



General Assembly

Substitute Bill No. 6764

January Session, 2023



**AN ACT CONCERNING A SOLAR UNIFORM CAPACITY TAX AND
MODIFICATIONS TO THE STATE'S RENEWABLE ENERGY
PROGRAMS.**

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

1 Section 1. Subdivision (57) of section 12-81 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2023*):

4 (57) (A) (i) Any Class I renewable energy source, as defined in section
5 16-1, or hydropower facility described in subdivision (21) of subsection
6 (a) of section 16-1, installed for the generation of electricity where such
7 electricity is intended for private residential use or on a farm, as defined
8 in subsection (q) of section 1-1, provided (I) such installation occurs on
9 or after October 1, 2007, (II) the estimated annual production of such
10 source or facility does not exceed the estimated annual load for the
11 location where such source or facility is located, where such load and
12 production are estimated as of the date of installation of the source or
13 facility as indicated in the written application filed pursuant to
14 subparagraph [(E)] (F) of this subdivision, and (III) such installation is
15 for a single family dwelling, a multifamily dwelling consisting of two to
16 four units or a farm; (ii) any passive or active solar water or space
17 heating system; or (iii) any geothermal energy resource. In the case of

18 clause (i) of this subparagraph, the utilization of or participation in any
19 net metering or tariff policy or program implemented by the state or
20 ownership of such source or facility by a party other than the owner of
21 the real property upon which such source or facility is installed shall not
22 disqualify such source or facility from exemption pursuant to this
23 section. In the case of clause (ii) or (iii) of this subparagraph, such
24 exemption shall apply only to the amount by which the assessed
25 valuation of the real property equipped with such system or resource
26 exceeds the assessed valuation of such real property equipped with the
27 conventional portion of the system or resource;

28 (B) For assessment years commencing on and after October 1, 2013,
29 any Class I renewable energy source, as defined in section 16-1,
30 hydropower facility described in subdivision (21) of subsection (a) of
31 section 16-1, or solar thermal or geothermal renewable energy source,
32 installed for generation or displacement of energy, provided (i) such
33 installation occurs on or after January 1, 2010, (ii) such installation is for
34 commercial or industrial purposes, (iii) the nameplate capacity of such
35 source or facility does not exceed the load for the location where such
36 generation or displacement is located, and (iv) such source or facility is
37 located in a distressed municipality, as defined in section 32-9p, with a
38 population between one hundred twenty-five thousand and one
39 hundred thirty-five thousand;

40 (C) For assessment years commencing on and after October 1, 2013,
41 any municipality may, upon approval by its legislative body or in any
42 town in which the legislative body is a town meeting, by the board of
43 selectmen, abate up to one hundred per cent of property tax for any
44 Class I renewable energy source, as defined in section 16-1, hydropower
45 facility described in subdivision (21) of subsection (a) of section 16-1, or
46 solar thermal or geothermal renewable energy source, installed for
47 generation or displacement of energy, provided (i) such installation
48 occurs between January 1, 2010, and December 31, 2013, (ii) such
49 installation is for commercial or industrial purposes, (iii) the nameplate
50 capacity of such source or facility does not exceed the load for the

51 location where such generation or displacement is located, and (iv) such
52 source or facility is not located in a municipality described in
53 subparagraph (B) of this subdivision;

54 (D) For assessment years commencing on and after October 1, 2014,
55 any (i) Class I renewable energy source, as defined in section 16-1, (ii)
56 hydropower facility described in subdivision (21) of subsection (a) of
57 section 16-1, or (iii) solar thermal or geothermal renewable energy
58 source, installed for generation or displacement of energy, provided (I)
59 such installation occurs on or after January 1, 2014, (II) is for commercial
60 or industrial purposes, (III) the nameplate capacity of such source or
61 facility does not exceed the load for the location where such generation
62 or displacement is located or the aggregated load of the beneficial
63 accounts for any Class I renewable energy source participating in virtual
64 net metering pursuant to section 16-244u, and (IV) in the case of clause
65 (iii) of this subparagraph, such exemption shall apply only to the
66 amount by which the assessed valuation of the real property equipped
67 with such source exceeds the assessed valuation of such real property
68 equipped with the conventional portion of the source;

69 (E) For assessment years commencing on and after October 1, 2023,
70 any Class I renewable energy source that is a solar photovoltaic system,
71 as defined in section 2 of this act;

72 [(E)] (E) Any person claiming [the] an exemption provided in this
73 subdivision, other than the exemption provided in subparagraph (E) of
74 this subdivision, for any assessment year shall, on or before the first day
75 of November in such assessment year, file with the assessor or board of
76 assessors in the town in which such hydropower facility, Class I
77 renewable energy source, solar thermal or geothermal renewable
78 energy source or passive or active solar water or space heating system
79 or geothermal energy resource is located, a written application claiming
80 such exemption. Such application shall be made on a form prepared for
81 such purpose by the Secretary of the Office of Policy and Management,
82 in consultation with the Connecticut Association of Assessing Officers
83 and the Connecticut Green Bank established pursuant to section 16-

84 245n, and shall include, but not be limited to, a statement of the
85 estimated annual load and production of a source or facility described
86 in clause (i) of subparagraph (A) of this subdivision as of the date of the
87 installation of such source or facility. Said secretary shall make such
88 application available to the public on the Internet web site of the Office
89 of Policy and Management. Failure to file such application in the
90 manner and form as provided by the secretary within the time limit
91 prescribed shall constitute a waiver of the right to such exemption for
92 such assessment year. Such application shall not be required for any
93 assessment year following that for which the initial application is filed,
94 provided if such hydropower facility, Class I renewable energy source,
95 solar thermal or geothermal renewable energy source or passive or
96 active solar water or space heating system or geothermal energy
97 resource is altered in a manner which would require a building permit,
98 such alteration shall be deemed a waiver of the right to such exemption
99 until a new application, applicable with respect to such altered source,
100 is filed and the right to such exemption is established as required
101 initially. In the event that a person owns more than one such source or
102 facility in a municipality, such person may file a single application
103 identifying each source or facility;

104 [(F)] (G) For assessment years commencing on and after October 1,
105 2015, any municipality may, by vote of its legislative body or, in a
106 municipality where the legislative body is a town meeting, by vote of
107 the board of selectmen, abate up to one hundred per cent of the property
108 taxes due for any tax year, for not longer than the term of the power
109 purchase agreement, with respect to any Class I renewable energy
110 source, as defined in section 16-1, other than a solar photovoltaic system,
111 as defined in section 2 of this act, that is the subject of such power
112 purchase agreement approved by the Public Utilities Regulatory
113 Authority pursuant to section 16a-3f;

114 Sec. 2. (NEW) (*Effective October 1, 2023*) (a) As used in this section:

115 (1) "Solar photovoltaic system" means equipment and devices that
116 have the primary purpose of collecting solar energy and generating

117 electricity by photovoltaic effect and have a capacity greater than
118 twenty-five kilowatts;

119 (2) "Municipality" means any town, city, consolidated town and city
120 or consolidated town and borough; and

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

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

130 (2) Each person subject to the tax in subdivision (1) of this subsection
131 shall, on or before the last day of July in each year, render to the
132 commissioner a return, on forms prescribed or furnished by the
133 commissioner, reporting: (A) The capacity of each solar photovoltaic
134 system owned by such person in the state during the year ending with
135 the last day of the previous calendar year; (B) the physical address and
136 municipality where each solar photovoltaic system owned by such
137 person was located during such year; (C) the calculated tax amount for
138 each solar photovoltaic system owned by such person during such year;
139 (D) the calculated tax amount for all solar photovoltaic systems owned
140 by such person in a municipality, aggregated for each municipality
141 where any such solar photovoltaic system was located during such year;
142 and (E) the calculated total tax due under this section. The tax imposed
143 under this section shall be due and payable on the due date of such
144 return. Each person subject to tax shall be required to file such return
145 electronically with the department and to make payment of such tax by
146 electronic funds transfer in the manner provided by chapter 228g of the
147 general statutes, irrespective of whether the person subject to tax would
148 have otherwise been required to file such return electronically or to

149 make such tax payment by electronic funds transfer under the
150 provisions of chapter 228g of the general statutes.

151 (3) The commissioner shall maintain (A) an accounting of all sums
152 paid under this subsection, (B) an accounting of the sums paid under
153 this subsection attributable to each municipality that contains the
154 location of any solar photovoltaic system, aggregated by municipality,
155 and (C) such other information as the commissioner deems necessary
156 for the purposes of this section.

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

162 (d) The commissioner shall deposit fifty per cent of all sums received
163 by the state pursuant to this section into the account established
164 pursuant to subsection (e) of this section and fifty per cent in the General
165 Fund.

166 (e) There is established an account to be known as the "solar uniform
167 capacity tax account" which shall be a separate, nonlapsing account
168 within the General Fund. The account shall contain any moneys
169 required by law to be deposited into the account. Moneys in the account
170 shall be expended by the Secretary of the Office of Policy and
171 Management, or the secretary's designee, for the purpose of providing
172 direct financial assistance to municipalities. The secretary shall allocate
173 direct financial assistance among municipalities in proportion to the
174 share of the total capacity of solar photovoltaic systems in the state that
175 is located in each municipality.

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

180 Sec. 3. Section 16-244z of the general statutes is repealed and the
181 following is substituted in lieu thereof (*Effective October 1, 2023*):

182 (a) (1) (A) On or before September 1, 2018, the Public Utilities
183 Regulatory Authority shall initiate a proceeding to establish a
184 procurement plan for each electric distribution company pursuant to
185 this subsection and may give a preference to technologies
186 manufactured, researched or developed in the state, provided such
187 procurement plan is consistent with and contributes to the requirements
188 to reduce greenhouse gas emissions in accordance with section 22a-
189 200a. Each electric distribution company shall develop such
190 procurement plan in consultation with the Department of Energy and
191 Environmental Protection and shall submit such procurement plan to
192 the authority not later than sixty days after the authority initiates the
193 proceeding pursuant to this subdivision, provided the department shall
194 submit the program requirements pursuant to subparagraph (C) of this
195 subdivision on or before July 1, 2019. The authority may require such
196 electric distribution companies to conduct separate solicitations
197 pursuant to subdivision (4) of this subsection for the resources in
198 subparagraphs (A), (B) and (C) of said subdivision, including separate
199 solicitations based upon the size of such resources to allow for a
200 diversity of selected projects.

201 (B) On or before September 1, 2018, the authority shall initiate a
202 proceeding to establish tariffs that provide for twenty-year terms of
203 service described in subdivision (3) of this subsection for each electric
204 distribution company pursuant to subparagraphs (A) and (B) of
205 subdivision (2) of this subsection. In such proceeding, the authority shall
206 establish the period of time that will be used for calculating the net
207 amount of energy produced by a facility and not consumed, provided
208 the authority shall assess whether to incorporate time-of-use rates or
209 other dynamic pricing and such period of time shall be either (i) in real
210 time, (ii) in one day, (iii) in any fraction of a day not to exceed one day,
211 or (iv) in any period of time greater than one day up to and including
212 one month. In such proceeding, the authority shall consider the findings

213 of the study of the value of distributed energy resources conducted
214 pursuant to section 16a-3o. The rate for such tariffs shall be established
215 by the solicitation pursuant to subdivision (2) of this subsection.

216 (C) On or before September 1, 2018, the Department of Energy and
217 Environmental Protection shall (i) initiate a proceeding to develop
218 program requirements and tariff proposals for shared clean energy
219 facilities eligible pursuant to subparagraph (C) of subdivision (2) of this
220 subsection, including, but not limited to, the requirements in
221 subdivision (6) of this subsection, and (ii) establish either or both of the
222 following tariff proposals: (I) A tariff proposal that includes a price cap
223 on a cents-per-kilowatt-hour basis for any procurement for such
224 resources based on the procurement results of any other procurement
225 issued pursuant to this subsection, and (II) a tariff proposal that includes
226 a tariff rate for customers eligible under subparagraph (C) of
227 subdivision (2) of this subsection based on energy policy goals identified
228 by the department in the Comprehensive Energy Strategy pursuant to
229 section 16a-3d. On or before July 1, 2019, the department shall submit
230 any such program requirements and tariff proposals to the authority for
231 review and approval. On or before January 1, 2020, the authority shall
232 approve or modify such program requirements and tariff proposals
233 submitted by the department. If the authority approves two tariff
234 proposals pursuant to this subparagraph, the authority shall determine
235 how much of the total compensation authorized for customers eligible
236 under this subparagraph pursuant to subparagraph [(A)] (C) of
237 subdivision (1) of subsection (c) of this section shall be available under
238 each tariff.

239 (2) Not later than July 1, 2022, and annually thereafter, each electric
240 distribution company shall solicit and file with the Public Utilities
241 Regulatory Authority for its approval one or more projects selected
242 resulting from any procurement issued pursuant to subdivision (1) of
243 this subsection that are consistent with the tariffs approved by the
244 authority pursuant to subparagraphs (B) and (C) of subdivision (1) of
245 this subsection and that are applicable to (A) customers that own or

246 develop new generation projects on a customer's own premises that are
247 less than five megawatts in size, serve the distribution system of the
248 electric distribution company, are constructed after the solicitation
249 conducted pursuant to subdivision (4) of this subsection to which the
250 customer is responding, and use a Class I renewable energy source that
251 either (i) uses anaerobic digestion, or (ii) has emissions of no more than
252 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per
253 megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-hour of
254 volatile organic compounds and one grain per one hundred standard
255 cubic feet, (B) customers that own or develop new generation projects
256 on a customer's own premises that are less than five megawatts in size,
257 serve the distribution system of the electric distribution company, are
258 constructed after the solicitation conducted pursuant to subdivision (4)
259 of this subsection to which the customer is responding, and use a Class
260 I renewable energy source that emits no pollutants, and (C) customers
261 that own or develop new generation projects that are a shared clean
262 energy facility, consistent with the program requirements developed
263 pursuant to subparagraph (C) of subdivision (1) of this subsection. For
264 purposes of this section, "shared clean energy facility" means a Class I
265 renewable energy source, as defined in section 16-1, that (i) is served by
266 an electric distribution company, as defined in section 16-1, (ii) is within
267 the same electric distribution company service territory as the
268 individual billing meters for subscriptions, (iii) has a nameplate capacity
269 rating of five megawatts or less, and (iv) has at least two subscribers.
270 Any project that is eligible pursuant to subparagraph (C) of this
271 subdivision shall not be eligible pursuant to subparagraph (A) or (B) of
272 this subdivision.

273 (3) A customer that is eligible pursuant to subparagraph (A) or (B) of
274 subdivision (2) of this subsection may elect in any such solicitation to
275 utilize either (A) a tariff for the purchase of all energy and renewable
276 energy certificates on a cents-per-kilowatt-hour basis, or (B) a tariff for
277 the purchase of any energy produced by a facility and not consumed in
278 the period of time established by the authority pursuant to
279 subparagraph (B) of subdivision (1) of this subsection and all renewable

280 energy certificates generated by such facility on a cents-per-kilowatt-
281 hour basis.

282 (4) Each electric distribution company shall conduct an annual
283 solicitation or solicitations, as determined by the authority, for the
284 purchase of energy and renewable energy certificates produced by
285 eligible generation projects under this subsection over the duration of
286 each applicable tariff. Generation projects eligible pursuant to
287 subparagraphs (A) and (B) of subdivision (2) of this subsection shall be
288 sized so as not to exceed the load at the customer's individual electric
289 meter or a set of electric meters, when such meters are combined for
290 billing purposes, from the electric distribution company providing
291 service to such customer, as determined by such electric distribution
292 company, unless such customer is a state, municipal or agricultural
293 customer, then such generation project shall be sized so as not to exceed
294 the load at such customer's individual electric meter or a set of electric
295 meters at the same customer premises, when such meters are combined
296 for billing purposes, and the load of up to five state, municipal or
297 agricultural beneficial accounts, as defined in section 16-244u, identified
298 by such state, municipal or agricultural customer, and such state,
299 municipal or agricultural customer may include the load of up to five
300 additional nonstate or municipal beneficial accounts, as defined in
301 section 16-244u, when sizing such generation project, provided such
302 accounts are critical facilities, as defined in subdivision (2) of subsection
303 (a) of section 16-243y, and are connected to a microgrid.

304 (5) The maximum selected purchase price of energy and renewable
305 energy certificates on a cents-per-kilowatt-hour basis in any given
306 solicitation shall not exceed such maximum selected purchase price for
307 the same resources in the prior year's solicitation, unless the authority
308 makes a determination that there are changed circumstances in any
309 given year. For the first year solicitation issued pursuant to this
310 subsection, the authority shall establish a cap for the selected purchase
311 price for energy and renewable energy certificates on a cents-per-
312 kilowatt-hour basis for any resources authorized under this subsection.

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

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

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

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

332 (D) The department shall limit subscribers to (i) low-income
333 customers, (ii) moderate-income customers, (iii) small business
334 customers, (iv) state or municipal customers, (v) commercial customers,
335 and (vi) residential customers who can demonstrate, pursuant to criteria
336 determined by the department in the program requirements
337 recommended by the department and approved by the authority, that
338 they are unable to utilize the tariffs offered pursuant to subsection (b) of
339 this section.

340 (E) The department shall require that (i) not less than twenty per cent
341 of the total capacity of each shared clean energy facility is sold, given or
342 provided to low-income customers, and (ii) not less than sixty per cent
343 of the total capacity of each shared clean energy facility is sold, given or

344 provided to low-income customers, moderate-income customers or
345 low-income service organizations.

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

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

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

354 (7) For purposes of this subsection:

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

357 (B) "Low-income customer" means an in-state retail end user of an
358 electric distribution company (i) whose income [does not exceed sixty]
359 is less than eighty per cent of the [state] area median income, as defined
360 by the United States Department of Housing and Urban Development,
361 adjusted for family size, [or] (ii) whose income is less than two hundred
362 per cent of the federal poverty line, as defined in Section 36B(d)(3)(A) of
363 the Internal Revenue Code of 1986, or any subsequent corresponding
364 internal revenue code of the United States, as amended from time to
365 time, or (iii) that is an affordable housing facility;

366 (C) "Low-income service organization" means a for-profit or
367 nonprofit organization that provides service or assistance to low-income
368 individuals;

369 (D) "Moderate-income customer" means an in-state retail end user of
370 an electric distribution company whose income is between sixty per cent
371 and [one hundred] eighty per cent of the area median income as defined
372 by the United States Department of Housing and Urban Development,

373 adjusted for family size.

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

403 (2) On and after January 1, 2022, each electric distribution company
404 shall offer the following options to residential customers for the
405 purchase of products generated from a Class I renewable energy source

406 that is located on a customer's own premises and has a nameplate
407 capacity rating of twenty-five kilowatts or less for a term not to exceed
408 twenty years: (A) A tariff for the purchase of all energy and renewable
409 energy certificates on a cents-per-kilowatt-hour basis; and (B) a tariff for
410 the purchase of any energy produced and not consumed in the period
411 of time established by the authority pursuant to subparagraph (C) of
412 subdivision (1) of this subsection and all renewable energy certificates
413 generated by such facility on a cents-per-kilowatt-hour basis. A
414 residential customer shall select either option authorized pursuant to
415 subparagraph (A) or (B) of this subdivision, consistent with the
416 requirements of this section. Such generation projects shall be sized so
417 as not to exceed the load at the customer's individual electric meter or,
418 in the case of a multifamily dwelling that qualifies under this subsection,
419 the load of the premises, from the electric distribution company
420 providing service to such customer, as determined by such electric
421 distribution company. For purposes of this section, "residential
422 customer" means a customer of a single-family dwelling, a multifamily
423 dwelling consisting of two to four units, or a multifamily dwelling
424 consisting of five or more units, provided in the case of a multifamily
425 dwelling consisting of five or more units, (i) not less than sixty per cent
426 of the units of the multifamily dwelling are occupied by persons and
427 families with income that is not more than sixty per cent of the area
428 median income for the municipality in which it is located, as determined
429 by the United States Department of Housing and Urban Development,
430 or (ii) such multifamily dwelling is determined to be affordable housing
431 by the Public Utilities Regulatory Authority in consultation with the
432 Department of Energy and Environmental Protection, Department of
433 Housing, Connecticut Green Bank, Connecticut Housing Finance
434 Authority and United States Department of Housing and Urban
435 Development. In the case of a multifamily dwelling consisting of five or
436 more units, a generation project shall only qualify under this subsection
437 if: (I) Each of the dwelling units receives an appropriate share of the
438 benefits from the generation project, and (II) no greater than an
439 appropriate share of the benefits from the generation project is used to
440 offset common area usage. The Public Utilities Regulatory Authority

441 shall initiate an uncontested proceeding to implement the distribution
442 of the benefits from the generation project pursuant to this section.

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

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

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

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

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

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

458 (vi) "Actual program capacity" means the total capacity of all projects
459 approved by the authority for a program in a given year after the final
460 procurement round that year;

461 (vii) "Available program capacity" means the total megawatts
462 available to customers in a program in a given year pursuant to
463 subparagraph (C) of this subdivision as adjusted to account for any
464 megawatts transferred from the previous year pursuant to
465 subparagraph (E) of this subdivision; and

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

468 [(c) (1) (A)] (B) The aggregate total megawatts available to all

469 customers [utilizing a procurement and tariff offered by electric
470 distribution companies pursuant to subsection (a) of this section] in all
471 programs shall be up to eighty-five megawatts in year one and increase
472 by up to an additional one hundred sixty megawatts per year [in each
473 of the years two through six of such a tariff, provided] on and after
474 January 1, 2023.

475 (C) Except as provided in subparagraph (D) of this subdivision, the
476 total megawatts available to customers [eligible under subparagraph
477 (A) of subdivision (2) of subsection (a) of this section shall not exceed
478 ten] in each program are as follows: (i) Ten megawatts per year [, the
479 total megawatts available to customers eligible under subparagraph (B)
480 of subdivision (2) of subsection (a) of this section shall not exceed one]
481 for the low-emissions, nonresidential program; (ii) two hundred
482 megawatts per year for the zero-emissions, nonresidential program; and
483 [the total megawatts available to customers eligible under
484 subparagraph (C) of subdivision (2) of subsection (a) of this section shall
485 not exceed] (iii) fifty megawatts per year for the shared clean energy
486 facility program.

487 (D) In any given year, if the actual program capacity for any program
488 is less than ninety-five per cent of the available program capacity, the
489 authority shall make available additional megawatts, in an amount
490 equal to the difference between such actual and available program
491 capacities, to customers in one or two programs that are fully
492 subscribed, as determined by the authority. The authority shall permit
493 electric distribution companies to solicit additional projects for such
494 reallocated megawatts in the given year or the year immediately
495 following the given year, consistent with the procurement plans
496 approved pursuant to subdivisions (1) and (4) of subsection (a) of this
497 section.

498 (E) The authority shall monitor the competitiveness of any
499 procurements authorized pursuant to subsection (a) of this section and
500 may adjust the annual purchase amount established in this subsection
501 or other procurement parameters to maintain competitiveness. Any

502 megawatts not allocated in any given year shall [roll] transfer into the
503 next year's available megawatts, unless the megawatts are reallocated
504 pursuant to subparagraph (D) of this subdivision. The obligation to
505 purchase energy and renewable energy certificates shall be apportioned
506 to electric distribution companies based on their respective distribution
507 system loads, as determined by the authority.

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

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

519 [(2)] (d) At the beginning of year six of the procurements authorized
520 pursuant to this [subsection] section, the department, in consultation
521 with the authority, shall assess the tariff offerings pursuant to this
522 section and determine if such offerings are competitive compared to the
523 cost of the technologies. The department shall report, in accordance with
524 section 11-4a, the results of such determination to the General Assembly.

525 [(3)] (e) For any tariff established pursuant to this section, the
526 authority shall examine how to incorporate the following energy system
527 benefits into the rate established for any such tariff: [(A)] (1) Energy
528 storage systems that provide electric distribution benefits, [(B)] (2)
529 location of a facility on the distribution system, [(C)] (3) time-of-use rates
530 or other dynamic pricing, and [(D)] (4) other energy policy benefits
531 identified in the Comprehensive Energy Strategy prepared pursuant to
532 section 16a-3d.

533 [(d)] (f) In accordance with subsection (h) of section 16-245a, the
534 authority shall determine which of the following two options is in the
535 best interest of ratepayers and shall direct each electric distribution
536 company to either (1) retire the renewable energy certificates it
537 purchases pursuant to subsections (a) and (b) of this section on behalf of
538 all ratepayers to satisfy the obligations of all electric suppliers and
539 electric distribution companies providing standard service or supplier
540 of last resort service pursuant to section 16-245a, or (2) sell such
541 renewable energy certificates into the New England Power Pool
542 Generation information system renewable energy credit market. The
543 authority shall establish procedures for the retirement of such
544 renewable energy certificates. Any net revenues from the sale of
545 products purchased in accordance with this section shall be credited to
546 customers through a nonbypassable fully reconciling component of
547 electric rates for all customers of the electric distribution company.

548 [(e)] (g) The costs incurred by an electric distribution company
549 pursuant to this section shall be recovered on a timely basis through a
550 nonbypassable fully reconciling component of electric rates for all
551 customers of the electric distribution company. Any net revenues from
552 the sale of products purchased in accordance with any tariff offered
553 pursuant to this section shall be credited to customers through the same
554 fully reconciling rate component for all customers of such electric
555 distribution company.

556 [(f)] (h) Notwithstanding the size-to-load provisions of subdivision
557 (4) of subsection (a) of this section, the entire rooftop space of a
558 customer's own premises developed pursuant to subparagraph (B) of
559 subdivision (1) of subsection (a) of this section and owned by a
560 commercial or industrial customer may be used for purposes of
561 electricity generation and participation in the solicitation conducted by
562 each electric distribution company pursuant to subdivision (4) of
563 subsection (a) of this section.

564 Sec. 4. (*Effective July 1, 2023*) (a) Not later than February 1, 2024, the
565 Commissioner of Energy and Environmental Protection, in consultation

566 with the Commissioners of Administrative Services, Correction and
567 Transportation, shall submit a report, in accordance with the provisions
568 of section 11-4a of the general statutes, to the joint standing committee
569 of the General Assembly having cognizance of matters relating to
570 energy and technology that identifies state properties, including, but not
571 limited to, highway corridors and correctional institutions, that are
572 suitable for lease to private entities for the construction or location of
573 solar photovoltaic facilities with capacities of two or more megawatts.

574 (b) Not later than sixty days following submission of the report
575 described in subsection (a) of this section, the Commissioners of Energy
576 and Environmental Protection, Administrative Services, Correction and
577 Transportation shall cause such report to be posted to the Internet web
578 site of each department, respectively. Following such posting, the
579 Commissioner of Energy and Environmental Protection shall forward a
580 copy of such report to the chairperson of the Connecticut Siting Council,
581 who shall cause a copy of such report to be posted to the Internet web
582 site of the Connecticut Siting Council not later than thirty days following
583 receipt of such report.

584 Sec. 5. (*Effective July 1, 2023*) Not later than February 1, 2024, the
585 Commissioner of Energy and Environmental Protection shall submit a
586 report, in accordance with the provisions of section 11-4a of the general
587 statutes, to the joint standing committee of the General Assembly
588 having cognizance of matters relating to energy and technology that
589 identifies types of properties in the state, other than prime farmlands
590 and forest lands, that are suitable for the construction or location of solar
591 photovoltaic facilities with capacities of two or more megawatts. Such
592 report shall include, but need not be limited to, an analysis of whether:
593 (1) Right-of-ways occupied by overhead transmission facilities, as
594 described in section 16-50hh of the general statutes, may serve as such a
595 suitable situs in areas of such right-of-ways that are not subject to
596 restoration or revegetation orders described in section 16-50hh of the
597 general statutes, and (2) abandoned or underutilized parking facilities
598 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>October 1, 2023</i>	12-81(57)
Sec. 2	<i>October 1, 2023</i>	New section
Sec. 3	<i>October 1, 2023</i>	16-244z
Sec. 4	<i>July 1, 2023</i>	New section
Sec. 5	<i>July 1, 2023</i>	New section

Statement of Legislative Commissioners:

The title was changed.

ET *Joint Favorable Subst.*