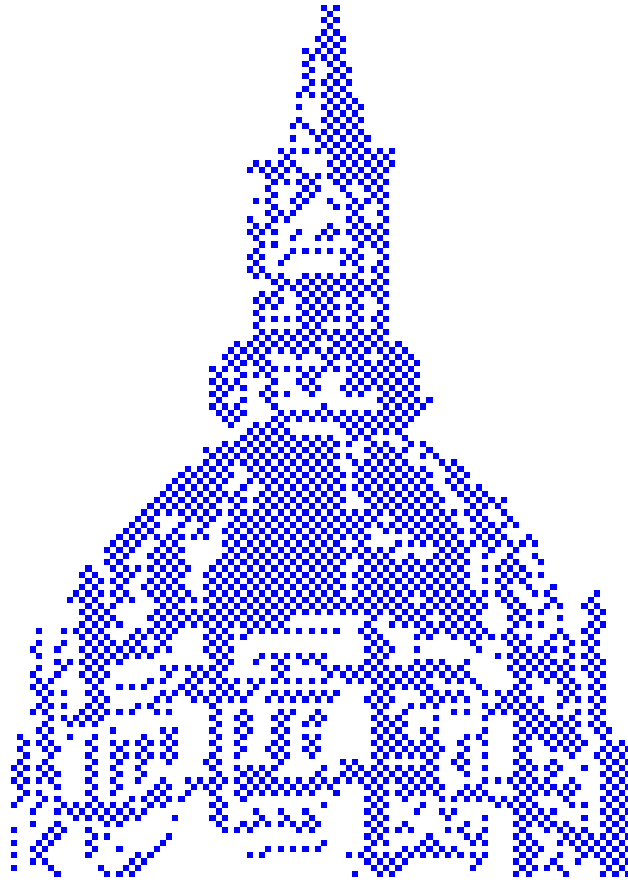




ACTS AFFECTING ENERGY AND TECHNOLOGY



2015-R-0174

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NOTICE TO READERS

This report provides highlights of new laws (public acts) affecting energy, public utilities, and technology enacted during the 2015 regular and special legislative sessions. In each summary, we indicate the public act (PA) number, if available. The report does not cover vetoed public acts unless the veto was overridden.

Not all provisions of the acts are included here. Complete summaries of all 2015 public acts are available on [OLR's webpage](#).

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <http://www.cga.ct.gov>.

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ALTERNATIVE FUEL AND RENEWABLE ENERGY

Anaerobic Digestion

[PA 15-152](#) extends, by two years, the Connecticut Green Bank's anaerobic digestion pilot program. The program supports the use of organic waste with on-site anaerobic digestion facilities at farms and other businesses to generate electricity and heat.

EFFECTIVE DATE: Upon passage

Commercial Property Assessed Clean Energy (C-PACE) Program

The law allows the Green Bank to provide financing through its C-PACE program for energy efficiency or renewable energy improvements on certain commercial properties in participating municipalities. The property owner repays the cost of the improvements through an assessment on the property, backed by a lien.

[PA 15-21](#) allows (1) third-party capital providers to provide loans directly to property owners participating in the C-PACE program and (2) the Green Bank to encourage such loans in addition to, or instead of, providing financing itself. It also makes various conforming changes to make the third-party capital providers subject to the C-PACE law's requirements for financing agreements, procedure, notices and disclosures, and rates.

EFFECTIVE DATE: Upon passage

Green Bank Bonds

[PA 15-1, June Special Session](#) (§ 228), increases, from \$50 million to \$100 million, the amount of bonds the Green Bank may issue that are backed by a special capital reserve fund (SCRF). SCRF-backed bonds are contingent liabilities of the state; if a SCRF is exhausted, the General Fund automatically replenishes it, regardless of the state spending cap. By law, the Green Bank must use bond proceeds for its purposes under existing law (e.g., promoting renewable energy and financing energy efficiency projects).

EFFECTIVE DATE: July 1, 2015

Pilot Test Programs

[PA 15-5, June Special Session](#) (§ 467), requires the DEEP commissioner to administer pilot test programs at state agencies for technology, products, or processes that meet the criteria of the State Agency Energy Efficiency or Renewable Energy Technology Test Program, which, by law, allows the DEEP commissioner to direct state agencies to test such technology, products, or processes that (1) he finds would promote energy conservation, efficiency, or renewable energy technology and (2) meet certain other standards.

EFFECTIVE DATE: October 1, 2015

Shared Clean Energy Facility Pilot

[PA 15-113](#) requires the Department of Energy and Environmental Protection (DEEP) to establish a two-year pilot program to support the development of shared clean energy facilities. In general, under the act, a shared clean energy facility is a clean energy-powered electricity generating facility to which customers subscribe for a percentage or set amount of the electricity produced. The subscriber's share of the electricity produced is then used to offset the subscriber's electric costs at another billing meter identified by the subscriber.

The act requires DEEP to develop and issue a request for proposals (RFP) to develop shared clean energy facilities from entities that (1) own or operate such facilities to benefit subscribers or (2) contract with third parties to build, own, or operate them. DEEP must select a project or projects with a total generating capacity of up to (1) two megawatts (MW) in United Illuminating's service area and (2) four MW in Eversource's service area.

EFFECTIVE DATE: October 1, 2015

Solar Home Renewable Energy Credits

[PA 15-194](#) expands the Connecticut Green Bank's residential solar investment program by allowing the program to support up to 300 MW of new residential solar PV installations by

the end of 2022, instead of requiring it to provide 30 MW of PV installations by that time. The act also creates solar home renewable energy credits (SHRECs), which are owned by the Green Bank and generated when certain residential PV systems produce electricity. The act requires the electric companies to purchase SHRECs from the Green Bank under a master purchase agreement negotiated between each company and the Green Bank. It allows the electric companies to recover their costs for purchasing the SHRECs through a reconciling (adjustable) component of their electric rates, as determined by the Public Utilities Regulatory Authority (PURA).

EFFECTIVE DATE: Upon passage

ELECTRIC COMPANIES

Fixed Charges

[PA 15-5, June Special Session](#) (§ 105), requires PURA, at the next rate case for an electric company, to adjust the company's residential fixed charge so that it only recovers the fixed costs and operation and maintenance expenses directly related to metering, billing, service connections, and providing customer service. The act prohibits PURA, when determining new residential fixed charges, from causing a cost-shift to other rate classes.

EFFECTIVE DATE: July 1, 2015

Grid-Side Enhancements

[PA 15-5, June Special Session](#) (§§ 102 & 103), allows electric companies (i.e., Eversource and United Illuminating) to submit proposals to DEEP for a pilot program to build, own, or operate grid-side system enhancements, including energy storage systems, to demonstrate and investigate how distributed energy resources (DER) can be reliably and efficiently integrated into the electric distribution system in a way that maximizes the value they provide to the electric grid, electric ratepayers, and the public. The proposal must complement and enhance (1) the programs, products, and incentives available through the Connecticut Green Bank and the Connecticut Energy Efficiency Fund, (2) DEEP's renewable energy credit programs, and (3) other similar programs that support DER deployment.

EFFECTIVE DATE: July 1, 2015

Long Term Contracts

[PA 15-107](#) allows the DEEP commissioner, in consultation with others, to issue multiple solicitations for long-term contracts for various energy resources. If the DEEP commissioner finds proposals authorized by the act to be in ratepayers' best interests, he may (1) select one or more proposals for various energy resources, including natural gas pipeline capacity, renewable resources, and energy storage and (2) direct the electric companies to enter

into long-term contracts for any combination of resources.

EFFECTIVE DATE: Upon passage

Variable Rate Ban

Starting October 1, 2015, [PA 15-90](#) prohibits retail electric suppliers from (1) entering into variable rate contracts for residential electric generation services or (2) automatically renewing such contracts or causing them to be renewed.

The law, unchanged by the act, allows suppliers to charge residential customers a month-to-month variable rate after their contract expires if they meet certain notice requirements and other conditions. The act requires PURA to begin a proceeding to develop recommendations and guidance on what (1) type of rate structure is best suited for residential customers who allow a fixed contract with a supplier to expire and begin paying a month-to-month rate and (2) rate increase is just and reasonable when it is needed under these circumstances. ([PA 15-5, June Special Session](#) (§ 108), requires PURA's recommendations and guidance to be about what changes customers in these circumstances may experience regarding their rates and the terms and conditions of their service, instead of what rate increase is just and reasonable.)

EFFECTIVE DATE: October 1, 2015

HEATING ASSISTANCE AND INCENTIVES

Direct Heating Incentive Program

[PA 15-5, June Special Session](#) (§ 242), requires each gas company to develop a district heating system incentive program. The act requires a company's incentive program to provide a one-time incentive payment to end use customers who connect to a district heating system (i.e., certain thermal loops designed to reduce natural gas demand) for heating purposes on or after March 1, 2016. The act allows a district heating system's owner to charge end use customers a connection charge up to an amount equal to the incentive payment that the customer received.

EFFECTIVE DATE: July 1, 2015

Operation Fuel

[PA 15-5, June Special Session](#) (§ 411), increases, from \$1.1 million to \$2.1 million, the amount that must be annually transferred from the funds collected by the systems benefit charge (SBC) to Operation Fuel, Inc. for energy assistance. It also increases the amount of the funds that Operation Fuel can use for administrative purposes from \$100,000 to \$200,000.

EFFECTIVE DATE: Upon passage, but the increase takes effect July 1, 2015.

Study

By January 1, 2016, [PA 15-5, June Special Session](#) (§ 107), requires the Low-Income Energy Advisory Board to recommend to the Appropriations, Energy and Technology, and Human Services committees ways to improve the implementation of heating assistance programs, particularly those created to benefit low-income households, by coordinating and optimizing existing energy efficiency and assistance programs.

EFFECTIVE DATE: October 1, 2015

MUNICIPALITIES

Municipal Utility Security Deposits

[PA 15-5, June Special Session](#) (§ 109), allows customers of municipal gas or electric utility companies to pay their required security deposits by cash, letter of credit, or surety bond. It also allows certain municipal electric companies to return half of a nonresidential customer's security deposit if the customer's account remains in good standing for two years.

EFFECTIVE DATE: October 1, 2015

Property Tax Abatements

[PA 15-5, June Special Session](#) (§§ 104 & 106), allows municipalities, for assessment years beginning October 1, 2015, to abate up to 100% of the property taxes due for any tax year for any Class I renewable energy source (e.g., wind or solar power) subject to

certain DEEP-approved power purchase agreements with the state's electric companies. The act also allows municipalities, by a vote of their legislative bodies or, if the legislative body is a town meeting, their boards of selectmen, to abate up to 100% of a gas company's annual personal property taxes to facilitate natural gas expansion projects.

EFFECTIVE DATE: Upon passage for the Class I abatement provision, and July 1, 2015 for the natural gas abatement provisions.

Residential Solar Permitting

[PA 15-194](#) requires each municipality, by January 1, 2016, to incorporate residential solar photovoltaic (PV) systems in their building permit application processes or use a residential solar PV system permit application supplement. It also allows municipalities to (1) post applications online, (2) permit electronic filing, and (3) waive certain fees. Under the act, municipalities must inform a permit applicant whether the application is approved or disapproved within 30 days of receiving an application. The act also requires the Green Bank to implement a residential solar PV system permit training seminar for municipal officials.

EFFECTIVE DATE: October 1, 2015

PURA PROCESSES

Public Hearings

[PA 15-135](#) increases the number of off-site hearings that PURA must hold on matters involving changes to an electric company's (Eversource and United Illuminating) rates, charges, or public accommodation (e.g., rate cases). Prior law required PURA to hold at least one rate case hearing in a town within a subject company's service area. The act instead requires hearings in at least (1) two towns for a company that serves 17 or fewer towns (United Illuminating) and (2) three towns for a company that serves more than 17 towns (Eversource).

EFFECTIVE DATE: October 1, 2015

PURA Communications

[PA 15-5, June Special Session](#) (§ 466), allows PURA commissioners to privately confer or communicate with each other about matters before PURA without invoking the Freedom of Information Act's requirements for public meetings.

EFFECTIVE DATE: Upon passage

TECHNOLOGY

Online Privacy

[PA 15-6](#) prohibits employers from requesting or requiring an employee or job applicant to provide the employer with a user name, password, or other way to access the employee's or applicant's personal online account (e.g., personal email or social media).

The act also prohibits employers from requiring that employees or job applicants (1) authenticate or access such an account in front of the employer or (2) invite, or accept an invitation from, the employer to join a group affiliated with such an account.

The act allows employees and applicants to file complaints with the labor commissioner and allows her to impose certain penalties for violations.

EFFECTIVE DATE: October 1, 2015

TELECOMMUNICATIONS

Public Information Meetings

[PA 15-186](#) requires telecommunications tower developers to pay all administrative expenses associated with public information meetings held by municipalities that would be potentially affected by the location of a tower.

EFFECTIVE DATE: October 1, 2015

WATER AND SEWER

Grants for Water Mains

[PA 15-105](#) increases the grant amount certain municipalities receive to provide long-term potable water supply facilities (e.g., water mains) that meet public water supply needs.

By law, DEEP may require municipalities to provide long-term potable water to those whose water is contaminated. Municipalities not responsible for the contamination may

apply to DEEP for a grant for the design and construction cost of required facilities. Under agency regulations, for projects that provide capacity beyond what is necessary for the polluted area, DEEP reduces the total construction cost amount eligible for a grant. The act prohibits DEEP from reducing the grant amount for certain projects.

EFFECTIVE DATE: Upon passage

Revenue Adjustment Mechanisms

[PA 15-178](#) extends the potential duration of the revenue adjustment mechanism (RAM) that PURA approves for PURA-regulated water companies between a company's general rate cases. In general, a RAM allows a company to reconcile any difference between its PURA-approved revenue and its actual revenue through an annual rate adjustment without going through a full rate case proceeding each year (e.g., if a company earns less than PURA allowed it to earn, it can adjust rates the following year to make up the difference).

EFFECTIVE DATE: October 1, 2015

Service Pipes

[PA 15-180](#) allows investor-owned water companies, under certain conditions, to approve a property owner's application to install a service pipe that extends to the owner's dwelling by crossing intervening properties. (In general, service pipes connect the water main to the point of

consumption.) Regulations in place before the act passed generally prohibited such extensions unless PURA approved an exception under certain conditions. The act codifies these regulations and also allows a water company to approve the exception under the same conditions.

EFFECTIVE DATE: October 1, 2015

Small Community Water Systems

[PA 15-89](#) allows PURA, on its own initiative or at the Department of Public Health commissioner's request, to investigate whether a small community water system's rates are sufficient for the system to maintain its economic viability and provide adequate service to its customers. If appropriate, PURA must issue an order that prescribes the appropriate (1) service the water system must provide and (2) rates or charges needed to provide that service.

Before issuing an order raising rates or charges for a system's customers, PURA must consider the financial impact the rate increase may have on the

system's ratepayers and phase in the rate increase under certain circumstances.

The act defines "small community water systems" as those that do not have to submit a water supply plan (i.e., generally water companies that serve fewer than 1,000 people or 250 buildings).

EFFECTIVE DATE: Upon passage

MISCELLANEOUS PROVISIONS

Utility Recovery of Tax Increases

[PA 15-5, June Special Session](#) (§ 468), allows a state-regulated utility company to defer until its next general rate case its recovery of any increased tax expenses under PA 15-244 (the budget act) that are not currently authorized in the company's rates.

EFFECTIVE DATE: October 1, 2015

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