AN ACT CONCERNING CERTAIN SOLAR ENERGY PROJECTS.

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

Section 1. (NEW) (Effective from passage) On or before January 1, 2023, and annually thereafter, the Department of Energy and Environmental Protection and the Public Utilities Regulatory Authority shall report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the quantifiable progress of energy storage deployment against the following goals:

(1) Three hundred megawatts by December 31, 2024;

(2) Six hundred fifty megawatts by December 31, 2027; and

(3) One thousand megawatts by December 31, 2030.

Sec. 2. (NEW) (Effective July 1, 2021) (a) On or before January 1, 2022, the Public Utilities Regulatory Authority shall initiate a proceeding to develop and implement one or more programs, and associated funding mechanisms, for electric energy storage resources connected to the
electric distribution system. The authority shall establish (1) one or more programs for the residential class of electric customers, (2) one or more programs for commercial and industrial classes of electric customers, and (3) a program for energy storage systems connected to the distribution system in front of the meter and not located at a customer premises. The authority shall solicit input from the Department of Energy and Environmental Protection, the Connecticut Green Bank, the electric distribution companies and the Office of Consumer Counsel in developing such programs.

(b) On or before January 1, 2022, the authority shall report the status of the proceeding described in subsection (a) of this section, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

(c) The authority shall consider one or more programs and rate designs to incentivize the deployment of electric energy storage technologies connected to the electric distribution system that most effectively leverage the value of such technologies to achieve objectives including, but not limited to, (1) providing positive net present value to all ratepayers, or a subset of ratepayers paying for the benefits that accrue to that subset of ratepayers; (2) providing multiple types of benefits to the electric grid, including, but not limited to, customer, local, or community resilience, ancillary services, leveling out peaks in electricity use or that support the deployment of other distributed energy resources; (3) fostering the sustained, orderly development of a state-based electric energy storage industry; and (4) maximizing the value from the participation of energy storage systems in capacity markets. The authority shall include consideration of all energy storage configurations that are connected to the distribution system, including systems connected in front of the meter and not located at a customer premises. The authority shall also consider programs and rate designs to incentivize uses of electric energy storage technologies connected to the electric distribution system that avoid or defer investment in traditional electric distribution system capacity upgrades.
(d) The authority may select the Connecticut Green Bank, the Department of Energy and Environmental Protection, the electric distribution companies, a third party it deems appropriate or any combination thereof, to implement one or more programs for electric energy storage resources connected to the electric distribution system, as directed by the Public Utilities Regulatory Authority.

Sec. 3. (NEW) (Effective July 1, 2021) (a) 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 and the Office of Consumer Counsel, may issue requests for proposals for energy storage projects connected at the transmission or distribution level, including stand-alone energy storage projects and energy storage projects paired with Class I renewable energy sources, that would achieve the goals in section 1 of this act in combination with programs established by the Public Utilities Regulatory Authority. If the Commissioner of Energy and Environmental Protection determines that procuring energy storage is cost effective, the commissioner shall proceed with the selection of proposals. In making this determination, the commissioner shall publish and make available for public comment a cost-effectiveness test that considers each applicable benefit provided by energy storage.

(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, and (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. In considering whether a proposal has any positive impacts on
the state's economic development, the Commissioner of Energy and Environmental Protection shall consult with the Commissioner of Economic and Community Development.

(c) Any agreement entered into pursuant to this section shall be subject to review and approval by the Public Utilities Regulatory Authority, which review shall be completed not later than one hundred twenty days after the date on which such agreement is filed with the authority. The authority shall approve any such agreement if it is cost effective and in the best interest of electric ratepayers. 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.

Sec. 4. Subdivision (1) of subsection (e) of section 16-244u of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(e) (1) On or before October 1, 2013, the Public Utilities Regulatory Authority shall conduct a proceeding to develop the administrative processes and program specifications, including, but not limited to, a cap of [twenty] thirty million dollars per year apportioned to each electric distribution company based on consumer load, for credits provided to beneficial accounts pursuant to subsection (b) of this section and payments made pursuant to subsection (c) of this section, provided the municipal, state and agricultural customer hosts, each in the aggregate, and the designated beneficial accounts of such customer hosts, shall receive not more than forty per cent of the dollar amount established pursuant to this subdivision. At least five million dollars per year, of the thirty million dollars per year cap, shall be designated for
municipalities located in an alliance school district, as defined in section 10-262u.

Sec. 5. Section 16-244v of the general statutes is amended by adding subsection (e) as follows (Effective from passage):

(NEW) (e) An electric distribution company may submit a proposal to the Department of Energy and Environmental Protection to own one or more solar power electrical generation facilities up to an aggregate of one hundred fifty megawatts from July 1, 2021, to July 1, 2024. The aggregate ownership for an electric distribution company pursuant to this section shall not exceed such company's respective share for the state's total distribution system load as of July 1, 2021. Each solar power electrical generation facility shall be greater than one megawatt but not more than the total number of megawatts allocated to the electric distribution company under this subsection. At least fifty per cent of such solar power electrical generation facilities shall be sited in municipalities located in an alliance school district, as defined in section 10-262u. The department shall evaluate such proposals pursuant to sections 16-19 and 16-19e and may approve one or more of such proposals if it finds that the proposal serves the long-term interest of ratepayers. Any such proposal approved by the department shall also be subject to review and approval by the Public Utilities Regulatory Authority.

(1) Notwithstanding the provisions in subsection (b) of this section, the electric distribution company shall sell all power, capacity and related products resulting from such solar power electrical generating facilities (A) into applicable markets or through bilateral contracts with third parties, and (B) in accordance with any applicable guidelines established by the department, as approved or modified by the authority, with the net proceeds of all such transactions being recoverable from or credited to all customers of the electric distribution company through a fully reconciling nonbypassable component of electric rates for all customers of electric distribution companies.
(2) The Public Utilities Regulatory Authority may authorize an electric distribution company to recover its prudently incurred costs and investments for any solar power electrical generation facility, as described in this subsection, such electric distribution company builds, owns or operates through a fully reconciling component of electric rates for all customers of electric distribution companies, until the electric distribution company's next rate case, at which time such costs and investments shall be recoverable through base distribution rates consistent with the principles set forth in sections 16-19 and 16-19e.

Sec. 6. (NEW) (Effective July 1, 2021) On or before January 15, 2022, and annually thereafter, each municipal utility, as defined in section 12-265 of the general statutes, shall report, in accordance with section 11-4a of the general statutes, on the quantifiable progress of its carbon reduction to the Department of Energy and Environmental Protection. Such report shall be in a manner prescribed by the department to determine such municipal utility's contribution toward the state's emission reduction requirements pursuant to section 22a-200a of the general statutes.

Sec. 7. (NEW) (Effective July 1, 2021) On or before January 15, 2022, the Department of Energy and Environmental Protection shall submit a report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy on recommendations (1) to spread the cost of large-scaled power purchase agreements to municipal utilities, as defined in section 12-265 of the general statutes, and (2) to impose the systems benefits charge, pursuant to section 16-245l of the general statutes, against municipal utilities.

Sec. 8. (NEW) (Effective July 1, 2021) On or before January 1, 2022, the Public Utilities Regulatory Authority shall submit a report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy relating to the development and implementation of one program to consolidate all existing solar energy
programs within the state.

Sec. 9. (NEW) (Effective July 1, 2021) On or before August 1, 2021, the Public Utilities Regulatory Authority shall initiate a proceeding to investigate renewable energy certificate programs with a reverse auction process for residential, commercial, industrial and utility solar energy development. On or before January 1, 2022, the authority shall submit a report to joint standing committee of the General Assembly having cognizance of matters relating to energy detailing the authority's suggestions to accomplish each renewable energy certificate program.

Sec. 10. (NEW) (Effective July 1, 2021) Notwithstanding any provision of the general statutes, on or before January 1, 2022, the Department of Energy and Environmental Protection shall create an expedited permitting process for solar energy systems sited on farmland.

This act shall take effect as follows and shall amend the following sections:

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<tr>
<th>Section</th>
<th>From/To</th>
<th>Description</th>
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<tbody>
<tr>
<td>Sec. 1</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 2</td>
<td>July 1, 2021</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 3</td>
<td>July 1, 2021</td>
<td>New section</td>
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<tr>
<td>Sec. 4</td>
<td>July 1, 2021</td>
<td>16-244u(e)(1)</td>
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<tr>
<td>Sec. 5</td>
<td>from passage</td>
<td>16-244v</td>
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<tr>
<td>Sec. 6</td>
<td>July 1, 2021</td>
<td>New section</td>
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<tr>
<td>Sec. 7</td>
<td>July 1, 2021</td>
<td>New section</td>
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<td>Sec. 8</td>
<td>July 1, 2021</td>
<td>New section</td>
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<td>Sec. 9</td>
<td>July 1, 2021</td>
<td>New section</td>
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<tr>
<td>Sec. 10</td>
<td>July 1, 2021</td>
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Statement of Purpose:
To (1) create solar energy storage goals, (2) increase the virtual net metering cap, (3) permit ownership of solar power generation facilities by electric distribution companies, and (4) direct the Department of Energy and Environmental Protection and the Public Utilities Regulatory Authority to investigate solar energy development programs.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]