
OLR Bill Analysis

HB 6571

AN ACT CONCERNING THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM.

SUMMARY

This bill expands eligibility for the Green Bank's Commercial Property Assessed Clean Energy Program (C-PACE) by allowing the program to finance, for qualifying commercial real property, the installation of (1) zero-emission vehicle refueling infrastructure and (2) resilience improvements (see BACKGROUND).

Generally, C-PACE finances certain energy improvement projects and the property owner repays the costs through an assessment on the property, backed by a lien. Current law requires the Green Bank to adopt standards to ensure that the project's energy cost savings over the project's useful life exceed its costs. The bill instead requires these standards to determine whether the project's combined projected energy cost savings and other associated savings over its useful life exceed its costs. The bill exempts zero-emission vehicle refueling infrastructure and resilience improvement projects from these standards and requires the Green Bank to develop separate eligibility criteria for resilience projects.

Under current law, the types of financing generally available under the program include loans, leases, and power purchase agreements. Under the bill, C-PACE "financing" is funding or investment that at least includes energy services agreements, leases, or power purchase agreements. The bill does not define energy services agreements, but generally, they allow a service provider to deliver energy-saving services under a performance-based contract using provider-owned and operated equipment.

EFFECTIVE DATE: July 1, 2021

RESILIENCE PROJECT ELIGIBILITY REQUIREMENTS

For resilience improvements, the bill requires the Green Bank to consult with the Department of Energy and Environmental Protection and the Connecticut Institute for Resilience and Climate Adaptation to develop financing eligibility criteria consistent with state environmental resource protection and community resilience goals. Under current law, if a qualified property owner requests financing, the Green Bank must require that an energy audit or a renewable energy system feasibility analysis be performed on the property to assess the project's expected energy cost savings over its useful life before approving financing. The bill additionally allows the Green Bank to meet this requirement by requiring a resilience study on the property to assess resilience cost savings over the useful life of resilience improvements.

BACKGROUND

Resilience

By law, and under the bill, "resilience" means the ability to prepare for and adapt to changing conditions and withstand and recover rapidly from deliberate attacks, accidents, or naturally occurring threats or incidents, including threats or incidents associated with climate change impacts (CGS § 16-244aa).

Zero Emission Vehicles

By law, and under the bill, a "zero-emission vehicle" means a battery electric vehicle, hybrid electric vehicle, range-extended electric vehicle, and any vehicle certified by the California Air Resources Board executive director to produce zero emission of any criteria pollutant under all operational modes and conditions (CGS § 4a-67d).

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 26 Nay 0 (03/18/2021)