



House of Representatives

General Assembly

File No. 269

January Session, 2021

House Bill No. 6523

House of Representatives, April 6, 2021

The Committee on Energy and Technology reported through REP. ARCONTI of the 109th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING VIRTUAL NET METERING CREDITS FOR MANUFACTURERS IN DISTRESSED MUNICIPALITIES.

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

1 Section 1. Subdivision (1) of subsection (e) of section 16-244u of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2021*):

4 (e) (1) On or before October 1, 2013, the Public Utilities Regulatory
5 Authority shall conduct a proceeding to develop the administrative
6 processes and program specifications, including, but not limited to, a
7 cap of [twenty] thirty million dollars per year apportioned to each
8 electric distribution company based on consumer load, for credits
9 provided to beneficial accounts pursuant to subsection (b) of this section
10 and payments made pursuant to subsection (c) of this section, provided
11 the municipal, state and agricultural customer hosts, each in the
12 aggregate, and the designated beneficial accounts of such customer
13 hosts, shall receive not more than forty per cent of the dollar amount
14 established pursuant to this subdivision. At least ten million dollars per

15 year, of the thirty million dollars per year cap, shall be designated for
16 manufacturers located in a distressed municipality, as defined in section
17 32-9p, provided that such manufacturers include, in its application to an
18 electric distribution company, an anticipated plan for the utilization of
19 any energy savings associated with the credits received under this
20 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	16-244u(e)(1)

ET *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

There is no fiscal impact resulting from the bill, which increases the virtual net metering credit cap from \$20 to \$30 million and requires that \$10 million in credits be provided to manufacturers located in distressed municipalities. The bill does not increase the portion under the cap that may be utilized by municipalities to achieve energy savings and therefore does not result in a savings to municipalities participating in the program.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**HB 6523*****AN ACT CONCERNING VIRTUAL NET METERING CREDITS FOR MANUFACTURERS IN DISTRESSED MUNICIPALITIES.*****SUMMARY**

The state's virtual net metering law generally allows a state, municipal, or agricultural "customer host" that owns or leases certain renewable energy resources (e.g., solar) to (1) generate virtual net metering billing credits when the host generates more power than it uses and (2) share the credits with the customer host's designated "beneficial accounts" to reduce the beneficial accounts' electric bills.

This bill increases the annual cap on virtual net metering credits from \$20 million to \$30 million, but it requires that at least \$10 million in annual credits be designated for manufacturers in a distressed municipality (presumably, as beneficial accounts of a state or municipal customer host). It also requires the manufacturers to include, in their application to an electric distribution company (EDC) (i.e., Eversource and United Illuminating), an anticipated plan for using any energy savings associated with the credits it receives. (The bill does not specify any criteria that this plan must meet for approval. In addition, it is unclear how a manufacturer would meet this requirement, as existing law requires a customer-host to give its EDC advance written notification about its designated beneficial accounts, but it does not require the beneficial account holders to apply for an EDC's approval (CGS § 16-244u(d)).)

By law, the Department of Economic Community Development commissioner must annually designate distressed municipalities based on a combination of economic, education, demographic, and housing criteria. In 2020, she designated the following 25 municipalities as distressed: Ansonia, Bridgeport, Bristol, Chaplin, Derby, East Hartford,

East Haven, Griswold, Hartford, Meriden, Montville, New Britain, New Haven, New London, Norwich, Preston, Putnam, Sprague, Stratford, Torrington, Voluntown, Waterbury, West Haven, Winchester, and Windham.

EFFECTIVE DATE: July 1, 2021

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 26 Nay 0 (03/18/2021)