

OFFICE OF FISCAL ANALYSIS

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sHB-7251

AN ACT CONCERNING NET METERING, LONG-TERM CONTRACTS FOR CERTAIN CLASS I GENERATION PROJECTS, RENEWABLE ENERGY TARIFFS AND THE RESIDENTIAL SOLAR INVESTMENT PROGRAM AND REQUIRING A STUDY OF THE VALUE OF DISTRIBUTED GENERATION.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The bill delays requirements that electric distribution companies (EDC's) enter into certain long-term renewable energy contracts from suppliers and delays a sunset provision related to the state's existing net metering program under PA 18-50, An Act Concerning Connecticut's Energy Future.

The bill results in short-term potential costs on the state and municipalities as ratepayers by delaying the provisions of PA 18-50 and therefore requiring EDC's to continue to purchase \$8 million in renewable energy credits for two additional years. Depending on the effect on the electric market due to extending this requirement, short term electric rates may increase, resulting in a cost to the state and municipalities. These potential costs are expected to occur in FY 22 and FY 23 and are expected to be minimal.

The Out Years

It is unknown how a new tariff-based net metering program, created in PA 18-50 and delayed in the bill, may affect ratepayers in the

out years compared to the existing program.