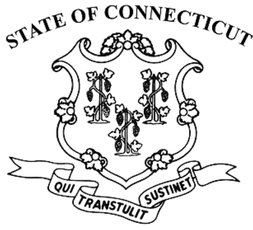

General Assembly

Amendment

February Session, 2018

LCO No. **4980**

Offered by:

REP. STEINBERG, 136th Dist.
REP. ABERCROMBIE, 83rd Dist.
REP. DEMICCO, 21st Dist.
REP. MCCARTHY VAHEY, 133rd Dist.
REP. MUSHINSKY, 85th Dist.
REP. URBAN, 43rd Dist.
REP. GRESKO, 121st Dist.

To: Subst. House Bill No. **5154** File No. 662 Cal. No. 223

"AN ACT CONCERNING WATER USAGE AND CONSERVATION DURING DROUGHT CONDITIONS."

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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4 to the general statutes is repealed and the following is substituted in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 sections 16a-3f, 16a-3g, 16a-
9 3h, 16a-3i, 16a-3j and 16a-3m, an electric supplier and an electric
10 distribution company providing standard service or supplier of last
11 resort service, pursuant to section 16-244c, as amended by this act,

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144 supplement to the general statutes is repealed and the following is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

146 (h) (1) Notwithstanding the provisions of subsection (b) of this
147 section regarding an alternative standard service option, an electric
148 distribution company providing standard service, supplier of last
149 resort service or back-up electric generation service in accordance with
150 this section shall contract with its wholesale suppliers to comply with
151 the renewable portfolio standards. The Public Utilities Regulatory
152 Authority shall annually conduct an uncontested proceeding in order
153 to determine whether the electric distribution company's wholesale
154 suppliers met the renewable portfolio standards during the preceding
155 year. On or before December 31, 2013, the authority shall issue a
156 decision on any such proceeding for calendar years up to and
157 including 2012, for which a decision has not already been issued. Not
158 later than December 31, 2014, and annually thereafter, the authority
159 shall, following such proceeding, issue a decision as to whether the
160 electric distribution company's wholesale suppliers met the renewable
161 portfolio standards during the preceding year. An electric distribution
162 company shall include a provision in its contract with each wholesale
163 supplier that requires the wholesale supplier to pay the electric
164 distribution company an amount of: (A) For calendar years up to and
165 including calendar year 2017, five and one-half cents per kilowatt hour
166 if the wholesale supplier fails to comply with the renewable portfolio
167 standards during the subject annual period, **[**and**]** (B) for calendar
168 years commencing on **[**and after**]** January 1, 2018, up to and including
169 the calendar year commencing on January 1, 2020, five and one-half

170 cents per kilowatt hour if the wholesale supplier fails to comply with
171 the renewable portfolio standards during the subject annual period for
172 Class I renewable energy sources, and two and one-half cents per
173 kilowatt hour if the wholesale supplier fails to comply with the
174 renewable portfolio standards during the subject annual period for
175 Class II renewable energy sources, and (C) for calendar years
176 commencing on and after January 1, 2021, four cents per kilowatt hour
177 if the wholesale supplier fails to comply with the renewable portfolio
178 standards during the subject annual period for Class I renewable
179 energy sources, and two and one-half cents per kilowatt hour if the
180 wholesale supplier fails to comply with the renewable portfolio
181 standards during the subject annual period for Class II renewable
182 energy sources. The electric distribution company shall promptly
183 transfer any payment received from the wholesale supplier for the
184 failure to meet the renewable portfolio standards to the Clean Energy
185 Fund for the development of Class I renewable energy sources,
186 provided, on and after June 5, 2013, any such payment shall be
187 refunded to ratepayers by using such payment to offset the costs to all
188 customers of electric distribution companies of the costs of contracts
189 entered into pursuant to sections 16-244r, as amended by this act, and
190 16-244t. Any excess amount remaining from such payment shall be
191 applied to reduce the costs of contracts entered into pursuant to
192 subdivision (2) of this subsection, and if any excess amount remains,
193 such amount shall be applied to reduce costs collected through
194 nonbypassable, federally mandated congestion charges, as defined in
195 section 16-1.

196 Sec. 3. Subsection (k) of section 16-245 of the 2018 supplement to the
197 general statutes is repealed and the following is substituted in lieu
198 thereof (*Effective from passage*):

199 (k) Any licensee who fails to comply with a license condition or who
200 violates any provision of this section, except for the renewable
201 portfolio standards contained in subsection (g) of this section, shall be
202 subject to civil penalties by the Public Utilities Regulatory Authority in
203 accordance with section 16-41, or the suspension or revocation of such

204 license or a prohibition on accepting new customers following a
205 hearing that is conducted as a contested case in accordance with
206 chapter 54. Notwithstanding the provisions of subsection (b) of section
207 16-244c regarding an alternative transitional standard offer option or
208 an alternative standard service option, the authority shall require a
209 payment by a licensee that fails to comply with the renewable portfolio
210 standards in accordance with subdivision (4) of subsection (g) of this
211 section in the amount of: (1) For calendar years up to and including
212 calendar year 2017, five and one-half cents per kilowatt hour, [and] (2)
213 for calendar years commencing on [and after] January 1, 2018, and up
214 to and including the calendar year commencing on January 1, 2020,
215 five and one-half cents per kilowatt hour if the licensee fails to comply
216 with the renewable portfolio standards during the subject annual
217 period for Class I renewable energy sources, and two and one-half
218 cents per kilowatt hour if the licensee fails to comply with the
219 renewable portfolio standards during the subject annual period for
220 Class II renewable energy sources, and (3) for calendar years
221 commencing on and after January 1, 2021, four cents per kilowatt hour
222 if the licensee fails to comply with the renewable portfolio standards
223 during the subject annual period for Class I renewable energy sources,
224 and two and one-half cents per kilowatt hour if the licensee fails to
225 comply with the renewable portfolio standards during the subject
226 annual period for Class II renewable energy sources. On or before
227 December 31, 2013, the authority shall issue a decision, following an
228 uncontested proceeding, on whether any licensee has failed to comply
229 with the renewable portfolio standards for calendar years up to and
230 including 2012, for which a decision has not already been issued. On
231 and after June 5, 2013, the Public Utilities Regulatory Authority shall
232 annually conduct an uncontested proceeding in order to determine
233 whether any licensee has failed to comply with the renewable portfolio
234 standards during the preceding year. Not later than December 31,
235 2014, and annually thereafter, the authority shall, following such
236 proceeding, issue a decision as to whether the licensee has failed to
237 comply with the renewable portfolio standards during the preceding
238 year. The authority shall allocate such payment to the Clean Energy

239 Fund for the development of Class I renewable energy sources,
240 provided, on and after June 5, 2013, any such payment shall be
241 refunded to ratepayers by using such payment to offset the costs to all
242 customers of electric distribution companies of the costs of contracts
243 entered into pursuant to sections 16-244r, as amended by this act, and
244 16-244t. Any excess amount remaining from such payment shall be
245 applied to reduce the costs of contracts entered into pursuant to
246 subdivision (2) of subsection (j) of section 16-244c, and if any excess
247 amount remains, such amount shall be applied to reduce costs
248 collected through nonbypassable, federally mandated congestion
249 charges, as defined in section 16-1.

250 Sec. 4. Section 16-244r of the 2018 supplement to the general statutes
251 is repealed and the following is substituted in lieu thereof (*Effective*
252 *from passage*):

253 (a) Commencing on January 1, 2012, and within the period
254 established in subsection (a) of section 16-244s, each electric
255 distribution company shall solicit and file with the Public Utilities
256 Regulatory Authority for its approval one or more long-term contracts
257 with owners or developers of Class I generation projects that emit no
258 pollutants and that are less than one thousand kilowatts in size,
259 located on the customer side of the revenue meter and serve the
260 distribution system of the electric distribution company. The authority
261 may give a preference to contracts for technologies manufactured,
262 researched or developed in the state.

263 (b) Solicitations conducted by the electric distribution company
264 shall be for the purchase of renewable energy credits produced by
265 eligible customer-sited generating projects over the duration of the
266 long-term contract. For purposes of this section, a long-term contract is
267 a contract for fifteen years.

268 (c) (1) The aggregate procurement of renewable energy credits by
269 electric distribution companies pursuant to this section shall (A) be
270 eight million dollars in the first year, and (B) increase by an additional

271 eight million dollars per year in years two to four, inclusive.

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

276 (3) After year six, the authority shall seek to enter new contracts for
277 the total of [seven] nine years.

278 (A) The aggregate procurement of renewable energy credits by
279 electric distribution companies pursuant to this subdivision shall (i)
280 increase by an additional eight million dollars per year in years five,
281 six, [and] seven, eight and nine, (ii) be [fifty-six] seventy-two million
282 dollars in years [eight] ten to fifteen, inclusive, and (iii) decline by eight
283 million dollars per year in years sixteen to [twenty-two] twenty-four,
284 inclusive, provided any money not allocated in any given year may
285 roll into the next year's available funds.

286 (B) For the sixth, [and] seventh, eighth and ninth year solicitations,
287 each electric distribution company shall solicit and file with the Public
288 Utilities Regulatory Authority for its approval one or more long-term
289 contracts with owners or developers of Class I generation projects that:
290 (i) Emit no pollutants and that are less than one thousand kilowatts in
291 size, located on the customer side of the revenue meter and serve the
292 distribution system of the electric distribution company, provided such
293 contracts do not exceed fifty per cent of the dollar amount established
294 for years six, [and] seven, eight and nine under subparagraph (A) of
295 this subdivision; and (ii) are less than two megawatts in size, located
296 on the customer side of the revenue meter, serve the distribution
297 system of the electric distribution company, and use Class I
298 technologies that have no emissions of no more than 0.07 pounds per
299 megawatt-hour of nitrogen oxides, 0.10 pounds per megawatt-hour of
300 carbon monoxide, 0.02 pounds per megawatt-hour of volatile organic
301 compounds, and one grain per one hundred standard cubic feet,
302 provided such contracts do not exceed fifty per cent of the dollar

303 amount established for years six, [and] seven, eight and nine under
304 subparagraph (A) of this subdivision. The authority may give a
305 preference to contracts for technologies manufactured, researched or
306 developed in the state.

307 (4) The production of a megawatt hour of electricity from a Class I
308 renewable energy source first placed in service on or after July 1, 2011,
309 shall create one renewable energy credit. A renewable energy credit
310 shall have an effective life covering the year in which the credit was
311 created and the following calendar year. The obligation to purchase
312 renewable energy credits shall be apportioned to electric distribution
313 companies based on their respective distribution system loads at the
314 commencement of the procurement period, as determined by the
315 authority. For contracts entered into in calendar year 2012, an electric
316 distribution company shall not be required to enter into a contract that
317 provides a payment of more than three hundred fifty dollars, per
318 renewable energy credit in any year over the term of the contract. For
319 contracts entered into in calendar years 2013 to 2017, inclusive, at least
320 ninety days before each annual electric distribution company
321 solicitation, the Public Utilities Regulatory Authority may lower the
322 renewable energy credit price cap specified in this subsection by three
323 to seven per cent annually, during each of the six years of the program
324 over the term of the contract. For contracts entered into in calendar
325 year 2018, at least ninety days before the electric distribution company
326 solicitation, the Public Utilities Regulatory Authority may lower the
327 renewable energy credit price cap specified in this subsection by sixty-
328 four per cent, during year seven of the program over the term of the
329 contract. In the course of lowering such price cap applicable to each
330 annual solicitation, the authority shall, after notice and opportunity for
331 public comment, consider such factors as the actual bid results from
332 the most recent electric distribution company solicitation and
333 reasonably foreseeable reductions in the cost of eligible technologies.

334 (5) In conducting the solicitation pursuant to this section and section
335 16-244s, an electric distribution company shall permit owners or
336 developers of Class I generation projects to submit applications for

337 projects where the revenue meter or site address of the project was
338 approved previously by the authority and the project is not in service.
339 An electric distribution company shall not prevent the filing of a new
340 contract with the authority based on a previous disqualification of the
341 project for lapse of time in placing such project into service. The
342 authority shall not deny approval of a contract based on a previous
343 disqualification of the project for lapse of time in placing such project
344 into service.

345 (d) Notwithstanding subdivision (1) of subsection (h) of section 16-
346 244c, an electric distribution company may retire the renewable energy
347 credits it procures through long-term contracting to satisfy its
348 obligation pursuant to section 16-245a.

349 (e) Nothing in this section shall preclude the resale or other
350 disposition of energy or associated renewable energy credits
351 purchased by the electric distribution company, provided the
352 distribution company shall net the cost of payments made to projects
353 under the long-term contracts against the proceeds of the sale of
354 energy or renewable energy credits and the difference shall be credited
355 or charged to distribution customers through a reconciling component
356 of electric rates as determined by the authority that is nonbypassable
357 when switching electric suppliers.

358 Sec. 5. Subsection (e) of section 16-244u of the 2018 supplement to
359 the general statutes is repealed and the following is substituted in lieu
360 thereof (*Effective from passage*):

361 (e) (1) On or before October 1, 2013, the Public Utilities Regulatory
362 Authority shall conduct a proceeding to develop the administrative
363 processes and program specifications, including, but not limited to, a
364 cap of ten million dollars per year apportioned to each electric
365 distribution company based on consumer load, for credits provided to
366 beneficial accounts pursuant to subsection (b) of this section and
367 payments made pursuant to subsection (c) of this section, provided (A)
368 before January 1, 2019, the municipal, state and agricultural customer

369 hosts, each in the aggregate, and the designated beneficial accounts of
370 such customer hosts, shall receive not more than forty per cent of the
371 dollar amount established pursuant to this subdivision, and (B) on and
372 after January 1, 2019, the municipal, state and agricultural customer
373 hosts, each in the aggregate, and the designated beneficial accounts of
374 such customer hosts, shall receive not more than seventy-five per cent
375 of the dollar amount established pursuant to this subdivision.

376 (2) In addition to the provisions of subdivision (1) of this subsection,
377 the authority shall authorize six million dollars per year for municipal
378 customer hosts, apportioned to each electric distribution company
379 based on consumer load, for credits provided to beneficial accounts
380 pursuant to subsection (b) of this section and payments made pursuant
381 to subsection (c) of this section where such municipal customer hosts
382 have: (A) Submitted an interconnection application to an electric
383 distribution company on or before April 13, 2016, and (B) submitted a
384 virtual net metering application to an electric distribution company on
385 or before April 13, 2016.

386 (3) In addition to the provisions of subdivisions (1) and (2) of this
387 subsection, the authority shall authorize, apportioned to each electric
388 distribution company based on consumer load for credits provided to
389 beneficial accounts pursuant to subsection (b) of this section and
390 payments made pursuant to subsection (c) of this section three million
391 dollars per year for agricultural customer hosts, provided each
392 agricultural customer host utilizes a virtual net metering facility that is
393 an anaerobic digestion Class I renewable energy source and not less
394 than fifty per cent of the dollar amount for such agricultural customer
395 hosts established under this subparagraph is utilized by anaerobic
396 digestion facilities located on dairy farms that complement such farms'
397 nutrient management plans, as certified by the Department of
398 Agriculture, and that have a goal of utilizing one hundred per cent of
399 the manure generated on such farm.

400 (4) In addition to the provisions of subdivisions (1), (2) and (3) of
401 this subsection, the authority shall authorize, apportioned to each

402 distribution company based on consumer load for credits provided to
403 beneficial accounts pursuant to subsection (b) of this section and
404 payments made pursuant to subsection (c) of this section, fifteen
405 million dollars per year for municipal customer hosts.

406 Sec. 6. (NEW) (*Effective from passage*) The state may reduce energy
407 consumption by not less than 1.6 million MMBtu, as defined in
408 subdivision (4) of section 22a-197 of the general statutes, annually each
409 year for calendar years commencing on and after January 1, 2020, up to
410 and including calendar year 2025.

411 Sec. 7. Subdivision (1) of subsection (d) of section 16-245m of the
412 general statutes is repealed and the following is substituted in lieu
413 thereof (*Effective from passage*):

414 (d) (1) Not later than November 1, 2012, and every three years
415 thereafter, electric distribution companies, as defined in section 16-1, in
416 coordination with the gas companies, as defined in section 16-1, shall
417 submit to the Energy Conservation Management Board a combined
418 electric and gas Conservation and Load Management Plan, in
419 accordance with the provisions of this section, to implement cost-
420 effective energy conservation programs, demand management and
421 market transformation initiatives. All supply and conservation and
422 load management options shall be evaluated and selected within an
423 integrated supply and demand planning framework. Services
424 provided under the plan shall be available to all customers of electric
425 distribution companies and gas companies, [. Each such company shall
426 apply to the Energy Conservation Management Board for
427 reimbursement for expenditures pursuant to the plan] provided a
428 customer of an electric distribution company may not be denied such
429 services based on the fuel such customer uses to heat such customer's
430 home. The Energy Conservation Management Board shall advise and
431 assist the electric distribution companies and gas companies in the
432 development of such plan. The Energy Conservation Management
433 Board shall approve the plan before transmitting it to the
434 Commissioner of Energy and Environmental Protection for approval.

435 The commissioner shall, in an uncontested proceeding during which
436 the commissioner may hold a public meeting, approve, modify or
437 reject said plan prepared pursuant to this subsection. Following
438 approval by the commissioner, the board shall assist the companies in
439 implementing the plan and collaborate with the Connecticut Green
440 Bank to further the goals of the plan. Said plan shall include a detailed
441 budget sufficient to fund all energy efficiency that is cost-effective or
442 lower cost than acquisition of equivalent supply, and shall be reviewed
443 and approved by the commissioner. [To the extent that the budget in
444 the plan approved by the commissioner with regard to electric
445 distribution companies exceeds the revenues collected pursuant to
446 subdivision (1) of subsection (a) of this section, the] The Public Utilities
447 Regulatory Authority shall, not later than sixty days after the plan is
448 approved by the commissioner, ensure that the balance of revenues
449 required to fund such [budget] plan is provided through [a] fully
450 reconciling conservation adjustment [mechanism of not more than
451 three mills per kilowatt hour of electricity sold to each end use
452 customer of an electric distribution company during the three years of
453 any Conservation and Load Management Plan] mechanisms. Electric
454 distribution companies shall collect a conservation adjustment
455 mechanism that ensures the plan is fully funded by collecting an
456 amount that is not more than the sum of six mills per kilowatt hour of
457 electricity sold to each end use customer of an electric distribution
458 company during the three years of any Conservation and Load
459 Management Plan. The authority shall ensure that the revenues
460 required to fund such [budget] plan with regard to gas companies are
461 provided through a fully reconciling conservation adjustment
462 mechanism for each gas company of not more than the equivalent of
463 four and six-tenth cents per hundred cubic feet during the three years
464 of any Conservation and Load Management Plan. Said plan shall
465 include steps that would be needed to achieve the goal of
466 weatherization of eighty per cent of the state's residential units by 2030
467 and to reduce energy consumption by 1.6 million MMBtu, as defined
468 in subdivision (4) of section 22a-197, annually each year for calendar
469 years commencing on and after January 1, 2020, up to and including

470 calendar year 2025. Each program contained in the plan shall be
471 reviewed by such companies and accepted, modified or rejected by the
472 Energy Conservation Management Board prior to submission to the
473 commissioner for approval. The Energy Conservation Management
474 Board shall, as part of its review, examine opportunities to offer joint
475 programs providing similar efficiency measures that save more than
476 one fuel resource or otherwise to coordinate programs targeted at
477 saving more than one fuel resource. Any costs for joint programs shall
478 be allocated equitably among the conservation programs. The Energy
479 Conservation Management Board shall give preference to projects that
480 maximize the reduction of federally mandated congestion charges.

481 Sec. 8. Subdivision (2) of subsection (c) of section 12-264 of the 2018
482 supplement to the general statutes is repealed and the following is
483 substituted in lieu thereof (*Effective July 1, 2020*):

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

501 Sec. 9. Subsections (b) to (d), inclusive, of section 16-243q of the
502 general statutes are repealed and the following is substituted in lieu

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

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

521 (c) An electric supplier or electric distribution company may satisfy
522 the requirements of this section by participating in a conservation and
523 distributed resources trading program approved by the Public Utilities
524 Regulatory Authority. Credits created by conservation and customer-
525 side distributed resources shall be allocated to the person that
526 conserved the electricity or installed the project for customer-side
527 distributed resources to which the credit is attributable and to the
528 [Energy] Conservation and Load Management [Fund] Plan. Such
529 credits shall be made in the following manner: A minimum of twenty-
530 five per cent of the credits shall be allocated to the person that
531 conserved the electricity or installed the project for customer-side
532 distributed resources to which the energy credit is attributable and the
533 remainder of the credits shall be [allocated to the Energy] used in
534 furtherance of the Conservation and Load Management [Fund] Plan,
535 based on a schedule created by the authority no later than January 1,
536 2007, and reviewed annually thereafter. The authority may, in a

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

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

565 Sec. 10. Section 16-243t of the general statutes is repealed and the
566 following is substituted in lieu thereof (*Effective July 1, 2020*):

567 (a) Notwithstanding the provisions of this title, a customer who
568 implements energy conservation or customer-side distributed
569 resources, as defined in section 16-1, on or after January 1, 2008, shall

570 be eligible for Class III credits, pursuant to section 16-243q, as
571 amended by this act. The Class III credit shall be not less than one cent
572 per kilowatt hour. For nonresidential projects receiving conservation
573 and load management funding, twenty-five per cent of the financial
574 value derived from the credits earned pursuant to this section shall be
575 directed to the customer who implements energy conservation or
576 customer-side distribution resources pursuant to this section with the
577 remainder of the financial value directed [to] in furtherance of the
578 Conservation and Load Management [Funds] Plan. For nonresidential
579 projects not receiving conservation and load management funding
580 submitted on or after March 9, 2007, seventy-five per cent of the
581 financial value derived from the credits earned pursuant to this section
582 shall be directed to the customer who implements energy conservation
583 or customer-side distribution resources pursuant to this section with
584 the remainder of the financial value directed [to] in furtherance of the
585 Conservation and Load Management [Funds] Plan. Not later than July
586 1, 2007, the Public Utilities Regulatory Authority shall initiate a
587 contested case proceeding in accordance with the provisions of chapter
588 54, to implement the provisions of this section.

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

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

601 Sec. 11. Subsections (d) and (e) of section 16-243v of the general
602 statutes are repealed and the following is substituted in lieu thereof

603 (*Effective July 1, 2020*):

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

637 performance milestones.

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

667 Sec. 12. Subsection (e) of section 16-245c of the general statutes is
668 repealed and the following is substituted in lieu thereof (*Effective July*
669 *1, 2020*):

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

683 Sec. 13. Subdivisions (1) and (2) of subsection (a) of section 16-245e
684 of the general statutes are repealed and the following is substituted in
685 lieu thereof (*Effective July 1, 2020*):

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

701 (2) "Competitive transition assessment" means those nonbypassable
702 rates and other charges, that are authorized by the authority (A) in a

703 financing order in respect to the economic recovery transfer, or in a
704 financing order, to sustain funding of conservation and load
705 management and renewable energy investment programs by
706 substituting disbursements to the General Fund from proceeds of rate
707 reduction bonds for such disbursements from the [Energy]
708 Conservation and Load Management [Fund] Plan established by
709 section 16-245m, as amended by this act, and from the Clean Energy
710 Fund established by section 16-245n, as amended by this act, or to
711 recover those stranded costs that are eligible to be funded with the
712 proceeds of rate reduction bonds pursuant to section 16-245f, as
713 amended by this act, and the costs of providing, recovering, financing,
714 or refinancing the economic recovery transfer or such substitution of
715 disbursements to the General Fund or such stranded costs through a
716 plan approved by the authority in the financing order, including the
717 costs of issuing, servicing, and retiring rate reduction bonds, (B) to
718 recover those stranded costs determined under this section but not
719 eligible to be funded with the proceeds of rate reduction bonds
720 pursuant to section 16-245f, as amended by this act, or (C) to recover
721 costs determined under subdivision (1) of subsection (e) of section 16-
722 244g. If requested by the electric distribution company, the authority
723 shall include in the competitive transition assessment nonbypassable
724 rates and other charges to recover federal and state taxes whose
725 recovery period is modified by the transactions contemplated in this
726 section and sections 16-245f to 16-245k, inclusive, as amended by this
727 act;

728 Sec. 14. Subdivision (13) of subsection (a) of section 16-245e of the
729 general statutes is repealed and the following is substituted in lieu
730 thereof (*Effective July 1, 2020*):

731 (13) "State rate reduction bonds" means the rate reduction bonds
732 issued on June 23, 2004, by the state to sustain funding of conservation
733 and load management and renewable energy investment programs by
734 substituting for disbursements to the General Fund from the [Energy]
735 Conservation and Load Management [Fund] Plan, established by
736 section 16-245m, as amended by this act, and from the Clean Energy

737 Fund, established by section 16-245n, as amended by this act. The state
738 rate reduction bonds for the purposes of section 4-30a shall be deemed
739 to be outstanding indebtedness of the state;

740 Sec. 15. Subsection (a) of section 16-245f of the general statutes is
741 repealed and the following is substituted in lieu thereof (*Effective July*
742 *1, 2020*):

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

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

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

796 (a) The authority may issue financing orders in accordance with
797 sections 16-245e to 16-245k, inclusive, as amended by this act, to fund
798 the economic recovery transfer, to sustain funding of conservation and
799 load management and renewable energy investment programs by
800 substituting disbursements to the General Fund from proceeds of rate
801 reduction bonds for such disbursements [from the Energy] in
802 furtherance of the Conservation and Load Management [Fund] Plan
803 established by section 16-245m, as amended by this act, and from the
804 Clean Energy Fund established by section 16-245n, as amended by this

805 act, and to facilitate the provision, recovery, financing, or refinancing
806 of stranded costs. Except for a financing order in respect to the
807 economic recovery revenue bonds, a financing order may be adopted
808 only upon the application of an electric distribution company,
809 pursuant to section 16-245f, as amended by this act, and shall become
810 effective in accordance with its terms only after the electric distribution
811 company files with the authority the electric distribution company's
812 written consent to all terms and conditions of the financing order. Any
813 financing order in respect to the economic recovery revenue bonds
814 shall be effective on issuance.

815 (b) (1) Notwithstanding any general or special law, rule, or
816 regulation to the contrary, except as otherwise provided in this
817 subsection with respect to transition property that has been made the
818 basis for the issuance of rate reduction bonds, the financing orders and
819 the competitive transition assessment shall be irrevocable and the
820 authority shall not have authority either by rescinding, altering, or
821 amending the financing order or otherwise, to revalue or revise for
822 rate-making purposes the stranded costs, or the costs of providing,
823 recovering, financing, or refinancing the stranded costs, the amount of
824 the economic recovery transfer or the amount of disbursements to the
825 General Fund from proceeds of rate reduction bonds substituted for
826 such disbursements [from the Energy] in furtherance of the
827 Conservation and Load Management [Fund] Plan established by
828 section 16-245m, as amended by this act, and from the Clean Energy
829 Fund established by section 16-245n, as amended by this act,
830 determine that the competitive transition assessment is unjust or
831 unreasonable, or in any way reduce or impair the value of transition
832 property either directly or indirectly by taking the competitive
833 transition assessment into account when setting other rates for the
834 electric distribution company; nor shall the amount of revenues arising
835 with respect thereto be subject to reduction, impairment,
836 postponement, or termination.

837 (2) Notwithstanding any other provision of this section, the
838 authority shall approve the adjustments to the competitive transition

839 assessment as may be necessary to ensure timely recovery of all
840 stranded costs that are the subject of the pertinent financing order, and
841 the costs of capital associated with the provision, recovery, financing,
842 or refinancing thereof, including the costs of issuing, servicing, and
843 retiring the rate reduction bonds issued to recover stranded costs
844 contemplated by the financing order and to ensure timely recovery of
845 the costs of issuing, servicing, and retiring the rate reduction bonds
846 issued to sustain funding of conservation and load management and
847 renewable energy investment programs contemplated by the financing
848 order, and to ensure timely recovery of the costs of issuing, servicing
849 and retiring the economic recovery revenue bonds issued to fund the
850 economic recovery transfer contemplated by the financing order.

851 (3) Notwithstanding any general or special law, rule, or regulation
852 to the contrary, any requirement under sections 16-245e to 16-245k,
853 inclusive, as amended by this act, or a financing order that the
854 authority take action with respect to the subject matter of a financing
855 order shall be binding upon the authority, as it may be constituted
856 from time to time, and any successor agency exercising functions
857 similar to the authority and the authority shall have no authority to
858 rescind, alter, or amend that requirement in a financing order. Section
859 16-43 shall not apply to any sale, assignment, or other transfer of or
860 grant of a security interest in any transition property or the issuance of
861 rate reduction bonds under sections 16-245e to 16-245k, inclusive, as
862 amended by this act.

863 Sec. 17. Subparagraph (A) of subdivision (4) of subsection (c) of
864 section 16-245j of the general statutes is repealed and the following is
865 substituted in lieu thereof (*Effective July 1, 2020*):

866 (4) (A) The proceeds of any rate reduction bonds, other than
867 economic recovery revenue bonds, shall be used for the purposes
868 approved by the authority in the financing order, including, but not
869 limited to, disbursements to the General Fund in substitution for such
870 disbursements [from the Energy] in furtherance of the Conservation
871 and Load Management [Fund] Plan established by section 16-245m, as

872 amended by this act, and from the Clean Energy Fund established by
873 section 16-245n, as amended by this act, the costs of refinancing or
874 retiring of debt of the electric distribution company, and associated
875 federal and state tax liabilities; provided such proceeds shall not be
876 applied to purchase generation assets or to purchase or redeem stock
877 or to pay dividends to shareholders or operating expenses other than
878 taxes resulting from the receipt of such proceeds.

879 Sec. 18. Subdivision (3) of subsection (d) of section 16-245m of the
880 general statutes is repealed and the following is substituted in lieu
881 thereof (*Effective July 1, 2020*):

882 (3) Programs included in the plan developed under subdivision (1)
883 of this subsection shall be screened through cost-effectiveness testing
884 that compares the value and payback period of program benefits for all
885 energy savings to program costs to ensure that programs are designed
886 to obtain energy savings and system benefits, including mitigation of
887 federally mandated congestion charges, whose value is greater than
888 the costs of the programs. Program cost-effectiveness shall be reviewed
889 by the Commissioner of Energy and Environmental Protection
890 annually, or otherwise as is practicable, and shall incorporate the
891 results of the evaluation process set forth in subdivision (4) of this
892 subsection. If a program is determined to fail the cost-effectiveness test
893 as part of the review process, it shall either be modified to meet the test
894 or shall be terminated, unless it is integral to other programs that in
895 combination are cost-effective. On or before March 1, 2005, and on or
896 before March first annually thereafter, the board shall provide a report,
897 in accordance with the provisions of section 11-4a, to the joint standing
898 committees of the General Assembly having cognizance of matters
899 relating to energy and the environment that documents (A)
900 expenditures and fund balances and evaluates the cost-effectiveness of
901 such programs conducted in the preceding year, and (B) the extent to
902 and manner in which the programs of such board collaborated and
903 cooperated with programs, established under section 7-233y, of
904 municipal electric energy cooperatives. To maximize the reduction of
905 federally mandated congestion charges, programs in the plan may

906 allow for disproportionate allocations between the amount of
907 contributions [to the Energy Conservation and Load Management
908 Funds] pursuant to this section by a certain rate class and the
909 programs that benefit such a rate class. Before conducting such
910 evaluation, the board shall consult with the board of directors of the
911 Connecticut Green Bank. The report shall include a description of the
912 activities undertaken during the reporting period.

913 Sec. 19. Subdivision (1) of subsection (f) of section 16-245n of the
914 general statutes is repealed and the following is substituted in lieu
915 thereof (*Effective July 1, 2020*):

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

926 Sec. 20. Subsection (b) of section 16-245w of the general statutes is
927 repealed and the following is substituted in lieu thereof (*Effective July*
928 *1, 2020*):

929 (b) The Public Utilities Regulatory Authority shall design a process
930 for determining a fee to be paid by customers who have installed self-
931 generation facilities in order to offset any loss or potential loss in
932 revenue from such facilities toward the competitive transition
933 assessment, the systems benefits charge, [the conservation and load
934 management assessment] the conservation adjustment mechanisms
935 collected under section 16-245m, as amended by this act, and the Clean
936 Energy Fund assessment collected under section 16-245n, as amended
937 by this act. Except as provided in subsection (c) of this section, such fee

938 shall apply to customers who have installed self-generation facilities
939 that begin operation on or after July 1, 1998.

940 Sec. 21. Subsection (d) of section 16-258d of the general statutes is
941 repealed and the following is substituted in lieu thereof (*Effective July*
942 *1, 2020*):

943 (d) The Public Utilities Regulatory Authority shall ensure that the
944 revenues required to fund such incentive payments made pursuant to
945 this section are provided through a fully reconciling conservation
946 adjustment mechanism, which shall not exceed more than nine million
947 dollars in total for the program established under this section,
948 provided (1) such revenues shall be in addition to the revenues
949 authorized to fund the **[**conservation and load management fund**]**
950 Conservation and Load Management Plan pursuant to section 16-
951 245m, as amended by this act, and (2) such revenues exceeding two
952 million dollars required to fund such incentive payments shall be paid
953 over a period of not less than two years. Such revenues shall only be
954 collected from the gas customers of the company in whose service area
955 such district heating system is located.

956 Sec. 22. Subdivision (1) of subsection (a) and subsection (b) of
957 section 16-245m of the general statutes are repealed. (*Effective July 1,*
958 *2020*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	16-245a(a)
Sec. 2	*from passage*	16-244c(h)(1)
Sec. 3	*from passage*	16-245(k)
Sec. 4	*from passage*	16-244r
Sec. 5	*from passage*	16-244u(e)
Sec. 6	*from passage*	New section
Sec. 7	*from passage*	16-245m(d)(1)
Sec. 8	*July 1, 2020*	12-264(c)(2)
Sec. 9	*July 1, 2020*	16-243q(b) to (d)
Sec. 10	*July 1, 2020*	16-243t

Sec. 11	*July 1, 2020*	16-243v(d) and (e)
Sec. 12	*July 1, 2020*	16-245c(e)
Sec. 13	*July 1, 2020*	16-245e(a)(1) and (2)
Sec. 14	*July 1, 2020*	16-245e(a)(13)
Sec. 15	*July 1, 2020*	16-245f(a)
Sec. 16	*July 1, 2020*	16-245i(a) and (b)
Sec. 17	*July 1, 2020*	16-245j(c)(4)(A)
Sec. 18	*July 1, 2020*	16-245m(d)(3)
Sec. 19	*July 1, 2020*	16-245n(f)(1)
Sec. 20	*July 1, 2020*	16-245w(b)
Sec. 21	*July 1, 2020*	16-258d(d)
Sec. 22	*July 1, 2020*	Repealer section