OLR Bill Analysis
sSB 176

AN ACT CONCERNING CLEAN ENERGY TARIFF PROGRAMS.

SUMMARY

This bill expands the Non-Residential Energy Solutions (NRES) and the Shared Cleaner Energy Facilities (SCEF) programs (see BACKGROUND).

The bill increases the yearly amount of capacity in megawatts (MW) available for (1) zero-emissions NRES projects (e.g., solar facilities) from 50 to 100 MW and (2) SCEF projects from 25 to 50 MW (§ 3). Existing law establishes a six-year schedule for these programs and current law caps the aggregate capacity of both programs at 85 MW each year. The bill correspondingly raises the aggregate cap for NRES and SCEF projects from 85 to 160 MW in years two through six. Under current law, megawatts available under the programs for each year expire annually. The bill instead requires the available megawatts to roll over to the next program year.

The bill increases the eligible project size for these programs, from two to five MW for NRES and from four to five MW for SCEF (§ 1). It also increases the potential size of NRES projects by allowing commercial and industrial customers to participate in the program using their entire rooftop space, exempting them from a provision that generally limits project size based on the customer's load (i.e., amount of the energy the customer uses) (§ 4).

For SCEF, the bill increases the proportion of the program that must benefit low-income customers (§ 2). It increases the amount of each SCEF facility's total capacity that must be sold, given, or provided to low-income customers from 10% to 20%. It also increases the amount that must go to low- or moderate-income customers or low-income service organizations (i.e., organizations assisting low-income people)

from 10% to 60%. Currently, these requirements are separate, but under the bill, the low-income requirement may be used to meet the larger low-income, moderate-income, and service organization requirement. The bill also defines "low-income" based on state median income, rather than area median income.

EFFECTIVE DATE: October 1, 2022

LOW-INCOME CUSTOMERS FOR SCEF REQUIREMENTS

Under current law, "low-income" customers have incomes up to 80% of the area median income as defined by the U.S. Department of Housing and Urban Development. The bill instead defines "low-income" as up to 60% of the state median income. By law, affordable housing facilities are also low-income customers. The bill correspondingly removes reference to an existing statutory definition that is based on area median income.

BACKGROUND

NRES Program

The NRES program allows non-residential customers (e.g., commercial and industrial customers) to participate in an annual solicitation conducted by Eversource and United Illuminating in which selected projects enter into a 20-year contract with the companies for energy and related products (e.g., renewable energy credits (RECs)). To be eligible, a project must be a Class I renewable energy source that (1) uses anaerobic digestion or has low emissions (e.g., fuel cells) or (2) has zero emissions (e.g., solar facilities) (CGS § 16-244z(a)(2)(A) & (B)). The law has a six-year schedule for the program, which is currently in its first year (i.e., 2022 is Year 1).

SCEF Program

Generally, a shared clean energy facility allows customers to subscribe for energy or RECs from a facility that is not on the customer's premises. Under the SCEF program, eligible facilities are Class I renewable energy sources (e.g., wind or solar) served by Eversource or United Illuminating with at least two subscribers in the same utility service territory as the facility (CGS § 16-244z(a)(2)(C)). Eversource and

United Illuminating conduct an annual solicitation using a competitive bidding procurement process and enter into 20-year contracts with selected projects. The law establishes a six-year schedule for the program, which is currently in its third year (i.e., 2020 was Year 1).

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea	26	Nay	0	(03/22/2022)