



Substitute Senate Bill No. 7

Public Act No. 23-102

AN ACT STRENGTHENING PROTECTIONS FOR CONNECTICUT'S CONSUMERS OF ENERGY.

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

Section 1. Subsection (b) of section 16-19tt of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(b) In any rate case initiated on or after ~~July 8, 2013~~ October 1, 2023, or in a pending rate case for which a final decision has not been issued prior to ~~July 8, 2013~~ October 1, 2023, the Public Utilities Regulatory Authority shall order the state's gas and electric distribution companies to decouple distribution revenues from the volume of natural gas and electricity sales. [For electric distribution companies, the decoupling mechanism shall be the adjustment of actual distribution revenues to allowed distribution revenues. For gas distribution companies, the decoupling mechanism shall be a mechanism that does not remove the incentive to support the expansion of natural gas use pursuant to the 2013 Comprehensive Energy Strategy, such as a mechanism that decouples distribution revenue based on a use-per-customer basis. In making its determination on this matter, the authority shall consider the impact of decoupling on the gas or electric distribution company's return on equity and make any necessary adjustments thereto.] The

Substitute Senate Bill No. 7

authority shall have the discretion to determine the decoupling mechanism and methodology used in decoupling orders made pursuant to this subsection, subject to the principles set forth in subsection (m) of section 16-2, as amended by this act. In making such determination, the authority shall consider factors, including, but not limited to, (1) whether the decoupling mechanism and methodology is in the best interest of ratepayers, (2) whether such mechanism and methodology adequately accounts for distribution system service outages, and (3) whether such mechanism and methodology adequately addresses the disincentive for utilities to engage in conservation and energy efficiency measures.

Sec. 2. Subsection (b) of section 16-243p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) No [electric distribution company shall recover its] public service company with more than seventy-five thousand customers shall recover through rates its direct or indirect costs associated with its attendance [or participation in any rate-making hearing before] in, participation in, preparation for, or appeal of any rate proceeding conducted before the authority. Such costs shall include, but need not be limited to, attorneys' fees, fees to engage expert witnesses or consultants, the portion of employee salaries associated with such attendance, participation, preparation or appeal of a rate proceeding and related costs identified by the authority.

Sec. 3. (NEW) (*Effective from passage*) (a) No public service company shall recover through rates any direct or indirect cost associated with membership, dues, sponsorships or contributions to a business or industry trade association, group or related entity incorporated under Section 501 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time.

Substitute Senate Bill No. 7

(b) No public service company shall recover through rates any direct or indirect cost associated with lobbying or legislative action, as such terms are defined in section 1-91 of the general statutes.

(c) No public service company shall recover through rates any direct or indirect cost associated with advertising, marketing, communications that seek to influence public opinion or any other related costs identified by the authority, unless such marketing, advertising, communications or related costs are specifically approved or ordered by the authority or the Department of Energy and Environmental Protection.

(d) No public service company shall recover through rates any direct or indirect cost associated with (1) travel, lodging or food and beverage expenses for such company's board of directors and officers or the board of directors and officers of such company's parent company; (2) entertainment or gifts; (3) any owned, leased or chartered aircraft for such company's board of directors and officers or the board of directors and officers of such company's parent company; or (4) investor relations.

(e) On or before January 15, 2024, and annually thereafter, each public service company with more than seventy-five thousand customers shall report to the authority an itemized list of costs associated with the activities described in this section and subsection (b) of section 16-243p of the general statutes, as amended by this act, in a form prescribed by the authority. Such report shall include, but need not be limited to: (1) Any costs spent by the parent company or affiliates of the public service company directly billed or allocated to the public service company; (2) a list of the title, job description and salary of any employees of the public service company who performed work associated with the activities described in this section or in subsection (b) of section 16-243p of the general statutes, as amended by this act, and the hours attributed to such work; (3) a list of the title, job description and salary of any employees of the parent company or affiliate who performed work

Substitute Senate Bill No. 7

associated with the activities described in this section or in subsection (b) of section 16-243p of the general statutes, as amended by this act, and the hours attributed to such work that were directly billed or allocated to the public service company; (4) an itemized list of costs that the public service company made to all third-party vendors for any expenses associated with the activities described in this section or in subsection (b) of section 16-243p of the general statutes, as amended by this act, including unredacted billing amounts, billing dates, payees and explanation of the expenditure in detail sufficient to describe the purpose of the cost; and (5) any other itemized information deemed relevant by the authority. No public service company shall recover through rates any costs associated with the preparation of such report.

Sec. 4. Section 16-19jj of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Public Utilities Regulatory Authority [shall] *may*, whenever it deems appropriate [, encourage the use of] and is consistent with the principles set forth in sections 16-19, as amended by this act, and 16-19e, adopt proposed settlements produced by alternative dispute resolution mechanisms to resolve contested cases and proceedings.

(b) Parties or intervenors to a contested proceeding may propose a settlement by filing a motion, which shall be filed not later than three weeks prior to the scheduled issuance date of the proposed final decision in the proceeding. The parties proposing the settlement shall provide the proposed settlement to all parties and intervenors not less than three business days before the filing of a motion pursuant to this subsection, with a request that the party or intervenor provide a position on the proposed settlement for reference in the motion. Motions made pursuant to this subsection shall include, as applicable: (1) An analysis identifying any increases or decreases to components of rates resulting from the proposed settlement and the causal relationship of particular rate component increases or decreases to provisions in the proposed

Substitute Senate Bill No. 7

settlement, to the extent ascertainable; and (2) a statement of the position of nonsettling parties and intervenors on the proposed settlement, such as "support", "oppose" or "no position", if such party or intervenor complies with the request to provide such statement. If a proposed settlement is submitted prior to the close of the evidentiary record, prefiled testimony shall be submitted with the settlement.

(c) The provisions of any proposed settlement shall be supported by citations to the evidentiary record or other evidence as the authority may require.

(d) The authority may hold hearings and may order briefs to be filed related to any proposed settlement.

(e) (1) If the term of any provision in a settlement of a proceeding to amend rates under section 16-19, as amended by this act, extends longer than the effective date of the rate amendment approved in the subsequent proceeding to amend rates under section 16-19, as amended by this act, the authority may reject or modify such provision.

(2) Any proceeding to amend rates under section 16-19, as amended by this act, that is resolved by a settlement shall not constitute a general rate hearing for purposes of the periodic review required under section 16-19a, as amended by this act, if the previous proceeding to amend rates under section 16-19, as amended by this act, was resolved by a settlement in full or in part.

Sec. 5. (NEW) (*Effective from passage*) In any proceeding to amend rates under section 16-19 of the general statutes, as amended by this act, for customers of an electric distribution company that has a service area of eighteen or more cities and towns, that is initiated on or after July 1, 2023, or in a pending proceeding to amend rates under section 16-19 of the general statutes, as amended by this act, for customers of an electric distribution company that has a service area of eighteen or more cities

Substitute Senate Bill No. 7

and towns, for which a final decision has not been issued prior to July 1, 2023, the Public Utilities Regulatory Authority shall not reauthorize the on-bill reconciling mechanism for new electric plant additions that was first authorized in 2018.

Sec. 6. Subsection (b) of section 16-19gg of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) [In any rate amendment proposed on and after May 19, 1992, by a public service company, as defined by section 16-1, the Public Utilities Regulatory Authority shall analyze the effect on ratepayers of a public service company's provision of reduced or free utility service to its employees] During each proceeding on a rate amendment under section 16-19, as amended by this act, proposed by an electric distribution company, gas company or water company, the Public Utilities Regulatory Authority shall consider the following factors in determining a reasonable rate of return: (1) Macroeconomic conditions at the time the rate amendment is pending before the authority; (2) the company's compliance with state law, regulations and the decisions and policies of the authority and the Department of Energy and Environmental Protection; (3) the burden of the public service company's costs on residential ratepayers, measured as a percentage of household income, under the current and proposed rate; (4) trends in the company's accrual of bad debt; (5) the rate impact on all residential and nonresidential customers; and (6) any other issue deemed relevant by the authority.

Sec. 7. Section 16-19 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No public service company may charge rates in excess of those previously approved by the Public Utilities Control Authority or the Public Utilities Regulatory Authority, except that any rate approved by

Substitute Senate Bill No. 7

the Public Utilities Commission, the Public Utilities Control Authority or the Public Utilities Regulatory Authority shall be permitted until amended by the Public Utilities Regulatory Authority, that rates not approved by the Public Utilities Regulatory Authority may be charged pursuant to subsection (b) of this section, and that the hearing requirements with respect to adjustment clauses are as set forth in section 16-19b. For water companies, existing rates shall include the amount of any adjustments approved pursuant to section 16-262w since the company's most recent general rate case, provided any adjustment amount shall be separately identified in any customer bill. Each public service company shall file any proposed amendment of its existing rates with the authority in such form and in accordance with such reasonable regulations as the authority may prescribe. Each electric distribution, gas or telephone company filing a proposed amendment shall also file with the authority an estimate of the effects of the amendment, for various levels of consumption, on the household budgets of high and moderate income customers and customers having household incomes not more than one hundred fifty per cent of the federal poverty level. Each electric distribution company shall also file such an estimate for space heating customers. Each water company, except a water company that provides water to its customers less than six consecutive months in a calendar year, filing a proposed amendment, shall also file with the authority a plan for promoting water conservation by customers in such form and in accordance with a memorandum of understanding entered into by the authority pursuant to section 4-67e. Each public service company shall notify each customer who would be affected by the proposed amendment, by mail, at least one week prior to the first public hearing thereon, but not earlier than six weeks prior to such first public hearing, that an amendment has been or will be requested. Such notice shall also indicate (1) the date, time and location of any scheduled public hearing, (2) a statement that customers may provide written comments regarding the proposed amendment to the Public Utilities Regulatory Authority or appear in person at any scheduled public hearing, (3) the

Substitute Senate Bill No. 7

Public Utilities Regulatory Authority telephone number for obtaining information concerning the schedule for public hearings on the proposed amendment, and (4) whether the proposed amendment would, in the company's best estimate, increase any rate or charge by [twenty] five per cent or more, and, if so, describe in general terms any such rate or charge and the amount of the proposed increase. [, provided no such company shall be required to provide more than one form of the notice to each class of its customers] If a company fails to provide adequate notice, the authority shall consider the effective filing date of such company's proposed amendment to be the date that the company provides adequate notice to customers, as determined by the authority. Until the effective filing date, no days shall count toward the time limit for a final decision in this subsection. In the case of a proposed amendment to the rates of any public service company, the authority shall hold one or more public hearings thereon, except as permitted with respect to interim rate amendments by subsections (d) and (g) of this section, and shall make such investigation of such proposed amendment of rates as is necessary to determine whether such rates conform to the principles and guidelines set forth in section 16-19e, or are unreasonably discriminatory or more or less than just, reasonable and adequate, or that the service furnished by such company is inadequate to or in excess of public necessity and convenience, provided the authority may (A) evaluate the reasonableness and adequacy of the performance or service of the public service company using any applicable metrics or standards adopted by the authority pursuant to section 16-244aa, and (B) determine the reasonableness of the allowed rate of return of the public service company based on such performance evaluation. The authority, if in its opinion such action appears necessary or suitable in the public interest may, and, upon written petition or complaint of the state, under direction of the Governor, shall, make the aforesaid investigation of any such proposed amendment which does not involve an alteration in rates. If the authority finds any proposed amendment of rates to not conform to the principles and guidelines set forth in section 16-19e, or

Substitute Senate Bill No. 7

to be unreasonably discriminatory or more or less than just, reasonable and adequate to enable such company to provide properly for the public convenience, necessity and welfare, or the service to be inadequate or excessive, it shall determine and prescribe, as appropriate, an adequate service to be furnished or just and reasonable maximum rates and charges to be made by such company. In the case of a proposed amendment filed by an electric distribution, gas or telephone company, the authority shall also adjust the estimate filed under this subsection of the effects of the amendment on the household budgets of the company's customers, in accordance with the rates and charges approved by the authority. The authority shall issue a final decision on each electric distribution or gas company rate filing [within] not later than three hundred fifty days [from the proposed] after the effective filing date [thereof] of the proposed amendment. The authority shall issue a final decision on all public service company rate filings, except electric distribution or gas company rate filings, [within] not later than two hundred seventy days [from the proposed] after the effective filing date [thereof] of the proposed amendment.

(b) If the authority has not made its finding respecting an amendment of any electric distribution or gas company rate within three hundred fifty days from the proposed effective date of such amendment thereof, or if the authority has not made its finding respecting an amendment of any public service company rate, except an electric distribution or a gas company rate, within two hundred seventy days from the proposed effective date of such amendment thereof, such amendment may become effective pending the authority's finding with respect to such amendment upon the filing by the company with the authority of assurance satisfactory to the authority, which may include a bond with surety, of the company's ability and willingness to refund to its customers with interest such amounts as the company may collect from them in excess of the rates fixed by the authority in its finding or fixed at the conclusion of any appeal taken as a result of a finding by the

Substitute Senate Bill No. 7

authority.

(c) Upon conclusion of its investigation of the reasonableness of any proposed increase of rates, the authority shall order the company to refund to its customers with interest any amounts the company may have collected from them during the period that any amendment permitted by subsection (b) of this section was in force, which amounts the authority may find to have been in excess of the rates fixed by the authority in its finding or fixed at the conclusion of any appeal taken as a result of a finding by the authority. Any such refund ordered by the authority shall be paid by the company, under direction of the authority, to its customers in such amounts as are determined by the authority.

(d) Nothing in this section shall be construed to prevent the authority from approving an interim rate increase, if the authority finds that such an interim rate increase is necessary to prevent substantial and material deterioration of the financial condition of a public service company, to prevent substantial deterioration of the adequacy and reliability of service to its customers or to conform to the applicable principles and guidelines set forth in section 16-19e, provided the authority shall first hold a special public hearing on the need for such interim rate increase and the company, at least one week prior to such hearing, notifies each customer who would be affected by the interim rate increase that such an increase is being requested. The company shall include the notice in a mailing of customer bills, unless such a mailing would not provide timely notice, in which case the authority shall authorize an alternative manner of providing such notice. Any such interim rate increase shall only be permitted if the public service company submits an assurance satisfactory to the authority, which may include a bond with surety, of the company's ability and willingness to refund to its customers with interest such amounts as the company may collect from such interim rates in excess of the rates approved by the authority in accordance with subsection (a) of this section. The authority shall order a refund in an

Substitute Senate Bill No. 7

amount equal to the excess, if any, of the amount collected pursuant to the interim rates over the amount which would have been collected pursuant to the rates finally approved by the authority in accordance with subsection (a) of this section or fixed at the conclusion of any appeal taken as a result of any finding by the authority. Such refund ordered by the authority shall be paid by the company to its customers in such amounts and by such procedure as ordered by the authority.

(e) If the authority finds that the imposition of any increase in rates would create a hardship for a municipality, because such increase is not reflected in its then current budget, or cannot be included in the budget of its fiscal year which begins less than five months after the effective date of such increase, the authority may defer the applicability of such increase with respect to services furnished to such municipality until the fiscal year of such municipality beginning not less than five months following the effective date of such increase; provided the revenues lost to the public service company through such deferral shall be paid to the public service company by the municipality in its first fiscal year following the period of such deferral.

(f) Any public service company, as defined in section 16-1, as amended by this act, filing an application with the Public Utilities Regulatory Authority to reopen a rate proceeding under this section, which application proposes to increase the company's revenues or any rate or charge of the company by five per cent or more, shall, not later than one week prior to the hearing under the reopened proceeding, notify each customer who would be affected thereby that such an application is being filed. Such notice shall indicate the rate increases proposed in the application. The company shall include the notice in a mailing of customer bills, unless such a mailing would not provide timely notice to customers of the reopening of the proceeding, in which case the authority shall authorize an alternative manner of providing such notice. The authority shall only grant an application by a public

Substitute Senate Bill No. 7

service company to reopen a rate proceeding under this section upon a unanimous vote of the utility commissioners.

(g) The authority shall hold either a special public hearing or combine an investigation with an ongoing four-year review conducted in accordance with section 16-19a, as amended by this act, or with a general rate hearing conducted in accordance with subsection (a) of this section on the need for an interim rate decrease (1) when a public service company has, for the rolling twelve-month period ending with the two most recent consecutive financial quarters, earned a return on equity which exceeds the return authorized by the authority by at least one-half of one percentage point, (2) if it finds that any change in municipal, state or federal tax law creates a significant increase in a company's rate of return, or (3) if it [finds] provides appropriate notice that a public service company may be collecting rates or may have an authorized rate of return which is or are more than just, reasonable and adequate, as determined by the authority, provided the authority shall require appropriate notice of hearing to the company and its customers who would be affected by an interim rate decrease in such form as the authority deems reasonable. The company shall be required to demonstrate to the satisfaction of the authority that earning such a return on equity, having an authorized rate of return or collecting rates which are more than just, reasonable and adequate is directly beneficial to its customers. At the completion of the proceeding, the authority may order an interim rate decrease if it finds that such return on equity or rates exceeds a reasonable rate of return or is more than just, reasonable and adequate as determined by the authority. Any such interim rate decrease shall be subject to a customer surcharge if the interim rates collected by the company are less than the rates finally approved by the authority or fixed at the conclusion of any appeal taken as a result of any finding by the authority. Such surcharge shall be assessed against customers in such amounts and by such procedure as ordered by the authority.

Substitute Senate Bill No. 7

(h) The provisions of this section shall not apply to the regulation of a telecommunications service which is a competitive service, as defined in section 16-247a, or to a telecommunications service to which an approved plan for an alternative form of regulation applies, pursuant to section 16-247k.

Sec. 8. Subsection (a) of section 16-19a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) The Public Utilities Regulatory Authority shall, at intervals of not more than four years from the last previous general rate hearing of each gas [and] company, electric distribution company or water company having more than seventy-five thousand customers, conduct a complete review and investigation of the financial and operating records of each such company and hold a public hearing to determine whether the rates of each such company are unreasonably discriminatory or more or less than just, reasonable and adequate, or that the service furnished by such company is inadequate to or in excess of public necessity and convenience or that the rates do not conform to the principles and guidelines set forth in section 16-19e. In making such determination, the authority shall consider the gross and net earnings of such company since its last previous general rate hearing, its retained earnings, its actual and proposed capital expenditures, its advertising expenses, the dividends paid to its stockholders, the rate of return paid on its preferred stock, bonds, debentures and other obligations, its credit rating, and such other financial and operating information as the authority may deem pertinent.

(2) The authority may conduct a general rate hearing in accordance with subsection (a) of section 16-19, as amended by this act, in lieu of the periodic review and investigation proceedings required under subdivision (1) of this subsection. The authority may convene such general rate hearing at an interval of less than four years at the discretion

Substitute Senate Bill No. 7

of the authority, unless convening such general rate hearing at an interval of less than four years violates the terms of any final decision of the authority. Notwithstanding the provisions of section 16-243p, as amended by this act, a gas company, electric distribution company or water company may recover reasonable and prudently incurred costs associated with a proceeding convened by the authority pursuant to this section, provided such company demonstrates to the satisfaction of the authority that it is not collecting rates and does not have an authorized rate of return which is or are more than just, reasonable and adequate, as determined by the authority.

Sec. 9. Subsection (b) of section 16-8 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(b) (1) The authority may employ professional personnel to perform management audits. The authority shall promptly establish such procedures as it deems necessary or desirable to provide for management audits to be performed on a regular or irregular schedule on all or any portion of the operating procedures and any other internal workings of any public service company or person involved in the transportation of gas, as such terms are defined in section 16-280a, including the relationship between any public service company or person involved in the transportation of gas, as such terms are defined in section 16-280a, and a related holding company or subsidiary, consistent with the provisions of section 16-8c, provided no such audit shall be performed on a community antenna television company, except with regard to any noncable communications services which the company may provide, or when (A) such an audit is necessary for the authority to perform its regulatory functions under the Communications Act of 1934, 47 USC 151, et seq., as amended from time to time, other federal law or state law, (B) the cost of such an audit is warranted by a reasonably foreseeable financial, safety or service benefit to subscribers of the company which is the subject of such an audit, and

Substitute Senate Bill No. 7

(C) such an audit is restricted to examination of the operating procedures that affect operations within the state.

(2) In any case where the authority determines that an audit is necessary or desirable, it may (A) order the audit to be performed by one of the management audit teams, (B) require the affected company or person to perform the audit utilizing the company's own internal management audit staff as supervised by designated members of the authority's staff or the person's own internal management audit staff as supervised by designated members of the authority's staff, or (C) require that the audit be performed under the supervision of designated members of the authority's staff by an independent management consulting firm selected by the authority, in consultation with the affected company or person. If the affected company or person has more than seventy-five thousand customers, such independent management consulting firm shall be of nationally recognized stature. All reasonable and proper expenses of the audits, including, but not limited to, the costs associated with the audit firm's testimony at a public hearing or other proceeding, shall be borne by the affected companies or persons and shall be paid by such companies or persons at such times and in such manner as the authority directs.

(3) For purposes of this section, a complete audit shall consist of (A) a diagnostic review of all functions of the audited company or person, which shall include, but not be limited to, documentation of the operations of the company or person, assessment of the company's system of internal controls or assessment of the person's system of internal controls, and identification of any areas of the company or person which may require subsequent audits, and (B) the performance of subsequent focused audits identified in the diagnostic review and determined necessary by the authority. All audits performed pursuant to this section shall be performed in accordance with generally accepted management audit standards. The authority shall adopt regulations in

Substitute Senate Bill No. 7

accordance with the provisions of chapter 54 setting forth such generally accepted management audit standards. Each audit of a community antenna television company shall be consistent with the provisions of the Communications Act of 1934, 47 USC 151, et seq., as amended from time to time, and of any other applicable federal law. The authority shall certify whether a portion of an audit conforms to the provisions of this section and constitutes a portion of a complete audit.

(4) A complete audit of each portion of each gas company, [or] electric distribution company or water company having more than seventy-five thousand customers shall begin no less frequently than every six years, so that a complete audit of such a company's operations shall be performed every six years. Such an audit of each such company having more than seventy-five thousand customers shall be updated as required by the authority.

(5) The results of an audit performed pursuant to this section shall be filed with the authority and shall be open to public inspection. Upon completion and review of the audit, if the person or firm performing or supervising the audit determines that any of the operating procedures or any other internal workings of the affected public service company or person involved in the transportation of gas, as such terms are defined in section 16-280a, are inefficient, improvident, unreasonable, negligent or in abuse of discretion, the authority may, after notice and opportunity for a hearing, order the affected public service company or person involved in the transportation of gas, as such terms are defined in section 16-280a, to adopt such new or altered practices and procedures as the authority shall find necessary to promote efficient and adequate service to meet the public convenience and necessity. The authority shall annually submit a report of audits performed pursuant to this section to the joint standing committee of the General Assembly having cognizance of matters relating to public utilities which report shall include the status of audits begun but not yet completed and a

Substitute Senate Bill No. 7

summary of the results of audits completed. Any such report may be submitted electronically.

(6) All prudent, reasonable and proper costs and expenses, as determined by the authority, of complying with any order of the authority pursuant to this subsection shall be recognized by the authority for all purposes as proper business expenses of the affected company or person. Any costs or expenses, as determined by the authority, incurred by the company or person to address or remediate an inefficient, improvident, unreasonable, negligent or imprudent management or company practice identified in the course of the management audit shall not constitute prudent, reasonable and proper costs and expenses.

(7) After notice and hearing, the authority may modify the scope and schedule of a management audit of a telephone company which is subject to an alternative form of regulation so that such audit is consistent with that alternative form of regulation.

Sec. 10. Section 16-19bb of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The Public Utilities Regulatory Authority shall require that any funds held by an electric distribution company in excess of the company's authorized return on equity, which funds are intended by the authority to offset future rate increases in lieu of a present rate decrease, shall be applied to such rate increases or shall be refunded to the company's customers, [within one year of receipt] in a manner determined by the authority, not later than the conclusion of the company's next proceeding conducted pursuant to section 16-19a, as amended by this act.

Sec. 11. Section 16-35 of the general statutes is amended by adding subsection (d) as follows (*Effective from passage*):

Substitute Senate Bill No. 7

(NEW) (d) In ruling upon an application for a stay filed to the Public Utilities Regulatory Authority by a person who is a party or intervenor in a proceeding, the authority may only stay enforcement of a civil penalty if the person who appeals the order, authorization or decision that imposed such penalty provides an escrow deposit, bond or other surety equal to the total amount of such penalty. To obtain a stay of enforcement from the authority of any other order, authorization or decision of the authority, the person who appeals such order, authorization or decision shall bear the burden of demonstrating that: (1) There is a strong likelihood that the appeal will succeed; (2) such person will suffer substantial and irreparable harm absent a stay; and (3) the stay will not be harmful to the public interest.

Sec. 12. Section 16-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Each public service company, person involved in the transportation of gas, as such terms are defined in section 16-280a, and electric supplier subject to regulation by the Public Utilities Regulatory Authority shall, in the event of any accident attended with personal injury or involving public safety, which was or may have been connected with or due to the operation of its property, or caused by contact with the wires of any public service company or electric supplier, notify the authority thereof, by contacting the chairperson of the authority or the chairperson's designee by telephone or otherwise, as soon as may be reasonably possible after the occurrence of such accident, but not later than twelve hours after the occurrence, unless such accident is a minor accident, as defined by regulations of the authority. Each such person, company or electric supplier shall report such minor accidents to the authority in writing, in summary form, once each month. If notice of such accident, other than a minor accident, is given otherwise than in writing, it shall be confirmed in writing within five days after the occurrence of such accident. [Any person, company

Substitute Senate Bill No. 7

or electric supplier failing to comply with the provisions of this section shall be fined not more than five hundred dollars for each offense.]

(b) Each electric distribution company shall incorporate the information described in section 16-19ee, as amended by this act, into the monthly report required pursuant to subsection (a) of this section.

(c) Any person, company or electric supplier that fails to comply with the provisions of this section shall be fined not more than one thousand dollars for each offense. A violation of the provisions of this section concerning the reporting of accidents, except minor accidents, shall constitute a continued violation, pursuant to section 16-41, as amended by this act, for the period from the date the person, company or electric supplier is required to notify the chairperson of the authority by telephone or otherwise of the accident until the date the authority receives such notice in writing. A violation of the provision of this section concerning the reporting of minor accidents shall constitute a continued violation, pursuant to section 16-41, as amended by this act, for the period from the date the person, company or electric supplier is required to notify the authority in writing of such minor accident until the date the authority receives such notice in writing.

(d) Any restitution ordered by the authority pursuant to section 16-41, as amended by this act, for customer equipment or customer property damaged in an accident, including a minor accident, as defined by regulations of the authority, shall equal the replacement value of such equipment or property. The fines imposed in accordance with subsection (c) of this section shall not reduce or limit the amount of any restitution.

(e) Any fines or restitution costs paid by an electric distribution company pursuant to subsection (c) or (d) of this section shall not be recoverable through rates.

Substitute Senate Bill No. 7

Sec. 13. Section 16-19ee of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Each electric distribution company shall, in its [periodic] monthly report to the Public Utilities Regulatory Authority [,] required pursuant to section 16-16, as amended by this act, provide information concerning the primary cause of all planned and unplanned electrical outages [,] affecting two hundred fifty or more customers in the preceding month that is the subject of such report and shall indicate which outages resulted from a power surge.

Sec. 14. Section 16-245d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(a) (1) The Public Utilities Regulatory Authority shall, by regulations adopted pursuant to chapter 54, develop a standard billing format that enables customers to compare pricing policies and charges among electric suppliers. The authority shall alter or repeal any relevant regulation in conjunction with the implementation of a redesigned standard billing format described in [subdivision (2)] subdivisions (2) and (3) of this subsection. The authority shall adopt regulations, in accordance with the provisions of chapter 54, to provide that an electric supplier shall provide direct billing and collection services for electric generation services and related federally mandated congestion charges that such suppliers provide to their customers or may choose to obtain such billing and collection service through an electric distribution company and pay its pro rata share in accordance with the provisions of subsection (f) of section 16-244c. Any customer of an electric supplier, which is choosing to provide direct billing, who paid for the cost of billing and other services to an electric distribution company shall receive a credit on their monthly bill.

(2) On or before July 1, 2014, the authority shall initiate a docket to redesign (A) the standard billing format for residential customers

Substitute Senate Bill No. 7

implemented pursuant to subdivision (1) of this subsection to better enable such residential customers to compare pricing policies and charges among electric suppliers, and (B) the account summary page of a residential customer located on the electric distribution company's Internet web site. The authority shall issue a final decision on such docket not later than six months after its initiation. Such final decision shall include the placement of the following items on the first page of each bill for each residential customer receiving electric generation service from an electric supplier: (i) The electric generation service rate; (ii) the term and expiration date of such rate; (iii) any change to such rate effective for the next billing cycle; (iv) the cancellation fee, if applicable, provided there is such a change; (v) notification that such rate is variable, if applicable; (vi) the standard service rate; (vii) the term and expiration date of the standard service rate; (viii) the dollar amount that would have been billed for the electric generation services component had the customer been receiving standard service; and (ix) an electronic link or Internet web site address to the rate board Internet web site described in section 16-244d and the toll-free telephone number and other information necessary to enable the customer to obtain standard service. Such final decision shall also include the feasibility of (I) an electric distribution company transferring a residential customer receiving electric generation service from an electric supplier to a different electric supplier in a timely manner and ensuring that the electric distribution company and the relevant electric suppliers provide timely information to each other to facilitate such transfer, and (II) allowing residential customers to choose how to receive information related to bill notices, including United States mail, electronic mail, text message, an application on a cellular telephone or a third-party notification service approved by the authority. [On or before July 1, 2015, the authority shall implement, or cause to be implemented, the redesigned standard billing format and Internet web site for a customer's account summary.] On or before July 1, 2020, and every five years thereafter, the authority shall reopen such docket to ensure the

Substitute Senate Bill No. 7

standard billing format and Internet web site for a customer's account summary remains a useful tool for customers to compare pricing policies and charges among electric suppliers.

(3) Not later than August 1, 2023, each electric distribution company shall use a total of four categories as part of the standard billing format for all residential customers, one of which shall relate to charges for generation of electricity, one of which shall relate to charges for local distribution of electricity, one of which shall relate to charges for transmission of electricity, and one of which shall relate to system benefits and the subset of federally mandated congesting charges approved by the authority pursuant to any provision of the general statutes, public act or special act. The authority shall require that each electric distribution company's standard billing format for residential customers identify each charge and the corresponding category in accordance with the authority's determinations. The authority, in a docket reopened pursuant to subdivision (2) of this subsection, may modify the categories described in this subdivision if the authority finds that such modification improves customer understanding of the components of the electric bill or customer understanding of what costs are causing increases to the total amount of a customer's bill.

[(3)] (4) An electric supplier that chooses to provide billing and collection services shall, in accordance with the billing format developed by the authority, include the following information in each customer's bill: (A) The total amount owed by the customer, which shall be itemized to show (i) the electric generation services component and any additional charges imposed by the electric supplier, and (ii) federally mandated congestion charges applicable to the generation services; (B) any unpaid amounts from previous bills, which shall be listed separately from current charges; (C) the rate and usage for the current month and each of the previous twelve months in bar graph form or other visual format; (D) the payment due date; (E) the interest

Substitute Senate Bill No. 7

rate applicable to any unpaid amount; (F) the toll-free telephone number of the Public Utilities Regulatory Authority for questions or complaints; and (G) the toll-free telephone number and address of the electric supplier. On or before October 1, 2013, the authority shall conduct a review of the costs and benefits of suppliers billing for all components of electric service, and report, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the results of such review. Any such report may be submitted electronically.

[(4)] (5) An electric distribution company shall, in accordance with the billing format developed by the authority, include the following information in each customer's bill: (A) The total amount owed by the customer, which shall be itemized [to show, (i) the electric generation services component if the customer obtains standard service or last resort service from the electric distribution company, (ii) the distribution charge, including all applicable taxes and the systems benefits charge, as provided in section 16-245l, (iii) the transmission rate as adjusted pursuant to subsection (d) of section 16-19b, (iv) the competitive transition assessment, as provided in section 16-245g, (v) federally mandated congestion charges, and (vi) the conservation and renewable energy charge, consisting of the conservation and load management program charge, as provided in section 16-245m, and the renewable energy investment charge, as provided in section 16-245n] using the categories described in subdivision (3) of this subsection; (B) any unpaid amounts from previous bills which shall be listed separately from current charges; (C) except for customers subject to a demand charge, the rate and usage for the current month and each of the previous twelve months in the form of a bar graph or other visual form; (D) the payment due date; (E) the interest rate applicable to any unpaid amount; (F) the toll-free telephone number of the electric distribution company to report power losses; (G) the toll-free telephone number of the Public Utilities Regulatory Authority for questions or complaints; and (H) if a customer

Substitute Senate Bill No. 7

has a demand of five hundred kilowatts or less during the preceding twelve months, a statement about the availability of information concerning electric suppliers pursuant to section 16-245p.

(b) An electric distribution company that provides billing services for an electric supplier shall be entitled to recover from the electric supplier all reasonable transaction costs to provide such billing services as well as a reasonable rate of return, in accordance with the principles in subsection (a) of section 16-19e.

(c) From June 3, 2014, and until one year after June 3, 2014, inclusive, each electric distribution company shall, on a quarterly basis, include the following items in a bill insert to each residential customer who obtains standard service or electric generation service from an electric supplier: (1) The standard service rate; (2) the term and expiration date of such rate; (3) any change to the standard service rate not later than forty-five days before the standard service rate is effective; and (4) before any reference to the term "standard service", the name of the electric distribution company.

(d) From June 3, 2014, and until one year after June 3, 2014, inclusive, each electric supplier shall, on a quarterly basis, include the following items in a mailing to each residential customer receiving electric generation service from such supplier: (1) The electric generation service rate; (2) the term and expiration date of such rate; (3) any change to such rate effective for the next billing cycle; (4) the cancellation fee, if applicable, provided there is such a change; (5) notification that such rate is variable, if applicable; (6) the standard service rate; (7) the term and expiration date of the standard service rate; and (8) the dollar amount that would have been billed for the electric generation services component had the customer been receiving standard service.

(e) On and after July 1, 2015, if a residential customer is enrolled in automatic electronic bill payments and does not receive a bill through

Substitute Senate Bill No. 7

United States mail, an electric distribution company shall send such customer a link to such customer's bill in electronic mail with confirmation of bill payment.

Sec. 15. (NEW) (*Effective from passage*) (a) As used in this section:

(1) "Compensation" means payment by any public service company that is a party to a proceeding, investigation or rulemaking before the Public Utilities Regulatory Authority, or is a party to alternative dispute resolution ordered by the authority, for all or part, as determined by the authority, of a stakeholder group's reasonable attorneys' fees, reasonable expert witness fees and other reasonable costs for preparation and participation in such proceeding before the authority.

(2) "Stakeholder group" means (A) a group of persons designated an intervenor pursuant to section 4-177a of the general statutes or designated a participant pursuant to section 16-1-135 of the regulations of Connecticut state agencies that applies jointly for an award of compensation under this section and represents the interests of more than one (i) residential utility customer residing in an environmental justice community, as defined in section 22a-20a of the general statutes, (ii) residential utility customer who is a hardship case for purposes of subdivision (3) of subsection (b) of section 16-262c of the general statutes, as amended by this act, or (iii) small business customer; or (B) a nonprofit organization in the state authorized to represent the interests of (i) residential utility customers residing in an environmental justice community, as defined in section 22a-20a of the general statutes, (ii) residential utility customers who are hardship cases for purposes of subdivision (3) of subsection (b) of section 16-262c of the general statutes, as amended by this act, or (iii) small business customers. "Stakeholder group" does not include any nonprofit or other organization whose principal interests are the welfare of a public service company or its investors or employees, or the welfare of one or more businesses or industries which receive utility service primarily for use

Substitute Senate Bill No. 7

in connection with the manufacture, sale or distribution of goods or services for profit; and does not include any state agency that participates in proceedings before the authority, including, but not limited to, the Department of Energy and Environmental Protection, the office of the Attorney General and the Office of Consumer Counsel.

(3) "Other reasonable costs" means reasonable out-of-pocket expenses incurred by the stakeholder group that are directly related to the group's preparation for or participation in the proceeding before the authority that resulted in a substantial contribution.

(4) "Proceeding" means a contested case, investigation, rulemaking or other formal proceeding before the authority, or alternative dispute resolution ordered by the authority, pertaining to a gas company, water company, pipeline company, electric distribution company or electric supplier, as such terms are defined in section 16-1 of the general statutes, as amended by this act.

(5) "Significant financial hardship" means that a stakeholder group demonstrates that it is unable to afford to pay the costs of effectively participating in the proceeding, including attorneys' fees, expert witness fees and other reasonable costs.

(6) "Small business customer" means a commercial or industrial electric customer with less than a two hundred kilowatt peak load that is a "small business" under section 4-168a of the general statutes.

(7) "Substantial contribution" means participation by a stakeholder group in a proceeding that, in the judgment of the authority, may substantially assist the authority in making its decision or part of its decision because the authority may adopt one or more factual contentions, legal contentions or policy or procedural recommendations that the stakeholder group presents.

(b) (1) Not later than January 15, 2024, the Public Utilities Regulatory

Substitute Senate Bill No. 7

Authority shall establish a program to award compensation to eligible stakeholder groups in proceedings of the authority. Such compensation shall be limited to not more than one hundred thousand dollars for each stakeholder group, not more than three hundred thousand dollars for all stakeholder groups in an eligible proceeding and not more than one million two hundred thousand dollars total for all stakeholder groups in each calendar year.

(2) (A) Not later than March 15, 2026, the authority shall issue a request for proposals to retain a consultant with program evaluation experience to conduct an independent evaluation of the program established pursuant to subdivision (1) of this subsection, including its performance, impact and effectiveness. The authority shall determine the criteria for evaluating proposals and the deadline for responding to the request for proposals.

(B) Not later than July 15, 2026, the authority shall evaluate the bids submitted and select the bidder that shall conduct the study.

(C) Not later than January 15, 2027, the chairperson of the authority shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology, regarding the implementation of the program required by this subsection during the period from January 15, 2024, to July 15, 2026, inclusive. The report shall include, but need not be limited to: (i) A summary of the program's implementation, including a summary of the application process, the number of applicants received, the number of stakeholder groups who participated in proceedings, the number of stakeholder groups who were awarded funding, the number of stakeholder groups who claimed financial hardship, and the annual costs of the program, including a breakdown of costs by type of stakeholder group expense; (ii) an assessment of the impact of stakeholder groups on proceedings and their outcomes; (iii) the

Substitute Senate Bill No. 7

program evaluation by the independent consultant retained by the authority; and (iv) any recommendations regarding legislative changes to the program.

(c) A stakeholder group that seeks designation as an intervenor pursuant to section 4-177a of the general statutes or a participant pursuant to section 16-1-135 of the regulations of Connecticut state agencies may apply for an award of compensation in accordance with the program established pursuant to this section. At the same time or before filing its application, the stakeholder group shall serve on every party, intervenor or participant to the proceeding notice of intent to apply for an award of compensation. The authority shall determine appropriate procedures for accepting, taking comment on and responding to such applications, and may require that applicants attend educational trainings sponsored or recommended by the authority or the Office of Consumer Counsel as a condition of receiving an award of compensation. Any such trainings shall be designed to support public participation and public understanding of authority decisions and rulings, and general education and awareness regarding public service company regulation and operations, and shall include resources for the public that explain the role and function of the authority and the Office of Consumer Counsel. In its performance of duties pursuant to this subsection, the authority and the Office of Consumer Counsel may retain consultants to provide training in areas in which staff expertise does not currently exist or when necessary to supplement existing staff expertise, and may incur other reasonable costs related to stakeholder engagement and the program, provided the total costs incurred by the authority and the Office of Consumer Counsel under this subsection do not exceed one million dollars per year.

(d) Any application submitted pursuant to this section shall include:

(1) A statement of the nature and extent and the factual and legal basis of the stakeholder's planned participation, to the extent it is

Substitute Senate Bill No. 7

possible to describe such participation with reasonable specificity at the time the application is filed.

(2) A detailed budget of anticipated attorneys' and expert witness fees and other costs of preparation for and participation in the proceeding.

(3) If participation will impose a significant financial hardship and the stakeholder group seeks advance payment of an award of compensation in order to initiate, continue or complete participation in the proceeding, the stakeholder group shall include substantial evidence of significant financial hardship in its application.

(4) Any other requirements, as determined by the authority.

(e) (1) Not later than thirty days after receiving a stakeholder group's application, the authority shall decide if the stakeholder group's participation constitutes a substantial contribution. If the authority finds that such participation is a substantial contribution, the authority shall describe this substantial contribution and determine if the stakeholder group has significant financial hardship pursuant to subdivision (2) of this subsection.

(2) Notwithstanding subsection (f) of this section, if the authority finds that the stakeholder group has significant financial hardship, the authority may direct the public service company or companies subject to the proceeding to pay all or part of the expected compensation, as determined by the authority, to the stakeholder group before the end of the proceeding. If the stakeholder group discontinues its participation in the proceeding without the consent of the authority, the authority shall recover all or part of any payments made to such stakeholder and refund such payments to the public service company or companies that made the payments.

(3) Any determination by the authority to direct payment of all or part of a stakeholder group's expected compensation before the end of

Substitute Senate Bill No. 7

a proceeding pursuant to subdivision (2) of this subsection shall take into consideration the compensation paid to attorneys, expert witnesses and other persons of comparable training and experience who offer similar services as the services relevant to the stakeholder group's application and compensation.

(4) Each stakeholder group shall return any unused compensation to the authority, which the authority shall refund to the public service company or companies that provided the compensation.

(5) The authority shall require that every stakeholder group maintain an itemized record of all expenditures incurred as a result of the proceeding. The authority may use the record to verify the stakeholder group's claim of financial hardship and to determine if any unused funds remain at the completion of a proceeding.

(6) If the authority determines that two or more stakeholder groups have substantially similar interests, the authority may require such stakeholder groups to apply jointly in order to receive compensation.

(f) Any compensation shall be paid at the conclusion of the proceeding by the public service company, in a manner determined by the authority. Compensation shall be paid by all relevant public service companies in proportion to such companies' relative annual load, number of customers or revenue, as determined by the authority.

(g) The authority shall not award compensation to any stakeholder group that delays or obstructs, or attempts to delay or obstruct, the orderly and timely fulfillment of the authority's duties under this title.

(h) Nothing in this section shall be construed as restricting, diminishing or otherwise altering the provisions of section 16-2a of the general statutes concerning the Office of Consumer Counsel.

Sec. 16. (*Effective from passage*) Not later than February 1, 2024, the

Substitute Senate Bill No. 7

Public Utilities Regulatory Authority shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy concerning the procurement processes, policies, procedures and timelines associated with the procurement of standard service and supplier of last resort service. Such study shall include, but need not be limited to: (1) Reviewing electric distribution companies' procurement policies for standard service; (2) reviewing the procedures used by municipal electric utilities to procure electric generation services and identifying practices that could be adopted by electric distribution companies to lower rates for ratepayers in the state; (3) reviewing the procurement practices of electric distribution companies in other deregulated states and identifying practices that could result in lower rates for ratepayers in the state; and (4) reviewing the economic and policy achievement relationship between environmental attributes purchased by the electric distribution companies through the grid-scale procurements and distributed generation programs, and compliance with the renewable portfolio standards.

Sec. 17. Subsection (a) of section 16-32l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(a) For the purposes of this section: ["emergency" has the same meaning as provided in subdivision (1) of subsection (a) of section 16-32e and "electric distribution company"]

(1) "Emergency" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, earthquake, landslide, mudslide, snowstorm, drought or fire explosion that results in sixty-nine per cent or less of the electric distribution company's customers experiencing an outage at the period of peak electrical demand;

Substitute Senate Bill No. 7

(2) "Electric distribution company" has the same meaning as provided in section 16-1, as amended by this act; and

(3) "After the occurrence of an emergency" means the conclusion of the emergency, as determined by the authority in its discretion, through a review of the following: (A) The time when the electric distribution company could first deploy resources safely in its service territory; (B) the first of any official declarations concerning the end of the emergency; or (C) the expiration of the first of any National Weather Service warning applicable to the service territory.

Sec. 18. Subsection (d) of section 16-32l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(d) Not later than fourteen calendar days after the occurrence of an emergency, an electric distribution company may petition the authority for a waiver of the requirements of this section. Any petition for a waiver made under this subsection shall include the severity of the emergency, [employee] line and restoration crew safety issues and conditions on the ground, and shall be conducted as a contested case proceeding. The burden of proving that such waiver is reasonable and warranted shall be on the electric distribution company. In determining whether to grant such waiver, the authority shall consider whether the electric distribution company received approval and reasonable funding allowances, as determined by the authority, to meet infrastructure resiliency efforts to improve such company's performance.

Sec. 19. Subsection (a) of section 16-32m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(a) For the purposes of this section: ["emergency" has the same meaning as provided in subdivision (1) of subsection (a) of section 16-

Substitute Senate Bill No. 7

32e and "electric distribution company"]

(1) "Emergency" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, earthquake, landslide, mudslide, snowstorm, drought or fire explosion that results in sixty-nine per cent or less of the electric distribution company's customers experiencing an outage at the period of peak electrical demand;

(2) "Electric distribution company" has the same meaning as provided in section 16-1, as amended by this act; and

(3) "After the occurrence of an emergency" means the conclusion of the emergency, as determined by the authority in its discretion, through a review of the following: (A) The time when the electric distribution company could first deploy resources safely in its service territory; (B) the first of any official declarations concerning the end of the emergency; or (C) the expiration of the first of any National Weather Service warning applicable to the service territory.

Sec. 20. Subsection (d) of section 16-32m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(d) Not later than fourteen calendar days after the occurrence of an emergency, an electric distribution company may petition the authority for a waiver of the requirements of this section. Any petition for a waiver made under this subsection shall include the severity of the emergency, [employee] line and restoration crew safety issues and conditions on the ground, and shall be conducted as a contested case proceeding. The burden of proving that such waiver is reasonable and warranted shall be on the electric distribution company. In determining whether to grant such waiver, the authority shall consider whether the electric distribution company received approval and reasonable funding allowances, as determined by the authority, to meet infrastructure

Substitute Senate Bill No. 7

resiliency efforts to improve such company's performance.

Sec. 21. Section 16-2 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There shall continue to be a Public Utilities Regulatory Authority within the Department of Energy and Environmental Protection, which shall consist of five [electors of this state] utility commissioners, appointed by the Governor with the advice and consent of both houses of the General Assembly. Not more than three [members] utility commissioners of said authority in office at any one time shall be members of any one political party. [The Governor shall appoint five members to the authority.] The procedure prescribed in section 4-7 shall apply to such appointments, except that the Governor shall submit each nomination on or before May first, and both houses shall confirm or reject it before adjournment sine die. Any utility commissioner appointed by the Governor and confirmed by both chambers of the General Assembly between February 1, 2019, and June 1, 2019, shall serve a term expiring on March 1, 2024. Any utility commissioner appointed by the Governor and confirmed by both houses of the General Assembly between February 1, 2018, and June 1, 2018, shall serve a term expiring on March 1, 2022. [Between July 1, 2019, and May 1, 2020, the Governor shall appoint three utility commissioners, provided one such commissioner shall serve a term expiring on March 1, 2021, and two such commissioners shall serve terms expiring on March 1, 2023.] Any utility commissioner appointed on or after May 1, 2020, shall serve a term of four years. All utility commissioners shall be electors of the state. The utility commissioners shall be sworn to the faithful performance of their duties.

(b) [The authority shall elect] Not later than June 30, 2023, and between June first and June thirtieth in each odd-numbered year thereafter, the Governor shall select the chairperson of the authority from among the utility commissioners. The chairperson shall serve a

Substitute Senate Bill No. 7

two-year term starting on July first of the same year. Each June, the utility commissioners shall choose, from among said commissioners, a [chairperson and] vice-chairperson, [each June] who shall serve for a one-year [terms] term starting on July first of the same year. The vice-chairperson shall perform the duties of the chairperson in his or her absence.

(c) Any matter coming before the authority may be assigned by the chairperson to [a panel of three] one or more utility commissioners. Except as otherwise provided by statute or regulation, [the panel] any such utility commissioner or commissioners, as applicable, shall determine whether a public hearing shall be held on the matter, and may designate one or more [of its members] utility commissioners, from among such utility commissioner or commissioners, as applicable, assigned to such matter pursuant to this subsection, to conduct such hearing or may assign a hearing officer to ascertain the facts and report thereon to [the panel] such utility commissioner or commissioners, as applicable, assigned to such matter. The decision of [the panel, if unanimous,] such utility commissioner or commissioners, as applicable, shall be the decision of the authority. In any contested proceeding before the authority assigned to one or more utility commissioners, whenever such utility commissioner or commissioners, as applicable, issue a proposed final decision, all utility commissioners shall vote on the decision of the authority in such matter. If the decision of [the panel] such commissioners is not unanimous, the matter shall be approved by a majority vote of all of the utility commissioners.

(d) The utility commissioners of the Public Utilities Regulatory Authority shall serve full time and shall file a statement of financial interests with the Office of State Ethics in accordance with section 1-83. Each utility commissioner shall receive annually a salary equal to that established for management pay plan salary group seventy-five by the Commissioner of Administrative Services, except that the chairperson

Substitute Senate Bill No. 7

shall receive annually a salary equal to that established for management pay plan salary group seventy-seven.

(e) To insure the highest standard of public utility regulation, on and after October 1, 2007, any newly appointed utility commissioner of the authority shall have education or training and three or more years of experience in one or more of the following fields: Economics, engineering, law, accounting, finance, utility regulation, public or government administration, consumer advocacy, business management, and environmental management. On and after July 1, 1997, at least three of these fields shall be represented on the authority by individual utility commissioners at all times. Any time a utility commissioner is newly appointed, at least one of the utility commissioners shall have experience in utility customer advocacy.

(f) (1) The chairperson of the authority, with the approval of the Commissioner of Energy and Environmental Protection, shall prescribe the duties of the staff assigned to the authority in order to (A) conduct comprehensive planning with respect to the functions of the authority; (B) cause the administrative organization of the authority to be examined with a view to promoting economy and efficiency; and (C) organize the authority into such divisions, bureaus or other units as necessary for the efficient conduct of the business of the authority and may from time to time make recommendations to the Commissioner of Energy and Environmental Protection regarding staff and resources.

(2) The chairperson of the Public Utilities Regulatory Authority, in order to implement the comprehensive planning and organizational structure established pursuant to subdivision (1) of this subsection, shall (A) coordinate the activities of the authority and prescribe the duties of the staff assigned to the authority; (B) for any proceeding on a proposed rate amendment in which staff of the authority are to be made a party pursuant to section 16-19j, determine which staff shall appear and participate in the proceedings and which shall serve the [members]

Substitute Senate Bill No. 7

utility commissioners of the authority; (C) enter into such contractual agreements, in accordance with established procedures, as may be necessary for the discharge of the authority's duties; (D) subject to the provisions of section 4-32, and unless otherwise provided by law, receive any money, revenue or services from the federal government, corporations, associations or individuals, including payments from the sale of printed matter or any other material or services; and (E) require the staff of the authority to have expertise in public utility engineering and accounting, finance, economics, computers and rate design.

(g) No utility commissioner of the Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority shall have any interest, financial or otherwise, direct or indirect, or engage in any business, employment, transaction or professional activity, or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties or employment in the public interest and of his or her responsibilities as prescribed in the laws of this state, as defined in section 1-85, concerning any matter within the jurisdiction of the authority; provided, no such substantial conflict shall be deemed to exist solely by virtue of the fact that a utility commissioner of the authority or employee of the department assigned to work with the authority, or any business in which such a person has an interest, receives utility service from one or more Connecticut utilities under the normal rates and conditions of service.

(h) No utility commissioner of the Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority, during such assignment, shall accept other employment which will either impair his or her independence of judgment as to his or her official duties or employment or require him or her, or induce him or her, to disclose confidential information acquired by him or her in the course of and by reason of his

Substitute Senate Bill No. 7

or her official duties.

(i) No utility commissioner of the Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority, during such assignment, shall wilfully and knowingly disclose, for pecuniary gain, to any other person, confidential information acquired by him or her in the course of and by reason of his or her official duties or employment or use any such information for the purpose of pecuniary gain.

(j) No utility commissioner of the Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority, during such assignment, shall agree to accept, or be in partnership or association with any person, or a member of a professional corporation or in membership with any union or professional association which partnership, association, professional corporation, union or professional association agrees to accept any employment, fee or other thing of value, or portion thereof, in consideration of his or her appearing, agreeing to appear, or taking any other action on behalf of another person before the authority, the Connecticut Siting Council, the Office of Policy and Management or the Commissioner of Energy and Environmental Protection.

(k) No utility commissioner of the Public Utilities Regulatory Authority shall, for a period of one year following the termination of his or her service as a utility commissioner, accept employment: (1) By a public service company or by any person, firm or corporation engaged in lobbying activities with regard to governmental regulation of public service companies; (2) by a certified telecommunications provider or by any person, firm or corporation engaged in lobbying activities with regard to governmental regulation of persons, firms or corporations so certified; or (3) by an electric supplier or by any person, firm or corporation engaged in lobbying activities with regard to governmental regulation of electric suppliers. No such utility commissioner who is

Substitute Senate Bill No. 7

also an attorney shall in any capacity, appear or participate in any matter, or accept any compensation regarding a matter, before the authority, for a period of one year following the termination of his or her service as a utility commissioner.

(l) The chairperson of the authority shall assign authority staff to fulfill the duties of procurement manager where required pursuant to this title and title 16a.

(m) Notwithstanding any provision of the general statutes, the decisions of the Public Utilities Regulatory Authority, including, but not limited to, decisions relating to rate amendments arising from the Comprehensive Energy Strategy, the Integrated Resources Plan, the Conservation and Load Management Plan and policies established by the Department of Energy and Environmental Protection, shall be guided by said strategy and plans and such policies.

(n) Two or more utility commissioners [serving on a panel established] assigned a matter pursuant to subsection (c) of this section may confer or communicate regarding the matter before such [panel] commissioners. Any such conference or communication that does not occur before the public at a hearing or proceeding shall not constitute a meeting as defined in section 1-200.

Sec. 22. Section 16-4 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

No officer, employee, attorney or agent of any public service company, of any certified telecommunications provider or of any electric supplier shall be a [member] utility commissioner of the Public Utilities Regulatory Authority or an employee of the Department of Energy and Environmental Protection.

Sec. 23. Section 16-2c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Substitute Senate Bill No. 7

There is established a Division of Adjudication within the Public Utilities Regulatory Authority. The staff of the division shall include, but not be limited to, hearing officers appointed pursuant to subsection (c) of section 16-2, as amended by this act. The responsibilities of the division shall include, but not be limited to, hearing matters assigned under said subsection and advising the Public Utilities Regulatory Authority concerning legal issues. [A panel of one] One or more utility commissioners may assign a hearing officer pursuant to section 16-2, as amended by this act, and the chairperson of the Public Utilities Regulatory Authority may assign such other staff as are necessary to advise said chairperson.

Sec. 24. (NEW) (*Effective October 1, 2023*) At the next general rate proceeding of each gas company and water company, as such terms are defined in section 16-1 of the general statutes, as amended by this act, with more than seventy-five thousand customers commencing on or after October 1, 2023, and conducted pursuant to section 16-19 of the general statutes, as amended by this act, the Public Utilities Regulatory Authority shall investigate and determine whether to implement low-income rates for such company's customers. Any low-income rates adopted pursuant to this section in a general rate proceeding shall apply only to the rate plan that is the subject of such proceeding.

Sec. 25. Section 16-244z of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(a) (1) (A) On or before September 1, 2018, the Public Utilities Regulatory Authority shall initiate a proceeding to establish a procurement plan for each electric distribution company pursuant to this subsection and may give a preference to technologies manufactured, researched or developed in the state, provided such procurement plan is consistent with and contributes to the requirements to reduce greenhouse gas emissions in accordance with section 22a-200a. Each electric distribution company shall develop such

Substitute Senate Bill No. 7

procurement plan in consultation with the Department of Energy and Environmental Protection and shall submit such procurement plan to the authority not later than sixty days after the authority initiates the proceeding pursuant to this subdivision, provided the department shall submit the program requirements pursuant to subparagraph (C) of this subdivision on or before July 1, 2019. The authority may require such electric distribution companies to conduct separate solicitations pursuant to subdivision (4) of this subsection for the resources in subparagraphs (A), (B) and (C) of said subdivision, including separate solicitations based upon the size of such resources to allow for a diversity of selected projects.

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

(C) On or before September 1, 2018, the Department of Energy and Environmental Protection shall (i) initiate a proceeding to develop program requirements and tariff proposals for shared clean energy facilities eligible pursuant to subparagraph (C) of subdivision (2) of this subsection, including, but not limited to, the requirements in

Substitute Senate Bill No. 7

subdivision (6) of this subsection, and (ii) establish either or both of the following tariff proposals: (I) A tariff proposal that includes a price cap on a cents-per-kilowatt-hour basis for any procurement for such resources based on the procurement results of any other procurement issued pursuant to this subsection, and (II) a tariff proposal that includes a tariff rate for customers eligible under subparagraph (C) of subdivision (2) of this subsection based on energy policy goals identified by the department in the Comprehensive Energy Strategy pursuant to section 16a-3d. On or before July 1, 2019, the department shall submit any such program requirements and tariff proposals to the authority for review and approval. On or before January 1, 2020, the authority shall approve or modify such program requirements and tariff proposals submitted by the department. If the authority approves two tariff proposals pursuant to this subparagraph, the authority shall determine how much of the total compensation authorized for customers eligible under this subparagraph pursuant to subparagraph (A) of subdivision (1) of subsection (c) of this section shall be available under each tariff.

(2) [Not later than July 1, 2022, and annually thereafter] Not less than once per year, each electric distribution company shall jointly or individually solicit and file with the Public Utilities Regulatory Authority for its approval one or more projects selected resulting from any procurement issued pursuant to subdivision (1) of this subsection that are consistent with the tariffs approved by the authority pursuant to subparagraphs (B) and (C) of subdivision (1) of this subsection and that are applicable to (A) customers that own or develop new generation projects on a customer's own premises that are less than five megawatts in size, serve the distribution system of [the] an electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (4) of this subsection to which the customer is responding, and use a Class I renewable energy source that either (i) uses anaerobic digestion, or (ii) has emissions of no more than 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per megawatt-hour of

Substitute Senate Bill No. 7

carbon monoxide, 0.02 pounds per megawatt-hour of volatile organic compounds and one grain per one hundred standard cubic feet, (B) customers that own or develop new generation projects on a customer's own premises that are less than five megawatts in size, serve the distribution system of [the] an electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (4) of this subsection to which the customer is responding, and use a Class I renewable energy source that emits no pollutants, and (C) customers that own or develop new generation projects that are a shared clean energy facility, consistent with the program requirements developed pursuant to subparagraph (C) of subdivision (1) of this subsection. For purposes of this section, "shared clean energy facility" means a Class I renewable energy source, as defined in section 16-1, as amended by this act, that (i) is served by an electric distribution company, as defined in section 16-1, as amended by this act, (ii) [is within the same electric distribution company service territory as the individual billing meters for subscriptions, (iii)] has a nameplate capacity rating of five megawatts or less, and [(iv)] (iii) has at least two subscribers. Any project that is eligible pursuant to subparagraph (C) of this subdivision shall not be eligible pursuant to subparagraph (A) or (B) of this subdivision.

(3) A customer that is eligible pursuant to subparagraph (A) or (B) of subdivision (2) of this subsection may elect in any such solicitation to utilize either (A) a tariff for the purchase of all energy and renewable energy certificates on a cents-per-kilowatt-hour basis, or (B) a tariff for the purchase of any energy produced by a facility and not consumed in the period of time established by the authority pursuant to subparagraph (B) of subdivision (1) of this subsection and all renewable energy certificates generated by such facility on a cents-per-kilowatt-hour basis, subject to any tariff terms, conditions or other stipulations of the authority, including, but not limited to, stipulations regarding the capacity rights of a given facility.

Substitute Senate Bill No. 7

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

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

Substitute Senate Bill No. 7

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

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

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

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

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

(E) The department shall require that (i) not less than twenty per cent of the total capacity of each shared clean energy facility is sold, given or

Substitute Senate Bill No. 7

provided to low-income customers, and (ii) not less than sixty per cent of the total capacity of each shared clean energy facility is sold, given or provided to low-income customers, moderate-income customers or low-income service organizations. The authority may modify such shared clean energy facility capacity requirements for the limited purpose of aligning the allocation of shared clean energy facility capacity with the requirements of any federal acts providing renewable energy incentives.

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

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

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

(7) For purposes of this subsection:

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

(B) "Low-income customer" means an in-state retail end user of an electric distribution company (i) whose income does not exceed sixty per cent of the state median income, adjusted for family size, or (ii) that is an affordable housing facility. The authority may modify such definition for the limited purpose of aligning such definition with the requirements of any federal acts providing renewable energy incentives;

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

Substitute Senate Bill No. 7

(D) "Moderate-income customer" means an in-state retail end user of an electric distribution company whose income is between sixty per cent and one hundred per cent of the [area] state median income, [as defined by the United States Department of Housing and Urban Development,] adjusted for family size. The authority may modify such definition for the limited purpose of aligning such definition with the requirements of any federal acts providing renewable energy incentives.

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

Substitute Senate Bill No. 7

16-245ff at the same such electric meter and any residential customer utilizing any incentives offered pursuant to section 16-245ff at such customer's electric meter shall not be eligible for a tariff pursuant to this subsection at the same such electric meter.

(2) On and after January 1, 2022, each electric distribution company shall offer the following options to residential customers for the purchase of products generated from a Class I renewable energy source that is located on a customer's own premises and has a nameplate capacity rating of twenty-five kilowatts or less for a term not to exceed twenty years: (A) A tariff for the purchase of all energy and renewable energy certificates on a cents-per-kilowatt-hour basis; and (B) a tariff for the purchase of any energy produced and not consumed in the period of time established by the authority pursuant to subparagraph (C) of subdivision (1) of this subsection and all renewable energy certificates generated by such facility on a cents-per-kilowatt-hour basis, subject to any tariff terms, conditions or other stipulations of the authority, including, but not limited to, stipulations regarding the capacity rights of a given facility. A residential customer shall select either option authorized pursuant to subparagraph (A) or (B) of this subdivision, consistent with the requirements of this section. Such generation projects shall be sized so as not to exceed the load at the customer's individual electric meter or, in the case of a multifamily dwelling that qualifies under this subsection, the load of the premises, from the electric distribution company providing service to such customer, pursuant to any rules established by the authority and as determined by such electric distribution company. For purposes of this section, "residential customer" means a customer of a single-family dwelling, a multifamily dwelling consisting of two to four units, or a multifamily dwelling consisting of five or more units, provided in the case of a multifamily dwelling consisting of five or more units, (i) not less than sixty per cent of the units of the multifamily dwelling are occupied by persons and families with income that is not more than sixty per cent of

Substitute Senate Bill No. 7

the area median income for the municipality in which it is located, as determined by the United States Department of Housing and Urban Development, or (ii) such multifamily dwelling is determined to be affordable housing by the Public Utilities Regulatory Authority in consultation with the Department of Energy and Environmental Protection, Department of Housing, Connecticut Green Bank, Connecticut Housing Finance Authority and United States Department of Housing and Urban Development. In the case of a multifamily dwelling consisting of five or more units, a generation project shall only qualify under this subsection if: (I) Each of the dwelling units receives an appropriate share of the benefits from the generation project, and (II) no greater than an appropriate share of the benefits from the generation project is used to offset common area usage. The Public Utilities Regulatory Authority shall initiate an uncontested proceeding to implement the distribution of the benefits from the generation project pursuant to this section.

(c) (1) (A) The aggregate total megawatts available to all customers utilizing a procurement and tariff offered by electric distribution companies pursuant to subsection (a) of this section shall be up to eighty-five megawatts in year one and increase by up to an additional one hundred sixty megawatts per year [in each of the years two through six of such a tariff] on and after January 1, 2023, provided the total megawatts available to customers eligible under subparagraph (A) of subdivision (2) of subsection (a) of this section shall not exceed ten megawatts per year, the total megawatts available to customers eligible under subparagraph (B) of subdivision (2) of subsection (a) of this section shall not exceed one hundred megawatts per year and the total megawatts available to customers eligible under subparagraph (C) of subdivision (2) of subsection (a) of this section shall not exceed fifty megawatts per year. The authority shall monitor the competitiveness of any procurements authorized pursuant to subsection (a) of this section and may adjust the annual purchase amount established in this

Substitute Senate Bill No. 7

subsection or other procurement parameters to maintain competitiveness. Any megawatts not allocated in any given year shall roll into the next year's available megawatts. The obligation to purchase energy and renewable energy certificates shall be apportioned [to electric distribution companies based on their respective distribution system loads,] as determined by the authority.

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

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

(2) [At the beginning of year six of the procurements authorized pursuant to this subsection, the] The department, in consultation with the authority, shall assess the tariff offerings pursuant to this section and determine if such offerings are competitive compared to the cost of the technologies [. The department] and shall report, in accordance with section 11-4a, the results of such determination to the General Assembly not later than January 15, 2027.

(3) For any tariff established pursuant to this section, the authority shall examine how to incorporate the following energy system benefits into the rate established for any such tariff: (A) Energy storage systems that provide electric distribution benefits, (B) location of a facility on the distribution system, (C) time-of-use rates or other dynamic pricing, and (D) other energy policy benefits identified in the Comprehensive Energy

Substitute Senate Bill No. 7

Strategy prepared pursuant to section 16a-3d.

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

(e) The costs prudently and reasonably incurred by an electric distribution company pursuant to this section shall be recovered on a timely basis through a nonbypassable fully reconciling component of electric rates for all customers of the electric distribution company. Any net revenues from the sale of products purchased in accordance with any tariff offered pursuant to this section shall be credited to customers through the same fully reconciling rate component for all customers of such electric distribution company.

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

Substitute Senate Bill No. 7

this section.

(g) State, municipal and agricultural customers shall be exempt from the requirement that generation projects owned or developed pursuant to subparagraph (A) or (B) of subdivision (2) of subsection (a) of this section be located on a customer's own premises.

Sec. 26. Section 16-258e of the general statutes is amended by adding subsection (c) as follows (*Effective from passage*):

(NEW) (c) Any thermal energy distribution company that has entered into a power purchase agreement approved by the Public Utilities Regulatory Authority pursuant to this section may elect to extend the timeframes established in such agreement for the completion of significant milestones, as specified in such agreement, in the development of a combined heat and power system pursuant to such agreement. Such company may elect to extend all such timeframes for milestones that such company has not already completed by not more than two six-month periods. Any such extension shall be in addition to extensions specified in such agreement. For each six-month extension that such company elects to use pursuant to this subsection, such company shall post additional security as specified in such agreement.

Sec. 27. Subsection (a) of section 16-41 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Each (1) public service company and its officers, agents and employees, (2) electric supplier or person providing electric generation services without a license in violation of section 16-245, and its officers, agents and employees, (3) certified telecommunications provider or person providing telecommunications services without authorization pursuant to sections 16-247f to 16-247h, inclusive, and its officers, agents and employees, (4) person, public agency or public utility, as such terms

Substitute Senate Bill No. 7

are defined in section 16-345, subject to the requirements of chapter 293, (5) person subject to the registration requirements under section 16-258a, (6) cellular mobile telephone carrier, as described in section 16-250b, (7) Connecticut electric efficiency partner, as defined in section 16-243v, (8) company, as defined in section 16-49, (9) entity approved to submeter pursuant to section 16-19ff, and (10) person involved in the transportation of gas, as such terms are defined in section 16-280a, shall obey, observe and comply with all applicable provisions of this title and each applicable order made or applicable regulations adopted by the Public Utilities Regulatory Authority by virtue of this title as long as the same remains in force. Any such company, electric supplier, certified telecommunications provider, cellular mobile telephone carrier, Connecticut electric efficiency partner, entity approved to submeter, person, any officer, agent or employee thereof, public agency or public utility which the authority finds has failed to obey or comply with any such provision of this title, order or regulation shall be fined, ordered to pay restitution to customers or ordered to pay a combination of a fine and restitution by order of the authority in accordance with the penalty prescribed for the violated provision of this title or, if no penalty is prescribed, not more than ten thousand dollars for each offense, except that the penalty shall be a fine, restitution to customers or a combination of a fine and restitution of not more than forty thousand dollars for failure to comply with an order of the authority made in accordance with the provisions of section 16-19, as amended by this act, or 16-247k or within thirty days of such order or within any specific time period for compliance specified in such order. The authority may direct a portion of any fine levied pursuant to this section to be paid to a nonprofit agency engaged in energy assistance programs named by the authority in its decision or notice of violation and may direct a portion of any fine levied pursuant to this section against a person involved in the transportation of gas, as such terms are defined in section 16-280a, to support the study, installation and deployment of residential methane detectors by one or more public service companies, as determined by

Substitute Senate Bill No. 7

the authority. Any such nonprofit agency that receives a portion of a fine pursuant to this subsection shall administer such funds as directed by the authority and submit an annual report to the authority, at the end of each fiscal year and in a form determined by the authority, that details the expenditure of such funding. No such nonprofit agency shall use more than ten per cent of such funding for administrative purposes. [For] Notwithstanding any provision of this subsection, for the fiscal years ending June 30, 2023, and June 30, 2024, the authority shall direct not less than ninety-five per cent of any fine levied pursuant to this section to nonprofit agencies engaged in energy assistance programs. Each distinct violation of any such provision of this title, order or regulation shall be a separate offense and, in case of a continued violation, each day thereof shall be deemed a separate offense. Each such penalty and any interest charged pursuant to subsection (g) or (h) of section 16-49 shall be excluded from operating expenses for purposes of rate-making.

Sec. 28. (*Effective from passage*) Not later than February 1, 2024, the chairperson of the Public Utilities Regulatory Authority shall report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy on the activities of the joint federal-state task force on electric transmission, including on any discussions related to the protection of transmission and distribution infrastructure from threats. Such report shall not include any information that the chairperson determines may compromise the security of critical infrastructure if disclosed publicly.

Sec. 29. (NEW) (*Effective October 1, 2023*) Not later than January 1, 2024, the Public Utilities Regulatory Authority shall initiate a proceeding to examine occurrences of stray voltage in the state and make recommendations for detecting, mitigating and preventing stray voltage. As used in this section, "stray voltage" means any unwanted

Substitute Senate Bill No. 7

electrical leakage.

Sec. 30. Subsection (b) of section 16-262c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) (1) From November first to May first, inclusive, no electric distribution company, as defined in section 16-1, as amended by this act, no electric supplier and no municipal utility furnishing electricity shall terminate, deny or refuse to reinstate residential electric service in hardship cases where the customer lacks the financial resources to pay his or her entire account. From November first to May first, inclusive, no gas company and no municipal utility furnishing gas shall terminate, deny or refuse to reinstate residential gas service in hardship cases where the customer uses such gas for heat and lacks the financial resources to pay his or her entire account, except a gas company that, between May second and October thirty-first, terminated gas service to a residential customer who uses gas for heat and who, during the previous period of November first to May first, had gas service maintained because of hardship status, may refuse to reinstate the gas service from November first to May first, inclusive, only if the customer has failed to pay, since the preceding November first, the lesser of: (A) Twenty per cent of the outstanding principal balance owed the gas company as of the date of termination, (B) one hundred dollars, or (C) the minimum payments due under the customer's amortization agreement. Notwithstanding any [other] provision of the general statutes, [to the contrary,] no electric distribution or gas company, no electric supplier and no municipal utility furnishing electricity or gas shall terminate, deny or refuse to reinstate residential electric or gas service where the customer lacks the financial resources to pay his or her entire account and [for which customer or a member of the customer's household] if the termination, denial of or failure to reinstate such service would create a life-threatening situation for such customer

Substitute Senate Bill No. 7

or a member of such customer's household. No electric distribution or gas company, no electric supplier and no municipal utility furnishing electricity or gas shall terminate, deny or refuse to reinstate residential electric or gas service where the customer is a hardship case and lacks the financial resources to pay his or her entire account and a child not more than twenty-four months old resides in the customer's household and such child has been admitted to the hospital and received discharge papers on which the attending physician, physician assistant or an advanced practice registered nurse has indicated such service is a necessity for the health and well-being of such child.

(2) During any period in which a residential customer is subject to termination, an electric distribution or gas company, an electric supplier or a municipal utility furnishing electricity or gas shall provide such residential customer whose account is delinquent an opportunity to enter into a reasonable amortization agreement with such company, electric supplier or utility to pay such delinquent account and to avoid termination of service. Such amortization agreement shall allow such customer adequate opportunity to apply for and receive the benefits of any available energy assistance program. An amortization agreement shall be subject to amendment on customer request if there is a change in the customer's financial circumstances.

(3) As used in this section, (A) "household income" means the combined income over a twelve-month period of the customer and all adults, except children of the customer, who are and have been members of the household for six months or more, and (B) "hardship case" includes, but is not limited to: (i) A customer receiving local, state or federal public assistance; (ii) a customer whose sole source of financial support is Social Security, United States Department of Veterans Affairs or unemployment compensation benefits; (iii) a customer who is head of the household and is unemployed, and the household income is less than three hundred per cent of the poverty

Substitute Senate Bill No. 7

level determined by the federal government; (iv) a customer who is seriously ill or who has a household member who is seriously ill; (v) a customer whose income falls below one hundred twenty-five per cent of the poverty level determined by the federal government; and (vi) a customer whose circumstances threaten a deprivation of food and the necessities of life for himself or dependent children if payment of a delinquent bill is required.

(4) [In order for] (A) Each gas company and electric distribution company shall deduct an arrearage from the account of a residential customer of [a gas or electric distribution] such company [using gas or electricity for heat to be eligible to have any moneys due and owing deducted from the customer's delinquent account pursuant to this subdivision, the company furnishing gas or electricity shall require that] if the customer [(A) apply and be eligible for benefits available under] (i) meets the income eligibility requirements of the Connecticut energy assistance program or state appropriated fuel assistance program; [(B) authorize the] (ii) authorizes the gas or electric distribution company to send a copy of the customer's monthly bill directly to any energy assistance agency for payment; [(C) enter] (iii) enters into and [comply] complies with an amortization agreement, which agreement is consistent with decisions and policies of the Public Utilities Regulatory Authority; [. Such an amortization agreement shall reduce a customer's payment by the amount of the benefits reasonably anticipated from the Connecticut energy assistance program, state appropriated fuel assistance program or other energy assistance sources. Unless the customer requests otherwise, the company shall budget a customer's payments over a twelve-month period with an affordable increment to be applied to any arrearage, provided such payment plan will not result in loss of any energy assistance benefits to the customer. If a customer authorizes the company to send a copy of his monthly bill directly to any energy assistance agency for payment, the energy assistance agency shall make payments directly to the company. If, on April thirtieth, a

Substitute Senate Bill No. 7

customer has been in compliance with the requirements of subparagraphs (A) to (C), inclusive, of this subdivision, during the period starting on the preceding November first, or from such time as the customer's account becomes delinquent, the company shall deduct from such customer's delinquent account an additional amount equal to the amount of money paid by the customer between the preceding November first and April thirtieth and paid on behalf of the customer through the Connecticut energy assistance program and state appropriated fuel assistance program. Any customer in compliance with the requirements of subparagraphs (A) to (C), inclusive, of this subdivision, on April thirtieth who continues to comply with an amortization agreement through the succeeding October thirty-first, shall also have an amount equal to the amount paid pursuant to such agreement and any amount paid on behalf of such customer between May first and the succeeding October thirty-first deducted from the customer's delinquent account.] and (iv) is eligible for financial hardship programs with the gas or electric distribution company. The amount of an arrearage deducted under this subparagraph shall be equal to the customer's monthly payment pursuant to an amortization agreement under this subdivision, provided the customer meets the requirements of subparagraphs (A)(i) to (A)(iv), inclusive, of this subdivision for the month immediately preceding such payment.

(B) Each gas company and electric distribution company shall deduct an arrearage from the account of a residential customer who meets the requirements of subparagraphs (A)(i) to (A)(iv), inclusive, of this subdivision in an amount equal to any payment such customer receives from the Connecticut energy assistance program, state appropriated fuel assistance program or other energy assistance sources. Such deduction shall be in addition to any amount deducted pursuant to subparagraph (A) of this subdivision.

(C) Notwithstanding the provisions of subdivision (7) of this

Substitute Senate Bill No. 7

subsection, any amortization agreement under this subdivision shall distribute customer payments over a period of twelve months, from November first to October thirty-first, and shall create a monthly payment that is affordable to the customer in accordance with the decisions and policies of the authority.

(D) In no event shall the deduction of any amounts pursuant to this subdivision result in a credit balance to the customer's account. No customer shall be denied the benefits of this subdivision due to an error by the gas or electric distribution company. [The Public Utilities Regulatory Authority shall allow the amounts deducted from the customer's account pursuant to the implementation plan, described in subdivision (5) of this subsection, to be recovered by the company in its rates as an operating expense, pursuant to said implementation plan.] If the customer fails to comply with the terms of the amortization agreement, [or] any decision of the authority rendered in lieu of such agreement [and] or the requirements of [subparagraphs (A) to (C), inclusive] subparagraphs (A)(i) to (A)(iv), inclusive, of this subdivision, the company may terminate service to the customer, pursuant to all applicable regulations, provided such termination shall not occur between November first and May first.

[(5)] (E) Each gas and electric distribution company shall submit to the Public Utilities Regulatory Authority annually, on or before [July] June first, an implementation plan [which] that shall include information concerning amortization agreements, counseling, reinstatement of eligibility, rate impacts and any other information deemed relevant by the authority. The Public Utilities Regulatory Authority may [, in consultation with the Office of Policy and Management,] approve or modify such plan [within ninety] not later than one hundred twenty-seven days [of] after receipt of the plan. If the authority does not take any action on such plan [within ninety days of its receipt] by such date, the plan shall automatically take effect at the

Substitute Senate Bill No. 7

end of [the ninety-day] such one-hundred-twenty-seven-day period, provided the authority may extend such period for an additional thirty days by notifying the company before the end of [the ninety-day] such one-hundred-twenty-seven-day period. [Any amount recovered by a company in its rates pursuant to this subsection shall not include any amount approved by the Public Utilities Regulatory Authority as an uncollectible expense.] The authority may deny all or part of the recovery [required by] of costs incurred pursuant to this subsection if it determines that the company seeking recovery has been imprudent, inefficient or acting in violation of statutes or regulations regarding amortization agreements.

[(6) On or after January 1, 1993, the Public Utilities Regulatory Authority may require gas companies to expand the provisions of subdivisions (4) and (5) of this subsection to all hardship customers. Any such requirement shall not be effective until November 1, 1993.]

[(7)] (5) (A) All electric distribution and gas companies, electric suppliers and municipal utilities furnishing electricity or gas shall collaborate in developing, subject to approval by the Public Utilities Regulatory Authority, standard provisions for the notice of delinquency and impending termination under subsection (a) of section 16-262d. Each such company and utility shall place on the front of such notice a provision that the company, electric supplier or utility shall not effect termination of service to a residential dwelling for nonpayment of disputed bills during the pendency of any complaint. In addition, the notice shall state that the customer [must] is required to pay current and undisputed bill amounts during the pendency of the complaint. (B) At the beginning of any discussion with a customer concerning a reasonable amortization agreement, any such company or utility shall inform the customer (i) of the availability of a process for resolving disputes over what constitutes a reasonable amortization agreement, (ii) that the company, electric supplier or utility will refer such a dispute to

Substitute Senate Bill No. 7

one of its review officers as the first step in attempting to resolve the dispute, and (iii) that the company, electric supplier or utility shall not effect termination of service to a residential dwelling for nonpayment of a delinquent account during the pendency of any complaint, investigation, hearing or appeal initiated by the customer, unless the customer fails to pay undisputed bills, or undisputed portions of bills, for service received during such period. (C) Each such company, electric supplier and utility shall inform and counsel all customers who are hardship cases as to the availability of all public and private energy conservation programs, including programs sponsored or subsidized by such companies and utilities, eligibility criteria, where to apply, and the circumstances under which such programs are available without cost.

[(8)] (6) The Public Utilities Regulatory Authority shall adopt regulations in accordance with the provisions of chapter 54 to carry out the provisions of this subsection. Such regulations shall include, but not be limited to, criteria for determining hardship cases and for reasonable amortization agreements, including appeal of such agreements, for categories of customers. Such regulations may include the establishment of a reasonable rate of interest [which] that a company may charge on the unpaid balance of a customer's delinquent bill and a description of the relationship and responsibilities of electric suppliers to customers.

(7) The Public Utilities Regulatory Authority may find that a reasonable amortization agreement, other than a reasonable amortization agreement under subdivision (4) of this subsection, is a period of not more than thirty-six months, unless the authority determines that a longer period is warranted. Not later than October 1, 2024, the authority shall amend any regulations adopted pursuant to subdivision (6) of this subsection to carry out the provisions of this subsection.

Substitute Senate Bill No. 7

(8) The chairperson of the Public Utilities Regulatory Authority may distribute not more than one million dollars in total each year to organizations or individuals providing legal services with the express purpose of attaining participation in public service company programs designed to assist customers with utility bill or arrearage payments, including negotiating a reasonable amortization agreement pursuant to this subsection. Any funds distributed pursuant to this subdivision shall be paid by all public service companies, in proportion to such companies' annual load and the amount of services provided to end use customers or revenue, as determined by the authority.

Sec. 31. Subsection (m) of section 16-245o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(m) [The Public Utilities Regulatory Authority may initiate a docket to review the feasibility, costs and benefits of placing on standard service, or of otherwise limiting the ability to contract with electric suppliers, all customers] On and after January 1, 2024, customers of electric distribution companies who (1) [who] are hardship cases for purposes of subdivision (3) of subsection (b) of section 16-262c, as amended by this act, (2) [having moneys due and owing] have arrearages deducted from such customers' bills by the electric distribution company pursuant to subdivision (4) of subsection (b) of section 16-262c, as amended by this act, (3) [receiving] receive other financial assistance from an electric distribution company, or (4) [who] are otherwise protected by law from shutoff of electricity services [. Notwithstanding the provisions of section 16-245r, the authority may, in a final decision issued pursuant to this subsection, (A) order all such customers to be placed on standard service, (B) order] may enroll with an electric supplier, provided all customer contracts with electric suppliers, [entered into on and after a determined date, to] for rates effective on and after January 1, 2024, shall be at or below the standard

Substitute Senate Bill No. 7

service rate [, or (C)] for the duration of the contracts. Any billing system costs incurred by an electric distribution company to comply with this section shall be recoverable from all licensed electric suppliers. The authority may initiate a docket to order all customer contracts with electric suppliers, entered into on and after a determined date, to comply with appropriate limitations the authority deems necessary. If the authority issues such an order, it shall reopen such docket not less than every two years.

Sec. 32. Subsection (d) of section 16a-40m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) On-bill repayment for any loan that is part of the comprehensive residential clean energy on-bill repayment program established pursuant to this section and utilized to improve efficiency or clean energy improvements for provision of heat to a dwelling unit shall be treated as part of the primary heating expense for the customer for purposes of (1) any energy assistance program funded or administered by the state or under any plan adopted pursuant to section 16a-41a, and (2) any matching payment program plan pursuant to [subdivisions] subdivision (4) [to (6), inclusive,] of subsection (b) of section 16-262c, as amended by this act.

Sec. 33. (NEW) (*Effective from passage*) (a) There is established a Connecticut Council for Advancing Nuclear Energy Development, which shall meet not less than four times each year for the purpose of discussing and planning for the advancement of nuclear energy in the state. The council shall be an independent body within the Legislative Department for administrative purposes only.

(b) The council shall consist of the following members:

(1) The chairpersons and ranking members of the joint standing

Substitute Senate Bill No. 7

committee of the General Assembly having cognizance of matters relating to energy and technology, or their designees;

(2) The Commissioner of Energy and Environmental Protection, or the commissioner's designee;

(3) The Consumer Counsel, or the Consumer Counsel's designee;

(4) A representative of a nuclear power generating facility in the state, who shall be appointed by the speaker of the House of Representatives;

(5) A representative of the United States Naval Submarine Base-New London, who shall be appointed by the president pro tempore of the Senate;

(6) A representative of a manufacturer of nuclear-powered submarines, who shall be appointed by the majority leader of the House of Representatives;

(7) A representative of an engineering firm in the state that provides services in the field of nuclear engineering, who shall be appointed by the minority leader of the House of Representatives;

(8) Two representatives of institutions of higher education in the state, one of whom shall be appointed by the majority leader of the Senate and one of whom shall be appointed by the minority leader of the Senate;

(9) Two representatives of organizations that advocate for the protection of the environment, one of whom shall be appointed by the speaker of the House of Representatives and one of whom shall be appointed by the president pro tempore of the Senate;

(10) A representative of a state-wide organization of municipal leaders, who shall be appointed by the majority leader of the House of Representatives;

Substitute Senate Bill No. 7

(11) One who has expertise in workforce development, who shall be appointed by the minority leader of the House of Representatives;

(12) One who has expertise in spent nuclear fuel storage, who shall be appointed by the majority leader of the Senate; and

(13) One who has expertise in the supply chain of the state's nuclear industry, who shall be appointed by the minority leader of the Senate.

(c) All initial appointments to the council shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(d) The members of the council shall select the chairperson of the council from among the members of the council. Until such selection, the speaker of the House of Representatives and the president pro tempore of the Senate shall select an acting chairperson of the council from among the members of the council. Such acting chairperson shall schedule the first meeting of the council, which shall be held not later than sixty days after the effective date of this section.

(e) Not later than February 1, 2024, and annually thereafter, the council shall submit a report concerning advancements that are occurring in nuclear energy development to the joint standing committee of the General Assembly having cognizance of matters relating to energy, in accordance with the provisions of section 11-4a of the general statutes. Such report may include recommendations, including, but not limited to, recommendations concerning (1) opportunities for regional partnerships related to nuclear energy development, expansion and research, (2) opportunities for state agencies to collaborate with federal agencies, institutions of higher education, businesses, nonprofit organizations and other stakeholders to organize the state's resources related to nuclear energy, and (3) other ways to promote nuclear energy development, expansion and research

Substitute Senate Bill No. 7

in the state.

Sec. 34. Section 22a-136 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

No construction shall commence on a fifth nuclear power facility until the Commissioner of Energy and Environmental Protection finds that the United States Government, through its authorized agency, has identified and approved a demonstrable technology or means for the disposal of high level nuclear waste. The provisions of this section shall not apply to construction at any nuclear power generating facility operating in the state as of October 1, 2022. As used in this section, "high level nuclear waste" means those aqueous wastes resulting from the operation of the first cycle of the solvent extraction system or equivalent and the concentrated wastes of the subsequent extraction cycles or equivalent in a facility for reprocessing irradiated reactor fuel and shall include spent fuel assemblies prior to fuel reprocessing.

Sec. 35. (*Effective July 1, 2023*) The Department of Energy and Environmental Protection shall, within available resources, conduct a study to (1) evaluate the feasibility of deploying small modular reactors, advanced nuclear reactors, fusion energy facilities and other zero carbon resources that can improve affordability, fuel security, renewable integration, and winter reliability within the New England regional electric grid; (2) review the process for power purchase agreements procured pursuant to a state solicitation or pursuant to the state's renewable energy programs and identify best practices to ensure reliability in associated energy markets, reasonably reduce costs to ratepayers and promote conservation; and (3) review the state's gas supply system and evaluate whether current supply and capacity is adequate to meet the energy needs of residences and power plants in the state. In conducting such study, the department shall consult the Nuclear Energy Advisory Council established pursuant to section 16-11a of the general statutes. Not later than January 15, 2024, the

Substitute Senate Bill No. 7

department shall submit a progress report and any recommendations relevant to such progress report to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology. Not later than March 15, 2024, the department shall submit a full report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology, in accordance with the provisions of section 11-4a of the general statutes.

Sec. 36. Subsection (a) of section 16-1 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Terms used in this title and in chapters 244, 244a, 244b, 245, 245a and 245b shall be construed as follows, unless another meaning is expressed or is clearly apparent from the language or context:

(1) "Authority" means the Public Utilities Regulatory Authority and "department" means the Department of Energy and Environmental Protection;

(2) "Utility commissioner" means a [member] utility commissioner of the Public Utilities Regulatory Authority;

(3) "Public service company" includes electric distribution, gas, telephone, pipeline, sewage, water and community antenna television companies and holders of a certificate of cable franchise authority, owning, leasing, maintaining, operating, managing or controlling plants or parts of plants or equipment, but shall not include towns, cities, boroughs, any municipal corporation or department thereof, whether separately incorporated or not, a private power producer, as defined in section 16-243b, or an exempt wholesale generator, as defined in 15 USC 79z-5a;

(4) "Plant" includes all real estate, buildings, tracks, pipes, mains,

Substitute Senate Bill No. 7

poles, wires and other fixed or stationary construction and equipment, wherever located, used in the conduct of the business of the company;

(5) "Gas company" includes every person owning, leasing, maintaining, operating, managing or controlling mains, pipes or other fixtures, in public highways or streets, for the transmission or distribution of gas for sale for heat or power within this state, or engaged in the manufacture of gas to be so transmitted or distributed for such purpose, but shall not include (A) a person manufacturing gas through the use of a biomass gasification plant provided such person does not own, lease, maintain, operate, manage or control mains, pipes or other fixtures in public highways or streets, (B) a municipal gas utility established under chapter 101 or any other gas utility owned, leased, maintained, operated, managed or controlled by any unit of local government under any general statute or any public or special act, or (C) an entity approved to submeter pursuant to section 16-19ff;

(6) "Water company" includes every person owning, leasing, maintaining, operating, managing or controlling any pond, lake, reservoir, stream, well or distributing plant or system employed for the purpose of supplying water to fifty or more consumers. A water company does not include homeowners, condominium associations providing water only to their members, homeowners associations providing water to customers at least eighty per cent of whom are members of such associations, a municipal waterworks system established under chapter 102, a district, metropolitan district, municipal district or special services district established under chapter 105, chapter 105a or any other general statute or any public or special act which is authorized to supply water, or any other waterworks system owned, leased, maintained, operated, managed or controlled by any unit of local government under any general statute or any public or special act;

(7) "Consumer" means any private dwelling, boardinghouse,

Substitute Senate Bill No. 7

apartment, store, office building, institution, mechanical or manufacturing establishment or other place of business or industry to which water is supplied by a water company;

(8) "Sewage company" includes every person owning, leasing, maintaining, operating, managing or controlling, for general use in any town, city or borough, or portion thereof, in this state, sewage disposal facilities which discharge treated effluent into any waterway of this state;

(9) "Pipeline company" includes every person owning, leasing, maintaining, operating, managing or controlling mains, pipes or other fixtures through, over, across or under any public land, water, parkways, highways, parks or public grounds for the transportation, transmission or distribution of petroleum products for hire within this state;

(10) "Community antenna television company" includes every person owning, leasing, maintaining, operating, managing or controlling a community antenna television system, in, under or over any public street or highway, for the purpose of providing community antenna television service for hire and shall include any municipality which owns or operates one or more plants for the manufacture or distribution of electricity pursuant to section 7-213 or any special act and seeks to obtain or obtains a certificate of public convenience and necessity to construct or operate a community antenna television system pursuant to section 16-331 or a certificate of cable franchise authority pursuant to section 16-331q. "Community antenna television company" does not include a certified competitive video service provider;

(11) "Community antenna television service" means (A) the one-way transmission to subscribers of video programming or information that a community antenna television company makes available to all subscribers generally, and subscriber interaction, if any, which is

Substitute Senate Bill No. 7

required for the selection of such video programming or information, and (B) noncable communications service. "Community antenna television service" does not include video service provided by a certified competitive video service provider;

(12) "Community antenna television system" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide community antenna television service which includes video programming and which is provided in, under or over any public street or highway, for hire, to multiple subscribers within a franchise, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves only subscribers in one or more multiple unit dwellings under common ownership, control or management, unless such facility is located in, under or over a public street or highway; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Subchapter II of Chapter 5 of the Communications Act of 1934, 47 USC 201 et seq., as amended, except that such facility shall be considered a community antenna television system and the carrier shall be considered a public service company to the extent such facility is used in the transmission of video programming directly to subscribers; or (D) a facility of an electric distribution company which is used solely for operating its electric distribution company systems. "Community antenna television system" does not include a facility used by a certified competitive video service provider to provide video service;

(13) "Video programming" means programming provided by, or generally considered comparable to programming provided by, a television broadcast station;

(14) "Noncable communications service" means any telecommunications service, as defined in section 16-247a, and which is not included in the definition of "cable service" in the Communications

Substitute Senate Bill No. 7

Act of 1934, 47 USC 522, as amended. Nothing in this definition shall be construed to affect service which is both authorized and preempted pursuant to federal law;

(15) "Cogeneration technology" means the use for the generation of electricity of exhaust steam, waste steam, heat or resultant energy from an industrial, commercial or manufacturing plant or process, or the use of exhaust steam, waste steam or heat from a thermal power plant for an industrial, commercial or manufacturing plant or process, but shall not include steam or heat developed solely for electrical power generation;

(16) "Renewable fuel resources" means energy sources described in subdivisions (20) and (21) of this subsection;

(17) "Telephone company" means a telecommunications company that provides one or more noncompetitive or emerging competitive services, as defined in section 16-247a;

(18) "Domestic telephone company" includes any telephone company which has been chartered by or organized or constituted within or under the laws of this state;

(19) "Telecommunications company" means a person that provides telecommunications service, as defined in section 16-247a, within the state, but shall not mean a person that provides only (A) private telecommunications service, as defined in section 16-247a, (B) the one-way transmission of video programming or other programming services to subscribers, (C) subscriber interaction, if any, which is required for the selection of such video programming or other programming services, (D) the two-way transmission of educational or instructional programming to a public or private elementary or secondary school, or a public or independent institution of higher education, as required by the authority pursuant to a community

Substitute Senate Bill No. 7

antenna television company franchise agreement, or provided pursuant to a contract with such a school or institution which contract has been filed with the authority, or (E) a combination of the services set forth in subparagraphs (B) to (D), inclusive, of this subdivision;

(20) "Class I renewable energy source" means (A) electricity derived from (i) solar power, (ii) wind power, (iii) a fuel cell, (iv) geothermal, (v) landfill methane gas, anaerobic digestion or other biogas derived from biological sources, (vi) thermal electric direct energy conversion from a certified Class I renewable energy source, (vii) ocean thermal power, (viii) wave or tidal power, (ix) low emission advanced renewable energy conversion technologies, including, but not limited to, zero emission low grade heat power generation systems based on organic oil free rankine, kalina or other similar nonsteam cycles that use waste heat from an industrial or commercial process that does not generate electricity, (x) (I) a run-of-the-river hydropower facility that began operation after July 1, 2003, [and] has a generating capacity of not more than [thirty] sixty megawatts, is not based on a new dam or a dam identified by the Commissioner of Energy and Environmental Protection as a candidate for removal, and meets applicable state and federal requirements, including state dam safety requirements and applicable site-specific standards for water quality and fish passage, or (II) a run-of-the-river hydropower facility that received a new license after [January 1, 2018,] the effective date of this section under the Federal Energy Regulatory Commission rules pursuant to 18 CFR 16, as amended from time to time, [and provided a facility that applies for certification under this clause after January 1, 2013, shall] is not [be] based on a new dam or a dam identified by the [commissioner] Commissioner of Energy and Environmental Protection as a candidate for removal, and [shall meet] meets applicable state and federal requirements, including state dam safety requirements and applicable site-specific standards for water quality and fish passage, [or] (xi) a biomass facility that uses sustainable biomass fuel and has an average

Substitute Senate Bill No. 7

emission rate of equal to or less than .075 pounds of nitrogen oxides per million BTU of heat input for the previous calendar quarter, except that energy derived from a biomass facility with a capacity of less than five hundred kilowatts that began construction before July 1, 2003, may be considered a Class I renewable energy source, or (xii) a nuclear power generating facility constructed on or after October 1, 2023, or (B) any electrical generation, including distributed generation, generated from a Class I renewable energy source, provided, on and after January 1, 2014, any megawatt hours of electricity from a renewable energy source described under this subparagraph that are claimed or counted by a load-serving entity, province or state toward compliance with renewable portfolio standards or renewable energy policy goals in another province or state, other than the state of Connecticut, shall not be eligible for compliance with the renewable portfolio standards established pursuant to section 16-245a;

(21) "Class II renewable energy source" means electricity derived from a trash-to-energy facility that has obtained a permit pursuant to section 22a-208a and section 22a-174-33 of the regulations of Connecticut state agencies;

(22) "Electric distribution services" means the owning, leasing, maintaining, operating, managing or controlling of poles, wires, conduits or other fixtures along public highways or streets for the distribution of electricity, or electric distribution-related services;

(23) "Electric distribution company" or "distribution company" means any person providing electric transmission or distribution services within the state, but does not include: (A) A private power producer, as defined in section 16-243b; (B) a municipal electric utility established under chapter 101, other than a participating municipal electric utility; (C) a municipal electric energy cooperative established under chapter 101a; (D) an electric cooperative established under chapter 597; (E) any other electric utility owned, leased, maintained, operated, managed or

Substitute Senate Bill No. 7

controlled by any unit of local government under any general statute or special act; (F) an electric supplier; (G) an entity approved to submeter pursuant to section 16-19ff; or (H) a municipality, state or federal governmental entity authorized to distribute electricity across a public highway or street pursuant to section 16-243aa;

(24) "Electric supplier" means any person, including an electric aggregator or participating municipal electric utility that is licensed by the Public Utilities Regulatory Authority in accordance with section 16-245, that provides electric generation services to end use customers in the state using the transmission or distribution facilities of an electric distribution company, regardless of whether or not such person takes title to such generation services, but does not include: (A) A municipal electric utility established under chapter 101, other than a participating municipal electric utility; (B) a municipal electric energy cooperative established under chapter 101a; (C) an electric cooperative established under chapter 597; or (D) any other electric utility owned, leased, maintained, operated, managed or controlled by any unit of local government under any general statute or special act;

(25) "Electric aggregator" means (A) a person, municipality or regional water authority that gathers together electric customers for the purpose of negotiating the purchase of electric generation services from an electric supplier, or (B) the Materials Innovation and Recycling Authority, if it gathers together electric customers for the purpose of negotiating the purchase of electric generation services from an electric supplier, provided such person, municipality or authority is not engaged in the purchase or resale of electric generation services, and provided further such customers contract for electric generation services directly with an electric supplier, and may include an electric cooperative established pursuant to chapter 597;

(26) "Electric generation services" means electric energy, electric capacity or generation-related services;

Substitute Senate Bill No. 7

(27) "Electric transmission services" means electric transmission or transmission-related services;

(28) "Generation entity or affiliate" means a corporate affiliate or a separate division of an electric distribution company that provides electric generation services;

(29) "Participating municipal electric utility" means a municipal electric utility established under chapter 101 or any other electric utility owned, leased, maintained, operated, managed or controlled by any unit of local government under any general statute or any public or special act, that is authorized by the authority in accordance with section 16-245c to provide electric generation services to end use customers outside its service area, as defined in section 16-245c;

(30) "Person" means an individual, business, firm, corporation, association, joint stock association, trust, partnership or limited liability company;

(31) "Regional independent system operator" means the "ISO - New England, Inc.", or its successor organization as approved by the Federal Energy Regulatory Commission;

(32) "Certified telecommunications provider" means a person certified by the authority to provide intrastate telecommunications services, as defined in section 16-247a, pursuant to sections 16-247f to 16-247h, inclusive;

(33) "Gas registrant" means a person registered to sell natural gas pursuant to section 16-258a;

(34) "Customer-side distributed resources" means (A) the generation of electricity from a unit with a rating of not more than sixty-five megawatts on the premises of a retail end user within the transmission and distribution system including, but not limited to, fuel cells,

Substitute Senate Bill No. 7

photovoltaic systems or small wind turbines, or (B) a reduction in the demand for electricity on the premises of a retail end user in the distribution system through methods of conservation and load management, including, but not limited to, peak reduction systems and demand response systems;

(35) "Federally mandated congestion charges" means any cost approved by the Federal Energy Regulatory Commission as part of New England Standard Market Design including, but not limited to, locational marginal pricing, locational installed capacity payments, any cost approved by the Public Utilities Regulatory Authority to reduce federally mandated congestion charges in accordance with section 7-233y, this section, sections 16-32f, 16-50i, 16-50k, 16-50x, 16-243i to 16-243q, inclusive, 16-244c, 16-245m, 16-245n and 16-245z, section 21 of public act 05-1 of the June special session, subsection (f) of section 16a-3j and reliability must run contracts;

(36) "Combined heat and power system" means a system that produces, from a single source, both electric power and thermal energy used in any process that results in an aggregate reduction in electricity use;

(37) "Grid-side distributed resources" means the generation of electricity from a unit with a rating of not more than sixty-five megawatts that is connected to the transmission or distribution system, which units may include, but are not limited to, units used primarily to generate electricity to meet peak demand;

(38) "Class III source" means the electricity output from combined heat and power systems with an operating efficiency level of no less than fifty per cent that are part of customer-side distributed resources developed at commercial and industrial facilities in this state on or after January 1, 2006, a waste heat recovery system installed on or after April 1, 2007, that produces electrical or thermal energy by capturing

Substitute Senate Bill No. 7

preexisting waste heat or pressure from industrial or commercial processes, or the electricity savings created in this state from conservation and load management programs begun on or after January 1, 2006, provided on and after January 1, 2014, no such programs supported by ratepayers, including programs overseen by the Energy Conservation Management Board or third-party programs pursuant to section 16-245m, shall be considered a Class III source, except that any demand-side management project awarded a contract pursuant to section 16-243m shall remain eligible as a Class III source for the term of such contract;

(39) "Sustainable biomass fuel" means biomass that is cultivated and harvested in a sustainable manner. "Sustainable biomass fuel" does not mean construction and demolition waste, as defined in section 22a-208x, finished biomass products from sawmills, paper mills or stud mills, organic refuse fuel derived separately from municipal solid waste, or biomass from old growth timber stands, except where (A) such biomass is used in a biomass gasification plant that received funding prior to May 1, 2006, from the Clean Energy Fund established pursuant to section 16-245n, or (B) the energy derived from such biomass is subject to a long-term power purchase contract pursuant to subdivision (2) of subsection (j) of section 16-244c entered into prior to May 1, 2006;

(40) "Video service" means video programming services provided through wireline facilities, a portion of which are located in the public right-of-way, without regard to delivery technology, including Internet protocol technology. "Video service" does not include any video programming provided by a commercial mobile service provider, as defined in 47 USC 332(d), any video programming provided as part of community antenna television service in a franchise area as of October 1, 2007, any video programming provided as part of and via a service that enables users to access content, information, electronic mail or other services over the public Internet;

Substitute Senate Bill No. 7

(41) "Certified competitive video service provider" means an entity providing video service pursuant to a certificate of video franchise authority issued by the authority in accordance with section 16-331e. "Certified competitive video service provider" does not mean an entity issued a certificate of public convenience and necessity in accordance with section 16-331 or the affiliates, successors and assigns of such entity or an entity issued a certificate of cable franchise authority in accordance with section 16-331p or the affiliates, successors and assignees of such entity;

(42) "Certificate of video franchise authority" means an authorization issued by the Public Utilities Regulatory Authority conferring the right to an entity or person to own, lease, maintain, operate, manage or control facilities in, under or over any public highway to offer video service to any subscribers in the state;

(43) "Certificate of cable franchise authority" means an authorization issued by the Public Utilities Regulatory Authority pursuant to section 16-331q conferring the right to a community antenna television company to own, lease, maintain, operate, manage or control a community antenna television system in, under or over any public highway to (A) offer community antenna television service in a community antenna television company's designated franchise area, or (B) use the public rights-of-way to offer video service in a designated franchise area. The certificate of cable franchise authority shall be issued as an alternative to a certificate of public convenience and necessity pursuant to section 16-331 and shall only be available to a community antenna television company under the terms specified in sections 16-331q to 16-331aa, inclusive;

(44) "Thermal energy transportation company" means any person authorized under any provision of the general statutes or special act to furnish heat or air conditioning or both, by means of steam, heated or chilled water or other medium, to lay and maintain mains, pipes or

Substitute Senate Bill No. 7

other conduits, and to erect such other fixtures necessary or convenient in and on the streets, highways and public grounds of any municipality to carry steam, heated or chilled water or other medium from such plant to the location to be served and to return the same;

(45) "The Connecticut Television Network" means the General Assembly's state-wide twenty-four-hour state public affairs programming service, separate and distinct from community access channels;

(46) "Commissioner of Energy and Environmental Protection" means the Commissioner of Energy and Environmental Protection appointed pursuant to title 4, or the commissioner's designee;

(47) "Large-scale hydropower" means any hydropower facility that (A) began operation on or after January 1, 2003, (B) is located in the New England Power Pool Generation Information System geographic eligibility area in accordance with Rule 2.3 of said system or an area abutting the northern boundary of the New England Power Pool Generation Information System geographic eligibility area that is not interconnected with any other control area that is not a part of the New England Power Pool Generation Information System geographic eligibility area, (C) delivers power into such geographic eligibility area, and (D) has a generating capacity of more than thirty megawatts;

(48) "Energy storage system" means any commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy, and that is capable of either: (A) Using mechanical, chemical or thermal processes to store electricity that is generated at one time for use at a later time; (B) storing thermal energy for direct use for heating or cooling at a later time in a manner that avoids the need to use electricity at a later time; (C) using mechanical, chemical or thermal processes to store electricity generated from renewable energy sources for use at a later time; or (D) using

Substitute Senate Bill No. 7

mechanical, chemical or thermal processes to capture or harness waste electricity and to store such electricity generated from mechanical processes for delivery at a later time;

(49) "Distributed energy resource" means any (A) customer-side distributed resource or grid-side distributed resource that generates electricity from a Class I renewable energy source or Class III source, and (B) customer-side distributed resource that reduces demand for electricity through conservation and load management, energy storage system which is located on the customer-side of the meter or is connected to the distribution system or microgrid; and

(50) "Grid-side system enhancement" means an investment in distribution system infrastructure, technology and systems designed to enable the deployment of distributed energy resources and allow for grid management and system balancing, including, but not limited to, energy storage systems, distribution system automation and controls, intelligent field systems, advanced distribution system metering, and communication and systems that enable two-way power flow.

Sec. 37. Subsection (e) of section 16a-3i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(e) Notwithstanding subdivision (1) of subsection (b) of section 16-245a, in the event that (1) for any calendar year commencing on or after January 1, 2014, there is such a presumption pursuant to subsection (a) of this section, (2) the commissioner finds material shortage of Class I renewable energy sources pursuant to subsection (b) of this section, (3) there is a determination of inadequacy pursuant to subsection (c) of this section, and (4) any contracts for Class I renewable energy sources approved by the Public Utilities Regulatory Authority pursuant to subsection (d) of this section yield an amount of Class I renewable energy sources that is insufficient to rectify any projected shortage

Substitute Senate Bill No. 7

pursuant to subsection (c) of this section, then commencing on or after [January 1, 2016] October 1, 2023, the commissioner may allow not more than [one] two and one-half percentage [point] points of the Class I renewable portfolio standards established pursuant to section 16-245a effective for the succeeding and subsequent calendar years to be satisfied by large-scale hydropower procured pursuant to section 16a-3g. The requirements applicable to electric suppliers and electric distribution companies pursuant to section 16-245a shall consequently be reduced by not more than [one] two and one-half percentage [point] points in proportion to the commissioner's action, provided (A) the commissioner shall not allow a total of more than five percentage points of the Class I renewable portfolio standard to be met by large-scale hydropower [by December 31, 2020] on and after October 1, 2023, and (B) no such large-scale hydropower shall be eligible to trade in the New England Power Pool Generation Information System renewable energy credit market.

Sec. 38. Subparagraph (D) of subdivision (57) of section 12-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(D) For assessment years commencing on and after October 1, 2014, any (i) Class I renewable energy source, as defined in section 16-1, as amended by this act, other than a nuclear power generating facility, (ii) hydropower facility described in subdivision (21) of subsection (a) of section 16-1, as amended by this act, or (iii) solar thermal or geothermal renewable energy source, installed for generation or displacement of energy, provided (I) such installation occurs on or after January 1, 2014, (II) is for commercial or industrial purposes, (III) the nameplate capacity of such source or facility does not exceed the load for the location where such generation or displacement is located or the aggregated load of the beneficial accounts for any Class I renewable energy source participating in virtual net metering pursuant to section 16-244u, and

Substitute Senate Bill No. 7

(IV) in the case of clause (iii) of this subparagraph, such exemption shall apply only to the amount by which the assessed valuation of the real property equipped with such source exceeds the assessed valuation of such real property equipped with the conventional portion of the source;

Sec. 39. (NEW) (*Effective from passage*) (a) As used in this section, "regional petroleum administration subdistrict" means the Petroleum Administration for Defense District 1A, or a successor subdistrict used by the United States Department of Energy to track petroleum products that includes the territory of the state.

(b) On or before October 1, 2023, any person engaged in the business of operating a petroleum product storage terminal or petroleum product pipeline in the state shall notify the Commissioner of Energy and Environmental Protection, in writing and in such form as prescribed by the commissioner, of information pertaining to the identity and storage or flow capacity of any such terminal or pipeline.

(c) If actual stocks of any petroleum product throughout the regional petroleum administration subdistrict fall below the most recent five-year average, as reported by the United States Energy Information Administration, the commissioner may require any person engaged in the business of operating a petroleum product storage terminal or petroleum product pipeline in the state to report information pertaining to the actual petroleum products inventory or flow of any such terminal or pipeline, on forms prescribed by the commissioner. Such report shall be submitted not later than fifteen days after a request by the commissioner.

(d) Information submitted to the commissioner pursuant to this section shall be exempt from disclosure under section 1-210 of the general statutes.

Substitute Senate Bill No. 7

(e) Nothing in this section shall be construed to limit the commissioner's authority under section 16a-22i of the general statutes.

Sec. 40. (*Effective July 1, 2023*) Not later than December 31, 2023, the Department of Administrative Services, the office of the State Building Inspector and the Codes and Standards Committee shall study and jointly submit a report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to public safety regarding the inclusion of gas detectors within the State Building Code. Such report shall include, but need not be limited to, (1) the anticipated feasibility of requiring gas detectors in all buildings that use natural gas or propane gas, (2) recommendations for future legislative changes, (3) the current availability of gas detectors that meet the standards of the National Fire Protection Association, (4) a recommended code alignment process to accommodate any changes, and (5) the fiscal impact on the state or owner of public buildings.

Approved June 29, 2023