AN ACT CONCERNING LONG-TERM CONTRACTS FOR CERTAIN CLASS I GENERATION PROJECTS AND THE RESIDENTIAL SOLAR INVESTMENT PROGRAM AND REQUIRING A STUDY OF THE VALUE OF SOLAR.

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

Section 1. Subsection (c) of section 16-244r of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(c) (1) The aggregate procurement of renewable energy credits by electric distribution companies pursuant to this section shall (A) be eight million dollars in the first year, and (B) increase by an additional eight million dollars per year in years two to four, inclusive.

(2) After year four, the authority shall review contracts entered into pursuant to this section and if the cost of the technologies included in such contracts have been reduced, the authority shall seek to enter new contracts for the total of six years.

(3) After year six, the authority shall seek to enter new contracts for
the total of [eight] nine years.

(A) The aggregate procurement of renewable energy credits by electric distribution companies pursuant to this subdivision shall (i) increase by an additional eight million dollars per year in years five to [eight] nine, inclusive, (ii) be [sixty-four] seventy-two million dollars in years [nine] ten to fifteen, inclusive, and (iii) decline by eight million dollars per year in years sixteen to [twenty-three] twenty-four, inclusive, provided any money not allocated in any given year may roll into the next year's available funds. On the date of approval of the procurement plan by the authority pursuant to subsection (a) of section 16-244z, any money not yet allocated pursuant to this section shall expire.

(B) For the sixth, seventh, [and] eighth and ninth year solicitations, each electric distribution company shall solicit and file with the Public Utilities Regulatory Authority for its approval one or more long-term contracts with owners or developers of Class I generation projects that: (i) Emit no pollutants and that are less than one thousand kilowatts in size, located on the customer side of the revenue meter and serve the distribution system of the electric distribution company, provided such contracts do not exceed fifty per cent of the dollar amount established for years six, seven, [and] eight and nine under subparagraph (A) of this subdivision; and (ii) are less than two megawatts in size, located on the customer side of the revenue meter, serve the distribution system of the electric distribution company, and use Class I technologies that have no emissions of no more than 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-hour of volatile organic compounds, and one grain per one hundred standard cubic feet, provided such contracts do not exceed fifty per cent of the dollar amount established for years six, seven, [and] eight and nine under subparagraph (A) of this subdivision. The authority may give a preference to contracts for technologies manufactured, researched or developed in the state.
(4) The production of a megawatt hour of electricity from a Class I renewable energy source first placed in service on or after July 1, 2011, shall create one renewable energy credit. A renewable energy credit shall have an effective life covering the year in which the credit was created and the following calendar year. The obligation to purchase renewable energy credits shall be apportioned to electric distribution companies based on their respective distribution system loads at the commencement of the procurement period, as determined by the authority. For contracts entered into in calendar year 2012, an electric distribution company shall not be required to enter into a contract that provides a payment of more than three hundred fifty dollars, per renewable energy credit in any year over the term of the contract. For contracts entered into in calendar years 2013 to 2017, inclusive, at least ninety days before each annual electric distribution company solicitation, the Public Utilities Regulatory Authority may lower the renewable energy credit price cap specified in this subsection by three to seven per cent annually, during each of the six years of the program over the term of the contract. For contracts entered into in calendar year 2018, at least ninety days before the electric distribution company solicitation, the Public Utilities Regulatory Authority may lower the renewable energy credit price cap specified in this subsection by sixty-four per cent, during year seven of the program over the term of the contract. For contracts entered into in calendar year 2019, at least ninety days before the electric distribution company solicitation, the Public Utilities Regulatory Authority may lower the renewable energy credit price cap specified in this subsection by sixty-four per cent, during year eight of the program over the term of the contract. For contracts entered into in calendar year 2020, at least ninety days before the electric distribution company solicitation, the Public Utilities Regulatory Authority may lower the renewable energy credit price cap specified in this subsection by sixty-four per cent, during year nine of the program over the term of the contract. In the course of lowering such price cap applicable to each annual solicitation, the authority shall, after notice and opportunity for public comment, consider such factors as the actual bid results from the most recent electric
distribution company solicitation and reasonably foreseeable reductions in the cost of eligible technologies.

Sec. 2. Subsection (b) of section 16-245ff of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(b) The Connecticut Green Bank, established pursuant to section 16-245n, shall structure and implement a residential solar investment program established pursuant to this section that shall support the deployment of not more than [three] four hundred megawatts of new residential solar photovoltaic installations located in this state on or before (1) December 31, 2022, or (2) the deployment of [three] four hundred megawatts of residential solar photovoltaic installation, in the aggregate, whichever occurs sooner, provided the bank shall not approve direct financial incentives under this section for more than one hundred megawatts of new qualifying residential solar photovoltaic systems, in the aggregate, between July 2, 2015, and April 1, 2016. The procurement and cost of such program shall be determined by the bank in accordance with this section.

Sec. 3. (NEW) (Effective from passage) The Department of Energy and Environmental Protection shall contract with the Connecticut Academy of Science and Engineering to study the value of solar and, on or before January 1, 2020, report the findings of such study, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

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

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Statement of Purpose:
To (1) require electric distribution companies to solicit and file with the Public Utilities Regulatory Authority long-term contracts with owners or developers of certain Class I generation projects for an additional year, (2) increase the total potential deployment pursuant to the residential solar investment program to four hundred megawatts, and (3) require a study of the value of solar.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]