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:

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

(1) Include requirements for contract commitments in selected bids that (A) require payment of not less than the prevailing wage, as described in section 31-53 of the general statutes, for laborers, workmen and mechanics performing construction activities within the
United States with respect to the project, and (B) require selected bidders to engage in a good faith negotiation of a project labor agreement. Any solicitation issued pursuant to this section shall specify the minimum terms that such project labor agreements shall address.

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

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

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

(c) The commissioner may direct the electric distribution companies
to enter into power purchase agreements for energy, capacity and
environmental attributes, or any combination thereof, for periods of
not more than twenty years on behalf of all customers of the state's
electric distribution companies. Certificates issued by the New
England Power Pool Generation Information System for any Class I
renewable energy sources procured by an electric distribution
company pursuant to this section may be: (1) Sold into the New
England Power Pool Generation Information System renewable energy
credit market to be used by any electric supplier or electric distribution
company to meet the requirements of section 16-245a of the general
statutes, as amended by this act, provided the revenues from such sale
are credited to electric distribution company customers as described in this section; or (2) retained by the electric distribution company to meet the requirements of section 16-245a of the general statutes, as amended by this act. In considering whether to sell or retain such certificates, the company shall select the option that is in the best interest of such company’s ratepayers.

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

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

(NEW) (j) For the Integrated Resources Plan next approved after January 1, 2019, the department shall determine (1) the quantity of energy the Commissioner of Energy and Environmental Protection may seek in any solicitation or solicitations of proposals made pursuant to section 1 of this act, provided the quantity of energy
sought in any such solicitations in the aggregate shall be from resources that have a total nameplate capacity rating of not more than two thousand megawatts in the aggregate; and (2) the timing and schedule of any solicitation or solicitations of proposals made pursuant to section 1 of this act. Such determinations shall be based on factors including, but not limited to, electricity system needs identified by the Integrated Resources Plan, including, but not limited to, capacity, winter reliability, progress in meeting the goals in the Global Warming Solutions Act pursuant to section 22a-200a, the priorities of the Comprehensive Energy Strategy adopted pursuant to section 16a-3d, positive impacts on the state's economic development, opportunities to coordinate procurement with other states, forecasted trends in technology costs and impacts on the state's ratepayers.

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

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

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

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

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

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

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

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

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

(8) On and after January 1, 2013, not less than ten per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;
(9) On and after January 1, 2014, not less than eleven per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

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

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

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

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

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

(15) On and after January 1, 2020, not less than twenty-one per cent
of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources, except that for any electric supplier that has entered into or renewed a retail electric supply contract on or before May 24, 2018, on and after January 1, 2020, not less than twenty per cent of the total output or services of any such electric supplier shall be generated from Class I renewable energy sources;

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

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

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

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

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

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

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

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

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

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

This act shall take effect as follows and shall amend the following sections:
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**ET** Joint Favorable Subst.