



## Acts Affecting Energy and Utilities

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## Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting energy and utilities enacted during the 2021 regular session and June 2021 special session (JSS). OLR's other Acts Affecting reports, including Acts Affecting Environment, are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/actsaffecting.asp>.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden. Complete summaries of public acts are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/olrsums.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <http://www.cga.ct.gov>.

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# Clean and Renewable Energy Initiatives

## *Class III RPS Requirement*

From January 1, 2022, until December 31, 2024, a new law requires electric distribution companies (EDCs, i.e., Eversource and United Illuminating) and retail electric suppliers to obtain 5%, rather than 4%, of their power from Class III sources under the state's Renewable Portfolio Standard (RPS) law. By [law](#), Class III sources include electricity from certain combined heat and power systems, certain waste heat recovery systems, and conservation and load management programs, generally excluding those supported by ratepayers ([PA 21-118](#), effective July 1, 2021).

## *Energy Storage Deployment*

This year, the legislature established energy storage deployment goals starting at 300 megawatts (MW) by December 31, 2024, and increasing to 1,000 MW by December 31, 2030. To reach these goals, the Department of Energy and Environmental Protection (DEEP) must solicit proposals for energy storage projects connected at the transmission or distribution level, while the Public Utilities Regulatory Authority (PURA) must initiate a proceeding to implement programs and funding mechanisms for energy storage. In addition, DEEP must annually report to the Energy and Technology Committee on its quantifiable progress toward these goals beginning January 1, 2023 ([PA 21-53](#), effective July 1, 2021, except that the provisions establishing the goals and DEEP's reporting requirement are effective upon passage).

## *Fuel Cell Solicitation*

A new law requires Eversource and United Illuminating to solicit and select proposals to acquire up to 30 MW (in the aggregate) of new fuel cell electricity generation projects. The companies must submit their selected proposals to PURA for approval and then recover their related costs through their electric rates. The new law allows PURA to approve projects that increase resilience, lower energy costs, provide back-up power to certain facilities, or increase distribution system reliability ([PA 21-162](#), effective July 1, 2021).

## *Renewable Energy Project Requirements*

This year, the legislature imposed new requirements on certain renewable energy projects that (1) begin construction after July 1, 2021; (2) have a total nameplate capacity of at least two MW; and (3) meet certain other criteria, subject to various specified exceptions. A new law requires the covered projects' developers to generally (1) establish a workforce development program; (2) enter into a community benefits agreement, if the project has a nameplate capacity of at least five MW; and (3) ensure that the contractors and subcontractors on the project meet certain criteria.

The new law also requires that (1) construction workers on the projects be paid wages and benefits at least equal to those required under the state’s prevailing wage law and (2) operations, maintenance, and security employees in any building or facility created by the project be paid wages and benefits that are at least equal to those required under the state’s standard wage ([PA 21-43](#), as amended by [PA 21-2](#), JSS, § 82, effective July 1, 2021).

## **Connecticut Green Bank and Siting Council**

### ***Green Bank Environmental Infrastructure Initiatives***

Prior law limited the Connecticut Green Bank’s duties to clean energy initiatives, but provisions in a new law related to climate change adaptation expand its duties to include (1) developing separate programs to finance and support environmental infrastructure and (2) promoting investment in that infrastructure. Examples of “environmental infrastructure” include structures, facilities, and improvement projects related to water, waste and recycling, climate adaptation and resiliency, agriculture, land conservation, and environmental markets (e.g., carbon offsets and ecosystem services).

This new law also increases, from \$100 million to \$250 million, the amount of bonds the Green Bank may issue that are backed by a special capital reserve fund (SCRF). SCRF-backed bonds are contingent liabilities of the state; if a SCRF is exhausted, the General Fund automatically replenishes it, regardless of the spending cap ([PA 21-115](#), §§ 19-23, effective July 1, 2021).

### ***Siting Council Consultation with the Department of Consumer Protection (DCP)***

A new law removes DCP from the list of state agencies that the Connecticut Siting Council must consult with and solicit written comments from before starting a public hearing on a certificate of environmental compatibility and public need application ([PA 21-37](#), § 1, effective upon passage).

## **Energy Efficiency & Conservation**

### ***Energy Conservation Management Board***

A new law adds a municipal representative and a representative of low-income residential customers to the Energy Conservation Management Board. By law, the DEEP commissioner appoints members to the board, which, among other things, helps develop and approve the state’s conservation and load management plan ([PA 21-139](#), effective July 1, 2021).

## ***Energy and Environmental Lease Financing for State Buildings***

A new law generally caps consumption and environmental impact leases for state agencies at \$15 million for leases in effect on or after July 1, 2021. These leases are entered into by the state directly or through a state agency to improve state-owned buildings by reducing energy consumption or environmental impacts ([PA 21-2, JSS, § 192](#), effective July 1, 2021).

## ***Residential Energy Efficiency Retrofit Grant Program***

A new law requires DEEP to establish an energy efficiency retrofit grant program by September 1, 2021. Generally, the program must award grants for installing energy efficient upgrades to affordable housing, including housing authority property or, at the DEEP commissioner's discretion, other landlord-owned dwelling units.

The new law also expands eligibility for the new residential clean energy program that the EDCs must make available to certain residential customers beginning January 1, 2022. Specifically, the act makes residential customers living in multifamily dwellings with at least five units eligible if they meet certain requirements ([PA 21-48](#), effective upon passage).

## **Home Heating Fuels**

### ***E-receipts for Fuel Deliveries***

A new law allows fuel retailers to provide customers with an electronic delivery ticket (e-receipt), instead of a paper receipt, when delivering fuel (e.g., propane or heating oil). For the retailer to use e-receipts, the retailer and customer must mutually agree to it in writing ([PA 21-126](#), effective October 1, 2021).

### ***Low-Carbon Fuel Blend Requirements for Heating Oil***

The legislature established new requirements for heating oil sold in the state to be a low-carbon fuel blend with a specified percentage of biodiesel that increases over time. Beginning on July 1, 2022, the minimum biodiesel requirement starts at 5% and increases on a schedule to 50% in 2035. The new law lets DEEP waive the requirements in certain circumstances and allows the department to adopt regulations on related disclosure requirements for heating oil retailers ([PA 21-181](#), effective July 1, 2021).

## **Internet**

### ***Broadband Internet Access***

A new law contains several provisions aimed at expanding access to broadband Internet service throughout the state. Among other things, it generally requires (1) the Office of Policy and Management to develop and maintain a broadband map with data showing the availability and adoption of broadband service; (2) DEEP to establish a grant program to support broadband deployment in certain unserved areas, subject to federal funding availability; and (3) broadband providers to notify each other when they apply to build certain underground facilities, to reduce the potential for future excavations in the same location ([PA 21-159](#), effective July 1, 2021).

### ***Free Internet Access in Nursing Homes***

A new law requires nursing homes to provide residents with free internet access, electricity, and a power source for virtual monitoring or virtual visitation technology. Among other things, (1) the nursing homes must include the internet cost in the cost reports they file with the Department of Social Services (DSS) for Medicaid reimbursement and (2) DSS must reimburse the homes for these costs if they are eligible for reimbursement under the department's fair rent rate ([PA 21-55](#), § 3, effective October 1, 2021).

## **Municipalities**

### ***Municipal Lien Assignment***

The legislature imposed new requirements on entities that acquire the right to enforce real property liens securing specified delinquent tax, sewer, and water charges (i.e., lien assignees). Among other things, the lien assignee must provide a payoff statement in the same way that one must be provided in a foreclosure situation. The new law also makes any lien assignment executed on or after July 1, 2022, unenforceable unless it is memorialized in a written contract between the assignee and the municipality or water pollution control, water, or sewer authority, as applicable ([PA 21-143](#), effective October 1, 2021).

### ***Property Tax Exemption for Residential Renewable Energy Sources***

By law, Class I renewable energy sources (e.g., wind and solar) installed since October 1, 2007, for private residential use or use on a farm are exempt from property tax. However, a new law limits eligibility to those with an estimated annual production that does not exceed the estimated annual load where the facility is located. The new law also specifies that a facility cannot be disqualified from the exemption because it (1) uses or participates in net metering, a tariff policy, or another

state program or (2) is owned by someone other than the property owner ([PA 21-180](#), effective October 1, 2021, and applicable to assessment years starting on or after that date).

## ***Zoning Regulations***

Prior law allowed municipalities that adopt zoning regulations under statutory authority to encourage certain energy conservation measures, including using solar and other renewable energy. A new law instead allows these regulations to require or promote these measures and expands them to explicitly include distributed generation or freestanding wind and combined heat and power facilities. The new law also expands the conservation measures that municipalities can incentivize developers to use to include any solar and other renewable forms of energy; combined heat and power; water conservation, including demand offsets; and other energy conservation techniques ([PA 21-29](#) § 4, effective October 1, 2021).

## **Retail Electricity Suppliers**

### ***New Restrictions on Electric Suppliers***

A new law establishes new restrictions and requirements for retail electric suppliers and expands PURA's oversight of them by, among other things, authorizing PURA to condition a supplier's license on terms the authority determines to be just and reasonable. For residential customers, the new law also prohibits the suppliers from imposing termination fees and early cancellation fees and deems any electric supplier contract null and void if it contains variable rates ([PA 21-117](#), effective July 1, 2021).

## **Water**

### ***Alternative Drinking Water Sources***

A new law requires water companies and small community water systems to update their emergency contingency plans and emergency response plans, respectively, to include information on providing temporary alternative drinking water sources during a water supply emergency ([PA 21-121](#), § 82, effective October 1, 2021).

### ***Community Water Systems and Declared Emergencies***

A new law requires community water systems that serve at least 25 residents to promptly report their operational status to WebEOC (a web-based emergency management information system) after the governor declares a civil preparedness or public health emergency. They must do so within eight hours after WebEOC reporting is made available for the emergency and any time thereafter

when the community water system’s status significantly changes ([PA 21-121](#), § 84, effective October 1, 2021).

### ***Public Water System Testing***

A new law requires an environmental laboratory that tests water samples for public water systems that do not submit a water supply plan to the Department of Public Health (DPH) to meet certain notice requirements. More specifically, it must notify DPH and the test requestor, or the requestor’s designee, within 24 hours after obtaining a test result that shows a contaminant at a level that violates EPA national primary drinking water standards ([PA 21-121](#), § 88, effective October 1, 2021).

### ***Small Community Water Systems***

Starting by January 1, 2025, a new law requires each owner of a small community water system (i.e., those regularly serving between 25 and 1,000 year-round residents) to complete and implement a “capacity implementation plan” that demonstrates that the owner has the managerial, technical, and financial capacity to continue to own and operate the system. The plan must be updated annually and made available to DPH upon request ([PA 21-121](#), § 85, effective October 1, 2021).

### ***Water Company Tier 1 Notices***

A new law requires water companies to (1) provide Tier 1 written communications to customers in the languages predominantly spoken in their service area and (2) update their emergency response plans to include information on providing these multilingual communications. State regulations require water companies to send Tier 1 notices to communicate certain water quality or quantity issues or concerns with customers, such as when a water source exceeds the state’s maximum contaminant levels ([PA 21-121](#), § 83, effective October 1, 2021).

## **Miscellaneous**

### ***Meteorological Evaluation Tower Marking***

A new law sets marking requirements for meteorological evaluation towers (METs), which are towers between 50 to 200 feet tall that are used to collect data for evaluating a site’s suitability for wind turbines. METs fall under the height threshold for marking under FAA rules, but they present visibility issues for low-flying aircraft (e.g., agricultural operations). The new law’s marking rules correspond to FAA marking guidance and include requirements that the towers be painted in alternating bands of orange and white and have orange marker balls. The law establishes penalties

for violations between \$500 to \$10,000, depending on whether the violation results in injury or death ([PA 21-175](#), § 56, effective October 1, 2021).

### ***Radiation Source Regulation***

Provisions in the law implementing the biennial budget expand the DEEP commissioner’s authority to regulate radiation sources by requiring her to adopt specific regulations on sources of ionizing radiation and radioactive materials. By requiring her to adopt these regulations, the law allows Connecticut to pursue “agreement state status” from the U.S. Nuclear Regulatory Commission (NRC). This status authorizes states to assume NRC responsibility for regulating and licensing byproduct materials, source materials, and certain amounts of special nuclear materials. NRC remains responsible for nuclear power plants (e.g., Millstone); using nuclear material, such as in nuclear medicine; and nuclear waste ([PA 21-2](#), JSS, §§ 40-50, effective October 1, 2021).

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