



General Assembly

January Session, 2023

**Raised Bill No. 6764**

LCO No. 4837



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

**AN ACT CONCERNING SOLAR INCENTIVES AND SHARED CLEAN ENERGY FACILITIES.**

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

1 Section 1. (*Effective from passage*) The chairperson of the Public  
2 Utilities Regulatory Authority shall conduct a study of the ramifications  
3 of directing each electric distribution company to recover the costs of  
4 transmission upgrades incurred by any of such company's customers  
5 for the purpose of installing a residential solar photovoltaic system on  
6 the customer side of the revenue meter, and all related costs, through a  
7 nonbypassable, fully reconciling component of electric rates for all  
8 customers of such electric distribution company. Not later than  
9 February 1, 2024, the chairperson of the authority shall report, in  
10 accordance with the provisions of section 11-4a of the general statutes,  
11 the results of the study, including any recommendations, to the joint  
12 standing committee of the General Assembly having cognizance of  
13 matters relating to energy and technology.

14 Sec. 2. Subdivision (57) of section 12-81 of the general statutes is  
15 repealed and the following is substituted in lieu thereof (*Effective October*

16 1, 2023):

17 (57) (A) (i) Any Class I renewable energy source, as defined in section  
18 16-1, or hydropower facility described in subdivision (21) of subsection  
19 (a) of section 16-1, installed for the generation of electricity where such  
20 electricity is intended for private residential use or on a farm, as defined  
21 in subsection (q) of section 1-1, provided (I) such installation occurs on  
22 or after October 1, 2007, (II) the estimated annual production of such  
23 source or facility does not exceed the estimated annual load for the  
24 location where such source or facility is located, where such load and  
25 production are estimated as of the date of installation of the source or  
26 facility as indicated in the written application filed pursuant to  
27 subparagraph [(E)] (E) of this subdivision, and (III) such installation is  
28 for a single family dwelling, a multifamily dwelling consisting of two to  
29 four units or a farm; (ii) any passive or active solar water or space  
30 heating system; or (iii) any geothermal energy resource. In the case of  
31 clause (i) of this subparagraph, the utilization of or participation in any  
32 net metering or tariff policy or program implemented by the state or  
33 ownership of such source or facility by a party other than the owner of  
34 the real property upon which such source or facility is installed shall not  
35 disqualify such source or facility from exemption pursuant to this  
36 section. In the case of clause (ii) or (iii) of this subparagraph, such  
37 exemption shall apply only to the amount by which the assessed  
38 valuation of the real property equipped with such system or resource  
39 exceeds the assessed valuation of such real property equipped with the  
40 conventional portion of the system or resource;

41 (B) For assessment years commencing on and after October 1, 2013,  
42 any Class I renewable energy source, as defined in section 16-1,  
43 hydropower facility described in subdivision (21) of subsection (a) of  
44 section 16-1, or solar thermal or geothermal renewable energy source,  
45 installed for generation or displacement of energy, provided (i) such  
46 installation occurs on or after January 1, 2010, (ii) such installation is for  
47 commercial or industrial purposes, (iii) the nameplate capacity of such  
48 source or facility does not exceed the load for the location where such  
49 generation or displacement is located, and (iv) such source or facility is

50 located in a distressed municipality, as defined in section 32-9p, with a  
51 population between one hundred twenty-five thousand and one  
52 hundred thirty-five thousand;

53 (C) For assessment years commencing on and after October 1, 2013,  
54 any municipality may, upon approval by its legislative body or in any  
55 town in which the legislative body is a town meeting, by the board of  
56 selectmen, abate up to one hundred per cent of property tax for any  
57 Class I renewable energy source, as defined in section 16-1, hydropower  
58 facility described in subdivision (21) of subsection (a) of section 16-1, or  
59 solar thermal or geothermal renewable energy source, installed for  
60 generation or displacement of energy, provided (i) such installation  
61 occurs between January 1, 2010, and December 31, 2013, (ii) such  
62 installation is for commercial or industrial purposes, (iii) the nameplate  
63 capacity of such source or facility does not exceed the load for the  
64 location where such generation or displacement is located, and (iv) such  
65 source or facility is not located in a municipality described in  
66 subparagraph (B) of this subdivision;

67 (D) For assessment years commencing on and after October 1, 2014,  
68 any (i) Class I renewable energy source, as defined in section 16-1, (ii)  
69 hydropower facility described in subdivision (21) of subsection (a) of  
70 section 16-1, or (iii) solar thermal or geothermal renewable energy  
71 source, installed for generation or displacement of energy, provided (I)  
72 such installation occurs on or after January 1, 2014, (II) is for commercial  
73 or industrial purposes, (III) the nameplate capacity of such source or  
74 facility does not exceed the load for the location where such generation  
75 or displacement is located or the aggregated load of the beneficial  
76 accounts for any Class I renewable energy source participating in virtual  
77 net metering pursuant to section 16-244u, and (IV) in the case of clause  
78 (iii) of this subparagraph, such exemption shall apply only to the  
79 amount by which the assessed valuation of the real property equipped  
80 with such source exceeds the assessed valuation of such real property  
81 equipped with the conventional portion of the source;

82 (E) For assessment years commencing on and after October 1, 2023,

83 any Class I renewable energy source that is a solar photovoltaic system,  
84 as defined in section 3 of this act;

85       [(E)] (F) Any person claiming [the] an exemption provided in this  
86 subdivision, other than the exemption provided in subparagraph (E) of  
87 this subdivision, for any assessment year shall, on or before the first day  
88 of November in such assessment year, file with the assessor or board of  
89 assessors in the town in which such hydropower facility, Class I  
90 renewable energy source, solar thermal or geothermal renewable  
91 energy source or passive or active solar water or space heating system  
92 or geothermal energy resource is located, a written application claiming  
93 such exemption. Such application shall be made on a form prepared for  
94 such purpose by the Secretary of the Office of Policy and Management,  
95 in consultation with the Connecticut Association of Assessing Officers  
96 and the Connecticut Green Bank established pursuant to section 16-  
97 245n, and shall include, but not be limited to, a statement of the  
98 estimated annual load and production of a source or facility described  
99 in clause (i) of subparagraph (A) of this subdivision as of the date of the  
100 installation of such source or facility. Said secretary shall make such  
101 application available to the public on the Internet web site of the Office  
102 of Policy and Management. Failure to file such application in the  
103 manner and form as provided by the secretary within the time limit  
104 prescribed shall constitute a waiver of the right to such exemption for  
105 such assessment year. Such application shall not be required for any  
106 assessment year following that for which the initial application is filed,  
107 provided if such hydropower facility, Class I renewable energy source,  
108 solar thermal or geothermal renewable energy source or passive or  
109 active solar water or space heating system or geothermal energy  
110 resource is altered in a manner which would require a building permit,  
111 such alteration shall be deemed a waiver of the right to such exemption  
112 until a new application, applicable with respect to such altered source,  
113 is filed and the right to such exemption is established as required  
114 initially. In the event that a person owns more than one such source or  
115 facility in a municipality, such person may file a single application  
116 identifying each source or facility;

117 [(F)] (G) For assessment years commencing on and after October 1,  
118 2015, any municipality may, by vote of its legislative body or, in a  
119 municipality where the legislative body is a town meeting, by vote of  
120 the board of selectmen, abate up to one hundred per cent of the property  
121 taxes due for any tax year, for not longer than the term of the power  
122 purchase agreement, with respect to any Class I renewable energy  
123 source, as defined in section 16-1, other than a solar photovoltaic system,  
124 as defined in section 3 of this act, that is the subject of such power  
125 purchase agreement approved by the Public Utilities Regulatory  
126 Authority pursuant to section 16a-3f;

127 Sec. 3. (NEW) (*Effective October 1, 2023*) (a) As used in this section:

128 (1) "Solar photovoltaic system" means equipment and devices that  
129 have the primary purpose of collecting solar energy and generating  
130 electricity by photovoltaic effect and have a capacity greater than  
131 twenty-five kilowatts;

132 (2) "Municipality" means any town, city, consolidated town and city  
133 or consolidated town and borough; and

134 (3) "Capacity" means the aggregate alternating current nameplate  
135 capacity of all inverters used to convert a solar photovoltaic system's  
136 output to alternating current power.

137 (b) (1) For each calendar year commencing on or after January 1, 2024,  
138 each person that owns a solar photovoltaic system in the state for  
139 generation or displacement of energy shall pay a tax to the  
140 Commissioner of Revenue Services. The tax shall be the product of five  
141 dollars multiplied by the number of kilowatts of capacity for any solar  
142 photovoltaic system in the state owned by such person.

143 (2) Each person subject to the tax in subdivision (1) of this subsection  
144 shall, on or before the last day of July in each year, render to the  
145 commissioner a return, on forms prescribed or furnished by the  
146 commissioner, reporting: (A) The capacity of each solar photovoltaic  
147 system owned by such person in the state during the year ending with

148 the last day of the previous calendar year; (B) the physical address and  
149 municipality where each solar photovoltaic system owned by such  
150 person was located during such year; (C) the calculated tax amount for  
151 each solar photovoltaic system owned by such person during such year;  
152 (D) the calculated tax amount for all solar photovoltaic systems owned  
153 by such person in a municipality, aggregated for each municipality  
154 where any such solar photovoltaic system was located during such year;  
155 and (E) the calculated total tax due under this section. The tax imposed  
156 under this section shall be due and payable on the due date of such  
157 return. Each person subject to tax shall be required to file such return  
158 electronically with the department and to make payment of such tax by  
159 electronic funds transfer in the manner provided by chapter 228g of the  
160 general statutes, irrespective of whether the person subject to tax would  
161 have otherwise been required to file such return electronically or to  
162 make such tax payment by electronic funds transfer under the  
163 provisions of chapter 228g of the general statutes.

164 (3) The commissioner shall maintain (A) an accounting of all sums  
165 paid under this subsection, (B) an accounting of the sums paid under  
166 this subsection attributable to each municipality that contains the  
167 location of any solar photovoltaic system, aggregated by municipality,  
168 and (C) such other information as the commissioner deems necessary  
169 for the purposes of this section.

170 (c) Whenever the tax imposed under this section is not paid when  
171 due, a penalty of ten per cent of the amount due and unpaid or fifty  
172 dollars, whichever is greater, shall be imposed and interest at the rate of  
173 one per cent per month or fraction thereof shall accrue on such tax from  
174 the due date of such tax until the date of payment.

175 (d) The commissioner shall deposit fifty per cent of all sums received  
176 by the state pursuant to this section into the account established  
177 pursuant to subsection (e) of this section and fifty per cent in the General  
178 Fund.

179 (e) There is established an account to be known as the "solar uniform

180 capacity tax account" which shall be a separate, nonlapsing account  
181 within the General Fund. The account shall contain any moneys  
182 required by law to be deposited into the account. Moneys in the account  
183 shall be expended by the Secretary of the Office of Policy and  
184 Management, or the secretary's designee, for the purpose of providing  
185 direct financial assistance to municipalities. The secretary shall allocate  
186 direct financial assistance among municipalities in proportion to the  
187 share of the total capacity of solar photovoltaic systems in the state that  
188 is located in each municipality.

189 (f) The commissioner shall make available to the Office of Policy and  
190 Management information concerning the tax under this section,  
191 including, but not limited to, information reported pursuant to  
192 subdivision (2) of subsection (b) of this section.

193 Sec. 4. Section 16-244z of the general statutes is repealed and the  
194 following is substituted in lieu thereof (*Effective October 1, 2023*):

195 (a) (1) (A) On or before September 1, 2018, the Public Utilities  
196 Regulatory Authority shall initiate a proceeding to establish a  
197 procurement plan for each electric distribution company pursuant to  
198 this subsection and may give a preference to technologies  
199 manufactured, researched or developed in the state, provided such  
200 procurement plan is consistent with and contributes to the requirements  
201 to reduce greenhouse gas emissions in accordance with section 22a-  
202 200a. Each electric distribution company shall develop such  
203 procurement plan in consultation with the Department of Energy and  
204 Environmental Protection and shall submit such procurement plan to  
205 the authority not later than sixty days after the authority initiates the  
206 proceeding pursuant to this subdivision, provided the department shall  
207 submit the program requirements pursuant to subparagraph (C) of this  
208 subdivision on or before July 1, 2019. The authority may require such  
209 electric distribution companies to conduct separate solicitations  
210 pursuant to subdivision (4) of this subsection for the resources in  
211 subparagraphs (A), (B) and (C) of said subdivision, including separate  
212 solicitations based upon the size of such resources to allow for a

213 diversity of selected projects.

214 (B) On or before September 1, 2018, the authority shall initiate a  
215 proceeding to establish tariffs that provide for twenty-year terms of  
216 service described in subdivision (3) of this subsection for each electric  
217 distribution company pursuant to subparagraphs (A) and (B) of  
218 subdivision (2) of this subsection. In such proceeding, the authority shall  
219 establish the period of time that will be used for calculating the net  
220 amount of energy produced by a facility and not consumed, provided  
221 the authority shall assess whether to incorporate time-of-use rates or  
222 other dynamic pricing and such period of time shall be either (i) in real  
223 time, (ii) in one day, (iii) in any fraction of a day not to exceed one day,  
224 or (iv) in any period of time greater than one day up to and including  
225 one month. In such proceeding, the authority shall consider the findings  
226 of the study of the value of distributed energy resources conducted  
227 pursuant to section 16a-3o. The rate for such tariffs shall be established  
228 by the solicitation pursuant to subdivision (2) of this subsection.

229 (C) On or before September 1, 2018, the Department of Energy and  
230 Environmental Protection shall (i) initiate a proceeding to develop  
231 program requirements and tariff proposals for shared clean energy  
232 facilities eligible pursuant to subparagraph (C) of subdivision (2) of this  
233 subsection, including, but not limited to, the requirements in  
234 subdivision (6) of this subsection, and (ii) establish either or both of the  
235 following tariff proposals: (I) A tariff proposal that includes a price cap  
236 on a cents-per-kilowatt-hour basis for any procurement for such  
237 resources based on the procurement results of any other procurement  
238 issued pursuant to this subsection, and (II) a tariff proposal that includes  
239 a tariff rate for customers eligible under subparagraph (C) of  
240 subdivision (2) of this subsection based on energy policy goals identified  
241 by the department in the Comprehensive Energy Strategy pursuant to  
242 section 16a-3d. On or before July 1, 2019, the department shall submit  
243 any such program requirements and tariff proposals to the authority for  
244 review and approval. On or before January 1, 2020, the authority shall  
245 approve or modify such program requirements and tariff proposals  
246 submitted by the department. If the authority approves two tariff



247 proposals pursuant to this subparagraph, the authority shall determine  
248 how much of the total compensation authorized for customers eligible  
249 under this subparagraph pursuant to subparagraph [(A)] (C) of  
250 subdivision (1) of subsection (c) of this section shall be available under  
251 each tariff.

252 (2) Not later than July 1, 2022, and annually thereafter, each electric  
253 distribution company shall solicit and file with the Public Utilities  
254 Regulatory Authority for its approval one or more projects selected  
255 resulting from any procurement issued pursuant to subdivision (1) of  
256 this subsection that are consistent with the tariffs approved by the  
257 authority pursuant to subparagraphs (B) and (C) of subdivision (1) of  
258 this subsection and that are applicable to (A) customers that own or  
259 develop new generation projects on a customer's own premises that are  
260 less than five megawatts in size, serve the distribution system of the  
261 electric distribution company, are constructed after the solicitation  
262 conducted pursuant to subdivision (4) of this subsection to which the  
263 customer is responding, and use a Class I renewable energy source that  
264 either (i) uses anaerobic digestion, or (ii) has emissions of no more than  
265 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per  
266 megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-hour of  
267 volatile organic compounds and one grain per one hundred standard  
268 cubic feet, (B) customers that own or develop new generation projects  
269 on a customer's own premises that are less than five megawatts in size,  
270 serve the distribution system of the electric distribution company, are  
271 constructed after the solicitation conducted pursuant to subdivision (4)  
272 of this subsection to which the customer is responding, and use a Class  
273 I renewable energy source that emits no pollutants, and (C) customers  
274 that own or develop new generation projects that are a shared clean  
275 energy facility, consistent with the program requirements developed  
276 pursuant to subparagraph (C) of subdivision (1) of this subsection. For  
277 purposes of this section, "shared clean energy facility" means a Class I  
278 renewable energy source, as defined in section 16-1, that (i) is served by  
279 an electric distribution company, as defined in section 16-1, (ii) is within  
280 the same electric distribution company service territory as the

281 individual billing meters for subscriptions, (iii) has a nameplate capacity  
282 rating of five megawatts or less, and (iv) has at least two subscribers.  
283 Any project that is eligible pursuant to subparagraph (C) of this  
284 subdivision shall not be eligible pursuant to subparagraph (A) or (B) of  
285 this subdivision.

286 (3) A customer that is eligible pursuant to subparagraph (A) or (B) of  
287 subdivision (2) of this subsection may elect in any such solicitation to  
288 utilize either (A) a tariff for the purchase of all energy and renewable  
289 energy certificates on a cents-per-kilowatt-hour basis, or (B) a tariff for  
290 the purchase of any energy produced by a facility and not consumed in  
291 the period of time established by the authority pursuant to  
292 subparagraph (B) of subdivision (1) of this subsection and all renewable  
293 energy certificates generated by such facility on a cents-per-kilowatt-  
294 hour basis.

295 (4) Each electric distribution company shall conduct an annual  
296 solicitation or solicitations, as determined by the authority, for the  
297 purchase of energy and renewable energy certificates produced by  
298 eligible generation projects under this subsection over the duration of  
299 each applicable tariff. Generation projects eligible pursuant to  
300 subparagraphs (A) and (B) of subdivision (2) of this subsection shall be  
301 sized so as not to exceed the load at the customer's individual electric  
302 meter or a set of electric meters, when such meters are combined for  
303 billing purposes, from the electric distribution company providing  
304 service to such customer, as determined by such electric distribution  
305 company, unless such customer is a state, municipal or agricultural  
306 customer, then such generation project shall be sized so as not to exceed  
307 the load at such customer's individual electric meter or a set of electric  
308 meters at the same customer premises, when such meters are combined  
309 for billing purposes, and the load of up to five state, municipal or  
310 agricultural beneficial accounts, as defined in section 16-244u, identified  
311 by such state, municipal or agricultural customer, and such state,  
312 municipal or agricultural customer may include the load of up to five  
313 additional nonstate or municipal beneficial accounts, as defined in  
314 section 16-244u, when sizing such generation project, provided such

315 accounts are critical facilities, as defined in subdivision (2) of subsection  
316 (a) of section 16-243y, and are connected to a microgrid.

317 (5) The maximum selected purchase price of energy and renewable  
318 energy certificates on a cents-per-kilowatt-hour basis in any given  
319 solicitation shall not exceed such maximum selected purchase price for  
320 the same resources in the prior year's solicitation, unless the authority  
321 makes a determination that there are changed circumstances in any  
322 given year. For the first year solicitation issued pursuant to this  
323 subsection, the authority shall establish a cap for the selected purchase  
324 price for energy and renewable energy certificates on a cents-per-  
325 kilowatt-hour basis for any resources authorized under this subsection.

326 (6) The program requirements for shared clean energy facilities  
327 developed pursuant to subparagraph (C) of subdivision (1) of this  
328 subsection shall include, but not be limited to, the following:

329 (A) The department shall allow cost-effective projects of various  
330 nameplate capacities that may allow for the construction of multiple  
331 projects in the service area of each electric distribution company that  
332 operates within the state.

333 (B) The department shall determine the billing credit for any  
334 subscriber of a shared clean energy facility that may be issued through  
335 the electric distribution companies' monthly billing systems, and  
336 establish consumer protections for subscribers and potential subscribers  
337 of such a facility, including, but not limited to, disclosures to be made  
338 when selling or reselling a subscription.

339 (C) Such program shall utilize one or more tariff mechanisms with  
340 the electric distribution companies for a term not to exceed twenty years,  
341 subject to approval by the Public Utilities Regulatory Authority, to pay  
342 for the purchase of any energy products and renewable energy  
343 certificates produced by any eligible shared clean energy facility, or to  
344 deliver any billing credit of any such facility.

345 (D) The department shall limit subscribers to (i) low-income

346 customers, (ii) moderate-income customers, (iii) small business  
347 customers, (iv) state or municipal customers, (v) commercial customers,  
348 and (vi) residential customers who can demonstrate, pursuant to criteria  
349 determined by the department in the program requirements  
350 recommended by the department and approved by the authority, that  
351 they are unable to utilize the tariffs offered pursuant to subsection (b) of  
352 this section.

353 (E) The department shall require that (i) not less than twenty per cent  
354 of the total capacity of each shared clean energy facility is sold, given or  
355 provided to low-income customers, and (ii) not less than sixty per cent  
356 of the total capacity of each shared clean energy facility is sold, given or  
357 provided to low-income customers, moderate-income customers or  
358 low-income service organizations.

359 (F) The department may allow preferences to projects that serve low-  
360 income customers and shared clean energy facilities that benefit  
361 customers who reside in environmental justice communities.

362 (G) The department may create incentives or other financing  
363 mechanisms to encourage participation by low-income customers.

364 (H) The department may require that not more than fifty per cent of  
365 the total capacity of each shared clean energy facility is sold to  
366 commercial customers.

367 (7) For purposes of this subsection:

368 (A) "Environmental justice community" has the same meaning as  
369 provided in subsection (a) of section 22a-20a;

370 (B) "Low-income customer" means an in-state retail end user of an  
371 electric distribution company (i) whose income [does not exceed sixty]  
372 is less than eighty per cent of the [state] area median income, as defined  
373 by the United States Department of Housing and Urban Development,  
374 adjusted for family size, (ii) whose income is less than two hundred per  
375 cent of the federal poverty line, as defined in section 36B(d)(3)(A) of the

376 Internal Revenue Code of 1986, or any subsequent corresponding  
377 internal revenue code of the United States, as amended from time to  
378 time, or [(ii)] (iii) that is an affordable housing facility;

379 (C) "Low-income service organization" means a for-profit or  
380 nonprofit organization that provides service or assistance to low-income  
381 individuals;

382 (D) "Moderate-income customer" means an in-state retail end user of  
383 an electric distribution company whose income is between sixty per cent  
384 and [one hundred] eighty per cent of the area median income as defined  
385 by the United States Department of Housing and Urban Development,  
386 adjusted for family size.

387 (b) (1) On or before July 1, 2020, the authority shall initiate a  
388 proceeding to establish (A) tariffs for each electric distribution company  
389 pursuant to subdivision (2) of this subsection, (B) a rate for such tariffs,  
390 which may be based upon the results of one or more competitive  
391 solicitations issued pursuant to subsection (a) of this section, or on the  
392 average cost of installing the generation project and a reasonable rate of  
393 return that is just, reasonable and adequate, as determined by the  
394 authority, and shall be guided by the Comprehensive Energy Strategy  
395 prepared pursuant to section 16a-3d, and (C) the period of time that will  
396 be used for calculating the net amount of energy produced by a facility  
397 and not consumed, provided the authority shall assess whether to  
398 incorporate time-of-use rates or other dynamic pricing and such period  
399 of time shall be either (i) in real time, (ii) in one day, (iii) in any fraction  
400 of a day not to exceed one day, or (iv) in any period of time greater than  
401 one day up to and including one month. In such proceeding, the  
402 authority shall consider the findings of the study of the value of  
403 distributed energy resources conducted pursuant to section 16a-3o. The  
404 authority shall issue a final decision in such proceeding on or before July  
405 1, 2021. The authority may modify such rate for new customers under  
406 this subsection based on changed circumstances and may establish an  
407 interim tariff rate prior to the expiration of the residential solar  
408 investment program pursuant to subsection (b) of section 16-245ff as an

409 alternative to such program, provided any residential customer  
410 utilizing a tariff pursuant to this subsection at such customer's electric  
411 meter shall not be eligible for any incentives offered pursuant to section  
412 16-245ff at the same such electric meter and any residential customer  
413 utilizing any incentives offered pursuant to section 16-245ff at such  
414 customer's electric meter shall not be eligible for a tariff pursuant to this  
415 subsection at the same such electric meter.

416 (2) On and after January 1, 2022, each electric distribution company  
417 shall offer the following options to residential customers for the  
418 purchase of products generated from a Class I renewable energy source  
419 that is located on a customer's own premises and has a nameplate  
420 capacity rating of twenty-five kilowatts or less for a term not to exceed  
421 twenty years: (A) A tariff for the purchase of all energy and renewable  
422 energy certificates on a cents-per-kilowatt-hour basis; and (B) a tariff for  
423 the purchase of any energy produced and not consumed in the period  
424 of time established by the authority pursuant to subparagraph (C) of  
425 subdivision (1) of this subsection and all renewable energy certificates  
426 generated by such facility on a cents-per-kilowatt-hour basis. A  
427 residential customer shall select either option authorized pursuant to  
428 subparagraph (A) or (B) of this subdivision, consistent with the  
429 requirements of this section. Such generation projects shall be sized so  
430 as not to exceed the load at the customer's individual electric meter or,  
431 in the case of a multifamily dwelling that qualifies under this subsection,  
432 the load of the premises, from the electric distribution company  
433 providing service to such customer, as determined by such electric  
434 distribution company. For purposes of this section, "residential  
435 customer" means a customer of a single-family dwelling, a multifamily  
436 dwelling consisting of two to four units, or a multifamily dwelling  
437 consisting of five or more units, provided in the case of a multifamily  
438 dwelling consisting of five or more units, (i) not less than sixty per cent  
439 of the units of the multifamily dwelling are occupied by persons and  
440 families with income that is not more than sixty per cent of the area  
441 median income for the municipality in which it is located, as determined  
442 by the United States Department of Housing and Urban Development,

443 or (ii) such multifamily dwelling is determined to be affordable housing  
444 by the Public Utilities Regulatory Authority in consultation with the  
445 Department of Energy and Environmental Protection, Department of  
446 Housing, Connecticut Green Bank, Connecticut Housing Finance  
447 Authority and United States Department of Housing and Urban  
448 Development. In the case of a multifamily dwelling consisting of five or  
449 more units, a generation project shall only qualify under this subsection  
450 if: (I) Each of the dwelling units receives an appropriate share of the  
451 benefits from the generation project, and (II) no greater than an  
452 appropriate share of the benefits from the generation project is used to  
453 offset common area usage. The Public Utilities Regulatory Authority  
454 shall initiate an uncontested proceeding to implement the distribution  
455 of the benefits from the generation project pursuant to this section.

456 (c) (1) (A) As used in this subdivision:

457 (i) "Program" means any tariff offered by electric distribution  
458 companies pursuant to subsection (a) of this section;

459 (ii) "Low-emissions, nonresidential program" means any tariff  
460 offered by electric distribution companies pursuant to subparagraph (A)  
461 of subdivision (2) of subsection (a) of this section;

462 (iii) "Zero-emissions, nonresidential program" means any tariff  
463 offered by electric distribution companies pursuant to subparagraph (B)  
464 of subdivision (2) of subsection (a) of this section;

465 (iv) "Shared clean energy facility program" means any tariff offered  
466 by electric distribution companies pursuant to subparagraph (C) of  
467 subdivision (2) of subsection (a) of this section;

468 (v) "Procurement round" means any annual solicitation for a program  
469 pursuant to this section other than a solicitation used to allocate  
470 additional megawatts pursuant to subparagraph (D) of this subdivision;

471 (vi) "Actual program capacity" means the total capacity of all projects  
472 approved by the authority for a program in a given year after the final

473 procurement round that year;

474 (vii) "Available program capacity" means the total megawatts  
475 available to customers in a program in a given year pursuant to  
476 subparagraph (C) of this subdivision as adjusted to account for any  
477 megawatts transferred from the previous year pursuant to  
478 subparagraph (E) of this subdivision; and

479 (viii) "Fully subscribed" means the actual program capacity is greater  
480 than or equal to ninety-five per cent of the available program capacity.

481 [(c) (1) (A)] (B) The aggregate total megawatts available to all  
482 customers [utilizing a procurement and tariff offered by electric  
483 distribution companies pursuant to subsection (a) of this section] in all  
484 programs shall be up to eighty-five megawatts in year one and increase  
485 by up to an additional one hundred sixty megawatts per year [in each  
486 of the years two through six of such a tariff, provided] on and after  
487 January 1, 2023.

488 (C) Except as provided in subparagraph (D) of this subdivision, the  
489 total megawatts available to customers [eligible under subparagraph  
490 (A) of subdivision (2) of subsection (a) of this section shall not exceed  
491 ten] in each program are as follows: (i) Ten megawatts per year [, the  
492 total megawatts available to customers eligible under subparagraph (B)  
493 of subdivision (2) of subsection (a) of this section shall not exceed one]  
494 for the low-emissions, nonresidential program; (ii) two hundred  
495 megawatts per year for the zero-emissions, nonresidential program; and  
496 [the total megawatts available to customers eligible under  
497 subparagraph (C) of subdivision (2) of subsection (a) of this section shall  
498 not exceed] (iii) fifty megawatts per year for the shared clean energy  
499 facility program.

500 (D) In any given year, if the actual program capacity for any program  
501 is less than ninety-five per cent of the available program capacity, the  
502 authority shall make available additional megawatts, in an amount  
503 equal to the difference between such actual and available program  
504 capacities, to customers in one or two programs that are fully



505 subscribed, as determined by the authority. The authority shall permit  
506 electric distribution companies to solicit additional projects for such  
507 reallocated megawatts in the given year or the year immediately  
508 following the given year, consistent with the procurement plans  
509 approved pursuant to subdivision (1) of subsection (a) of this section  
510 and subdivision (4) of subsection (a) of this section.

511 (E) The authority shall monitor the competitiveness of any  
512 procurements authorized pursuant to subsection (a) of this section and  
513 may adjust the annual purchase amount established in this subsection  
514 or other procurement parameters to maintain competitiveness. Any  
515 megawatts not allocated in any given year shall [roll] transfer into the  
516 next year's available megawatts, unless the megawatts are reallocated  
517 pursuant to subparagraph (D) of this subdivision. The obligation to  
518 purchase energy and renewable energy certificates shall be apportioned  
519 to electric distribution companies based on their respective distribution  
520 system loads, as determined by the authority.

521 [(B)] (2) The electric distribution companies shall offer any tariffs  
522 developed pursuant to subsection (b) of this section for six years. At the  
523 end of the tariff term pursuant to subparagraph (B) of subdivision (2) of  
524 subsection (b) of this section, residential customers that elected the  
525 option pursuant to said subparagraph shall be credited all cents-per-  
526 kilowatt-hour charges pursuant to the tariff rate for such customer for  
527 energy produced by the Class I renewable energy source against any  
528 energy that is consumed in real time by such residential customer.

529 [(C)] (3) The authority shall establish tariffs for the purchase of energy  
530 on a cents-per-kilowatt-hour basis at the expiration of any tariff terms  
531 authorized pursuant to this section.

532 [(2)] (d) At the beginning of year six of the procurements authorized  
533 pursuant to this [subsection] section, the department, in consultation  
534 with the authority, shall assess the tariff offerings pursuant to this  
535 section and determine if such offerings are competitive compared to the  
536 cost of the technologies. The department shall report, in accordance with

537 section 11-4a, the results of such determination to the General Assembly.

538        ~~[(3)]~~ (e) For any tariff established pursuant to this section, the  
539 authority shall examine how to incorporate the following energy system  
540 benefits into the rate established for any such tariff: ~~[(A)]~~ (1) Energy  
541 storage systems that provide electric distribution benefits, ~~[(B)]~~ (2)  
542 location of a facility on the distribution system, ~~[(C)]~~ (3) time-of-use rates  
543 or other dynamic pricing, and ~~[(D)]~~ (4) other energy policy benefits  
544 identified in the Comprehensive Energy Strategy prepared pursuant to  
545 section 16a-3d.

546        ~~[(d)]~~ (f) In accordance with subsection (h) of section 16-245a, the  
547 authority shall determine which of the following two options is in the  
548 best interest of ratepayers and shall direct each electric distribution  
549 company to either (1) retire the renewable energy certificates it  
550 purchases pursuant to subsections (a) and (b) of this section on behalf of  
551 all ratepayers to satisfy the obligations of all electric suppliers and  
552 electric distribution companies providing standard service or supplier  
553 of last resort service pursuant to section 16-245a, or (2) sell such  
554 renewable energy certificates into the New England Power Pool  
555 Generation information system renewable energy credit market. The  
556 authority shall establish procedures for the retirement of such  
557 renewable energy certificates. Any net revenues from the sale of  
558 products purchased in accordance with this section shall be credited to  
559 customers through a nonbypassable fully reconciling component of  
560 electric rates for all customers of the electric distribution company.

561        ~~[(e)]~~ (g) The costs incurred by an electric distribution company  
562 pursuant to this section shall be recovered on a timely basis through a  
563 nonbypassable fully reconciling component of electric rates for all  
564 customers of the electric distribution company. Any net revenues from  
565 the sale of products purchased in accordance with any tariff offered  
566 pursuant to this section shall be credited to customers through the same  
567 fully reconciling rate component for all customers of such electric  
568 distribution company.

569 [(f)] (h) Notwithstanding the size-to-load provisions of subdivision  
570 (4) of subsection (a) of this section, the entire rooftop space of a  
571 customer's own premises developed pursuant to subparagraph (B) of  
572 subdivision (1) of subsection (a) of this section and owned by a  
573 commercial or industrial customer may be used for purposes of  
574 electricity generation and participation in the solicitation conducted by  
575 each electric distribution company pursuant to subdivision (4) of  
576 subsection (a) of this section.

577 Sec. 5. (*Effective July 1, 2023*) (a) Not later than February 1, 2024, the  
578 Commissioner of Energy and Environmental Protection, in consultation  
579 with the Commissioners of Administrative Services, Correction and  
580 Transportation, shall submit a report, in accordance with the provisions  
581 of section 11-4a of the general statutes, to the joint standing committee  
582 of the General Assembly having cognizance of matters relating to  
583 energy and technology that identifies state properties, including, but not  
584 limited to, highway corridors and correctional institutions, that are  
585 suitable for lease to private entities for the construction or location of  
586 solar photovoltaic facilities with capacities of two or more megawatts.

587 (b) Not later than sixty days following submission of the report  
588 described in subsection (a) of this section, the Commissioners of Energy  
589 and Environmental Protection, Administrative Services, Correction and  
590 Transportation shall cause such report to be posted to the Internet web  
591 site of each department, respectively. Following such posting, the  
592 Commissioner of Energy and Environmental Protection shall forward a  
593 copy of such report to the chairperson of the Connecticut Siting Council,  
594 who shall cause a copy of such report to be posted to the Internet web  
595 site of the Connecticut Siting Council not later than thirty days following  
596 receipt of such report.

597 Sec. 6. (*Effective July 1, 2023*) Not later than February 1, 2024, the  
598 Commissioner of Energy and Environmental Protection shall submit a  
599 report, in accordance with the provisions of section 11-4a of the general  
600 statutes, to the joint standing committee of the General Assembly  
601 having cognizance of matters relating to energy and technology that

602 identifies types of properties in the state, other than prime farmlands  
 603 and forest lands, that are suitable for the construction or location of solar  
 604 photovoltaic facilities with capacities of two or more megawatts. Such  
 605 report shall include, but need not be limited to, an analysis of whether:  
 606 (1) Right-of-ways occupied by overhead transmission facilities, as  
 607 described in section 16-50hh of the general statutes, may serve as such a  
 608 suitable situs in areas of such right-of-ways that are not subject to  
 609 restoration or revegetation orders described in section 16-50hh of the  
 610 general statutes, and (2) abandoned or underutilized parking facilities  
 611 in the state may serve as such a suitable situs.

|   |                        |             |
|---|------------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                        |             |
| Section 1   | <i>from passage</i>    | New section |
| Sec. 2  | <i>October 1, 2023</i> | 12-81(57)   |
| Sec. 3  | <i>October 1, 2023</i> | New section |
| Sec. 4  | <i>October 1, 2023</i> | 16-244z     |
| Sec. 5  | <i>July 1, 2023</i>    | New section |
| Sec. 6  | <i>July 1, 2023</i>    | New section |

**Statement of Purpose:**

To (1) study the ramifications of directing electric distribution companies to recover the costs of transmission upgrades related to residential solar installations from all customers, (2) replace the property tax regime for solar installations above a certain size with a uniform capacity tax, (3) expand the zero-emissions, nonresidential renewable program and allow unused annual capacity in other programs to be allocated to this program, (4) redefine "low-income" in the shared clean energy facility program to align with the federal Inflation Reduction Act, and (5) study sites in the state suitable for new solar construction.

*[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.]*