



# Acts Affecting Energy and Utilities

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## Notice to Readers

This report summarizes laws passed during the 2018 regular legislative session affecting energy and utilities. In each summary, we indicate the public act (PA) or special act (SA) number. We do not include vetoed acts, unless the legislature overrode the governor's veto.

Not all provisions of the acts are included. Complete summaries of all 2018 Public Acts will be available on OLR's webpage: <https://www.cga.ct.gov/olr>.

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

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# Clean and Renewable Energy Initiatives

## ***Class I Renewables Expansion***

A new law expands the list of technologies considered Class I renewable energy sources to include certain (1) zero-emission low grade heat power generation systems and (2) run-of-the-river hydropower facilities that obtain certain licenses after January 1, 2018. Among other things, this allows these technologies to (1) generate Class I renewable energy certificates (RECs) that can be used to meet Renewable Portfolio Standard (RPS) requirements (within certain limits), (2) participate in certain power procurements administered by the Department of Energy and Environmental Protection (DEEP), and (3) potentially qualify for certain property tax exemptions ([PA 18-50](#), §§ 27-29, effective October 1, 2018).

## ***Monthly Net Metering Sunset***

Traditional net metering generally allows customers who own certain renewable energy resources to earn billing credits at the retail electric rate when the customer generates more power than he or she uses in each month. Under a new law, new opportunities to begin this kind of monthly net metering will close for (1) residential customers when the state's residential solar investment program expires and (2) all other customers when the Public Utilities Regulatory Authority (PURA) approves the procurement plan for new zero-emission, low-emission, and shared clean energy programs (see below). Any customers already using traditional monthly net metering before then may continue to do so through December 31, 2039 ([PA 18-50](#), § 5, effective upon passage).

## ***New Clean Energy Programs***

New legislation requires DEEP and PURA to develop new tariff-based renewable energy programs that generally require electric distribution companies (EDCs, i.e., Eversource and United Illuminating) to develop a procurement plan and 20-year tariffs (detailed rate schedules) for purchasing energy and RECs from certain low-emission, zero-emission, shared clean energy, and residential Class I renewable energy sources.

The new law sets various requirements and conditions for the programs, including eligibility criteria for participants and caps on the aggregate total megawatts annually available under certain programs. Customers in certain programs will also be able to choose between a (1) “buy-all, sell-all” tariff under which the EDC will purchase all energy and RECs generated by the customer's system or (2) “net export” tariff under which the EDC will purchase any energy the customer produced but did not consume during a PURA-determined time period, plus all RECs generated by the customer's system ([PA 18-50](#), § 7, effective upon passage).

## ***REC Program Extension***

The state's L-REC/ Z-REC program requires EDCs to annually enter into 15-year contracts to procure \$8 million in RECs from certain low-emission (L-REC) and zero-emission (Z-REC) clean energy generation projects each year. The program had been scheduled to expire after 2018, but a new law extends it for an additional year ([PA 18-50](#), § 6, effective upon passage).

## ***Renewable Portfolio Standard***

The state's RPS law requires EDCs and retail electric suppliers to procure an increasing portion of their power from certain renewable and other clean energy resources. For example, in 2018, at least 17% of their power must come from Class I renewable energy sources (e.g., fuel cells, solar, and wind). Under prior law, this requirement would have reached 20% in 2020, and then stayed at that level. But under a new law, the Class I RPS will increase to 21% on January 1, 2020, and then further increase to specified percentages each year until it reaches 40% on January 1, 2030 ([PA 18-50](#), §§ 1-4, effective upon passage).

## **Connecticut Green Bank**

### ***Contracts***

The law specifies that whenever the Connecticut Green Bank enters a contract, the state agrees to not limit or alter the bank's rights unless the bank fully met its obligations under the contract or the state provides adequate protections for the contract's other parties. A new law requires this provision to be interpreted and applied broadly to effectuate and maintain the bank's financial capacity to perform its essential public and governmental function ([PA 18-50](#), § 10, effective upon passage).

### ***Special Capital Reserve Fund***

Another new law authorizes the Green Bank to use a special capital reserve fund to secure its obligations under an equipment lease-purchase agreement it entered into in December 2017, even though it did not receive the statutorily-required approvals before entering into the agreement ([PA 18-42](#), § 5, effective upon passage).

## **Energy Efficiency**

### ***Conservation and Load Management (CLM) Plan and Services***

By law, the energy efficiency services provided under the state's CLM Plan must be available to all customers of EDCs and gas companies. A new law specifies that an EDC's customers may not be denied these services based on the fuel the customer uses to heat his or her home. Under current practice, customers who do not heat their homes with gas only qualify for electricity-saving services, unless other funding is available ([PA 18-50](#), § 9, effective January 1, 2020).

### ***CLM Plan Funding***

Currently, EDC customers help fund the CLM plan's programs and services by paying a conservation charge of three mills per kWh of electricity used, plus an additional three mills per kWh conservation adjustment mechanism (CAM). The funds from the two charges must be deposited in the EDCs' Energy Conservation and Load Management funds, and the EDCs (which administer the services) must apply to the Energy Conservation Management Board to be reimbursed for their expenditures under the plan.

Starting on January 1, 2020, a new law reconfigures the CLM plan's funding by eliminating (1) the CLM fund, (2) both three mill charges, and (3) the requirement for EDCs to apply to the ECMB for reimbursements. Instead, the EDCs will have to ensure the CLM Plan is fully funded by collecting a PURA-approved CAM of up to six mills per kWh of electricity used ([PA 18-50](#), §§ 9, 11-24, & 32, effective January 1, 2020).

### ***FY 19 Budget Transfer***

Last year's FY 18-19 budget act ([PA 17-2, June Special Session](#)) transferred \$63.5 million from the Energy Conservation and Load Management funds to the General Fund in each year of the biennium. A new law decreases the amount of the FY 19 transfer by \$10 million ([PA 18-81](#), §§ 12 & 70, effective upon passage).

### ***Reduced Energy Consumption***

A new law makes it the state's policy to annually reduce energy consumption by at least 1.6 million MMBtus, or the equivalent megawatts of electricity, for each calendar year from 2020 through 2025. One MMBtu is one million British thermal units of heat input ([PA 18-50](#), § 8, effective upon passage).

## **Energy Planning**

### ***Greenhouse Gas (GHG) Emissions***

A new law (1) establishes a new GHG emissions reduction requirement; (2) integrates GHG reductions into various state planning documents and efforts, such as the state's Integrated Resources Plan and its plan of conservation and development; and (3) incorporates the new reduction into the law's existing energy source solicitation requirements.

Existing law requires the state to reduce its GHG emissions to a level that is at least (1) 10% below 1990's emissions level by 2020 and (2) 80% below 2001's emissions level by 2050. The new law requires the state to also reduce its emissions to a level that is at least 45% below 2001's emissions by 2030 ([PA 18-82](#), multiple sections, effective upon passage).

### ***Thermal Energy Portfolio Standard***

Existing law requires DEEP, in consultation with the electric companies, to review the state's energy and capacity resources and develop an integrated resource plan (IRP) for procuring energy resources. Among other things, the plan must indicate specific options to reduce electric rates and costs and analyze in-state renewable sources of electricity in comparison to other options.

A new law requires DEEP to consider creating a thermal energy portfolio standard in the next approved IRP and authorizes DEEP to do so in subsequent IRPs. Generally, a "portfolio standard" encourages the development of certain energy resources by requiring utilities and other energy providers to supply a minimum amount of their energy from specified sources ([PA 18-180](#), effective upon passage).

## **Internet & Telecommunications**

### ***Revisions to the Student Data Privacy Act***

A new law makes numerous changes to the student data privacy law, which restricts how website, online service, and mobile application operators who contract with boards of education can process, use, and access student data. Among its provisions, the new law requires the Department of Administrative Service's Commission for Educational Technology to develop a student data privacy terms-of-service agreement addendum that may be used in contracts entered into between boards of education and operators under the student data privacy law ([PA 18-125](#), various effective dates).

## ***Robocalls and Spoofing***

A new law makes it a class A misdemeanor (punishable by up to one year imprisonment, up to a \$2,000 fine, or both) for someone to intentionally use a blocking device or service to circumvent a Connecticut customer's caller ID to transmit certain unsolicited recorded messages through devices that do not immediately disconnect when the customer hangs up (e.g., robocalls) ([PA 18-135](#), effective October 1, 2018).

## **Municipal & Regional Utilities**

### ***CMEEC Forensic Audits***

The law requires the Connecticut Municipal Electric Energy Cooperative (CMEEC) to have a forensic examination, conducted by a certified forensic auditor, which includes a review of CMEEC's revenue and expenditures for the preceding five years. A new law reduces the number and scope of the reports the auditor must produce about the examination ([PA 18-50](#), § 26, effective upon passage).

### ***Liability Protections for the Municipal Electric Consumer Advocate and Independent Consumer Advocate***

A new law extends certain state employee liability protections to the municipal electric consumer advocate and independent consumer advocate positions, which were created to advocate on behalf of municipal electric utility customers and Metropolitan District Commission customers, respectively. Among other things, the new law provides the two advocates with personal liability protections for damages or injuries caused while discharging their duties or within the scope of their employment, unless their actions were wanton, reckless, or malicious ([PA 18-50](#), § 25, effective upon passage).

### ***Municipal Rate Design Studies***

A new law specifies a deadline for municipal utilities to determine whether to implement various rate design standards (e.g., time of day rates and seasonal rates). Prior law required them to do so within two years, but did not specify when the two-year time frame began. The new law requires them to do so by July 1, 2018. Utilities that completed a determination on those rate design standards or electric vehicle time of day rates by July 1, 2017 do not need to do so again ([PA 18-18](#), effective upon passage).



## **Power Procurements**

### ***Biomass Power Purchase Contract***

A new law requires an EDC (i.e., Eversource), by July 1, 2018, to file for PURA's approval a 10-year power purchase contract with a Class I renewable energy biomass facility that began operating after December 1, 2013 (i.e., the Plainfield Renewable Energy biomass facility). The contract must be for generation equivalent to 7.5 MW of electric capacity and not exceed \$0.09 per kWh for energy and RECs ([PA 18-50](#), § 3, effective upon passage).

### ***DEEP Procurement Expansion***

The law allows the DEEP commissioner to solicit proposals from providers of certain Class I energy sources such as run-of-the-river hydropower, fuel cells, offshore wind, and anaerobic digestion facilities. If the commissioner finds the proposals meet certain conditions, he may direct the EDCs to enter into up to 20-year agreements to purchase energy, capacity, and environmental attributes, or any combination of them. A new law allows the commissioner to direct the EDCs to enter into these agreements to meet up to 6%, rather than 4%, of their load (i.e., demand) ([PA 18-50](#), § 31, effective upon passage).

## **Water & Sewer**

### ***Regulation of Delinquent Sewer Assessment Payments and Foreclosures***

A new law institutes a one-year delay for foreclosure actions on liens held by water pollution control authorities (WPCAs). It also requires municipalities served by a PURA-regulated private water company with a population of at least 100,000 to adopt ordinances that (1) restrict accelerated foreclosure proceedings for past due sewer fees, (2) lower the interest rate on such fees, (3) limit a WPCA assignee's ability to purchase a foreclosed property, and (4) set financial guidelines that trigger foreclosure for nonpayment.

This new law also requires PURA to establish a program to regulate the charges, assessments, and lien processes of the WPCAs located in these municipalities. It (1) sets a \$4 annual surcharge for the customers in these municipalities to help pay for the program and (2) requires a report to the legislature on the program's status and any recommendations for legislation ([PA 18-174](#), effective July 1, 2018).

## ***Sewage Spill Notice***

The legislature passed a law requiring operators of sewage treatment plants, water pollution control facilities, related pumping stations, collections systems, or other public sewage works to electronically report to DEEP within two hours of becoming aware of a sewage spill. If the spill exceeds 5,000 gallons, they must also notify the chief elected municipal official where the spill occurred and the municipality must then notify the public and downstream public officials. The new law imposes civil or criminal penalties, depending on the severity of the violation, for failing to report as required ([PA 18-97](#), § 2, effective upon passage).

## ***South Central Connecticut Regional Water Authority (SCCRWA)***

A new law reduces, from 20 to seven days, the advance notice that SCCRWA must provide for a public hearing in emergency situations. “Emergencies” are situations in which (1) a delay in the award of a contract or the expenditure of capital funds could threaten safety or property; (2) immediate action is needed to respond to or recover from a natural disaster, invasion, or other hostile action; or (3) immediate action is needed to respond to an event threatening or compromising the integrity of SCCRWA’s information systems and associated infrastructure ([SA 18-4](#), effective upon passage).

## ***Wastewater Treatment Facility Operators***

A new law establishes continuing education requirements for certified wastewater treatment facility operators. Specifically, they must annually obtain six hours of continuing education. They, and the facilities at which they work, must keep a record of the continuing education and make it available if the DEEP commissioner requests it ([PA 18-97](#), § 1, effective October 1, 2018).

## **Miscellaneous Provisions**

### ***Application Fees for State Highway Right-of-Way Encroachment Permits***

The FY 18-19 budget act limited the Department of Transportation (DOT) commissioner’s authority to charge fees for state highway right-of-way encroachment permit (SHRWE) applications to cover only those from open-air theaters, shopping centers, and other developments generating large volumes of traffic (i.e., major traffic generators). SHRWE applications concern a wide range of uses, including burying longitudinal utilities, tree trimming, and installing utility poles ([Conn. Agencies Reg. § 13b-17-4](#)). A new law restores the DOT commissioner’s authority to adopt regulations to charge reasonable fees for all SHRWE applications, not only for those from major traffic generators ([PA 18-167](#), § 2, effective October 1, 2018).

## ***Fuel Vendor Payments***

Community Action Agencies (CAAs) generally administer fuel assistance programs under the federal Low-Income Home Energy Assistance Program (LIHEAP), which funds the Connecticut Energy Assistance Program. As part of this program, CAAs make payments to fuel vendors who provide heating assistance to low income households.

Under a new law, the Department of Social Services (DSS) commissioner must require these CAAs to pay deliverable fuel vendors within 30 days after receiving an authorized fuel slip or payment invoice from the vendor. DSS must also include information related to untimely payments in annual reports to the Appropriations, Energy and Technology, and Human Services committees ([PA 18-88](#), effective upon passage).

## ***Green Building Tax Credits***

In 2017, the legislature eliminated the Green Building tax credit program beginning December 1, 2017. A new law clarifies that taxpayers issued a Green Building tax credit prior to December 1, 2017, may claim the credits ([PA 18-26](#), § 2, effective upon passage).

## ***Reporting Nonpayment of Utility Services***

A new law increases, from 60 to 120 days, how long certain utilities must wait after a residential customer becomes delinquent before reporting the customer's nonpayment to credit rating agencies. The affected utilities are EDCs; gas or water companies; gas registrants; and municipal utilities that provide electric, gas, or water service ([PA 18-116](#), effective October 1, 2018).

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