



General Assembly

Amendment

January Session, 2019

LCO No. 8292



Offered by:

REP. ARCONTI, 109th Dist.
SEN. NEEDLEMAN, 33rd Dist.
REP. FERRARO, 117th Dist.
SEN. FORMICA, 20th Dist.

To: Subst. House Bill No. 7156

File No. 192

Cal. No. 142

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective from passage*) (a) (1) The Commissioner
4 of Energy and Environmental Protection, in consultation with the
5 procurement manager identified in subsection (l) of section 16-2 of the
6 general statutes, the Office of Consumer Counsel and the Attorney
7 General, may, in coordination with other states in the control area of
8 the regional independent system operator, as defined in section 16-1 of
9 the general statutes, in coordination with states in a neighboring
10 control area or on behalf of Connecticut alone, solicit proposals, in one
11 solicitation or multiple solicitations, from providers of energy derived
12 from offshore wind facilities that are Class I renewable energy sources,
13 as defined in section 16-1 of the general statutes, and any associated

14 transmission, provided the commissioner shall initiate a solicitation
15 not later than fourteen days after the effective date of this section for
16 projects that have a total nameplate capacity rating of up to two
17 thousand megawatts in the aggregate. Any such solicitation or
18 solicitations issued pursuant to this section on and after January 1,
19 2020, shall be for quantities of energy and within the timing and
20 schedule determined by the commissioner, and may be informed by
21 the Integrated Resources Plan prepared on or before January 1, 2020,
22 pursuant to subsections (b) and (j) of section 16a-3a of the general
23 statutes, as amended by this act, provided such schedule shall provide
24 for the solicitation of resources with a nameplate capacity rating of two
25 thousand megawatts in the aggregate by December 31, 2030.

26 (2) In developing any solicitations pursuant to this section, the
27 commissioner shall include requirements for contract commitments in
28 selected bids that (A) require payment of not less than the prevailing
29 wage, as described in section 31-53 of the general statutes, for laborers,
30 workmen and mechanics performing construction activities within the
31 United States with respect to the project, and (B) require selected
32 bidders to engage in a good faith negotiation of a project labor
33 agreement. Any solicitation issued pursuant to this section shall
34 specify the minimum terms that such project labor agreements shall
35 address.

36 (3) (A) In responding to any solicitations issued pursuant to this
37 section, a bidder shall include an environmental and fisheries
38 mitigation plan for the construction and operation of such offshore
39 wind facilities, provided such plan shall include, but not be limited to,
40 an explicit description of the best management practices the bidder
41 will employ that are informed by the latest science at the time the
42 proposal is made that will avoid, minimize and mitigate any impacts
43 to wildlife, natural resources, ecosystems and traditional or existing
44 water-dependent uses, including, but not limited to, commercial
45 fishing.

46 (B) In responding to any solicitations issued pursuant to this section,

47 a bidder may include such bidder's plans for the use of skilled labor,
48 including, but not limited to, for any construction and manufacturing
49 components of the proposal including any outreach, hiring and
50 referral systems, or any combination thereof, that are affiliated with an
51 apprenticeship training program registered with the Connecticut State
52 Apprenticeship Council established pursuant to section 31-22n of the
53 general statutes.

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

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

69 (b) In making any selection of such proposals, the commissioner
70 shall consider factors, including, but not limited to, (1) whether the
71 proposal is in the best interest of ratepayers, including, but not limited
72 to, the delivered price of such sources, (2) whether the proposal
73 promotes electric distribution system reliability, including during
74 winter peak demand, (3) any positive impacts on the state's economic
75 development, (4) whether the proposal is consistent with the
76 requirements to reduce greenhouse gas emissions in accordance with
77 section 22a-200a of the general statutes, (5) whether the proposal is
78 consistent with the policy goals outlined in the Comprehensive Energy
79 Strategy adopted pursuant to section 16a-3d of the general statutes and

80 the Integrated Resources Plan adopted pursuant to section 16a-3a of
81 the general statutes, as amended by this act, (6) whether the proposal is
82 consistent with the goals and policies set forth in sections 22a-92 and 25-
83 157t of the general statutes, and (7) whether the proposal uses practices to
84 avoid, minimize and mitigate impacts to wildlife, natural resources,
85 ecosystems and traditional or existing water-dependent uses, including,
86 but not limited to, commercial fishing. In considering whether a
87 proposal has any positive impacts on the state's economic
88 development, the commissioner shall consult with the Commissioner
89 of Economic and Community Development. The commissioner may
90 select proposals from such resources that have a total nameplate
91 capacity rating of not more than two thousand megawatts in the
92 aggregate.

93 (c) The commissioner may direct the electric distribution companies
94 to enter into power purchase agreements for energy, capacity, any
95 transmission associated with such energy derived from offshore wind
96 facilities that are Class I renewable energy sources as defined in section
97 16-1 of the general statutes and environmental attributes, or any
98 combination thereof, for periods of not more than twenty years on
99 behalf of all customers of the state's electric distribution companies.
100 Certificates issued by the New England Power Pool Generation
101 Information System for any Class I renewable energy sources procured
102 by an electric distribution company pursuant to this section may be: (1)
103 Sold into the New England Power Pool Generation Information
104 System renewable energy credit market to be used by any electric
105 supplier or electric distribution company to meet the requirements of
106 section 16-245a of the general statutes, as amended by this act,
107 provided the revenues from such sale are credited to electric
108 distribution company customers as described in this section; or (2)
109 retained by the electric distribution company to meet the requirements
110 of section 16-245a of the general statutes, as amended by this act. In
111 considering whether to sell or retain such certificates, the company
112 shall select the option that is in the best interest of such company's
113 ratepayers.

114 (d) Any agreement entered into pursuant to this section shall be
115 subject to review and approval by the Public Utilities Regulatory
116 Authority, which review shall be completed not later than (1) ninety
117 days after the date on which such agreement is filed with the authority
118 for any solicitation issued pursuant to this section in calendar year
119 2019, and (2) one hundred twenty days for any solicitation issued
120 pursuant to this section on and after January 1, 2020. The authority
121 shall approve agreements that it determines (A) provide for the
122 delivery of adequate and reliable products and services, for which
123 there is a clear public need, at a just and reasonable price, (B) are
124 prudent and cost effective, and (C) are between an electric distribution
125 company and a respondent to the solicitation that has the technical,
126 financial and managerial capabilities to perform pursuant to such
127 agreement. The net costs of any such agreement, including costs
128 incurred by the electric distribution companies under the agreement
129 and reasonable costs incurred by the electric distribution companies in
130 connection with the agreement, shall be recovered through a fully
131 reconciling component of electric rates for all customers of electric
132 distribution companies. Any net revenues from the sale of products
133 purchased in accordance with long-term contracts entered into
134 pursuant to this section shall be credited to customers through the
135 same fully reconciling rate component for all customers of the
136 contracting electric distribution company. The commissioner may hire
137 consultants with expertise in quantitative modeling of electric and gas
138 markets to assist in implementing this section, including, but not
139 limited to, the evaluation of proposals submitted pursuant to this
140 section. All reasonable costs associated with the commissioner's
141 solicitation and review of proposals pursuant to this section shall be
142 recoverable through the same fully reconciling rate component for all
143 customers of the electric distribution companies.

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

147 (b) On or before January 1, [2012] 2020, and biennially thereafter, the

148 Commissioner of Energy and Environmental Protection, in
149 consultation with the electric distribution companies, shall prepare an
150 assessment of (1) the energy and capacity requirements of customers
151 for the next three, five and ten years, (2) the manner of how best to
152 eliminate growth in electric demand, (3) how best to level electric
153 demand in the state by reducing peak demand and shifting demand to
154 off-peak periods, (4) the impact of current and projected
155 environmental standards, including, but not limited to, those related to
156 greenhouse gas emissions and the federal Clean Air Act goals and how
157 different resources could help achieve those standards and goals, (5)
158 energy security and economic risks associated with potential energy
159 resources, and (6) the estimated lifetime cost and availability of
160 potential energy resources.

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

163 (NEW) (j) For the Integrated Resources Plan next approved after
164 January 1, 2019, the department shall determine (1) the quantity of
165 energy the Commissioner of Energy and Environmental Protection
166 may seek in any solicitation or solicitations of proposals initiated on or
167 after January 1, 2020, pursuant to section 1 of this act, provided the
168 quantity of energy sought in any such solicitations in the aggregate
169 shall be from resources that have a total nameplate capacity rating of
170 not more than two thousand megawatts in the aggregate, less any
171 energy purchased pursuant to section 1 of this act on or before
172 December 31, 2019; and (2) the timing and schedule of any solicitation
173 or solicitations of proposals initiated on or after January 1, 2020,
174 pursuant to section 1 of this act, provided such schedule shall provide
175 for the solicitation of resources with a nameplate capacity rating of two
176 thousand megawatts in the aggregate, less any energy purchased
177 pursuant to section 1 of this act on or before December 31, 2019, by
178 December 31, 2030. Such determinations shall be based on factors
179 including, but not limited to, electricity system needs identified by the
180 Integrated Resources Plan, including, but not limited to, capacity,
181 winter reliability, progress in meeting the goals in the Global Warming

182 Solutions Act pursuant to section 22a-200a, the priorities of the
183 Comprehensive Energy Strategy adopted pursuant to section 16a-3d,
184 positive impacts on the state's economic development, opportunities to
185 coordinate procurement with other states, forecasted trends in
186 technology costs and impacts on the state's ratepayers.

187 Sec. 4. Subsection (a) of section 16-245a of the general statutes is
188 repealed and the following is substituted in lieu thereof (*Effective from*
189 *passage*):

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

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

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

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

212 (4) On and after January 1, 2009, not less than six per cent of the

213 total output or services of any such supplier or distribution company
214 shall be generated from Class I renewable energy sources and an
215 additional three per cent of the total output or services shall be from
216 Class I or Class II renewable energy sources;

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

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

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

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

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

242 (10) On and after January 1, 2015, not less than twelve and one-half
243 per cent of the total output or services of any such supplier or

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

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

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

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

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

267 (15) On and after January 1, 2020, not less than twenty-one per cent
268 of the total output or services of any such supplier or distribution
269 company shall be generated from Class I renewable energy sources
270 and an additional four per cent of the total output or services shall be
271 from Class I or Class II renewable energy sources, except that for any
272 electric supplier that has entered into or renewed a retail electric
273 supply contract on or before May 24, 2018, on and after January 1,
274 2020, not less than twenty per cent of the total output or services of any
275 such electric supplier shall be generated from Class I renewable energy

276 sources;

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

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

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

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

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

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

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

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16a-3a(b)
Sec. 3	<i>from passage</i>	16a-3a
Sec. 4	<i>from passage</i>	16-245a(a)