



General Assembly

January Session, 2019

**Governor's Bill No. 875**

LCO No. 4513



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. DUFF, 25<sup>th</sup> Dist.

REP. ARESIMOWICZ, 30<sup>th</sup> Dist.

REP. RITTER M., 1<sup>st</sup> Dist.

***AN ACT EXPANDING CONNECTICUT'S OFFSHORE WIND ENERGY PORTFOLIO.***

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 include requirements for contract commitments in selected bids that  
17 (1) require payment of not less than the prevailing wage, as described  
18 in section 31-53 of the general statutes, for laborers, workmen and  
19 mechanics performing construction activities within the United States  
20 with respect to the project, and (2) require selected bidders to engage  
21 in a good faith negotiation of a project labor agreement. Any  
22 solicitation issued pursuant to this section shall specify the minimum  
23 terms that such project labor agreements shall address.

24 (b) In making any selection of such proposals, the commissioner  
25 shall consider factors, including, but not limited to, (1) whether the  
26 proposal is in the best interest of ratepayers, including, but not limited  
27 to, the delivered price of such sources, (2) whether the proposal  
28 promotes electric distribution system reliability, including during  
29 winter peak demand, (3) any positive impacts on the state's economic  
30 development, (4) whether the proposal is consistent with the  
31 requirements to reduce greenhouse gas emissions in accordance with  
32 section 22a-200a of the general statutes, and (5) whether the proposal is  
33 consistent with the policy goals outlined in the Comprehensive Energy  
34 Strategy adopted pursuant to section 16a-3d of the general statutes and  
35 the Integrated Resources Plan adopted pursuant to section 16a-3a of  
36 the general statutes, as amended by this act. In considering whether a  
37 proposal has any positive impacts on the state's economic  
38 development, the commissioner shall consult with the Commissioner  
39 of Economic and Community Development. The commissioner may  
40 select proposals from such resources to meet up to fifteen per cent of  
41 the load distributed by the state's electric distribution companies.

42 (c) The commissioner may direct the electric distribution companies  
43 to enter into power purchase agreements for energy, capacity and  
44 environmental attributes, or any combination thereof, for periods of  
45 not more than twenty years on behalf of all customers of the state's  
46 electric distribution companies. Certificates issued by the New

47 England Power Pool Generation Information System for any Class I  
48 renewable energy sources procured by an electric distribution  
49 company pursuant to this section may be: (1) Sold into the New  
50 England Power Pool Generation Information System renewable energy  
51 credit market to be used by any electric supplier or electric distribution  
52 company to meet the requirements of section 16-245a of the general  
53 statutes, as amended by this act, provided the revenues from such sale  
54 are credited to electric distribution company customers as described in  
55 this section; or (2) retained by the electric distribution company to  
56 meet the requirements of section 16-245a of the general statutes, as  
57 amended by this act. In considering whether to sell or retain such  
58 certificates, the company shall select the option that is in the best  
59 interest of such company's ratepayers.

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

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

82 (NEW) (j) For the Integrated Resources Plan next approved after  
83 January 1, 2019, the department shall determine (1) the quantity of  
84 energy the Commissioner of Energy and Environmental Protection  
85 may seek in any solicitation or solicitations of proposals made  
86 pursuant to section 1 of this act, provided the quantity of energy  
87 sought in any such solicitations in the aggregate shall not exceed  
88 fifteen per cent of the load distributed by the state's electric  
89 distribution companies; and (2) the timing and schedule of any  
90 solicitation or solicitations of proposals made pursuant to section 1 of  
91 this act. Such determinations shall be based on factors including, but  
92 not limited to, electricity system needs identified by the Integrated  
93 Resources Plan, including, but not limited to, capacity, winter  
94 reliability, progress in meeting the goals in the Global Warming  
95 Solutions Act pursuant to section 22a-200a, the priorities of the  
96 Comprehensive Energy Strategy adopted pursuant to section 16a-3d,  
97 positive impacts on the state's economic development, opportunities to  
98 coordinate procurement with other states, forecasted trends in  
99 technology costs and impacts on the state's ratepayers.

100 Sec. 3. Subsection (a) of section 16-245a of the general statutes is  
101 repealed and the following is substituted in lieu thereof (*Effective July*  
102 *1, 2019*):

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

110 (1) On and after January 1, 2006, that not less than two per cent of  
111 the total output or services of any such supplier or distribution

112 company shall be generated from Class I renewable energy sources  
113 and an additional three per cent of the total output or services shall be  
114 from Class I or Class II renewable energy sources;

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

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

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

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

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

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

143 additional three per cent of the total output or services shall be from  
144 Class I or Class II renewable energy sources;

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

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

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

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

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

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

174 from Class I or Class II renewable energy sources;

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

180 (15) On and after January 1, 2020, not less than twenty-one per cent  
181 of the total output or services of any such supplier or distribution  
182 company shall be generated from Class I renewable energy sources  
183 and an additional four per cent of the total output or services shall be  
184 from Class I or Class II renewable energy sources, except that for any  
185 electric supplier that has entered into or renewed a retail electric  
186 supply contract on or before May 24, 2018, on and after January 1,  
187 2020, not less than twenty per cent of the total output or services of any  
188 such electric supplier shall be generated from Class I renewable energy  
189 sources;

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

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

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

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

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

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

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

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

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

235 (25) On and after January 1, 2030, not less than forty per cent of the



236 total output or services of any such supplier or distribution company  
237 shall be generated from Class I renewable energy sources and an  
238 additional four per cent of the total output or services shall be from  
239 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*