



General Assembly

Amendment

February Session, 2018

LCO No. 5647



Offered by:

REP. ROSARIO, 128th Dist.

REP. TERCYAK, 26th Dist.

To: Subst. Senate Bill No. 9

File No. 460

Cal. No. 557

"AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE."

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

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4 to the general statutes is repealed and the following is substituted in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

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

13 (1) On and after January 1, 2006, that not less than two per cent of
14 the total output or services of any such supplier or distribution

15 company shall be generated from Class I renewable energy sources
16 and an additional three per cent of the total output or services shall be
17 from Class I or Class II renewable energy sources;

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

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

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

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

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

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

46 additional three per cent of the total output or services shall be from
47 Class I or Class II renewable energy sources;

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

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

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

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

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

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

77 from Class I or Class II renewable energy sources;

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

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

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

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

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

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

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

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

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

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

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

138 (25) On and after January 1, 2030, not less than forty per cent of the

139 total output or services of any such supplier or distribution company
140 shall be generated from Class I renewable energy sources and an
141 additional four per cent of the total output or services shall be from
142 Class I or Class II renewable energy sources.

143 Sec. 2. 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. (NEW) (*Effective from passage*) The state may reduce energy
251 consumption by not less than 1.6 million MMBtu, as defined in
252 subdivision (4) of section 22a-197 of the general statutes, annually each
253 year for calendar years commencing on and after January 1, 2020, up to
254 and including calendar year 2025.

255 Sec. 5. Subdivision (1) of subsection (d) of section 16-245m of the
256 general statutes is repealed and the following is substituted in lieu
257 thereof (*Effective from passage*):

258 (d) (1) Not later than November 1, 2012, and every three years
259 thereafter, electric distribution companies, as defined in section 16-1, in
260 coordination with the gas companies, as defined in section 16-1, shall
261 submit to the Energy Conservation Management Board a combined
262 electric and gas Conservation and Load Management Plan, in
263 accordance with the provisions of this section, to implement cost-
264 effective energy conservation programs, demand management and
265 market transformation initiatives. All supply and conservation and
266 load management options shall be evaluated and selected within an
267 integrated supply and demand planning framework. Services
268 provided under the plan shall be available to all customers of electric
269 distribution companies and gas companies, [Each such company shall
270 apply to the Energy Conservation Management Board for
271 reimbursement for expenditures pursuant to the plan] provided a
272 customer of an electric distribution company may not be denied such
273 services based on the fuel such customer uses to heat such customer's
274 home. The Energy Conservation Management Board shall advise and

275 assist the electric distribution companies and gas companies in the
276 development of such plan. The Energy Conservation Management
277 Board shall approve the plan before transmitting it to the
278 Commissioner of Energy and Environmental Protection for approval.
279 The commissioner shall, in an uncontested proceeding during which
280 the commissioner may hold a public meeting, approve, modify or
281 reject said plan prepared pursuant to this subsection. Following
282 approval by the commissioner, the board shall assist the companies in
283 implementing the plan and collaborate with the Connecticut Green
284 Bank to further the goals of the plan. Said plan shall include a detailed
285 budget sufficient to fund all energy efficiency that is cost-effective or
286 lower cost than acquisition of equivalent supply, and shall be reviewed
287 and approved by the commissioner. [To the extent that the budget in
288 the plan approved by the commissioner with regard to electric
289 distribution companies exceeds the revenues collected pursuant to
290 subdivision (1) of subsection (a) of this section, the] The Public Utilities
291 Regulatory Authority shall, not later than sixty days after the plan is
292 approved by the commissioner, ensure that the balance of revenues
293 required to fund such [budget] plan is provided through [a] fully
294 reconciling conservation adjustment [mechanism of not more than
295 three mills per kilowatt hour of electricity sold to each end use
296 customer of an electric distribution company during the three years of
297 any Conservation and Load Management Plan] mechanisms. Electric
298 distribution companies shall collect a conservation adjustment
299 mechanism that ensures the plan is fully funded by collecting an
300 amount that is not more than the sum of six mills per kilowatt hour of
301 electricity sold to each end use customer of an electric distribution
302 company during the three years of any Conservation and Load
303 Management Plan. The authority shall ensure that the revenues
304 required to fund such [budget] plan with regard to gas companies are
305 provided through a fully reconciling conservation adjustment
306 mechanism for each gas company of not more than the equivalent of
307 four and six-tenth cents per hundred cubic feet during the three years
308 of any Conservation and Load Management Plan. Said plan shall
309 include steps that would be needed to achieve the goal of

310 weatherization of eighty per cent of the state's residential units by 2030
311 and to reduce energy consumption by 1.6 million MMBtu, as defined
312 in subdivision (4) of section 22a-197, annually each year for calendar
313 years commencing on and after January 1, 2020, up to and including
314 calendar year 2025. Each program contained in the plan shall be
315 reviewed by such companies and accepted, modified or rejected by the
316 Energy Conservation Management Board prior to submission to the
317 commissioner for approval. The Energy Conservation Management
318 Board shall, as part of its review, examine opportunities to offer joint
319 programs providing similar efficiency measures that save more than
320 one fuel resource or otherwise to coordinate programs targeted at
321 saving more than one fuel resource. Any costs for joint programs shall
322 be allocated equitably among the conservation programs. The Energy
323 Conservation Management Board shall give preference to projects that
324 maximize the reduction of federally mandated congestion charges.

325 Sec. 6. Subsection (b) of section 16-245n of the general statutes is
326 repealed and the following is substituted in lieu thereof (*Effective from*
327 *passage*):

328 (b) On and after July 1, 2004, and until June 30, 2019, the Public
329 Utilities Regulatory Authority shall assess or cause to be assessed a
330 charge of not less than one mill per kilowatt hour charged to each end
331 use customer of electric services in this state which shall be deposited
332 into the Clean Energy Fund established under subsection (c) of this
333 section. On and after July 1, 2019, and until June 30, 2025, the Public
334 Utilities Regulatory Authority shall assess or cause to be assessed a
335 charge of not less than two mills per kilowatt hour charged to each end
336 use customer of electric services in this state which shall be deposited
337 into the Clean Energy Fund established under subsection (c) of this
338 section.

339 Sec. 7. Section 16a-3j of the general statutes is repealed and the
340 following is substituted in lieu thereof (*Effective from passage*):

341 (a) In order to secure cost-effective resources to provide more

342 reliable electric service for the benefit of the state's electric ratepayers
343 and to meet the state's energy and environmental goals and policies
344 established in the Integrated Resources Plan, pursuant to section 16a-
345 3a, and the Comprehensive Energy Strategy, pursuant to section 16a-
346 3d, the Commissioner of Energy and Environmental Protection, in
347 consultation with the procurement manager identified in subsection (l)
348 of section 16-2, the Office of Consumer Counsel and the Attorney
349 General, may, in coordination with other states in the control area of
350 the regional independent system operator, as defined in section 16-1,
351 or on behalf of Connecticut alone, issue multiple solicitations for long-
352 term contracts from providers of resources described in subsections
353 (b), (c) and (d) of this section.

354 (b) In any solicitation for resources to reduce electric demand and
355 improve resiliency and grid reliability in the state, issued pursuant to
356 this subsection, the commissioner shall seek proposals for (1) passive
357 demand response measures, including, but not limited to, energy
358 efficiency, load management, and the state's conservation and load
359 management programs, pursuant to section 16-245m, as amended by
360 this act, that are capable, either singly or through aggregation, of
361 reducing electric demand by one megawatt or more; and (2) Class I
362 renewable energy sources and Class III sources, as defined in section
363 16-1, provided any such project proposal is for a facility that has a
364 nameplate capacity rating of more than two megawatts and less than
365 twenty megawatts. The commissioner may also seek proposals for
366 energy storage systems, as defined in section 16-1, that are capable of
367 storing up to twenty megawatts of energy. Proposals pursuant to this
368 subsection shall not have a contract term exceeding twenty years. Each
369 electric distribution company, as defined in section 16-1, shall, in
370 consultation with the Energy Conservation Management Board
371 established pursuant to section 16-245m, as amended by this act, assess
372 whether the submission of a proposal for passive demand response
373 measures is feasible pursuant to any solicitation issued pursuant to
374 subdivision (1) of this subsection, provided such proposal only
375 includes electric demand reductions that are in addition to existing

376 and projected demand reductions obtained through the conservation
377 and load management programs.

378 (c) In any solicitation issued pursuant to this subsection, the
379 commissioner shall seek proposals from (1) Class I renewable energy
380 sources, as defined in section 16-1, having a nameplate capacity rating
381 of twenty megawatts or more, and any associated transmission; and (2)
382 verifiable large-scale hydropower, as defined in section 16-1, and any
383 associated transmission. The commissioner may also seek proposals
384 for energy storage systems, as defined in section 16-1, having a
385 nameplate capacity rating of twenty megawatts or more. Proposals
386 under this subsection shall not have a contract term exceeding twenty
387 years. In soliciting Class I renewable energy sources, and any
388 associated transmission, pursuant to this subsection, the commissioner
389 may, for the purpose of balancing such Class I energy deliveries and
390 improving the economic viability of such proposals, also seek
391 proposals for electricity and capacity from Class II renewable energy
392 sources, as defined in section 16-1, and existing hydropower resources
393 other than those described under section 16-1, provided such resources
394 are interconnected to such associated transmission and are located in
395 the control area of the regional independent system operator or
396 imported into the control area of the regional independent system
397 operator from resources located in an adjacent regional independent
398 system operator's control area.

399 (d) In any solicitation for natural gas resources issued on and after
400 the effective date of this section, pursuant to this subsection, the
401 commissioner shall seek proposals for (1) [interstate natural gas
402 transportation capacity, (2)] liquefied natural gas, [(3)] (2) liquefied
403 natural gas storage, and [(4)] (3) natural gas storage, or a combination
404 of any such resources, provided such proposals provide incremental
405 capacity, gas, or storage that has a firm delivery capability to transport
406 natural gas to natural gas-fired generating facilities located in the
407 control area of the regional independent system operator. Proposals
408 under this subsection shall not have a contract term exceeding a period
409 of twenty years.

410 (e) The Commissioner of Energy and Environmental Protection, in
411 consultation with the procurement manager identified in subsection (l)
412 of section 16-2, the Office of Consumer Counsel and the Attorney
413 General, shall evaluate project proposals received under any
414 solicitation issued pursuant to subsection (b), (c) or (d) of this section,
415 based on factors including, but not limited to, (1) improvements to the
416 reliability of the electric system, including during winter peak
417 demand; (2) whether the benefits of the proposal outweigh the costs to
418 ratepayers; (3) fuel diversity; (4) the extent to which the proposal
419 contributes to meeting the requirements to reduce greenhouse gas
420 emissions and improve air quality in accordance with sections 16-245a,
421 as amended by this act, 22a-174, and 22a-200a; (5) whether the
422 proposal is in the best interest of ratepayers; and (6) whether the
423 proposal is aligned with the policy goals outlined in the Integrated
424 Resources Plan, pursuant to section 16a-3a, and the Comprehensive
425 Energy Strategy, pursuant to section 16a-3d, including, but not limited
426 to, environmental impacts. In conducting such evaluation, the
427 commissioner may also consider the extent to which project proposals
428 provide economic benefits for the state. In evaluating project proposals
429 received under any solicitation issued pursuant to subsection (b), (c) or
430 (d) of this section, the commissioner shall compare the costs and
431 benefits of such proposals relative to the expected or actual costs and
432 benefits of other resources eligible to respond to the other
433 procurements authorized pursuant to this section.

434 (f) The commissioner may hire consultants with expertise in
435 quantitative modeling of electric and gas markets, and physical gas
436 and electric system modeling, as applicable, to assist in implementing
437 this section, including, but not limited to, the evaluation of proposals
438 submitted pursuant to this section. All reasonable costs, not exceeding
439 one million five hundred thousand dollars, associated with the
440 commissioner's solicitation and review of proposals pursuant to this
441 section shall be recoverable through the nonbypassable federally
442 mandated congestion charge, as defined in subsection (a) of section 16-
443 1. Such costs shall be recoverable even if the commissioner does not

444 select any proposals pursuant to solicitations issued pursuant to this
445 section.

446 (g) If the commissioner finds proposals received pursuant to this
447 section to be in the best interest of electric ratepayers, in accordance
448 with the provisions of subsection (e) of this section, the commissioner
449 may select any such proposal or proposals, provided the total capacity
450 of the resources selected under all solicitations issued pursuant to this
451 section in the aggregate do not exceed three hundred seventy-five
452 million cubic feet per day of natural gas capacity, or the equivalent
453 megawatts of electricity, electric demand reduction or combination
454 thereof. Any proposals selected pursuant to subsections (b) and (c) of
455 this section shall not, in the aggregate, exceed ten per cent of the load
456 distributed by the state's electric distribution companies. The
457 commissioner may, on behalf of all customers of electric distribution
458 companies, direct the electric distribution companies to enter into
459 long-term contracts for passive demand response measures, electricity,
460 electric capacity, environmental attributes, energy storage, [interstate
461 natural gas transportation capacity,] liquefied natural gas, liquefied
462 natural gas storage, and natural gas storage, or any combination
463 thereof, from proposals submitted pursuant to this section, provided
464 the benefits of such contracts to customers of electric distribution
465 companies outweigh the costs to such companies' customers.

466 (h) Any agreement entered into pursuant to this section shall be
467 subject to review and approval by the Public Utilities Regulatory
468 Authority. The electric distribution company shall file an application
469 for the approval of any such agreement with the authority. The
470 authority shall approve such agreement if it is cost effective and in the
471 best interest of electric ratepayers. The authority shall issue a decision
472 not later than ninety days after such filing. If the authority does not
473 issue a decision within ninety days after such filing, the agreement
474 shall be deemed approved. The net costs of any such agreement,
475 including costs incurred by the electric distribution company under
476 the agreement and reasonable costs incurred by the electric
477 distribution company in connection with the agreement, shall be

478 recovered on a timely basis through a fully reconciling component of
479 electric rates for all customers of the electric distribution company.
480 Any net revenues from the sale of products purchased in accordance
481 with long-term contracts entered into pursuant to this section shall be
482 credited to customers through the same fully reconciling rate
483 component for all customers of the contracting electric distribution
484 company. For any contract for [interstate natural gas transportation
485 capacity,] liquefied natural gas, liquefied natural gas storage or natural
486 gas storage entered into pursuant to this section, the electric
487 distribution company may contract with a gas supply manager to sell
488 such [interstate natural gas transportation capacity,] liquefied natural
489 gas, liquefied natural gas storage or natural gas storage, or a
490 combination thereof, into the wholesale markets at the best available
491 price in a manner that meets all applicable requirements pursuant to
492 all applicable regulations of the Federal Energy Regulatory
493 Commission.

494 (i) Certificates issued by the New England Power Pool Generation
495 Information System for any Class I renewable energy source or Class
496 III source procured by an electric distribution company pursuant to
497 this section may be: (1) Sold into the New England Power Pool
498 Generation Information System renewable energy credit market to be
499 used by any electric supplier or electric distribution company to meet
500 the requirements of section 16-245a, as amended by this act, so long as
501 the revenues from such sale are credited to electric distribution
502 company customers as described in this subsection; or (2) retained by
503 the electric distribution company to meet the requirements of section
504 16-245a, as amended by this act. In considering whether to sell or
505 retain such certificates the company shall select the option that is in the
506 best interest of such company's ratepayers.

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

510 (2) For purposes of this subsection, gross earnings from providing

511 electric transmission services or electric distribution services shall
512 include (A) all income classified as income from providing electric
513 transmission services or electric distribution services, as determined by
514 the Commissioner of Revenue Services in consultation with the Public
515 Utilities Regulatory Authority, and (B) the competitive transition
516 assessment collected pursuant to section 16-245g, other than any
517 component of such assessment that constitutes transition property as
518 to which an electric distribution company has no right, title or interest
519 pursuant to subsection (a) of section 16-245h, the systems benefits
520 charge collected pursuant to section 16-245l, the conservation
521 adjustment mechanisms charged under section 16-245m, as amended
522 by this act, and the assessments charged under [sections 16-245m and]
523 section 16-245n, as amended by this act. Such gross earnings shall not
524 include income from providing electric transmission services or
525 electric distribution services to a company described in subsection (c)
526 of section 12-265.

527 Sec. 9. Subsections (b) to (d), inclusive, of section 16-243q of the
528 general statutes are repealed and the following is substituted in lieu
529 thereof (*Effective July 1, 2020*):

530 (b) Except as provided in subsection (d) of this section, the Public
531 Utilities Regulatory Authority shall assess each electric supplier and
532 each electric distribution company that fails to meet the percentage
533 standards of subsection (a) of this section a charge of up to five and
534 five-tenths cents for each kilowatt hour of electricity that such supplier
535 or company is deficient in meeting such percentage standards.
536 Seventy-five per cent of such assessed charges shall be [deposited in
537 the Energy] used in furtherance of the Conservation and Load
538 Management [Fund] Plan established in section 16-245m, as amended
539 by this act, and twenty-five per cent shall be deposited in the Clean
540 Energy Fund established in section 16-245n, as amended by this act,
541 except that such seventy-five per cent of assessed charges with respect
542 to an electric supplier shall be [divided] allocated among the [Energy]
543 Conservation and Load Management [Funds] Plan of electric
544 distribution companies in proportion to the amount of electricity such

545 electric supplier provides to end use customers in the state using the
546 facilities of each electric distribution company.

547 (c) An electric supplier or electric distribution company may satisfy
548 the requirements of this section by participating in a conservation and
549 distributed resources trading program approved by the Public Utilities
550 Regulatory Authority. Credits created by conservation and customer-
551 side distributed resources shall be allocated to the person that
552 conserved the electricity or installed the project for customer-side
553 distributed resources to which the credit is attributable and to the
554 [Energy] Conservation and Load Management [Fund] Plan. Such
555 credits shall be made in the following manner: A minimum of twenty-
556 five per cent of the credits shall be allocated to the person that
557 conserved the electricity or installed the project for customer-side
558 distributed resources to which the energy credit is attributable and the
559 remainder of the credits shall be [allocated to the Energy] used in
560 furtherance of the Conservation and Load Management [Fund] Plan,
561 based on a schedule created by the authority no later than January 1,
562 2007, and reviewed annually thereafter. The authority may, in a
563 proceeding and for good cause shown, allocate a larger proportion of
564 such credits to the person who conserved the electricity or installed the
565 customer-side distributed resources. The authority shall consider the
566 proportion of investment made by a ratepayer through various
567 ratepayer-funded incentive programs and the resulting reduction in
568 federally mandated congestion charges. The portion [allocated to the
569 Energy] used in furtherance of the Conservation and Load
570 Management [Fund] Plan shall be used for measures that respond to
571 energy demand and for peak reduction programs.

572 (d) An electric distribution company providing standard service
573 may contract with its wholesale suppliers to comply with the
574 conservation and customer-side distributed resources standards set
575 forth in subsection (a) of this section. The Public Utilities Regulatory
576 Authority shall annually conduct a contested case, in accordance with
577 the provisions of chapter 54, to determine whether the electric
578 distribution company's wholesale suppliers met the conservation and

579 distributed resources standards during the preceding year. Any such
580 contract shall include a provision that requires such supplier to pay the
581 electric distribution company in an amount of up to five and one-half
582 cents per kilowatt hour if the wholesale supplier fails to comply with
583 the conservation and distributed resources standards during the
584 subject annual period. The electric distribution company shall
585 immediately transfer seventy-five per cent of any payment received
586 from the wholesale supplier for the failure to meet the conservation
587 and distributed resources standards to the [Energy] Conservation and
588 Load Management [Fund] Plan and twenty-five per cent to the Clean
589 Energy Fund. Any payment made pursuant to this section shall not be
590 considered revenue or income to the electric distribution company.

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

593 (a) Notwithstanding the provisions of this title, a customer who
594 implements energy conservation or customer-side distributed
595 resources, as defined in section 16-1, on or after January 1, 2008, shall
596 be eligible for Class III credits, pursuant to section 16-243q, as
597 amended by this act. The Class III credit shall be not less than one cent
598 per kilowatt hour. For nonresidential projects receiving conservation
599 and load management funding, twenty-five per cent of the financial
600 value derived from the credits earned pursuant to this section shall be
601 directed to the customer who implements energy conservation or
602 customer-side distribution resources pursuant to this section with the
603 remainder of the financial value directed [to] in furtherance of the
604 Conservation and Load Management [Funds] Plan. For nonresidential
605 projects not receiving conservation and load management funding
606 submitted on or after March 9, 2007, seventy-five per cent of the
607 financial value derived from the credits earned pursuant to this section
608 shall be directed to the customer who implements energy conservation
609 or customer-side distribution resources pursuant to this section with
610 the remainder of the financial value directed [to] in furtherance of the
611 Conservation and Load Management [Funds] Plan. Not later than July
612 1, 2007, the Public Utilities Regulatory Authority shall initiate a

613 contested case proceeding in accordance with the provisions of chapter
614 54, to implement the provisions of this section.

615 (b) In order to be eligible for ongoing Class III credits, the customer
616 shall file an application that contains information necessary for the
617 authority to determine that the resource qualifies for Class III status.
618 Such application shall (1) certify that installation and metering
619 requirements have been met where appropriate, (2) provide a detailed
620 energy savings or energy output calculation for such time period as
621 specified by the authority, and (3) include any other information that
622 the authority deems appropriate.

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

627 Sec. 11. Subsections (d) and (e) of section 16-243v of the general
628 statutes are repealed and the following is substituted in lieu thereof
629 (*Effective July 1, 2020*):

630 (d) Commencing April 1, 2008, any person may apply to the
631 authority for certification and funding as a Connecticut electric
632 efficiency partner. Such application shall include the technologies that
633 the applicant shall purchase or provide and that have been approved
634 pursuant to subsection (b) of this section. In evaluating the application,
635 the authority shall (1) consider the applicant's potential to reduce
636 customers' electric demand, including peak electric demand, and
637 associated electric charges tied to electric demand and peak electric
638 demand growth, (2) determine the portion of the total cost of each
639 project that shall be paid for by the customer participating in this
640 program and the portion of the total cost of each project that shall be
641 paid for by all electric ratepayers and collected pursuant to subsection
642 (h) of this section. In making such determination, the authority shall
643 ensure that all ratepayer investments maintain a minimum two-to-one
644 payback ratio, and (3) specify that participating Connecticut electric

645 efficiency partners shall maintain the technology for a period sufficient
646 to achieve such investment payback ratio. The annual ratepayer
647 contribution for projects approved pursuant to this section shall not
648 exceed sixty million dollars. Not less than seventy-five per cent of such
649 annual ratepayer investment shall be used for the technologies
650 themselves. No person shall receive electric ratepayer funding
651 pursuant to this subsection if such person has received or is receiving
652 funding from the [Energy] Conservation and Load Management
653 [Funds] Plan for the projects included in said person's application. No
654 person shall receive electric ratepayer funding without receiving a
655 certificate of public convenience and necessity as a Connecticut electric
656 efficiency partner by the authority. The authority may grant an
657 applicant a certificate of public convenience if it possesses and
658 demonstrates adequate financial resources, managerial ability and
659 technical competency. The authority may conduct additional requests
660 for proposals from time to time as it deems appropriate. The authority
661 shall specify the manner in which a Connecticut electric efficiency
662 partner shall address measures of effectiveness and shall include
663 performance milestones.

664 (e) Beginning February 1, 2010, a certified Connecticut electric
665 efficiency partner may only receive funding if selected in a request for
666 proposal developed, issued and evaluated by the authority. In
667 evaluating a proposal, the authority shall take into consideration the
668 potential to reduce customers' electric demand including peak electric
669 demand, and associated electric charges tied to electric demand and
670 peak electric demand growth, including, but not limited to, federally
671 mandated congestion charges and other electric costs, and shall utilize
672 a cost benefit test established pursuant to subsection (c) of this section
673 to rank responses for selection. The authority shall determine the
674 portion of the total cost of each project that shall be paid by the
675 customer participating in this program and the portion of the total cost
676 of each project that shall be paid by all electric ratepayers and collected
677 pursuant to the provisions of this subsection. In making such
678 determination, the authority shall (1) ensure that all ratepayer

679 investments maintain a minimum two-to-one payback ratio, and (2)
680 specify that participating Connecticut electric efficiency partners shall
681 maintain the technology for a period sufficient to achieve such
682 investment payback ratio. The annual ratepayer contribution shall not
683 exceed sixty million dollars. Not less than seventy-five per cent of such
684 annual ratepayer investment shall be used for the technologies
685 themselves. No Connecticut electric efficiency partner shall receive
686 funding pursuant to this subsection if such partner has received or is
687 receiving funding from the [Energy] Conservation and Load
688 Management [Funds] Plan for such technology. The authority may
689 conduct additional requests for proposals from time to time as it
690 deems appropriate. The authority shall specify the manner in which a
691 Connecticut electric efficiency partner shall address measures of
692 effectiveness and shall include performance milestones.

693 Sec. 12. Subsection (e) of section 16-245c of the general statutes is
694 repealed and the following is substituted in lieu thereof (*Effective July*
695 *1, 2020*):

696 (e) Any municipal electric utility created on or after July 1, 1998,
697 pursuant to section 7-214 or a special act and any municipal electric
698 utility that expands its service area on or after July 1, 1998, shall collect
699 from its new customers the competitive transition assessment imposed
700 pursuant to section 16-245g, the systems benefits charge imposed
701 pursuant to section 16-245l, the conservation adjustment mechanisms
702 charged under section 16-245m, as amended by this act, and the
703 assessments charged under [sections 16-245m and] section 16-245n, as
704 amended by this act, in such manner and at such rate as the authority
705 prescribes, provided the authority shall order the collection of said
706 assessment and said charge in a manner and rate equal to that to
707 which the customers would have been subject had the municipal
708 electric utility not been created or expanded.

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

712 (1) "Rate reduction bonds" means bonds, notes, certificates of
713 participation or beneficial interest, or other evidences of indebtedness
714 or ownership, issued pursuant to an executed indenture or other
715 agreement of a financing entity, in accordance with this section and
716 sections 16-245f to 16-245k, inclusive, as amended by this act, the
717 proceeds of which are used, directly or indirectly, to provide, recover,
718 finance, or refinance stranded costs or economic recovery transfer, or
719 to sustain funding of conservation and load management and
720 renewable energy investment programs by substituting for
721 disbursements to the General Fund from the [Energy] Conservation
722 and Load Management [Fund] Plan established by section 16-245m, as
723 amended by this act, and from the Clean Energy Fund established by
724 section 16-245n, as amended by this act, and which, directly or
725 indirectly, are secured by, evidence ownership interests in, or are
726 payable from, transition property;

727 (2) "Competitive transition assessment" means those nonbypassable
728 rates and other charges, that are authorized by the authority (A) in a
729 financing order in respect to the economic recovery transfer, or in a
730 financing order, to sustain funding of conservation and load
731 management and renewable energy investment programs by
732 substituting disbursements to the General Fund from proceeds of rate
733 reduction bonds for such disbursements from the [Energy]
734 Conservation and Load Management [Fund] Plan established by
735 section 16-245m, as amended by this act, and from the Clean Energy
736 Fund established by section 16-245n, as amended by this act, or to
737 recover those stranded costs that are eligible to be funded with the
738 proceeds of rate reduction bonds pursuant to section 16-245f, as
739 amended by this act, and the costs of providing, recovering, financing,
740 or refinancing the economic recovery transfer or such substitution of
741 disbursements to the General Fund or such stranded costs through a
742 plan approved by the authority in the financing order, including the
743 costs of issuing, servicing, and retiring rate reduction bonds, (B) to
744 recover those stranded costs determined under this section but not
745 eligible to be funded with the proceeds of rate reduction bonds

746 pursuant to section 16-245f, as amended by this act, or (C) to recover
747 costs determined under subdivision (1) of subsection (e) of section 16-
748 244g. If requested by the electric distribution company, the authority
749 shall include in the competitive transition assessment nonbypassable
750 rates and other charges to recover federal and state taxes whose
751 recovery period is modified by the transactions contemplated in this
752 section and sections 16-245f to 16-245k, inclusive, as amended by this
753 act;

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

757 (13) "State rate reduction bonds" means the rate reduction bonds
758 issued on June 23, 2004, by the state to sustain funding of conservation
759 and load management and renewable energy investment programs by
760 substituting for disbursements to the General Fund from the [Energy]
761 Conservation and Load Management [Fund] Plan, established by
762 section 16-245m, as amended by this act, and from the Clean Energy
763 Fund, established by section 16-245n, as amended by this act. The state
764 rate reduction bonds for the purposes of section 4-30a shall be deemed
765 to be outstanding indebtedness of the state;

766 Sec. 15. Subsection (a) of section 16-245f of the general statutes is
767 repealed and the following is substituted in lieu thereof (*Effective July*
768 *1, 2020*):

769 (a) An electric distribution company shall submit to the authority an
770 application for a financing order with respect to any proposal to
771 sustain funding of conservation and load management and renewable
772 energy investment programs by substituting disbursements to the
773 General Fund from proceeds of rate reduction bonds for such
774 disbursements from the [Energy] Conservation and Load Management
775 [Fund] Plan established by section 16-245m, as amended by this act,
776 and from the Clean Energy Fund established by section 16-245n, as
777 amended by this act, and may submit to the authority an application

778 for a financing order with respect to the following stranded costs: (1)
779 The cost of mitigation efforts, as calculated pursuant to subsection (c)
780 of section 16-245e; (2) generation-related regulatory assets, as
781 calculated pursuant to subsection (e) of section 16-245e; and (3) those
782 long-term contract costs that have been reduced to a fixed present
783 value through the buyout, buydown, or renegotiation of such
784 contracts, as calculated pursuant to subsection (f) of section 16-245e.
785 No stranded costs shall be funded with the proceeds of rate reduction
786 bonds unless (A) the electric distribution company proves to the
787 satisfaction of the authority that the savings attributable to such
788 funding will be directly passed on to customers through lower rates,
789 and (B) the authority determines such funding will not result in giving
790 the electric distribution company or any generation entities or affiliates
791 an unfair competitive advantage. The authority shall hold a hearing for
792 each such electric distribution company to determine the amount of
793 disbursements to the General Fund from proceeds of rate reduction
794 bonds that may be substituted for such disbursements from the
795 [Energy] Conservation and Load Management [Fund] Plan established
796 by section 16-245m, as amended by this act, and from the Clean Energy
797 Fund established by section 16-245n, as amended by this act, and
798 thereby constitute transition property and the portion of stranded costs
799 that may be included in such funding and thereby constitute transition
800 property. Any hearing shall be conducted as a contested case in
801 accordance with chapter 54, except that any hearing with respect to a
802 financing order or other order to sustain funding for conservation and
803 load management and renewable energy investment programs by
804 substituting the disbursement to the General Fund from the [Energy]
805 Conservation and Load Management [Fund] Plan established by
806 section 16-245m, as amended by this act, and from the Clean Energy
807 Investment Fund established by section 16-245n, as amended by this
808 act, shall not be a contested case, as defined in section 4-166. The
809 authority shall not include any rate reduction bonds as debt of an
810 electric distribution company in determining the capital structure of
811 the company in a rate-making proceeding, for calculating the
812 company's return on equity or in any manner that would impact the

813 electric distribution company for rate-making purposes, and shall not
814 approve such rate reduction bonds that include covenants that have
815 provisions prohibiting any change to their appointment of an
816 administrator of the [Energy] Conservation and Load Management
817 [Fund. Nothing in this subsection shall be deemed to affect the terms
818 of subsection (b) of section 16-245m] Plan.

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

822 (a) The authority may issue financing orders in accordance with
823 sections 16-245e to 16-245k, inclusive, as amended by this act, to fund
824 the economic recovery transfer, to sustain funding of conservation and
825 load management and renewable energy investment programs by
826 substituting disbursements to the General Fund from proceeds of rate
827 reduction bonds for such disbursements [from the Energy] in
828 furtherance of the Conservation and Load Management [Fund] Plan
829 established by section 16-245m, as amended by this act, and from the
830 Clean Energy Fund established by section 16-245n, as amended by this
831 act, and to facilitate the provision, recovery, financing, or refinancing
832 of stranded costs. Except for a financing order in respect to the
833 economic recovery revenue bonds, a financing order may be adopted
834 only upon the application of an electric distribution company,
835 pursuant to section 16-245f, as amended by this act, and shall become
836 effective in accordance with its terms only after the electric distribution
837 company files with the authority the electric distribution company's
838 written consent to all terms and conditions of the financing order. Any
839 financing order in respect to the economic recovery revenue bonds
840 shall be effective on issuance.

841 (b) (1) Notwithstanding any general or special law, rule, or
842 regulation to the contrary, except as otherwise provided in this
843 subsection with respect to transition property that has been made the
844 basis for the issuance of rate reduction bonds, the financing orders and
845 the competitive transition assessment shall be irrevocable and the

846 authority shall not have authority either by rescinding, altering, or
847 amending the financing order or otherwise, to revalue or revise for
848 rate-making purposes the stranded costs, or the costs of providing,
849 recovering, financing, or refinancing the stranded costs, the amount of
850 the economic recovery transfer or the amount of disbursements to the
851 General Fund from proceeds of rate reduction bonds substituted for
852 such disbursements [from the Energy] in furtherance of the
853 Conservation and Load Management [Fund] Plan established by
854 section 16-245m, as amended by this act, and from the Clean Energy
855 Fund established by section 16-245n, as amended by this act,
856 determine that the competitive transition assessment is unjust or
857 unreasonable, or in any way reduce or impair the value of transition
858 property either directly or indirectly by taking the competitive
859 transition assessment into account when setting other rates for the
860 electric distribution company; nor shall the amount of revenues arising
861 with respect thereto be subject to reduction, impairment,
862 postponement, or termination.

863 (2) Notwithstanding any other provision of this section, the
864 authority shall approve the adjustments to the competitive transition
865 assessment as may be necessary to ensure timely recovery of all
866 stranded costs that are the subject of the pertinent financing order, and
867 the costs of capital associated with the provision, recovery, financing,
868 or refinancing thereof, including the costs of issuing, servicing, and
869 retiring the rate reduction bonds issued to recover stranded costs
870 contemplated by the financing order and to ensure timely recovery of
871 the costs of issuing, servicing, and retiring the rate reduction bonds
872 issued to sustain funding of conservation and load management and
873 renewable energy investment programs contemplated by the financing
874 order, and to ensure timely recovery of the costs of issuing, servicing
875 and retiring the economic recovery revenue bonds issued to fund the
876 economic recovery transfer contemplated by the financing order.

877 (3) Notwithstanding any general or special law, rule, or regulation
878 to the contrary, any requirement under sections 16-245e to 16-245k,
879 inclusive, as amended by this act, or a financing order that the

880 authority take action with respect to the subject matter of a financing
881 order shall be binding upon the authority, as it may be constituted
882 from time to time, and any successor agency exercising functions
883 similar to the authority and the authority shall have no authority to
884 rescind, alter, or amend that requirement in a financing order. Section
885 16-43 shall not apply to any sale, assignment, or other transfer of or
886 grant of a security interest in any transition property or the issuance of
887 rate reduction bonds under sections 16-245e to 16-245k, inclusive, as
888 amended by this act.

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

892 (4) (A) The proceeds of any rate reduction bonds, other than
893 economic recovery revenue bonds, shall be used for the purposes
894 approved by the authority in the financing order, including, but not
895 limited to, disbursements to the General Fund in substitution for such
896 disbursements [from the Energy] in furtherance of the Conservation
897 and Load Management [Fund] Plan established by section 16-245m, as
898 amended by this act, and from the Clean Energy Fund established by
899 section 16-245n, as amended by this act, the costs of refinancing or
900 retiring of debt of the electric distribution company, and associated
901 federal and state tax liabilities; provided such proceeds shall not be
902 applied to purchase generation assets or to purchase or redeem stock
903 or to pay dividends to shareholders or operating expenses other than
904 taxes resulting from the receipt of such proceeds.

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

908 (3) Programs included in the plan developed under subdivision (1)
909 of this subsection shall be screened through cost-effectiveness testing
910 that compares the value and payback period of program benefits for all
911 energy savings to program costs to ensure that programs are designed

912 to obtain energy savings and system benefits, including mitigation of
913 federally mandated congestion charges, whose value is greater than
914 the costs of the programs. Program cost-effectiveness shall be reviewed
915 by the Commissioner of Energy and Environmental Protection
916 annually, or otherwise as is practicable, and shall incorporate the
917 results of the evaluation process set forth in subdivision (4) of this
918 subsection. If a program is determined to fail the cost-effectiveness test
919 as part of the review process, it shall either be modified to meet the test
920 or shall be terminated, unless it is integral to other programs that in
921 combination are cost-effective. On or before March 1, 2005, and on or
922 before March first annually thereafter, the board shall provide a report,
923 in accordance with the provisions of section 11-4a, to the joint standing
924 committees of the General Assembly having cognizance of matters
925 relating to energy and the environment that documents (A)
926 expenditures and fund balances and evaluates the cost-effectiveness of
927 such programs conducted in the preceding year, and (B) the extent to
928 and manner in which the programs of such board collaborated and
929 cooperated with programs, established under section 7-233y, of
930 municipal electric energy cooperatives. To maximize the reduction of
931 federally mandated congestion charges, programs in the plan may
932 allow for disproportionate allocations between the amount of
933 contributions [to the Energy Conservation and Load Management
934 Funds] pursuant to this section by a certain rate class and the
935 programs that benefit such a rate class. Before conducting such
936 evaluation, the board shall consult with the board of directors of the
937 Connecticut Green Bank. The report shall include a description of the
938 activities undertaken during the reporting period.

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

942 (f) (1) The board shall issue annually a report to the Department of
943 Energy and Environmental Protection reviewing the activities of the
944 Connecticut Green Bank in detail and shall provide a copy of such
945 report, in accordance with the provisions of section 11-4a, to the joint

946 standing committees of the General Assembly having cognizance of
947 matters relating to energy and commerce. The report shall include a
948 description of the programs and activities undertaken during the
949 reporting period jointly or in collaboration with the [Energy]
950 Conservation and Load Management [Funds] Plan established
951 pursuant to section 16-245m, as amended by this act.

952 Sec. 20. Subsection (b) of section 16-245w of the general statutes is
953 repealed and the following is substituted in lieu thereof (*Effective July*
954 *1, 2020*):

955 (b) The Public Utilities Regulatory Authority shall design a process
956 for determining a fee to be paid by customers who have installed self-
957 generation facilities in order to offset any loss or potential loss in
958 revenue from such facilities toward the competitive transition
959 assessment, the systems benefits charge, [the conservation and load
960 management assessment] the conservation adjustment mechanisms
961 collected under section 16-245m, as amended by this act, and the Clean
962 Energy Fund assessment collected under section 16-245n, as amended
963 by this act. Except as provided in subsection (c) of this section, such fee
964 shall apply to customers who have installed self-generation facilities
965 that begin operation on or after July 1, 1998.

966 Sec. 21. Subsection (d) of section 16-258d of the general statutes is
967 repealed and the following is substituted in lieu thereof (*Effective July*
968 *1, 2020*):

969 (d) The Public Utilities Regulatory Authority shall ensure that the
970 revenues required to fund such incentive payments made pursuant to
971 this section are provided through a fully reconciling conservation
972 adjustment mechanism, which shall not exceed more than nine million
973 dollars in total for the program established under this section,
974 provided (1) such revenues shall be in addition to the revenues
975 authorized to fund the [conservation and load management fund]
976 Conservation and Load Management Plan pursuant to section 16-
977 245m, as amended by this act, and (2) such revenues exceeding two

978 million dollars required to fund such incentive payments shall be paid
 979 over a period of not less than two years. Such revenues shall only be
 980 collected from the gas customers of the company in whose service area
 981 such district heating system is located.

982 Sec. 22. Subdivision (1) of subsection (a) and subsection (b) of
 983 section 16-245m of the general statutes are repealed. (*Effective July 1,*
 984 *2020*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-245a(a)
Sec. 2	<i>from passage</i>	16-244c(h)(1)
Sec. 3	<i>from passage</i>	16-245(k)
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	16-245m(d)(1)
Sec. 6	<i>from passage</i>	16-245n(b)
Sec. 7	<i>from passage</i>	16a-3j
Sec. 8	<i>July 1, 2020</i>	12-264(c)(2)
Sec. 9	<i>July 1, 2020</i>	16-243q(b) to (d)
Sec. 10	<i>July 1, 2020</i>	16-243t
Sec. 11	<i>July 1, 2020</i>	16-243v(d) and (e)
Sec. 12	<i>July 1, 2020</i>	16-245c(e)
Sec. 13	<i>July 1, 2020</i>	16-245e(a)(1) and (2)
Sec. 14	<i>July 1, 2020</i>	16-245e(a)(13)
Sec. 15	<i>July 1, 2020</i>	16-245f(a)
Sec. 16	<i>July 1, 2020</i>	16-245i(a) and (b)
Sec. 17	<i>July 1, 2020</i>	16-245j(c)(4)(A)
Sec. 18	<i>July 1, 2020</i>	16-245m(d)(3)
Sec. 19	<i>July 1, 2020</i>	16-245n(f)(1)
Sec. 20	<i>July 1, 2020</i>	16-245w(b)
Sec. 21	<i>July 1, 2020</i>	16-258d(d)
Sec. 22	<i>July 1, 2020</i>	Repealer section