



Senate

General Assembly

File No. 292

January Session, 2021

Substitute Senate Bill No. 993

Senate, April 6, 2021

The Committee on Energy and Technology reported through SEN. NEEDLEMAN of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ASSESSING AN ANNUAL FEE AGAINST CERTAIN CLASS I RENEWABLE ENERGY SOURCE INSTALLATIONS.

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

- 1 Section 1. (NEW) (*Effective July 1, 2021*) (a) As used in this section:
- 2 (1) "Class I renewable energy source" has the same meaning as
3 provided in section 16-1 of the general statutes;
- 4 (2) "Person" has the same meaning as provided in section 16-1 of the
5 general statutes;
- 6 (3) "Plant capacity" means a non-solar plant's rated electrical
7 nameplate capacity; and
- 8 (4) "Solar energy plant capacity" means a solar energy plant's
9 aggregate alternating current nameplate capacity for all inverters used
10 to convert said plant's energy output to alternating current.

11 (b) (1) Any person who installs a Class I renewable energy source for
 12 generation or displacement of energy shall pay an annual assessment
 13 fee of five dollars per kilowatt of plant capacity or solar energy plant
 14 capacity to the municipality where such installation is located, provided
 15 (A) such installation is completed on or after July 1, 2021, (B) the annual
 16 production in kilowatt-hours of such source or facility is designed to
 17 exceed the annual load for the location where such generation or
 18 displacement is located, and (C) such source or facility has a plant
 19 capacity or solar energy plant capacity greater than fifty kilowatts.

20 (2) Any person subject to subdivision (1) of subsection (b) of this
 21 section shall file with the tax collector of such municipality where such
 22 installation is located, in such form and manner as the tax collector
 23 prescribes, an annual declaration stating the amount of kilowatt plant
 24 capacity or solar energy plant capacity and the fee amount calculated
 25 thereon. Such fee shall be due and payable and collectible as municipal
 26 taxes and subject to the same liens and processes of collection.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	New section

ET *Joint Favorable Subst.*

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:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Revenue Gain	Approximately \$250,000	Approximately \$300,000

Explanation

The bill requires that Class I renewable energy projects with a capacity greater than 50 kilowatts pay a \$5 fee per kilowatt to the municipality they are located in. The provisions of the bill only apply to such projects installed after July 1, 2021.

The bill is anticipated to result in a revenue gain to municipalities of approximately \$250,000 in FY 22 and increase into the future as capacity limits are increased. Based on historical averages, it is anticipated that the bill would initially apply to approximately 50 megawatts in aggregate capacity across all related projects and increase incrementally in FY 23.

The Out Years

The annualized ongoing fiscal impact identified above would continue subject to the growth in capacity of Class I projects that exceed 50 kilowatts.

OLR Bill Analysis**sSB 993*****AN ACT ASSESSING AN ANNUAL FEE AGAINST CERTAIN CLASS I RENEWABLE ENERGY SOURCE INSTALLATIONS.*****SUMMARY**

This bill requires developers of certain Class I renewable energy source projects (e.g., wind or solar) to pay an annual assessment to the municipality where the project is located. The assessment is \$5 per kilowatt of capacity. For solar projects, capacity is measured as “solar energy plant capacity,” meaning the aggregate alternating current nameplate capacity for all inverters used to convert the plant’s energy output to alternating current. For all other projects, “plant capacity” is the plant’s rated electrical nameplate capacity. (Generally, a system’s rated nameplate capacity is its maximum output under optimal conditions.)

The bill’s annual assessment requirement applies to facilities (1) installed on or after July 1, 2021; (2) designed to generate more energy annually than their location’s annual load; and (3) with a plant capacity or solar energy plant capacity over 50 kilowatts.

Under the bill, anyone required to pay the assessment must file an annual declaration with the municipality’s tax collector, in a form and manner the collector prescribes, stating the (1) amount of plant capacity or solar energy plant capacity in kilowatts and (2) calculated fee amount. The bill provides that the fee is due, payable, and collectible as municipal taxes, subject to the same liens and collection processes.

EFFECTIVE DATE: July 1, 2021

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 26 Nay 0 (03/18/2021)