



Substitute House Bill No. 7156

Public Act No. 19-71

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 from passage*) (a) (1) 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, the Office of Consumer Counsel and the Attorney General, 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, in coordination with states in a neighboring control area 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, and any associated transmission, provided the commissioner shall initiate a solicitation not later than fourteen days after the effective date of this section for projects that have a total nameplate capacity rating of up to two thousand megawatts in the aggregate. Any such solicitation or solicitations issued pursuant to this section on and after January 1, 2020, shall be for quantities of energy and within the timing and schedule determined by the commissioner, and may be informed by the Integrated Resources Plan prepared on or before January 1, 2020,

Substitute House Bill No. 7156

pursuant to subsections (b) and (j) of section 16a-3a of the general statutes, as amended by this act, provided such schedule shall provide for the solicitation of resources with a nameplate capacity rating of two thousand megawatts in the aggregate by December 31, 2030.

(2) In developing any solicitations pursuant to this section, the commissioner shall 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.

(3) (A) In responding to any solicitations issued pursuant to this section, a bidder shall include an environmental and fisheries mitigation plan for the construction and operation of such offshore wind facilities, provided such plan shall include, but not be limited to, an explicit description of the best management practices the bidder will employ 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, including, but not limited to, commercial fishing.

(B) In responding to any solicitations issued pursuant to this section, a bidder may include such bidder's plans for the use of skilled labor, including, but not limited to, for any construction and manufacturing components of the proposal including any outreach, hiring and referral systems, or any combination thereof, that are affiliated with an apprenticeship training program registered with the Connecticut State Apprenticeship Council established pursuant to section 31-22n of the

Substitute House Bill No. 7156

general statutes.

(C) In responding to any solicitations issued pursuant to this section in calendar year 2019, each bidder shall submit at least one proposal for resources eligible pursuant to this section with a nameplate capacity rating of four hundred megawatts. The commissioner may not consider or select any proposals from a bidder that does not submit at least one proposal for resources with a nameplate capacity of four hundred megawatts for any solicitation issued pursuant to this section in calendar year 2019.

(4) For each solicitation issued pursuant to this section, the commissioner shall establish a commission on environmental standards to provide input on best practices for avoiding, minimizing and mitigating any impacts to wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including, but not limited to, commercial fishing, during the construction and operation of facilities eligible pursuant to this section.

(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

Substitute House Bill No. 7156

avoid, minimize and mitigate impacts to wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including, but not limited to, commercial fishing. 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, any transmission associated with such energy derived from offshore wind facilities that are Class I renewable energy sources as defined in section 16-1 of the general statutes 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

Substitute House Bill No. 7156

subject to review and approval by the Public Utilities Regulatory Authority, which review shall be completed not later than (1) ninety days after the date on which such agreement is filed with the authority for any solicitation issued pursuant to this section in calendar year 2019, and (2) one hundred twenty days for any solicitation issued pursuant to this section on and after January 1, 2020. The authority shall approve agreements that it determines (A) 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, (B) are prudent and cost effective, and (C) 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. The commissioner may hire consultants with expertise in quantitative modeling of electric and gas markets to assist in implementing this section, including, but not limited to, the evaluation of proposals submitted pursuant to this section. All reasonable costs associated with the commissioner's solicitation and review of proposals pursuant to this section shall be recoverable through the same fully reconciling rate component for all customers of the electric distribution companies.

Sec. 2. Subsection (b) of section 16a-3a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Substitute House Bill No. 7156

(b) On or before January 1, [2012] 2020, and biennially thereafter, the Commissioner of Energy and Environmental Protection, in consultation with the electric distribution companies, shall prepare an assessment of (1) the energy and capacity requirements of customers for the next three, five and ten years, (2) the manner of how best to eliminate growth in electric demand, (3) how best to level electric demand in the state by reducing peak demand and shifting demand to off-peak periods, (4) the impact of current and projected environmental standards, including, but not limited to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different resources could help achieve those standards and goals, (5) energy security and economic risks associated with potential energy resources, and (6) the estimated lifetime cost and availability of potential energy resources.

Sec. 3. 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 initiated on or after January 1, 2020, 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, less any energy purchased pursuant to section 1 of this act on or before December 31, 2019; and (2) the timing and schedule of any solicitation or solicitations of proposals initiated on or after January 1, 2020, pursuant to section 1 of this act, provided such schedule shall provide for the solicitation of resources with a nameplate capacity rating of two thousand megawatts in the aggregate, less any energy purchased pursuant to section 1 of this act on or before December 31, 2019, by

Substitute House Bill No. 7156

December 31, 2030. 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. 4. Subsection (a) of section 16-245a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(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;

Substitute House Bill No. 7156

(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

Substitute House Bill No. 7156

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

Substitute House Bill No. 7156

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

Substitute House Bill No. 7156

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

Substitute House Bill No. 7156

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.

Approved June 7, 2019