

**Proposed Substitute
Bill No. 6526**

LCO No. 4691

AN ACT CONCERNING ELECTRIC SUPPLIERS.

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

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2 section 16-245o of the general statutes is repealed and the following is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

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

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13 general statutes is repealed and the following is substituted in lieu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

15 (h) (1) Any third-party [agent] who contracts with or is otherwise
16 compensated by an electric supplier to sell electric generation services,
17 or contracts with or is compensated by a third-party marketer of the
18 electric supplier to sell electric generation services for the electric
19 supplier, shall be a legal agent of the electric supplier. No third-party

20 [agent] may sell electric generation services on behalf of an electric
21 supplier unless [(A) the third-party agent is an employee or
22 independent contractor of such electric supplier, and (B) the] such third-
23 party [agent] has received appropriate training directly from such
24 electric supplier.

25 Sec. 3. Subsection (m) of section 16-245o of the general statutes is
26 repealed and the following is substituted in lieu thereof (*Effective July 1,*
27 *2021*):

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

46 Sec. 4. Subsection (g) of section 16-245o of the general statutes is
47 repealed and the following is substituted in lieu thereof (*Effective July 1,*
48 *2021*):

49 (g) (1) Between thirty and sixty days, inclusive, prior to the expiration
50 of a fixed price term for a residential customer, an electric supplier shall
51 provide a written notice of the contract expiration to such customer [of

52 any change to the customer's electric generation price] and shall not
53 automatically renew said contract. An electric supplier may enter into a
54 new contract with such customer's affirmative consent. Any new
55 contract shall contain a cover page highlighting each change from the
56 prior contract, in a format prescribed by the Public Utilities Regulatory
57 Authority. Such residential customer shall select the method of written
58 notice at the time the contract is signed or verified through third-party
59 verification as described in subdivision (2) of subsection (f) of this
60 section. Such selection shall include the option for written notice
61 through United States mail, electronic mail, text message, an application
62 on a cellular telephone or a third-party notification service approved by
63 the authority. Such customer shall have the option to change the method
64 of notification at any time during the contract.

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

82 (3) No electric supplier shall charge an electric generation service rate
83 to a residential customer that is twenty-five per cent more than the
84 original contract price, [of a contract entered into after June 6, 2014,] or

85 more than the first price term offered in the contract, without notifying
86 such customer of the rate change [fifteen] thirty days before it takes
87 effect.], provided such notice shall only be required for the first instance
88 such rate is twenty-five per cent more than the original contract price.
89 After such one-time notice, no electric supplier shall charge an electric
90 generation service rate to a residential customer that is twenty-five per
91 cent more than the most recent notice of the rate change without
92 notifying such customer of the rate change fifteen days before it takes
93 effect.] Any notification described in this subdivision shall be provided
94 pursuant to the method agreed to by the customer in the contract and
95 may include written notice through United States mail, electronic mail,
96 text message, an application on a cellular telephone, or third-party
97 notification service approved by the authority. The electric supplier
98 shall maintain documentation of the original method of communication
99 of the notice.

100 (4) On and after October 1, 2015, no electric supplier shall (A) enter
101 into a contract to charge a residential customer a variable rate for electric
102 generation services; or (B) automatically renew or cause to be
103 automatically renewed a contract with a residential customer and,
104 pursuant to such contract, charge such customer a variable rate for
105 electric generation services. On and after October 1, 2021, no electric
106 supplier shall enter into a contract that contains an automatic renewal
107 provision.

108 Sec. 5. Subdivision (8) of subsection (h) of section 16-245o of the
109 general statutes is repealed and the following is substituted in lieu
110 thereof (*Effective July 1, 2021*):

111 (8) An electric supplier shall not make a material change in the terms
112 or duration of any contract for the provision of electric generation
113 services by an electric supplier without the express consent of the
114 customer. [Nothing in this subdivision shall restrict an electric supplier
115 from renewing a contract by clearly informing the customer, in writing,
116 not less than thirty days or more than sixty days before the renewal date,

117 of the renewal terms, including a summary of any new or altered terms,
118 and of the option not to accept the renewal offer, provided no fee
119 pursuant to subdivision (7) of this subsection shall be charged to a
120 customer who terminates or cancels such renewal within the first two
121 billing cycles of the renewed contract.]

122 Sec. 6. Subsection (j) of section 16-245 of the general statutes is
123 repealed and the following is substituted in lieu thereof (*Effective July 1,*
124 *2021*):

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

139 Sec. 7. Subsection (a) of section 16-245 of the general statutes is
140 repealed and the following is substituted in lieu thereof (*Effective July 1,*
141 *2021*):

142 (a) No person shall execute any contract relating to the sale of electric
143 generation services to be rendered after January 1, 2000, to end use
144 customers located in the state unless such person has been issued a
145 license by the authority in accordance with the provisions of this section.
146 No license shall be valid before July 1, 1999. The Public Utilities
147 Regulatory Authority shall have the authority to condition an electric
148 supplier's license and access to the systems and billing of the electric

149 distribution companies on terms the authority determines to be just and
150 reasonable, including, but not limited to, proof that the electric
151 supplier's products are not overpriced or harmful to customers.

152 Sec. 8. Subsection (k) of section 16-245 of the general statutes is
153 repealed and the following is substituted in lieu thereof (*Effective July 1,*
154 *2021*):

155 (k) Any licensee who fails to comply with a license condition or who
156 violates any provision of this section, except for the renewable portfolio
157 standards contained in subsection (g) of this section, shall be subject to
158 civil penalties by the Public Utilities Regulatory Authority in accordance
159 with section 16-41, [or] including direction that a portion of the civil
160 penalty be paid to a nonprofit agency engaged in energy assistance
161 programs named by the authority in its decision or notice of violation,
162 the suspension or revocation of such license [or] and a prohibition on
163 accepting new customers following a hearing that is conducted as a
164 contested case in accordance with chapter 54. Notwithstanding the
165 provisions of subsection (b) of section 16-244c regarding an alternative
166 transitional standard offer option or an alternative standard service
167 option, the authority shall require a payment by a licensee that fails to
168 comply with the renewable portfolio standards in accordance with
169 subdivision (4) of subsection (g) of this section in the amount of: (1) For
170 calendar years up to and including calendar year 2017, five and one-half
171 cents per kilowatt hour, (2) for calendar years commencing on January
172 1, 2018, and up to and including the calendar year commencing on
173 January 1, 2020, five and one-half cents per kilowatt hour if the licensee
174 fails to comply with the renewable portfolio standards during the
175 subject annual period for Class I renewable energy sources, and two and
176 one-half cents per kilowatt hour if the licensee fails to comply with the
177 renewable portfolio standards during the subject annual period for
178 Class II renewable energy sources, and (3) for calendar years
179 commencing on and after January 1, 2021, four cents per kilowatt hour
180 if the licensee fails to comply with the renewable portfolio standards
181 during the subject annual period for Class I renewable energy sources,

182 and two and one-half cents per kilowatt hour if the licensee fails to
 183 comply with the renewable portfolio standards during the subject
 184 annual period for Class II renewable energy sources. On or before
 185 December 31, 2013, the authority shall issue a decision, following an
 186 uncontested proceeding, on whether any licensee has failed to comply
 187 with the renewable portfolio standards for calendar years up to and
 188 including 2012, for which a decision has not already been issued. On
 189 and after June 5, 2013, the Public Utilities Regulatory Authority shall
 190 annually conduct an uncontested proceeding in order to determine
 191 whether any licensee has failed to comply with the renewable portfolio
 192 standards during the preceding year. Not later than December 31, 2014,
 193 and annually thereafter, the authority shall, following such proceeding,
 194 issue a decision as to whether the licensee has failed to comply with the
 195 renewable portfolio standards during the preceding year. The authority
 196 shall allocate such payment to the Clean Energy Fund for the
 197 development of Class I renewable energy sources, provided, on and
 198 after June 5, 2013, any such payment shall be refunded to ratepayers by
 199 using such payment to offset the costs to all customers of electric
 200 distribution companies of the costs of contracts and tariffs entered into
 201 pursuant to sections 16-244r, 16-244t and section 16-244z. Any excess
 202 amount remaining from such payment shall be applied to reduce the
 203 costs of contracts entered into pursuant to subdivision (2) of subsection
 204 (j) of section 16-244c, and if any excess amount remains, such amount
 205 shall be applied to reduce costs collected through nonbypassable,
 206 federally mandated congestion charges, as defined in section 16-1.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	16-245o(h)(7)(A)
Sec. 2	<i>July 1, 2021</i>	16-245o(h)(1)
Sec. 3	<i>July 1, 2021</i>	16-245o(m)
Sec. 4	<i>July 1, 2021</i>	16-245o(g)
Sec. 5	<i>July 1, 2021</i>	16-245o(h)(8)
Sec. 6	<i>July 1, 2021</i>	16-245(j)
Sec. 7	<i>July 1, 2021</i>	16-245(a)

Sec. 8	<i>July 1, 2021</i>	16-245(k)
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