

---

## OLR Bill Analysis

### sHB 5004 (as amended by House "A")\*

## **AN ACT CONCERNING THE IMPLEMENTATION OF CERTAIN CLIMATE CHANGE MEASURES.**

### TABLE OF CONTENTS:

#### SUMMARY

#### § 1 — CLIMATE CRISIS DECLARATION

*Declares that there is a climate crisis to (1) show urgency to enact meaningful climate legislation and (2) support efforts for federal funds to respond to the crisis*

#### §§ 2-6 — GREENHOUSE GAS EMISSIONS REDUCTION AND ZERO-CARBON GOALS

*Establishes new state GHG emissions reduction levels under the GWSA; allows DEEP to engage a consultant to prepare a report on strategies to meet the new state reduction goals; for state agencies, sets new GHG emissions reduction goals and a goal to use only zero-carbon generating electricity; includes carbon sequestration as a strategy for reducing emissions that may be included in certain DEEP reports on the reductions; requires PURA to initiate an uncontested proceeding on the future of natural gas in the state*

#### § 7 — PURA CENTRALIZED DATA DASHBOARD

*Within available appropriations, requires PURA to establish, and at least annually update, a centralized data dashboard that makes high-quality data relevant to ratepayer-funded clean and renewable energy programs publicly accessible online to state residents*

#### § 8 — JOBSCT TAX REBATE PROGRAM

*Requires the DECD commissioner to give a preference to applications under the JobsCT tax rebate program that (1) make significant investments in environmentally sustainable practices; (2) are in economic sectors like renewable energy, energy efficiency, and zero-emission vehicles; or (3) are for sustainable farming*

#### § 9 — LIST OF FEE WAIVERS FOR CERTAIN BUSINESSES

*Requires the secretary of the state to (1) identify registration, renewal, or other fees appropriate to be waived for benefit corporations and certain farms and (2) submit a list of the fees to the Environment Committee by January 1, 2025*

#### §§ 10 & 11 — CONNECTICUT CLEAN ECONOMY COUNCIL

*Establishes a Connecticut Clean Economy Council to advise on strategies and policies to further climate mitigation, clean energy, resilience, and sustainability efforts; requires the council to (1) develop a plan to transition workers away from fossil-fuel-based jobs to those in clean energy and (2) submit an annual report of its work to the governor, OPM, and four legislative committees*

**§ 12 — TASK FORCE ON UNDERUTILIZED SITES FOR ENTREPRENEURS**

*Establishes a task force to study underutilized sites in the state for use by entrepreneurs in the climate and clean energy sector and requires it to submit its findings and recommendations to the Commerce and Environment committees by January 1, 2025*

**§ 13 — PURA ENERGY STORAGE REPORT**

*Requires PURA to (1) report, by February 15, 2025, and then every three years, to the Energy and Technology Committee on progress of behind-the-meter energy storage deployment and (2) take certain actions to increase energy storage*

**§ 14 — SCHOOL BUILDING CONSTRUCTION GRANTS**

*Adds air source and ground source heat pump projects to the list of school construction project grant applications that the DAS commissioner can approve at any time*

**§ 15 — ENERGY EFFICIENCY PRODUCT STANDARDS REPORT**

*Requires DEEP to submit a report to the Environment Committee by January 1, 2025, on recommendations for changing the product energy efficiency standards law to provide for the sale and installation of certain heating and cooling systems that do not emit GHGs*

**§ 16 — RESIDENTIAL HEAT PUMP SYSTEMS PLAN & REBATE PROGRAM**

*Requires the DEEP commissioner to (1) develop a plan for installing heat pumps and (2) report on the plan to the Environment and Energy and Technology committees by January 1, 2026; allows DEEP to create a rebate program for heat pumps used for heating systems*

**§ 17 — LOCAL PLANS OF CONSERVATION AND DEVELOPMENT**

*Requires municipal conservation and development plans scheduled for adoption beginning October 1, 2026, to evaluate environmental sustainability and climate resiliency*

**§§ 18 & 19 — ENVIRONMENTALLY SUSTAINABLE PURCHASING**

*Requires OPM to develop and post online a model policy or guidelines for environmentally sustainable purchasing that municipalities can use; for FYs 26 & 27, requires the OPM secretary to authorize LoCIP funding to municipalities that received points under Sustainable CT's program for implementing a sustainable purchasing policy*

**§ 20 — STATE BUILDING ENERGY EFFICIENCY AND HEATING AND COOLING SYSTEMS**

*Requires DAS to (1) develop a process for considering certain energy-related aspects when deciding to repair or build state real assets under its authority and (2) develop a plan and budget to retrofit existing fossil fuel-based heating and cooling systems to those that operate without carbon-emitting fuels*

**§ 21 — NATURE-BASED SOLUTIONS PRIORITIZATION AND RELATED REPORT**

*Requires DEEP to prioritize using nature-based solutions to (1) support climate change mitigation and adaptation and (2) increase biodiversity; requires DEEP to submit a report to the Environment Committee that assesses and reviews program guidelines and planning documents and identifies programs that DEEP uses to support nature-based solutions for climate change mitigation and adaptation*

**§ 22 — SOLAR CANOPY STRATEGIC PLAN**

*Requires DEEP to develop and approve a solar canopy strategic plan*

## **§ 23 — TRANSMISSION SYSTEM TASK FORCE**

*Establishes a task force to study the current transmission system in Connecticut and the region and requires it to submit its findings and recommendations to the Energy and Technology Committee by January 1, 2025*

## **BACKGROUND**

### **SUMMARY**

This bill establishes various requirements related to its climate crisis declaration (see § 1), as described in the section-by-section analysis below.

\*House Amendment “A” principally (1) adds the provisions on the greenhouse gas (GHG) emissions reduction levels, data dashboard, Connecticut Clean Economy Council, brownfields and transmission system task forces, Public Utilities Regulatory Authority (PURA) energy storage reports, school construction projects for air or ground source heat pumps, local plans of conservation and development, state building project processes, nature-based solutions, and solar canopy strategic plan (§§ 2-5, 7, 10-14 & 20-23); (2) tasks the secretary of the state, rather than the revenue services commissioner, with identifying certain business fees for waiver (§ 9); (3) eliminates a report requirement for Connecticut Innovations, Inc. (CI) on investments and help for businesses involved in climate change mitigation; (4) eliminates the 310,000 heat pump installation target in a Department of Energy and Environmental Protection (DEEP) plan, instead tying the target to the goals of the United States Climate Alliance, and allows for an associated heat pump rebate program (§ 16); and (5) delays the local capital improvement project funding provision by one year and ties it to certification as a Sustainable CT municipality (§ 19).

EFFECTIVE DATE: Upon passage, except as noted below.

### **§ 1 — CLIMATE CRISIS DECLARATION**

*Declares that there is a climate crisis to (1) show urgency to enact meaningful climate legislation and (2) support efforts for federal funds to respond to the crisis*

The bill makes a declaration that there is a climate crisis to (1) show

the urgency to enact meaningful climate legislation and (2) support increased efforts to secure federal funds to respond to the crisis. It also states that the state recognizes the (1) urgency and need to mitigate climate impacts and prepare for and manage disaster risk from climate change and (2) urgency to significantly and rapidly decrease GHG emissions, and increase community coping capacities to handle climate change impacts.

As part of the declaration, the bill states that the crisis threatens the following:

1. the state's communities' resilience, regardless of zip code;
2. multiple aspects of the state's natural resource and infrastructure assets; and
3. the state's economy and quality of life for younger and future generations of state residents.

It specifies that the declaration does not permit the governor to use its statements to operate the government by executive order.

## **§§ 2-6 — GREENHOUSE GAS EMISSIONS REDUCTION AND ZERO-CARBON GOALS**

*Establishes new state GHG emissions reduction levels under the GWSA; allows DEEP to engage a consultant to prepare a report on strategies to meet the new state reduction goals; for state agencies, sets new GHG emissions reduction goals and a goal to use only zero-carbon generating electricity; includes carbon sequestration as a strategy for reducing emissions that may be included in certain DEEP reports on the reductions; requires PURA to initiate an uncontested proceeding on the future of natural gas in the state*

### **Connecticut Goals (§§ 3 & 4)**

The bill generally requires the state to reach an economy-wide net zero GHG emission reduction level by January 1, 2050. It establishes this requirement as part of the state's Global Warming Solutions Act (GWSA).

Under current law, the GWSA requires the state to reduce GHG emissions from all sources to a level at least (1) 10% below 1990 emission levels by January 1, 2020; (2) 45% below 2001 emission levels by January

1, 2030; and (3) 80% below 2001 emission levels by January 1, 2050. It also requires the state to reduce GHG emissions from electricity supplied to electric customers in the state to zero percent by January 1, 2040.

The bill sets a new GHG reduction level requirement of 65% of 2001 emission levels January 1, 2040. It also requires that, by January 1, 2050, the state be at an economy-wide net-zero level, as long as direct (e.g., factory stacks, manufacturing processes, company-owned or leased vehicles) and indirect (i.e., emissions from purchased electricity consumption) GHG emissions are at least 80% below the 2001 level.

By law, the DEEP commissioner determines emission levels. GHG includes any chemical or physical substance emitted into the air that the DEEP commissioner reasonably anticipates will cause or contribute to climate change (e.g., carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride).

***Consultant Report (§ 4)***

The bill allows the DEEP commissioner to contract with a consultant to prepare a report that does the following:

1. determines viable strategies for carbon sequestration (i.e., removing carbon dioxide from the atmosphere by nature-based solutions like soils, forests, wetlands, working or natural lands, and technological solutions like carbon recovery technologies);
2. has strategies for achieving the state’s GHG emissions reductions described above;
3. indicates whether a strategy to achieve the reductions should include sector specific emission reduction targets, and if so, in the manner and priority order for implementing the targets; and
4. evaluates the adequacy of the state’s renewable portfolio standards.

The consultant’s report must be submitted to the Energy and

Technology and Environment committees by January 1, 2026.

**State Agency Goals (§ 2)**

The bill establishes the following GHG emissions reduction goals for all state agencies, as a whole:

1. 45% from 2001 levels by 2030,
2. 70% from 2016 levels by 2040, and
3. reaching a level determined to be net-zero by 2050.

It sets a separate goal for the agencies to use only zero-carbon generating electricity by 2030.

**Periodic Reporting (§§ 4 & 5)**

Existing law requires the DEEP commissioner, every three years and with help from a nonprofit association with northeastern state air quality and climate program expertise, to develop, with opportunity for public comment, a schedule of recommended regulatory actions by relevant agencies, policies, and other actions needed to further progress towards achieving the GHG reduction levels. The bill (1) specifies that schedule must be developed to attain the reduction levels by the listed dates and (2) allows the regulatory actions to include carbon sequestration.

The bill similarly includes carbon sequestration as a proposed regulation, policy, and strategy option to achieve the emissions reduction limits that the DEEP commissioner may include in her triennial report on achieved emissions reductions to the Environment, Energy and Technology, and Transportation committees.

**PURA Proceeding: Future of Natural Gas (§ 6)**

The bill requires PURA to initiate an uncontested proceeding, by January 1, 2025, on the future of natural gas use in the state in relation to the state’s GHG emission reduction levels described above. The proceeding must include, at least, the consideration and implementation of beneficial electrification measures (e.g., geothermal

systems and heat pumps), integration of natural gas, and electric company joint planning processes.

After completing the proceeding, PURA must submit a report to the Environment and Energy and Technology committees on any recommendations for legislative changes needed to implement its findings.

## **§ 7 — PURA CENTRALIZED DATA DASHBOARD**

*Within available appropriations, requires PURA to establish, and at least annually update, a centralized data dashboard that makes high-quality data relevant to ratepayer-funded clean and renewable energy programs publicly accessible online to state residents*

The bill requires PURA, within available appropriations and by July 1, 2026, to establish a centralized data dashboard that makes high-quality data relevant to ratepayer-funded clean and renewable energy programs publicly accessible online to state residents. The dashboard must at least have the following information:

1. data on ratepayer-funded clean and renewable energy programs PURA oversees;
2. complete lists of energy storage projects in the state and Class I renewable energy sources (e.g., wind and solar) connected to the electric distribution system; and
3. key metrics and other information related to the affordability of electric distribution companies' (EDCs; i.e., Eversource and United Illuminating) services, as PURA requires.

Under the bill, PURA must (1) develop and maintain the dashboard website and (2) at least annually, update the dashboard's information to be the most current reasonably available information. The bill allows PURA to contract with a consultant to develop the site, but it prohibits the costs from being recovered through a fully reconciling component of electric rates for all EDC customers.

The bill requires each EDC to collect and give PURA the information required under the bill, but compliance may be met by giving the same information through a docket or PURA directive.

## **§ 8 — JOBSCT TAX REBATE PROGRAM**

*Requires the DECD commissioner to give a preference to applications under the JobsCT tax rebate program that (1) make significant investments in environmentally sustainable practices; (2) are in economic sectors like renewable energy, energy efficiency, and zero-emission vehicles; or (3) are for sustainable farming*

By law, the Department of Economic and Community Development's (DECD) JobsCT tax rebate program gives companies in specified industries rebates against the insurance premiums, corporation business, and pass-through entity taxes for reaching certain job creation targets.

The bill requires the DECD commissioner to give a preference to applications for the program that:

1. make significant investments in environmentally sustainable practices (e.g., zero-carbon energy and energy efficiency);
2. are in sectors of the economy such as renewable energy, energy efficiency, and zero-emission vehicles; or
3. are for farming operations that are sustainable from a climate perspective.

EFFECTIVE DATE: July 1, 2024

## **§ 9 — LIST OF FEE WAIVERS FOR CERTAIN BUSINESSES**

*Requires the secretary of the state to (1) identify registration, renewal, or other fees appropriate to be waived for benefit corporations and certain farms and (2) submit a list of the fees to the Environment Committee by January 1, 2025*

The bill requires the secretary of the state to identify registration, renewal, or other fees that are appropriate for waiver for (1) benefit corporations (i.e., corporation with a corporate purpose for a public benefit) and (2) farms that use climate-smart agriculture and forestry practices developed or prescribed by the U.S. Department of Agriculture. She must submit a list of these fees to the Environment Committee by January 1, 2025.

## **§§ 10 & 11 — CONNECTICUT CLEAN ECONOMY COUNCIL**

*Establishes a Connecticut Clean Economy Council to advise on strategies and policies to further climate mitigation, clean energy, resilience, and sustainability efforts; requires the*



*council to (1) develop a plan to transition workers away from fossil-fuel-based jobs to those in clean energy and (2) submit an annual report of its work to the governor, OPM, and four legislative committees*

The bill establishes a statutory Connecticut Clean Economy Council to advise on strategies and policies to strengthen the state's climate mitigation, clean energy, resilience, and sustainability programs, particularly for vulnerable communities (i.e., populations that may be disproportionately affected by climate change). (Executive Order (EO) 21-3 created an advisory council of the same name to give input on strategies and policies to strengthen climate mitigation, clean energy, resilience, and sustainability programs.)

### ***Duties and Reporting Requirements***

Under the bill, the council has the following duties:

1. identify opportunities to (a) leverage state and federal funding to scale economic opportunities related to clean energy, climate, and sustainability investments and (b) maximize local economic benefits from investments needed to meet the state's climate and sustainability goals;
2. develop (a) workforce development strategies that complement the GHG emissions reduction goals and (b) strategies for using existing workforce requirements that apply to certain renewable energy and hydrogen projects;
3. support equitable and diverse participation in the workforce to create opportunities for underrepresented populations (e.g., environmental justice community residents, women, minorities, and formerly incarcerated people); and
4. advise the governor and DECD commissioner on any statewide economic action plan.

Under the bill, the workforce development strategies that complement the GHG emission reduction goals must include:

1. developing (a) work-based learning programs and (b) certificate and degree programs at technical education and career schools

and higher education institutions in the state;

2. identifying available public or private funding to support the above programs and give grants to apprentices and students; and
3. implementing a strategy to market and recruit people, particularly those from underrepresented populations, to existing and new work-based learning programs and certificate and degree programs at job centers, technical education and career schools, and higher education institutions.

The bill requires the council to develop a plan to transition workers from fossil-fuel-based jobs to clean energy jobs, which must be submitted to the Commerce, Energy and Technology, and Environment committees by February 1, 2026. (It correspondingly eliminates similar requirements for the advisory council created under EO 21-3 to develop and annually update a worker transition plan to clean energy jobs and annually report on it to the Higher Education and Employment Advancement Committee.)

The bill also requires the council to annually submit a report, beginning by February 1, 2026, to the governor, the Office of Policy and Management (OPM), and the Commerce, Energy and Technology, Environment, and Higher Education and Employment Advancement committees, on its work, findings, and recommendations.

### ***Membership and Meetings***

Under the bill, the council consists of the following members:

1. the DECD, DEEP, Department of Transportation (DOT), Department of Labor, and Department of Consumer Protection commissioners or their designees;
2. the Chief Workforce Officer (i.e., head of the Office of Workforce Strategy) or her designee;
3. the OPM secretary or his designee;
4. the Connecticut Green Bank and CI chief executive officers, or

- their designees;
5. a representative from the governor's office;
  6. any other members the cochairpersons designate who serve at the cochairpersons' pleasure; and
  7. six members appointed by the six legislative leaders, as shown in the below table.

**Table: Appointed Members**

<i>Appointing Authority</i>	<i>Qualification</i>
House speaker	Member of the Connecticut Technical Education Career System
Senate president pro tempore	Represents a regional workforce development board
House majority leader	Expert in hiring and training employees in the green technologies' trades
Senate majority leader	Represents a nonprofit organization that focuses on helping people overcome workforce participation barriers
House minority leader	Member of the Connecticut State Building Trades Council
Senate minority leader	Represents a higher education institution and has expertise in technical education

Under the bill, the council cochairpersons are the DECD and DEEP commissioners and the Chief Workforce Officer, or their designees. The bill requires the council to meet at least quarterly with the cochairpersons setting the dates, times, and locations for the meetings. A majority of the members of the council constitutes a quorum.

The bill allows the council to form working groups to address workforce development in specific sectors in the clean energy and sustainability fields.

## **§ 12 — TASK FORCE ON UNDERUTILIZED SITES FOR ENTREPRENEURS**

*Establishes a task force to study underutilized sites in the state for use by entrepreneurs in the climate and clean energy sector and requires it to submit its findings and recommendations to the Commerce and Environment committees by January 1, 2025*

The bill establishes a 12-member task force to study underutilized

sites, including brownfields, in the state for use by entrepreneurs in the climate and clean energy sector, such as those engaged in developing plastic alternatives. It also requires the task force to (1) identify additional resources and strategies needed to create successful green economy incubators in various geographic locations throughout the state and (2) examine how municipalities can help support this incubator growth.

### **Membership**

The task force's membership includes (1) the DECD and DEEP commissioners, or their designees; (2) the Connecticut Green Bank and CI chief executive officers, or their designees; and (3) eight appointed members, as shown in the table below.

**Table: Appointed Members**

<b><i>Appointing Authority</i></b>	<b><i>Number</i></b>	<b><i>Qualification</i></b>
House speaker	Two	<ul style="list-style-type: none"> <li>• One expert in promoting environmentally sustainable businesses in the state</li> <li>• One expert in promoting energy efficiency throughout the state</li> </ul>
Senate president pro tempore	Two	<ul style="list-style-type: none"> <li>• One from an organization that promotes young entrepreneurs in the state</li> <li>• One from an organization that promotes climate-smart agriculture in the state</li> </ul>
House majority leader	One	<ul style="list-style-type: none"> <li>• Represents an organization that is for young people interested in climate change action</li> </ul>
Senate majority leader	One	<ul style="list-style-type: none"> <li>• From an organization that specializes in architectural heritage</li> </ul>
House minority leader	One	<ul style="list-style-type: none"> <li>• Represents an incubator program at a college or university in the state</li> </ul>
Senate minority leader	One	<ul style="list-style-type: none"> <li>• Represents an organization that advocates for municipalities in the state</li> </ul>

Under the bill, initial task force appointments must be made within 30 days after the bill's passage. Appointed members may be legislators and the appointing authority fills any vacancy. The bill requires the House speaker and Senate president pro tempore to select the task force's chairperson from among the membership.

### **Meetings & Staff**

The bill requires the task force chairperson to schedule and hold the

first meeting within 60 days after the bill's passage. The Commerce and Environment committees' administrative staff must serve as the task force's administrative staff.

### **Report & Termination**

The bill requires the task force to submit a report to the Commerce and Environment committees by January 1, 2025, with its findings and recommendations. The task force ends on the day it submits the report or January 1, 2025, whichever is later.

### **§ 13 — PURA ENERGY STORAGE REPORT**

*Requires PURA to (1) report, by February 15, 2025, and then every three years, to the Energy and Technology Committee on progress of behind-the-meter energy storage deployment and (2) take certain actions to increase energy storage*

The bill requires PURA, by February 15, 2025, and then every three years, to report to the Energy and Technology Committee on quantifiable progress of behind-the-meter energy storage deployment in residential and nonresidential sectors. Energy storage systems are generally technology capable of absorbing energy, storing it, and then dispatching it (e.g., a battery) (CGS § 16-1(48)).

In the years between reports, the bill requires PURA to take actions, through its annual uncontested program review proceeding on increasing energy storage capacity in the state, that are consistent with the following:

1. providing positive net present value to all ratepayers;
2. providing multiple types of benefits to the electric grid; and
3. fostering sustained, orderly development of a state-based electric energy storage industry.

Existing law, unchanged by the bill, authorizes PURA to develop and implement programs for electric storage resources connected to the electric distribution system (CGS § 16-243ee) and establishes statewide energy storage deployment goals in statute (CGS § 16-243cc).

### **§ 14 — SCHOOL BUILDING CONSTRUCTION GRANTS**

*Adds air source and ground source heat pump projects to the list of school construction project grant applications that the DAS commissioner can approve at any time*

The bill adds air source and ground source heat pump purchase and installation to the list of school construction project grant applications that the Department of Administrative Services (DAS) commissioner can approve at any time without putting them on an annual school construction priority list for the legislature's approval. The commissioner may already approve applications for grants to do things like remedy code violations and fire damage; replace roofs; fix a certified school indoor air quality emergency; or purchase or install solar panels, wind generation systems, and windows.

EFFECTIVE DATE: July 1, 2024

## **§ 15 — ENERGY EFFICIENCY PRODUCT STANDARDS REPORT**

*Requires DEEP to submit a report to the Environment Committee by January 1, 2025, on recommendations for changing the product energy efficiency standards law to provide for the sale and installation of certain heating and cooling systems that do not emit GHGs*

The bill requires the DEEP commissioner to submit a report to the Environment Committee by January 1, 2025, on recommendations for changing the product energy efficiency standards law to provide for the sale and installation of heating, ventilation, and air conditioning systems, hot water heating systems, and geothermal systems that do not emit GHGs. The recommendations must include suggested implementation dates and proposed consumer education efforts.

EFFECTIVE DATE: October 1, 2024

## **§ 16 — RESIDENTIAL HEAT PUMP SYSTEMS PLAN & REBATE PROGRAM**

*Requires the DEEP commissioner to (1) develop a plan for installing heat pumps and (2) report on the plan to the Environment and Energy and Technology committees by January 1, 2026; allows DEEP to create a rebate program for heat pumps used for heating systems*

### ***Heat Pump Plan***

The bill requires the DEEP commissioner to develop a plan for installing heat pumps for heating systems in the state, including through certain existing state programs.

The plan must (1) include a target number of installations that is consistent with the United States Climate Alliance’s goals (i.e., goals set by a coalition of governors committed to achieving certain emissions reduction goals) and (2) prioritize installations for (a) homes in environmental justice communities and (b) long-term care facilities with at least 80% of residents receiving Medicaid that are in good financial standing with the state. The existing programs that may be involved in the plan include the multifamily retrofit pilot program for homes in environmental justice communities and low interest energy efficiency loan, residential heating equipment financing, affordable housing energy efficiency retrofit grant, and Connecticut Green Bank programs.

The commissioner must submit a report to the Environment and Energy and Technology committees by January 1, 2026, on the plan’s status to reach the goal and any related recommendations to expand or revise the plan.

***Rebate Program***

The bill authorizes the DEEP commissioner to establish, within available appropriations, a program to give rebates at the point of sale for purchasing heat pumps used for heating systems in the state. Under the bill, the program may use funding available from federal programs or state bonding authorizations.

EFFECTIVE DATE: October 1, 2024

**§ 17 — LOCAL PLANS OF CONSERVATION AND DEVELOPMENT**

*Requires municipal conservation and development plans scheduled for adoption beginning October 1, 2026, to evaluate environmental sustainability and climate resiliency*

The bill requires municipal plans of conservation and development that are scheduled for adoption beginning October 1, 2026, to evaluate the municipality’s environmental sustainability and climate resiliency.

By law, each municipality must have a plan of conservation and development. The plans are statements of development, resource management, and investment policies. Municipalities must update their plans at least every 10 years.

## **§§ 18 & 19 — ENVIRONMENTALLY SUSTAINABLE PURCHASING**

*Requires OPM to develop and post online a model policy or guidelines for environmentally sustainable purchasing that municipalities can use; for FYs 26 & 27, requires the OPM secretary to authorize LoCIP funding to municipalities that received points under Sustainable CT's program for implementing a sustainable purchasing policy*

The bill requires OPM, in consultation with DAS, to develop a model policy or guidelines for environmentally sustainable purchasing that municipalities may use and implement.

Under the bill, the policy or guidelines must include a list of any state contracts for sustainable purchasing that allow municipalities to participate. The DAS commissioner must post the policy or guidelines on the department's website by January 1, 2025.

By law, the Local Capital Improvement Program (LoCIP), administered by OPM, provides funding to municipalities for the cost of eligible local capital improvement projects. OPM distributes LoCIP funds to municipalities based on a statutory formula. In addition to the distribution, the bill requires OPM, for FYs 26 and 27, to authorize funding for municipalities that are certified "Sustainable CT" towns and were awarded points under the Sustainable CT program for implementing a sustainable purchasing policy. Sustainable CT is a nonprofit organization that maintains a voluntary certification program (with levels based on points) for municipalities that support sustainability practices.

EFFECTIVE DATE: Upon passage, except the LoCIP provision is effective July 1, 2024.

## **§ 20 — STATE BUILDING ENERGY EFFICIENCY AND HEATING AND COOLING SYSTEMS**

*Requires DAS to (1) develop a process for considering certain energy-related aspects when deciding to repair or build state real assets under its authority and (2) develop a plan and budget to retrofit existing fossil fuel-based heating and cooling systems to those that operate without carbon-emitting fuels*

The bill requires DAS, by January 1, 2026, to establish a process for its commissioner to consider certain energy-related aspects when deciding to remodel, alter, repair, construct, or enlarge any state real asset under its existing property authority. Specifically, it must consider the asset's



capability to increase energy efficiency, reduce energy use, use Class I renewable energy, use zero-carbon heating and cooling and water heating alternatives, and support electric vehicle charging. DAS must do this in consultation with OPM, DEEP, DOT, and any other state agency its commissioner deems necessary.

The bill also requires DAS, by January 1, 2026, and in consultation with OPM and DEEP, to develop a plan and budget to retrofit existing fossil fuel-based heating and cooling systems at state buildings to systems able to operate without carbon-emitting fuels. The plan and budget must be submitted to the Environment and Energy and Technology committees.

## **§ 21 — NATURE-BASED SOLUTIONS PRIORITIZATION AND RELATED REPORT**

*Requires DEEP to prioritize using nature-based solutions to (1) support climate change mitigation and adaptation and (2) increase biodiversity; requires DEEP to submit a report to the Environment Committee that assesses and reviews program guidelines and planning documents and identifies programs that DEEP uses to support nature-based solutions for climate change mitigation and adaptation*

The bill requires the DEEP commissioner to prioritize using nature-based solutions to (1) support climate change mitigation and adaptation and (2) increase biodiversity. It also requires her to prepare a report (1) with an assessment and review of program guidelines and planning documents and (2) that identifies existing agency programs that DEEP uses to further using nature-based solutions that support climate change mitigation and adaption.

Under the bill, the report must examine the potential for using nature-based solutions in the following programs:

1. microgrid and resilience grant and loan pilot program;
2. open space and watershed land acquisition program; and
3. other state and federal programs DEEP administers that advance nature-based solutions, including federal Clean Water Act programs, the Long Island Sound Study program, and the Urban Forestry program.

The bill designates DEEP's efforts to advance nature-based solutions in the above programs as the "nature-based solutions initiative."

**Report Development**

The bill requires the commissioner, when preparing the report, to identify best practices to encourage the use of the state's ecosystems to naturally sequester and store carbon, reduce GHG emissions, increase biodiversity, and protect against climate change impacts. These best practices include the following:

1. increasing carbon sequestration through increased forest acreage (e.g., reforestation),
2. controlling invasive species,
3. encouraging soil health across all landscapes,
4. protecting carbon stocks by avoiding conversion of forests and wetlands to other purposes,
5. restoring habitats,
6. increasing climate-smart agriculture and soil conservation to reduce GHG emissions while improving habitat and protecting biodiversity,
7. increasing community resilience by improving water quality and addressing flooding and drought through nature-based stormwater management and shoreline protection that uses nature-based approaches (e.g., living shorelines), and
8. improving air quality and reducing urban heat island effects through urban forestry and increasing green spaces.

Under the bill, the commissioner must (1) post the report on DEEP's website by November 30, 2024, for people to review and give written comments and (2) hold a listening session after the report is posted to obtain public comment. She must also give it to the following agencies for review and input: departments of agriculture, housing, public

health, and transportation; the Connecticut Green Bank; and OPM.

### **Report Submission**

The bill requires the DEEP commissioner to submit the report to the Environment Committee by December 31, 2024.

### **§ 22 — SOLAR CANOPY STRATEGIC PLAN**

*Requires DEEP to develop and approve a solar canopy strategic plan*

The bill requires DEEP, in consultation with PURA, to develop and approve a solar canopy strategic plan by July 1, 2025. The plan must:

1. identify opportunities and potential sites for solar canopies in the state (e.g., parking lots);
2. prioritize developing solar canopies in environmental justice communities;
3. examine different ways to promote solar canopies (e.g., at schools, government buildings, and parking lots); and
4. include recommendations for policies, programs, or regulations to promote solar canopy construction in the state, consistent with the state's GHG reduction goals, the Integrated Resources Plan (IRP), and the Comprehensive Energy Strategy (CES).

By law, an environmental justice community is a (1) U.S. census block group in which at least 30% of the population is non-institutionalized low-income people with income below 200% of the Federal Poverty Level or (2) distressed municipality (CGS § 22a-20a). The IRP is a plan DEEP develops every two years in consultation with electric distribution companies to review and plan for the state's energy needs (CGS § 16a-3a). The CES is a strategy DEEP prepares every four years to guide the state's energy policy (CGS § 16a-3d).

### **§ 23 — TRANSMISSION SYSTEM TASK FORCE**

*Establishes a task force to study the current transmission system in Connecticut and the region and requires it to submit its findings and recommendations to the Energy and Technology Committee by January 1, 2025*

The bill establishes an 11-member task force to study the state and

region's current transmission system and any upgrades and enhancements needed to support the state's reliability, affordability, and clean energy needs. As part of the study, the task force must consider (1) in-state and regional transmission upgrades; (2) regional needs; (3) cost-benefit analyses; and (4) the potential use of grid enhancing technologies, advanced conductors, and energy storage as a transmission asset.

### **Membership**

The task force's membership includes (1) the DEEP commissioner and the PURA chairperson, or their respective designees; (2) a representative of the Office of Consumer Council; and (3) eight appointed members, as shown in the table below.

**Table: Appointed Members**

<b><i>Appointing Authority</i></b>	<b><i>Qualification</i></b>
House speaker	Expert on existing electric transmission infrastructure in the state
Senate president pro tempore	Represents an environmental advocacy organization with expertise in renewable energy
House majority leader	Expert in grid enhancing technologies
Senate majority leader	Expert in the regional transmission system
House minority leader	Expert on technologies that the state's transmission system currently uses
Senate minority leader	Expert on environmental impact of updating or replacing electric transmission infrastructure
Energy and Technology Committee chairpersons	Represents an EDC with a service area of at least 18 municipalities (i.e., Eversource)
Energy and Technology Committee ranking members	Represents an EDC with a service area of up to 17 municipalities (i.e., United Illuminating)

Under the bill, initial task force appointments must be made within 30 days after the bill's passage. The appointing authority fills any vacancy. The bill requires the House speaker and Senate president pro tempore to select the task force's chairpersons from among the membership.

### **Meetings & Staff**

The bill requires the task force chairpersons to schedule the first

meeting, which must be held within 60 days after the bill's passage. The Energy and Technology Committee's administrative staff must serve as the task force's administrative staff.

### ***Report & Termination***

The bill requires the task force to submit a report on its findings and recommendations to the Energy and Technology Committee by January 1, 2025. The task force ends on the day it submits the report or January 1, 2025, whichever is later.

## **BACKGROUND**

### ***Legislative History***

The House referred the bill (File 321) to the Appropriations Committee, which reported a substitute (File 613) that eliminated provisions in the bill on (1) GHG emission reduction goals, (2) permits for fossil-fueled electricity generators, (3) electricity and electric vehicle power source and cost posting requirements for DEEP, (4) a new Connecticut Clean Economy Council, (5) PURA's energy storage program, (6) school building project grant percentages, (7) local plans of conservation and development, (8) state building electrical systems, and (9) a report about nature-based solutions to support climate mitigation and adaptation.

### ***Related Bills***

sSB 11 (File 198), favorably reported by the Environment and Finance, Revenue and Bonding committees, among other things, requires local plans of conservation and development to also include a climate change vulnerability assessment and other information related to threats and vulnerabilities from hazards, natural disasters, and climate change (§§ 11 & 12).

sHB 5356 (File 363), favorably reported by the Energy and Technology Committee, among other things, requires the DEEP commissioner to study the state's natural gas capacity, including ways to expand it, and report her findings and recommendations to the Energy and Technology Committee by January 1, 2025.

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 23 Nay 11 (03/20/2024)

Appropriations Committee

Joint Favorable Substitute

Yea 37 Nay 16 (04/22/2024)