



General Assembly

**Substitute Bill No. 7156**

January Session, 2019



**AN ACT CONCERNING THE PROCUREMENT OF ENERGY DERIVED FROM OFFSHORE WIND.**

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

1 Section 1. (NEW) (*Effective July 1, 2019*) (a) The Commissioner of  
2 Energy and Environmental Protection, in consultation with the  
3 procurement manager identified in subsection (l) of section 16-2 of the  
4 general statutes and the Office of Consumer Counsel, may, in  
5 coordination with other states in the control area of the regional  
6 independent system operator, as defined in section 16-1 of the general  
7 statutes, or on behalf of Connecticut alone, solicit proposals, in one  
8 solicitation or multiple solicitations, from providers of energy derived  
9 from offshore wind facilities that are Class I renewable energy sources,  
10 as defined in section 16-1 of the general statutes. Any such solicitation  
11 or solicitations shall be for quantities of energy and within the timing  
12 and schedule determined by the commissioner, and shall be informed  
13 by the Integrated Resources Plan pursuant to subsection (j) of section  
14 16a-3a of the general statutes, as amended by this act. In developing  
15 any solicitations pursuant to this section, the commissioner shall:

16 (1) Include requirements for contract commitments in selected bids  
17 that (A) require payment of not less than the prevailing wage, as  
18 described in section 31-53 of the general statutes, for laborers,  
19 workmen and mechanics performing construction activities within the

20 United States with respect to the project, and (B) require selected  
21 bidders to engage in a good faith negotiation of a project labor  
22 agreement. Any solicitation issued pursuant to this section shall  
23 specify the minimum terms that such project labor agreements shall  
24 address.

25 (2) Include requirements in selected bids that require the inclusion  
26 of an explicit description of the best management practices that will be  
27 employed by the bidder and that are informed by the latest science at  
28 the time the proposal is made that will avoid, minimize and mitigate  
29 any impacts to wildlife, natural resources, ecosystems and traditional  
30 or existing water-dependent uses.

31 (3) Include requirements in selected bids that (A) require that wind  
32 turbines are installed in an east-west orientation and spaced at least  
33 two nautical miles apart to lessen any impacts to current fishing vessel  
34 operators, (B) identify necessary transit routes to accommodate fishing  
35 vessels so that such vessels may safely and efficiently traverse lease  
36 areas, (C) require an evaluation of the impacts of the proposal on ocean  
37 circulation patterns and water flow, (D) require the study of cable  
38 exposure to ensure the best location and depth of cables that will be  
39 installed to limit exposure risk, (E) require an analysis of impacts from  
40 underwater noise, (F) require protections for fisheries that are at a  
41 minimum equivalent to any protections adopted by the state of New  
42 York, (G) require selected bidders to make contributions to regional  
43 science and monitoring activities, provided any studies conducted  
44 pursuant to such activities shall be approved or conducted by the  
45 National Marine Fisheries Service, (H) require the submission of a  
46 fisheries mitigation plan that selected bidders will adhere to for  
47 Connecticut fishermen that focuses on the avoidance and minimization  
48 of impacts to fisheries and fishermen, and (I) require the development  
49 of a compensation fund that will be funded at a level that is  
50 determined to be sufficient by economic studies to compensate  
51 fishermen and fishing communities affected by the project.

52 (b) In making any selection of such proposals, the commissioner

53 shall consider factors, including, but not limited to, (1) whether the  
54 proposal is in the best interest of ratepayers, including, but not limited  
55 to, the delivered price of such sources, (2) whether the proposal  
56 promotes electric distribution system reliability, including during  
57 winter peak demand, (3) any positive impacts on the state's economic  
58 development, (4) whether the proposal is consistent with the  
59 requirements to reduce greenhouse gas emissions in accordance with  
60 section 22a-200a of the general statutes, (5) whether the proposal is  
61 consistent with the policy goals outlined in the Comprehensive Energy  
62 Strategy adopted pursuant to section 16a-3d of the general statutes and  
63 the Integrated Resources Plan adopted pursuant to section 16a-3a of  
64 the general statutes, as amended by this act, (6) whether the proposal is  
65 consistent with the goals and policies set forth in sections 22a-92 and  
66 25-157t of the general statutes, and (7) whether the proposal uses  
67 practices to avoid, minimize and mitigate impacts to wildlife, natural  
68 resources, ecosystems and traditional or existing water-dependent  
69 uses. In considering whether a proposal has any positive impacts on  
70 the state's economic development, the commissioner shall consult with  
71 the Commissioner of Economic and Community Development. The  
72 commissioner may select proposals from such resources that have a  
73 total nameplate capacity rating of not more than two thousand  
74 megawatts in the aggregate.

75 (c) The commissioner may direct the electric distribution companies  
76 to enter into power purchase agreements for energy, capacity and  
77 environmental attributes, or any combination thereof, for periods of  
78 not more than twenty years on behalf of all customers of the state's  
79 electric distribution companies. Certificates issued by the New  
80 England Power Pool Generation Information System for any Class I  
81 renewable energy sources procured by an electric distribution  
82 company pursuant to this section may be: (1) Sold into the New  
83 England Power Pool Generation Information System renewable energy  
84 credit market to be used by any electric supplier or electric distribution  
85 company to meet the requirements of section 16-245a of the general  
86 statutes, as amended by this act, provided the revenues from such sale

87 are credited to electric distribution company customers as described in  
88 this section; or (2) retained by the electric distribution company to  
89 meet the requirements of section 16-245a of the general statutes, as  
90 amended by this act. In considering whether to sell or retain such  
91 certificates, the company shall select the option that is in the best  
92 interest of such company's ratepayers.

93 (d) Any agreement entered into pursuant to this section shall be  
94 subject to review and approval by the Public Utilities Regulatory  
95 Authority, which review shall be completed not later than one  
96 hundred twenty days after the date on which such agreement is filed  
97 with the authority. The authority shall approve agreements that it  
98 determines (1) provide for the delivery of adequate and reliable  
99 products and services, for which there is a clear public need, at a just  
100 and reasonable price, (2) are prudent and cost effective, and (3) are  
101 between an electric distribution company and a respondent to the  
102 solicitation that has the technical, financial and managerial capabilities  
103 to perform pursuant to such agreement. The net costs of any such  
104 agreement, including costs incurred by the electric distribution  
105 companies under the agreement and reasonable costs incurred by the  
106 electric distribution companies in connection with the agreement, shall  
107 be recovered through a fully reconciling component of electric rates for  
108 all customers of electric distribution companies. Any net revenues  
109 from the sale of products purchased in accordance with long-term  
110 contracts entered into pursuant to this section shall be credited to  
111 customers through the same fully reconciling rate component for all  
112 customers of the contracting electric distribution company.

113 Sec. 2. Section 16a-3a of the general statutes is amended by adding  
114 subsection (j) as follows (*Effective from passage*):

115 (NEW) (j) For the Integrated Resources Plan next approved after  
116 January 1, 2019, the department shall determine (1) the quantity of  
117 energy the Commissioner of Energy and Environmental Protection  
118 may seek in any solicitation or solicitations of proposals made  
119 pursuant to section 1 of this act, provided the quantity of energy

120 sought in any such solicitations in the aggregate shall be from  
121 resources that have a total nameplate capacity rating of not more than  
122 two thousand megawatts in the aggregate; and (2) the timing and  
123 schedule of any solicitation or solicitations of proposals made pursuant  
124 to section 1 of this act. Such determinations shall be based on factors  
125 including, but not limited to, electricity system needs identified by the  
126 Integrated Resources Plan, including, but not limited to, capacity,  
127 winter reliability, progress in meeting the goals in the Global Warming  
128 Solutions Act pursuant to section 22a-200a, the priorities of the  
129 Comprehensive Energy Strategy adopted pursuant to section 16a-3d,  
130 positive impacts on the state's economic development, opportunities to  
131 coordinate procurement with other states, forecasted trends in  
132 technology costs and impacts on the state's ratepayers.

133 Sec. 3. Subsection (a) of section 16-245a of the general statutes is  
134 repealed and the following is substituted in lieu thereof (*Effective July*  
135 *1, 2019*):

136 (a) Subject to any modifications required by the Public Utilities  
137 Regulatory Authority for retiring renewable energy certificates on  
138 behalf of all electric ratepayers pursuant to subsection (h) of this  
139 section and sections 16a-3f, 16a-3g, 16a-3h, 16a-3i, 16a-3j, [and] 16a-3m  
140 and section 1 of this act, an electric supplier and an electric distribution  
141 company providing standard service or supplier of last resort service,  
142 pursuant to section 16-244c, shall demonstrate:

143 (1) On and after January 1, 2006, that not less than two per cent of  
144 the total output or services of any such supplier or distribution  
145 company shall be generated from Class I renewable energy sources  
146 and an additional three per cent of the total output or services shall be  
147 from Class I or Class II renewable energy sources;

148 (2) On and after January 1, 2007, not less than three and one-half per  
149 cent of the total output or services of any such supplier or distribution  
150 company shall be generated from Class I renewable energy sources  
151 and an additional three per cent of the total output or services shall be

152 from Class I or Class II renewable energy sources;

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

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

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

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

173 (7) On and after January 1, 2012, not less than nine per cent of the  
174 total output or services of any such supplier or distribution company  
175 shall be generated from Class I renewable energy sources and an  
176 additional three per cent of the total output or services shall be from  
177 Class I or Class II renewable energy sources;

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

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

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

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

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

203 (13) On and after January 1, 2018, not less than seventeen per cent of  
204 the total output or services of any such supplier or distribution  
205 company shall be generated from Class I renewable energy sources  
206 and an additional four per cent of the total output or services shall be  
207 from Class I or Class II renewable energy sources;

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

213 (15) On and after January 1, 2020, not less than twenty-one per cent

214 of the total output or services of any such supplier or distribution  
215 company shall be generated from Class I renewable energy sources  
216 and an additional four per cent of the total output or services shall be  
217 from Class I or Class II renewable energy sources, except that for any  
218 electric supplier that has entered into or renewed a retail electric  
219 supply contract on or before May 24, 2018, on and after January 1,  
220 2020, not less than twenty per cent of the total output or services of any  
221 such electric supplier shall be generated from Class I renewable energy  
222 sources;

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

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

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

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

243 (20) On and after January 1, 2025, not less than thirty per cent of the  
244 total output or services of any such supplier or distribution company



245 shall be generated from Class I renewable energy sources and an  
246 additional four per cent of the total output or services shall be from  
247 Class I or Class II renewable energy sources;

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

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

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

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

268 (25) On and after January 1, 2030, not less than forty per cent of the  
269 total output or services of any such supplier or distribution company  
270 shall be generated from Class I renewable energy sources and an  
271 additional four per cent of the total output or services shall be from  
272 Class I or Class II renewable energy sources.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2019</i>	New section
Sec. 2	<i>from passage</i>	16a-3a
Sec. 3	<i>July 1, 2019</i>	16-245a(a)

**ET**      *Joint Favorable Subst.*