



Substitute House Bill No. 6526

Public Act No. 21-117

AN ACT CONCERNING ELECTRIC SUPPLIERS.

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

Section 1. Subparagraph (A) of subdivision (7) of subsection (h) of section 16-245o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(7) (A) No contract for electric generation services by an electric supplier shall require a residential customer to pay any fee for termination or early cancellation of a contract. [in excess of fifty dollars, provided when an electric supplier offers a contract, it provides the residential customer an estimate of such customer's average monthly bill, and provided further it] It shall not be considered a termination or early cancellation of a contract if a residential customer moves from one dwelling within the state and remains with the same electric supplier.

Sec. 2. Subdivision (1) of subsection (h) of section 16-245o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(h) (1) Any third-party [agent] who contracts with or is otherwise compensated by an electric supplier to sell electric generation services, or contracts with or is compensated by a third-party marketer of the

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electric supplier to sell electric generation services for the electric supplier, shall be a legal agent of the electric supplier. No third-party [agent] may sell electric generation services on behalf of an electric supplier unless [(A) the third-party agent is an employee or independent contractor of such electric supplier, and (B) the third-party agent] such third party has received appropriate training directly from such electric supplier.

Sec. 3. Subsection (m) of section 16-245o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(m) The Public Utilities Regulatory Authority may initiate a docket to review the feasibility, costs and benefits of placing on standard service, or of otherwise limiting the ability to contract with electric suppliers, all customers [of all electric suppliers] (1) who are hardship cases for purposes of subdivision (3) of subsection (b) of section 16-262c, (2) having moneys due and owing deducted from such customers' bills by the electric distribution company pursuant to subdivision (4) of subsection (b) of section 16-262c, (3) receiving other financial assistance from an electric distribution company, or (4) who are otherwise protected by law from shutoff of electricity services. Notwithstanding the provisions of section 16-245r, the authority may, in a final decision issued pursuant to this subsection, (A) order all such customers to be placed on standard service, (B) order all customer contracts with electric suppliers, entered into on and after a determined date, to be at or below the standard service rate, or (C) order all customer contracts, entered into on and after a determined date, to comply with appropriate limitations the authority deems necessary. If the authority issues such an order, it shall reopen such docket not less than every two years.

Sec. 4. Subsection (g) of section 16-245o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

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(g) (1) Between thirty and sixty days, inclusive, prior to the expiration of a fixed price term for a residential customer, an electric supplier shall provide a written notice of the contract expiration to such customer. [of any change to the customer's electric generation price] Any new contract shall contain a cover page highlighting each change from the prior contract, in a format prescribed by the Public Utilities Regulatory Authority. Such residential customer shall select the method of written notice at the time the contract is signed or verified through third-party verification as described in subdivision (2) of subsection (f) of this section. Such selection shall include the option for written notice through United States mail, electronic mail, text message, an application on a cellular telephone or a third-party notification service approved by the authority. Such customer shall have the option to change the method of notification at any time during the contract.

(2) No electric supplier shall charge a residential customer month-to-month variable rates for electric generation services following the expiration of a contract entered into after June 3, 2014, without providing written notification to such residential customer forty-five days prior to the commencement of such month-to-month variable rates. Such notice shall include the highest and lowest electric generation service rate charged by such supplier as part of a variable rate offer in each of the preceding twelve months to any customer eligible for standard service. The residential customer shall select the method of written notification at the time the contract is signed or verified through third-party verification as described in subdivision (2) of subsection (f) of this section. Such selection shall include the option for written notice through United States mail, electronic mail, text messages, an application on a cellular telephone or a third-party notification service approved by the authority. Such customer shall have the option to change the method of notification at any time during the contract.

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(3) No electric supplier shall charge an electric generation service rate to a residential customer that is twenty-five per cent more than the original contract price, [of a contract entered into after June 6, 2014] or more than the first price term offered in the contract, without notifying such customer of the rate change [fifteen] thirty days before it takes effect. [, provided such notice shall only be required for the first instance such rate is twenty-five per cent more than the original contract price. After such one-time notice, no electric supplier shall charge an electric generation service rate to a residential customer that is twenty-five per cent more than the most recent notice of the rate change without notifying such customer of the rate change fifteen days before it takes effect.] Any notification described in this subdivision shall be provided pursuant to the method agreed to by the customer in the contract and may include written notice through United States mail, electronic mail, text message, an application on a cellular telephone, or third-party notification service approved by the authority. The electric supplier shall maintain documentation of the original method of communication of the notice.

(4) On and after October 1, 2015, no electric supplier shall (A) enter into a contract to charge a residential customer a variable rate for electric generation services; or (B) automatically renew or cause to be automatically renewed a contract with a residential customer and, pursuant to such contract, charge such customer a variable rate for electric generation services. Notwithstanding any provision of title 16, on and after July 1, 2022, no electric supplier shall charge a residential customer a variable rate for electric generation services. On and after July 1, 2022, any contract between an electric supplier and a residential customer that provides for the use of such variable rates shall be deemed null and void.

Sec. 5. Subdivision (8) of subsection (h) of section 16-245o of the general statutes is repealed and the following is substituted in lieu

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thereof (*Effective July 1, 2021*):

(8) An electric supplier shall not make a material change in the terms or duration of any contract for the provision of electric generation services by an electric supplier without the express consent of the customer. Nothing in this subdivision shall restrict an electric supplier from renewing a contract by clearly informing the customer, in writing, not less than thirty days or more than sixty days before the renewal date, of the renewal terms, including a summary of any new or altered terms, and of the option not to accept the renewal offer, provided no fee pursuant to subdivision (7) of this subsection shall be charged. [to a customer who terminates or cancels such renewal within the first two billing cycles of the renewed contract.]

Sec. 6. Subsection (j) of section 16-245 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(j) No license may be transferred, and no customer may be assigned or transferred, without the prior approval of the authority. Notice of such assignment or transfer shall be provided to the Public Utilities Regulatory Authority at least thirty days prior to the effective date of the assignment or transfer of a customer from one electric supplier to another electric supplier. The authority may, upon its review of such notice, require certain conditions or deny assignment or transfer of such customer. Customer assignment or transfer shall be approved, modified or denied by the authority within thirty business days of the authority's receipt of such notice from the electric supplier, unless the authority and electric supplier agree to a specified extension of time, or such assignment or transfer is deemed approved. The authority may assess additional licensing fees to pay the administrative costs of reviewing a request for such transfer.

Sec. 7. Subsection (a) of section 16-245 of the general statutes is

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repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) No person shall execute any contract relating to the sale of electric generation services to be rendered after January 1, 2000, to end use customers located in the state unless such person has been issued a license by the authority in accordance with the provisions of this section. No license shall be valid before July 1, 1999. The Public Utilities Regulatory Authority shall have the authority to condition an electric supplier's license and access to the systems and billing of the electric distribution companies on terms the authority determines to be just and reasonable, including, but not limited to, proof that the electric supplier's products are not overpriced or harmful to residential customers.

Sec. 8. Subsection (k) of section 16-245 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(k) Any licensee who fails to comply with a license condition or who violates any provision of this section, except for the renewable portfolio standards contained in subsection (g) of this section, shall be subject to civil penalties by the Public Utilities Regulatory Authority in accordance with section 16-41, [or] including direction that a portion of the civil penalty be paid to a nonprofit agency engaged in energy assistance programs named by the authority in its decision or notice of violation, the suspension or revocation of such license [or] and a prohibition on accepting new customers following a hearing that is conducted as a contested case in accordance with chapter 54. Notwithstanding the provisions of subsection (b) of section 16-244c regarding an alternative transitional standard offer option or an alternative standard service option, the authority shall require a payment by a licensee that fails to comply with the renewable portfolio standards in accordance with subdivision (4) of subsection (g) of this section in the amount of: (1) For

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calendar years up to and including calendar year 2017, five and one-half cents per kilowatt hour, (2) for calendar years commencing on January 1, 2018, and up to and including the calendar year commencing on January 1, 2020, five and one-half cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class I renewable energy sources, and two and one-half cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class II renewable energy sources, and (3) for calendar years commencing on and after January 1, 2021, four cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class I renewable energy sources, and two and one-half cents per kilowatt hour if the licensee fails to comply with the renewable portfolio standards during the subject annual period for Class II renewable energy sources. On or before December 31, 2013, the authority shall issue a decision, following an uncontested proceeding, on whether any licensee has failed to comply with the renewable portfolio standards for calendar years up to and including 2012, for which a decision has not already been issued. On and after June 5, 2013, the Public Utilities Regulatory Authority shall annually conduct an uncontested proceeding in order to determine whether any licensee has failed to comply with the renewable portfolio standards during the preceding year. Not later than December 31, 2014, and annually thereafter, the authority shall, following such proceeding, issue a decision as to whether the licensee has failed to comply with the renewable portfolio standards during the preceding year. The authority shall allocate such payment to the Clean Energy Fund for the development of Class I renewable energy sources, provided, on and after June 5, 2013, any such payment shall be refunded to ratepayers by using such payment to offset the costs to all customers of electric distribution companies of the costs of contracts and tariffs entered into pursuant to sections 16-244r, 16-244t and section 16-244z. Any excess amount remaining from such payment shall be applied to reduce the

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costs of contracts entered into pursuant to subdivision (2) of subsection (j) of section 16-244c, and if any excess amount remains, such amount shall be applied to reduce costs collected through nonbypassable, federally mandated congestion charges, as defined in section 16-1.

Approved July 6, 2021