
OLR Bill Analysis

sHB 5004

AN ACT CONCERNING THE IMPLEMENTATION OF CERTAIN CLIMATE CHANGE MEASURES.

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BACKGROUND

SUMMARY

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

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 greenhouse gas (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 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 — PURA DOCKET ON THE FUTURE OF NATURAL GAS

Requires PURA to initiate a related docket on the future of natural gas in the state

The bill requires the Public Utilities Regulatory Authority (PURA) to initiate a docket, by January 1, 2025, on the future of natural gas use in the state in relation to the state’s GHG emission level reduction goals. After completing the docket, PURA must submit a report to the Environment and Energy and Technology committees on any recommendations for legislative changes needed to implement its findings.

§ 3 — 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 operations

By law, the Department of Economic and Community Development’s (DECD) JobsCT tax rebate program gives companies in specified industries rebates against their insurance premiums, corporation business taxes, 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

§ 4 — DRS FEE WAIVER FOR CERTAIN BUSINESSES

Requires the DRS commissioner to (1) identify business fees that are appropriate to be waived for environmentally sustainable certified B corporations and farms and (2) submit a list of the fees to the Environment Committee by January 1, 2025

The bill requires the Department of Revenue Services (DRS) commissioner, in collaboration with the DECD commissioner, to identify business fees that are appropriate for waiver for environmentally sustainable certified B corporations and farms. The DRS commissioner must submit a list of these fees to the Environment Committee by January 1, 2025.

§ 5 — CI INVESTMENT REPORT

Requires CI to annually report to the Environment and Energy and Technology committees on investments and assistance for companies engaged in climate change mitigation matters

By January 1, 2025, the bill requires Connecticut Innovations, Inc. (CI) to begin annually reporting to the Environment and Energy and Technology committees on investments and assistance given to companies that are engaged in climate change mitigation matters. CI is a quasi-public agency that gives financing and support to businesses in the state.

§ 6 — 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 GHG

The bill requires the Department of Energy and Environmental Protection (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

§ 7 — RESIDENTIAL HEAT PUMP SYSTEMS PLAN

Requires the DEEP commissioner, with the Green Bank, to develop a plan to install at least 310,000 residential heat pumps, and report on the plan to the Environment and Energy and Technology committees by January 1, 2026

The bill requires the DEEP commissioner, together with the Connecticut Green Bank, to develop a plan to install, within available

resources, at least 310,000 heat pumps for residential heating systems through the existing multifamily retrofit pilot program for homes in environmental justice communities and low interest energy efficiency loan, residential heating equipment financing, and affordable housing energy efficiency retrofit grant programs.

Under the bill, the commissioner must submit a report to the Environment and Energy and Technology committees by January 1, 2026, on the plan's status in reaching the goal and any related recommendations to expand or revise the plan.

EFFECTIVE DATE: October 1, 2024

§§ 8 & 9 — ENVIRONMENTALLY SUSTAINABLE PURCHASING MODEL POLICY

Requires OPM to develop a model policy for environmentally sustainable purchasing that municipalities can use; for FY 25, requires the OPM secretary to authorize LoCIP funding to municipalities that implement the model policy

The bill requires the Office of Policy and Management (OPM), in consultation with the Department of Administrative Services, to develop a model policy for environmentally sustainable purchasing that municipalities can use and implement.

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 FY 25, to authorize funding for municipalities that implement the model policy from funds appropriated to OPM for this purpose.

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

BACKGROUND

Legislative History

The House referred the bill (File 321) to the Appropriations Committee, which reported a substitute that eliminates 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 Bill

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)