
OLR Bill Analysis

HB 7114

AN ACT CONCERNING MUNICIPAL COMPETITIVE PROCUREMENT OF ELECTRICITY, NATURAL GAS, RENEWABLE ENERGY AND OTHER ENERGY-RELATED PRODUCTS BY NONPROFIT ENERGY BUYING CONSORTIA.

SUMMARY

This bill generally allows municipalities and their divisions to participate in a competitively procured program to purchase energy-related products (e.g., electricity, natural gas, solar, storage, renewable energy, demand response, and energy efficiency) through a nonprofit energy buying consortium, or its subsidiaries.

Under the bill, a consortium is a tax exempt nonprofit organization that aggregates participating buyers and procures energy-related products on their behalf. Participating buyers may include a municipal agency, executive office, department, board, commission, bureau, division, or authority. But the bill prohibits participating buyers located in communities served by a municipal electric utility from purchasing electricity, electricity-related products, or renewable energy (presumably, through the program).

Additionally, the bill:

1. establishes requirements for competitively procured programs,
2. exempts procurements made through these programs from municipal competitive bidding requirements, and
3. specifies that its provisions supersede any municipal ordinance or general or special law that would otherwise preclude a participating buyer from participating in or becoming a member of such a program.

EFFECTIVE DATE: October 1, 2019

COMPETITIVELY PROCURED PROGRAMS

Notification Requirements

Under the bill, a nonprofit energy buying consortium must publish notice of any procurement that is part of a competitively procured program at least 15 days before the procurement occurs. It may do so in a newspaper with general circulation in Connecticut, but must publish the notice on its website. The notice must be in a display form that notifies the public of the procurement in at least 10 point type size.

Evaluation Criteria and Best Value Standards

The bill requires competitively procured programs to have clear evaluation criteria and meet a best value standard. Meeting the best value standard may include considering factors other than price that significantly impacting cost, including:

1. provisions on change in use or change in law,
2. the supplier's financial strength,
3. customer service availability, and
4. the supplier's ability to serve the customer base.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 24 Nay 0 (03/14/2019)