

# OFFICE OF FISCAL ANALYSIS

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sHB-5052

AN ACT SUPPORTING SOLAR ENERGY IN SCHOOLS.

## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Public Utilities Regulatory Authority (PURA)	CC&PUCF - Potential Cost	See Below	See Below
Treasurer, Debt Serv.	GF - See Below	See Below	See Below

Note: CC&PUCF=Consumer Counsel and Public Utility Control Fund; GF=General Fund

### ***Municipal Impact:***

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Local Boards of Education	Potential Revenue Gain	See Below	See Below
Local and Regional School Districts	Cost	See Below	See Below

### ***Explanation***

This bill makes a variety of changes related to school construction and facilitating the implementation of solar in school systems with a variety of impacts described below.

#### **Local and Regional School Districts**

The bill results in a potential revenue gain to local and regional school districts that choose to implement certain solar energy projects beginning in FY 25. Any revenue gain will depend on (1) funding available from the Public Utilities Regulatory Authority; and (2) the extent to which the bill results in increased school construction grant funding for such districts.

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The bill also results in one-time costs in excess of \$100,000 per district to local and regional school districts by requiring them to implement solar feasibility studies. The bill specifies a date by which districts must choose a vendor (October 1, 2024) but does not specify a date by which such studies must be completed.

Lastly, the bill requires districts to complete solar feasibility studies as part of certain school construction projects. To the extent that districts do not complete solar feasibility studies, there is a potential reduction in reimbursements districts may receive for school construction.

### **School Construction - State Costs**

The bill makes multiple changes to the school construction project reimbursement program that may alter the rate at which funds authorized for the program are used.

**Section 2** allows costs associated with certain state-funded energy-related programs to be part of the calculation of total eligible project costs when determining state reimbursement levels, effectively increasing the reimbursement rates, and associated state costs, for eligible school construction projects.

**Section 3** adds a requirement that some applications for school construction projects include a solar feasibility assessment, which may reduce the number of eligible projects to be funded, and therefore reduce state costs for reimbursements.

The program is funded through General Obligation (GO) bond funds. Future General Fund debt service repayment requirements may be more rapid or be delayed, based on changes to state reimbursements for eligible school construction projects. As of March 1, 2024, the unallocated bond balance available under the relevant authorization is \$421 million. The bill does not change GO bond authorizations relevant to the program.

### **PURA related Impacts**

The bill requires the Public Utilities Regulatory Authority (PURA) to initiate a docket by January 1, 2025, to establish a program to encourage solar facility and energy storage installation at public schools and results in a potential cost.

### ***Ratepayer Impact Statement<sup>1</sup>:***

The bill results in a reduction in cost to some ratepayers. As an illustration, Glastonbury school systems has seen savings of over the expansion of solar programs into schools of \$100,000<sup>2</sup> annually.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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<sup>1</sup> The state and municipalities are ratepayers and there may be impacted by policy changes that affect electric rates

<sup>2</sup> [Glastonbury Public Schools Solar Energy Information](#)