflect new and cancelling subscribers.

The bill also requires subscriber organizations to report to DEEP and the Connecticut Green Bank on January 1 and July 1 each year on the number of subscribers, their income levels, and zip codes. The

program DEEP establishes must also identify all subscriber organization rules, fees, and charges.

Credits

The bill requires the program to allow subscriber organizations for a facility that signed an interconnection service agreement before December 1, 2020 to use either the initial bill credit or the alternative bill credit once it is established. Under the bill, the initial bill credit is equal to the cost per kilowatt-hour that the subscriber may have otherwise been charged, including transmission and distribution charges and excluding the combined public benefits charge, for each kilowatt-hour produced by a shared-clean energy facility that exceeds the total amount of kilowatt-hours used (presumably, by the facility) during an electric distribution company's monthly billing period. The bill requires subscriber organizations for facilities that signed an interconnection service agreement after PURA approves an alternative bill credit to use the alternative bill credit. (It is unclear which requirement applies to subscriber organizations for facilities that signed agreements before December 1, 2020 if PURA approves an alternative bill credit before that date.)

The bill requires PURA to establish an alternative bill credit by June 1, 2019, after a contested case hearing. Under the bill, the alternative bill credit rate must account for the full costs and benefits of behind-the-meter distributed generation, including:

1. avoided transmission and distribution costs,
2. reliability,
3. resiliency,
4. market price suppression,
5. avoided costs of compliance with environmental and public health requirements, and
6. benefits for low-income customers and other co-benefits. (The

bill does not define co-benefits.)

The bill requires the alternative bill credit rate to be simple and easily understood by customers, subscribers, and subscriber organizations. It also requires the rate to ensure that the program meets the bill's policy goals, including project development and access to shared clean energy by all customer classes.

The bill requires the program to allow subscriber organizations to accumulate bill credits and unassigned bill credits and provide a list to the EDCs at the end of each fiscal year that assigns such bill credits (presumably, unassigned bill credits) to subscribers. The bill does not specify how unassigned credits should be assigned. Under the bill, a bill credit is the monetary value of the electricity generated by a shared clean energy facility assigned to a subscriber to offset his or her electricity bill. An unassigned bill credit is, in any given EDC monthly billing period, a bill credit generated by a shared clean energy facility that is not assigned to a subscriber.

Size and Location

The bill requires the program to require shared clean energy facilities with a nameplate capacity of over 500 kilowatts to sell at least half of their total capacity to subscribers who purchase small subscriptions. Under the bill, a small subscription is not more than 25 kilowatts of a shared clean energy facility's nameplate capacity.

Under the bill, the program must include guidelines regarding the co-location of two or more shared clean energy facilities on a single parcel of land. It must also allow a subscriber to retain their subscription if the subscriber relocates to an electric meter within the same EDC service territory.

Low Income and Other Subscribers

The bill requires the program to allow all rate classes to participate, including customers on competitive supply service. The program must also promote accessibility of shared clean energy facilities to all customer classes and consider incentives to encourage small

subscribers and low-income subscribers to participate. The bill prohibits the program from requiring removal of customers from their customer class as a condition of program participation.

Under the bill, the program must include mechanisms to encourage program participation by various types of customers. While determining such mechanisms, the DEEP commissioner must (1) consult with PURA, the EDCs, stakeholders, the Connecticut Green Bank, and the Department of Economic and Community Development and (2) consider developing finance options, financial incentives, education and outreach programs, program participation goals, or requirements to encourage customer access and identify long-term funding sources to support the successful program adoption by low-income customers. The mechanisms must encourage the following types of customers to participate in the program:

1. residential;
2. small commercial;
3. low-income residential;
4. nonprofit; and
5. low-income service organization customers, which, under the bill, are for-profit or non-profit organizations that provide service or assistance to low-income individuals.

Under the bill, on or before January 1, 2022, the program must require that 10% of the aggregate total capacity of all shared clean energy facilities is sold to low-income subscribers and an additional 10% is sold to low-income subscribers, moderate-income subscribers, or low-income service organizations. (It is unclear whether the requirement must be established by January 1, 2022, or it expires on that date.)

The bill defines “low-income subscriber” as an in-state retail end user of an EDC company (1) whose income does not exceed 80% of the

area median income (AMI) defined by the U.S. Department of Housing and Urban Development, adjusted for family size or (2) that is an affordable housing facility. By law, affordable housing is housing for which people with annual income at or below the AMI for the municipality where the housing is located pay no more than 30% of their annual income. A moderate income subscriber under the bill is an in-state retail end user of an EDC whose income is between 80 and 100% of the AMI.

EDCs

The bill requires all EDCs to implement, under PURA-approved tariffs, the shared clean energy program DEEP establishes and submits to PURA.

Under the bill, the program must require EDCs to apply bill credits to subscriber bills not later than one billing cycle after the billing cycle in which the credit was generated and allow excess credits to carry over each monthly billing period until the end of the fiscal year. Under the bill, at the end of the fiscal year, the EDC must compensate the subscriber (presumably, for any remaining excess credits) at the avoided cost of energy. (The bill does not define avoided cost of energy.)

Under the bill, the program must require EDCs to provide subscriber organizations with a monthly report, in a PURA-approved, standardized electronic format, that states the (1) total value of bill credits generated by the shared clean energy facility in the prior month and (2) bill credit applied to each subscriber.

The bill requires EDCs to bill subscribers on the subscriber organization's behalf if the:

1. subscriber organization provides written notice to the EDC;
2. subscriber has a small subscription, which, under the bill, is up to 25 kw of the shared clean energy facility's nameplate capacity; and

3. subscriber organization pays the EDC's costs associated with billing and collection from the subscriber, as PURA determines.

The bill requires the program to have nondiscriminatory and efficient rules for EDCs for the interconnection of shared clean energy facilities to the electric grid. It also requires the program to permit EDCs to recover all reasonable costs and expenses prudently incurred for the program's implementation and operation through a reconciling component of electric rates, as PURA determines.

Preferences to Meet Program Goals

The bill requires the program to offer additional preferences, including tariffs, incentives, and financing, to low-income subscribers and shared clean energy facilities that (1) benefit subscribers who reside in an environmental justice community (see BACKGROUND) or (2) have a nameplate capacity of 500 kilowatts or less that meet programmatic goals.

Under the bill, the programmatic goals aim to:

1. include workforce development opportunities for various communities, including low-income and environmental justice communities;
2. develop a process for regular program evaluation and adjustments to encourage participation by low-income and moderate-income residential customers, low-income affordable housing, and low-income service organizations; and
3. maximize benefits for low income customers, including low-income residential subscribers and low-income service organization subscribers.

Under the bill, the goal to maximize benefits for low income customers includes development of at least one mechanism that:

1. is structured as an assistance program model to reduce the subscriber's energy burden and

2. integrates with (a) complementary agencies identified by the DEEP commission and the Connecticut Green Bank and (b) programs including low-income energy assistance and efficiency services.

Financing and Incentives

Under the bill, the program must permit a shared clean energy facility to access:

1. all available federal and state incentives, financing, tax credits and deductions;
2. ratepayer-funded incentives, including funds collected under the Clean Energy Fund, the zero-emission renewable energy credit (Z-REC) program, the low-emission renewable energy credit (L-REC) program, and any successor programs; and
3. direct incentives from the Green Bank or the conservation and load management program under applicable program requirements and limits.

BACKGROUND

Environmental Justice Community

By law, an environmental justice community is (1) any U.S. census block group, as determined by the most recent census, for which at least 30% of the population consists of low-income people who are not institutionalized and have an income below 200% of the federal poverty level or (2) a distressed municipality (CGS § 22a-20a).

Related Bills

sSB 9, favorably reported by the Energy and Technology Committee, requires EDCs to conduct annual solicitations to purchase energy and renewable energy certificates from certain renewable energy facilities that could include shared clean energy facilities similar to a municipal airport shared solar facility.

HB 5537, reported favorably by the Planning and Development

Committee, requires the DEEP commissioner to establish a two-year municipal airport shared solar pilot program to help develop shared solar facilities located on municipal airports.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 19 Nay 6 (03/29/2018)