



# WORKING DRAFT

General Assembly

***Amendment***

***February Session, 2018***

**LCO No. 4439**

Offered by:

To: Subst. Senate Bill No. 9

File No. 460

Cal. No. 0

***"AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE."***

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (a) of section 16-245a of the 2018 supplement  
4 to the general statutes is repealed and the following is substituted in  
5 lieu thereof (*Effective from passage*):

6 (a) [An] Subject to any modifications required by the Public Utilities  
7 Regulatory Authority for retiring renewable energy certificates on  
8 behalf of all electric ratepayers pursuant to subsection (h) of this  
9 section and sections 16a-3f, 16a-3g, 16a-3h, 16a-3i, 16a-3j and 16a-3m,  
10 an electric supplier and an electric distribution company providing  
11 standard service or supplier of last resort service, pursuant to section  
12 16-244c, as amended by this act, shall demonstrate:

13 (1) On and after January 1, 2006, that not less than two per cent of  
14 the total output or services of any such supplier or distribution  
15 company shall be generated from Class I renewable energy sources  
16 and an additional three per cent of the total output or services shall be

17 from Class I or Class II renewable energy sources;

18 (2) On and after January 1, 2007, not less than three and one-half per  
19 cent of the total output or services of any such supplier or distribution  
20 company shall be generated from Class I renewable energy sources  
21 and an additional three per cent of the total output or services shall be  
22 from Class I or Class II renewable energy sources;

23 (3) On and after January 1, 2008, not less than five per cent of the  
24 total output or services of any such supplier or distribution company  
25 shall be generated from Class I renewable energy sources and an  
26 additional three per cent of the total output or services shall be from  
27 Class I or Class II renewable energy sources;

28 (4) On and after January 1, 2009, not less than six per cent of the  
29 total output or services of any such supplier or distribution company  
30 shall be generated from Class I renewable energy sources and an  
31 additional three per cent of the total output or services shall be from  
32 Class I or Class II renewable energy sources;

33 (5) On and after January 1, 2010, not less than seven per cent of the  
34 total output or services of any such supplier or distribution company  
35 shall be generated from Class I renewable energy sources and an  
36 additional three per cent of the total output or services shall be from  
37 Class I or Class II renewable energy sources;

38 (6) On and after January 1, 2011, not less than eight per cent of the  
39 total output or services of any such supplier or distribution company  
40 shall be generated from Class I renewable energy sources and an  
41 additional three per cent of the total output or services shall be from  
42 Class I or Class II renewable energy sources;

43 (7) On and after January 1, 2012, not less than nine per cent of the  
44 total output or services of any such supplier or distribution company  
45 shall be generated from Class I renewable energy sources and an  
46 additional three per cent of the total output or services shall be from  
47 Class I or Class II renewable energy sources;

48 (8) On and after January 1, 2013, not less than ten per cent of the  
49 total output or services of any such supplier or distribution company  
50 shall be generated from Class I renewable energy sources and an  
51 additional three per cent of the total output or services shall be from  
52 Class I or Class II renewable energy sources;

53 (9) On and after January 1, 2014, not less than eleven per cent of the  
54 total output or services of any such supplier or distribution company  
55 shall be generated from Class I renewable energy sources and an  
56 additional three per cent of the total output or services shall be from  
57 Class I or Class II renewable energy sources;

58 (10) On and after January 1, 2015, not less than twelve and one-half  
59 per cent of the total output or services of any such supplier or  
60 distribution company shall be generated from Class I renewable  
61 energy sources and an additional three per cent of the total output or  
62 services shall be from Class I or Class II renewable energy sources;

63 (11) On and after January 1, 2016, not less than fourteen per cent of  
64 the total output or services of any such supplier or distribution  
65 company shall be generated from Class I renewable energy sources  
66 and an additional three per cent of the total output or services shall be  
67 from Class I or Class II renewable energy sources;

68 (12) On and after January 1, 2017, not less than fifteen and one-half  
69 per cent of the total output or services of any such supplier or  
70 distribution company shall be generated from Class I renewable  
71 energy sources and an additional three per cent of the total output or  
72 services shall be from Class I or Class II renewable energy sources;

73 (13) On and after January 1, 2018, not less than seventeen per cent of  
74 the total output or services of any such supplier or distribution  
75 company shall be generated from Class I renewable energy sources  
76 and an additional four per cent of the total output or services shall be  
77 from Class I or Class II renewable energy sources;

78 (14) On and after January 1, 2019, not less than nineteen and one-

79 half per cent of the total output or services of any such supplier or  
80 distribution company shall be generated from Class I renewable  
81 energy sources and an additional four per cent of the total output or  
82 services shall be from Class I or Class II renewable energy sources;

83 (15) On and after January 1, 2020, not less than [twenty] twenty-one  
84 per cent of the total output or services of any such supplier or  
85 distribution company shall be generated from Class I renewable  
86 energy sources and an additional four per cent of the total output or  
87 services shall be from Class I or Class II renewable energy sources, [.]  
88 except that for any electric supplier that has entered into or renewed a  
89 retail electric supply contract on or before the effective date of this  
90 section, on and after January 1, 2020, not less than twenty per cent of  
91 the total output or services of any such electric supplier shall be  
92 generated from Class I renewable energy sources;

93 (16) On and after January 1, 2021, not less than twenty-two and one-  
94 half per cent of the total output or services of any such supplier or  
95 distribution company shall be generated from Class I renewable  
96 energy sources and an additional four per cent of the total output or  
97 services shall be from Class I or Class II renewable energy sources;

98 (17) On and after January 1, 2022, not less than twenty-four per cent  
99 of the total output or services of any such supplier or distribution  
100 company shall be generated from Class I renewable energy sources  
101 and an additional four per cent of the total output or services shall be  
102 from Class I or Class II renewable energy sources;

103 (18) On and after January 1, 2023, not less than twenty-six per cent  
104 of the total output or services of any such supplier or distribution  
105 company shall be generated from Class I renewable energy sources  
106 and an additional four per cent of the total output or services shall be  
107 from Class I or Class II renewable energy sources;

108 (19) On and after January 1, 2024, not less than twenty-eight per cent  
109 of the total output or services of any such supplier or distribution  
110 company shall be generated from Class I renewable energy sources

111 and an additional four per cent of the total output or services shall be  
112 from Class I or Class II renewable energy sources;

113 (20) On and after January 1, 2025, not less than thirty per cent of the  
114 total output or services of any such supplier or distribution company  
115 shall be generated from Class I renewable energy sources and an  
116 additional four per cent of the total output or services shall be from  
117 Class I or Class II renewable energy sources;

118 (21) On and after January 1, 2026, not less than thirty-two per cent of  
119 the total output or services of any such supplier or distribution  
120 company shall be generated from Class I renewable energy sources  
121 and an additional four per cent of the total output or services shall be  
122 from Class I or Class II renewable energy sources;

123 (22) On and after January 1, 2027, not less than thirty-four per cent  
124 of the total output or services of any such supplier or distribution  
125 company shall be generated from Class I renewable energy sources  
126 and an additional four per cent of the total output or services shall be  
127 from Class I or Class II renewable energy sources;

128 (23) On and after January 1, 2028, not less than thirty-six per cent of  
129 the total output or services of any such supplier or distribution  
130 company shall be generated from Class I renewable energy sources  
131 and an additional four per cent of the total output or services shall be  
132 from Class I or Class II renewable energy sources;

133 (24) On and after January 1, 2029, not less than thirty-eight per cent  
134 of the total output or services of any such supplier or distribution  
135 company shall be generated from Class I renewable energy sources  
136 and an additional four per cent of the total output or services shall be  
137 from Class I or Class II renewable energy sources;

138 (25) On and after January 1, 2030, not less than forty per cent of the  
139 total output or services of any such supplier or distribution company  
140 shall be generated from Class I renewable energy sources and an  
141 additional four per cent of the total output or services shall be from

142 Class I or Class II renewable energy sources.

143 Sec. 2. Section 16-245a of the 2018 supplement to the general statutes  
144 is amended by adding subsection (h) as follows (*Effective from passage*):

145 (NEW) (h) The authority shall establish procedures for the  
146 retirement of renewable energy certificates purchased pursuant to  
147 section 7 of this act, which may include procedures for selling  
148 renewable energy certificates consistent with section 7 of this act or  
149 reductions to the percentage of the total output or services of an  
150 electric supplier or an electric distribution company generated from  
151 Class I renewable energy sources required pursuant to subsection (a)  
152 of this section. Any such reduction shall be based on the energy  
153 production that the authority forecasts will be procured pursuant to  
154 subsections (a) and (b) of section 7 of this act. The authority shall  
155 determine any such reduction of an annual renewable portfolio  
156 standard not later than one year prior to the effective date of such  
157 annual renewable portfolio standard. An electric distribution company  
158 shall not be responsible for any administrative or other costs or  
159 expenses associated with any difference between the number of  
160 renewable energy certificates planned to be retired pursuant to the  
161 authority's reduction and the actual number of renewable energy  
162 certificates retired.

163 Sec. 3. Subdivision (1) of subsection (h) of section 16-244c of the 2018  
164 supplement to the general statutes is repealed and the following is  
165 substituted in lieu thereof (*Effective from passage*):

166 (h) (1) Notwithstanding the provisions of subsection (b) of this  
167 section regarding an alternative standard service option, an electric  
168 distribution company providing standard service, supplier of last  
169 resort service or back-up electric generation service in accordance with  
170 this section shall contract with its wholesale suppliers to comply with  
171 the renewable portfolio standards. The Public Utilities Regulatory  
172 Authority shall annually conduct an uncontested proceeding in order  
173 to determine whether the electric distribution company's wholesale

174 suppliers met the renewable portfolio standards during the preceding  
175 year. On or before December 31, 2013, the authority shall issue a  
176 decision on any such proceeding for calendar years up to and  
177 including 2012, for which a decision has not already been issued. Not  
178 later than December 31, 2014, and annually thereafter, the authority  
179 shall, following such proceeding, issue a decision as to whether the  
180 electric distribution company's wholesale suppliers met the renewable  
181 portfolio standards during the preceding year. An electric distribution  
182 company shall include a provision in its contract with each wholesale  
183 supplier that requires the wholesale supplier to pay the electric  
184 distribution company an amount of: (A) For calendar years up to and  
185 including calendar year 2017, five and one-half cents per kilowatt hour  
186 if the wholesale supplier fails to comply with the renewable portfolio  
187 standards during the subject annual period, [and] (B) for calendar  
188 years commencing on [and after] January 1, 2018, up to and including  
189 the calendar year commencing on January 1, 2020, five and one-half  
190 cents per kilowatt hour if the wholesale supplier fails to comply with  
191 the renewable portfolio standards during the subject annual period for  
192 Class I renewable energy sources, and two and one-half cents per  
193 kilowatt hour if the wholesale supplier fails to comply with the  
194 renewable portfolio standards during the subject annual period for  
195 Class II renewable energy sources, and (C) for calendar years  
196 commencing on and after January 1, 2021, four cents per kilowatt hour  
197 if the wholesale supplier fails to comply with the renewable portfolio  
198 standards during the subject annual period for Class I renewable  
199 energy sources, and two and one-half cents per kilowatt hour if the  
200 wholesale supplier fails to comply with the renewable portfolio  
201 standards during the subject annual period for Class II renewable  
202 energy sources. The electric distribution company shall promptly  
203 transfer any payment received from the wholesale supplier for the  
204 failure to meet the renewable portfolio standards to the Clean Energy  
205 Fund for the development of Class I renewable energy sources,  
206 provided, on and after June 5, 2013, any such payment shall be  
207 refunded to ratepayers by using such payment to offset the costs to all  
208 customers of electric distribution companies of the costs of contracts

209 and tariffs entered into pursuant to sections 16-244r, as amended by  
210 this act, [and] 16-244t and section 7 of this act. Any excess amount  
211 remaining from such payment shall be applied to reduce the costs of  
212 contracts entered into pursuant to subdivision (2) of this subsection,  
213 and if any excess amount remains, such amount shall be applied to  
214 reduce costs collected through nonbypassable, federally mandated  
215 congestion charges, as defined in section 16-1.

216 Sec. 4. Subsection (k) of section 16-245 of the 2018 supplement to the  
217 general statutes is repealed and the following is substituted in lieu  
218 thereof (*Effective from passage*):

219 (k) Any licensee who fails to comply with a license condition or who  
220 violates any provision of this section, except for the renewable  
221 portfolio standards contained in subsection (g) of this section, shall be  
222 subject to civil penalties by the Public Utilities Regulatory Authority in  
223 accordance with section 16-41, or the suspension or revocation of such  
224 license or a prohibition on accepting new customers following a  
225 hearing that is conducted as a contested case in accordance with  
226 chapter 54. Notwithstanding the provisions of subsection (b) of section  
227 16-244c regarding an alternative transitional standard offer option or  
228 an alternative standard service option, the authority shall require a  
229 payment by a licensee that fails to comply with the renewable portfolio  
230 standards in accordance with subdivision (4) of subsection (g) of this  
231 section in the amount of: (1) For calendar years up to and including  
232 calendar year 2017, five and one-half cents per kilowatt hour, [and] (2)  
233 for calendar years commencing on [and after] January 1, 2018, and up  
234 to and including the calendar year commencing on January 1, 2020,  
235 five and one-half cents per kilowatt hour if the licensee fails to comply  
236 with the renewable portfolio standards during the subject annual  
237 period for Class I renewable energy sources, and two and one-half  
238 cents per kilowatt hour if the licensee fails to comply with the  
239 renewable portfolio standards during the subject annual period for  
240 Class II renewable energy sources, and (3) for calendar years  
241 commencing on and after January 1, 2021, four cents per kilowatt hour  
242 if the licensee fails to comply with the renewable portfolio standards



243 during the subject annual period for Class I renewable energy sources,  
244 and two and one-half cents per kilowatt hour if the licensee fails to  
245 comply with the renewable portfolio standards during the subject  
246 annual period for Class II renewable energy sources. On or before  
247 December 31, 2013, the authority shall issue a decision, following an  
248 uncontested proceeding, on whether any licensee has failed to comply  
249 with the renewable portfolio standards for calendar years up to and  
250 including 2012, for which a decision has not already been issued. On  
251 and after June 5, 2013, the Public Utilities Regulatory Authority shall  
252 annually conduct an uncontested proceeding in order to determine  
253 whether any licensee has failed to comply with the renewable portfolio  
254 standards during the preceding year. Not later than December 31,  
255 2014, and annually thereafter, the authority shall, following such  
256 proceeding, issue a decision as to whether the licensee has failed to  
257 comply with the renewable portfolio standards during the preceding  
258 year. The authority shall allocate such payment to the Clean Energy  
259 Fund for the development of Class I renewable energy sources,  
260 provided, on and after June 5, 2013, any such payment shall be  
261 refunded to ratepayers by using such payment to offset the costs to all  
262 customers of electric distribution companies of the costs of contracts  
263 and tariffs entered into pursuant to sections 16-244r, as amended by  
264 this act, [and] 16-244t and section 7 of this act. Any excess amount  
265 remaining from such payment shall be applied to reduce the costs of  
266 contracts entered into pursuant to subdivision (2) of subsection (j) of  
267 section 16-244c, and if any excess amount remains, such amount shall  
268 be applied to reduce costs collected through nonbypassable, federally  
269 mandated congestion charges, as defined in section 16-1.

270 Sec. 5. Section 16-243h of the general statutes is repealed and the  
271 following is substituted in lieu thereof (*Effective from passage*):

272 On and after January 1, 2000, and until (1) for residential customers,  
273 the expiration of the residential solar investment program pursuant to  
274 subsection (b) of section 16-245ff, and (2) for all other customers not  
275 covered in subdivision (1) of this section, the date the Public Utilities  
276 Regulatory Authority approves the procurement plan pursuant to

277 subsection (a) of section 7 of this act, each electric supplier or any  
278 electric distribution company providing standard offer, transitional  
279 standard offer, standard service or back-up electric generation service,  
280 pursuant to section 16-244c, as amended by this act, shall give a credit  
281 for any electricity generated by a customer from a Class I renewable  
282 energy source or a hydropower facility that has a nameplate capacity  
283 rating of two megawatts or less for a term ending on December 31,  
284 2039. The electric distribution company providing electric distribution  
285 services to such a customer shall make such interconnections necessary  
286 to accomplish such purpose. An electric distribution company, at the  
287 request of any residential customer served by such company and if  
288 necessary to implement the provisions of this section, shall provide for  
289 the installation of metering equipment that [(1)] (A) measures  
290 electricity consumed by such customer from the facilities of the electric  
291 distribution company, [(2)] (B) deducts from the measurement the  
292 amount of electricity produced by the customer and not consumed by  
293 the customer, and [(3)] (C) registers, for each billing period, the net  
294 amount of electricity either [(A)] (i) consumed and produced by the  
295 customer, or [(B)] (ii) the net amount of electricity produced by the  
296 customer. If, in a given monthly billing period, a customer-generator  
297 supplies more electricity to the electric distribution system than the  
298 electric distribution company or electric supplier delivers to the  
299 customer-generator, the electric distribution company or electric  
300 supplier shall credit the customer-generator for the excess by reducing  
301 the customer-generator's bill for the next monthly billing period to  
302 compensate for the excess electricity from the customer-generator in  
303 the previous billing period at a rate of one kilowatt-hour for one  
304 kilowatt-hour produced. The electric distribution company or electric  
305 supplier shall carry over the credits earned from monthly billing  
306 period to monthly billing period, and the credits shall accumulate until  
307 the end of the annualized period. At the end of each annualized  
308 period, the electric distribution company or electric supplier shall  
309 compensate the customer-generator for any excess kilowatt-hours  
310 generated, at the avoided cost of wholesale power. A customer who  
311 generates electricity from a generating unit with a nameplate capacity

312 of more than ten kilowatts of electricity pursuant to the provisions of  
313 this section shall be assessed for the competitive transition assessment,  
314 pursuant to section 16-245g and the systems benefits charge, pursuant  
315 to section 16-245l, based on the amount of electricity consumed by the  
316 customer from the facilities of the electric distribution company  
317 without netting any electricity produced by the customer. For  
318 purposes of this section, "residential customer" means a customer of a  
319 single-family dwelling or multifamily dwelling consisting of two to  
320 four units. The Public Utilities Regulatory Authority shall establish a  
321 rate on a cents-per-kilowatt-hour basis for the electric distribution  
322 company to purchase the electricity generated by a customer pursuant  
323 to this section after December 31, 2039.

324 Sec. 6. Subdivision (3) of subsection (c) of section 16-244r of the 2018  
325 supplement to the general statutes is repealed and the following is  
326 substituted in lieu thereof (*Effective from passage*):

327 (3) After year six, the authority shall seek to enter new contracts for  
328 the total of [~~seven~~] eight years.

329 (A) The aggregate procurement of renewable energy credits by  
330 electric distribution companies pursuant to this subdivision shall (i)  
331 increase by an additional eight million dollars per year in years five [~~],~~  
332 ~~six and seven~~] to eight, inclusive, (ii) be [~~fifty-six~~] sixty-four million  
333 dollars in years [~~eight~~] nine to fifteen, inclusive, and (iii) decline by  
334 eight million dollars per year in years sixteen to [~~twenty-two~~] twenty-  
335 three, inclusive, provided any money not allocated in any given year  
336 may roll into the next year's available funds. On the date of approval  
337 of the procurement plan by the authority pursuant to subsection (a) of  
338 section 7 of this act, any money not yet allocated pursuant to this  
339 section shall expire.

340 (B) For the sixth, [~~and~~] seventh and eighth year solicitations, each  
341 electric distribution company shall solicit and file with the Public  
342 Utilities Regulatory Authority for its approval one or more long-term  
343 contracts with owners or developers of Class I generation projects that:

344 (i) Emit no pollutants and that are less than one thousand kilowatts in  
345 size, located on the customer side of the revenue meter and serve the  
346 distribution system of the electric distribution company, provided such  
347 contracts do not exceed fifty per cent of the dollar amount established  
348 for years six, [and] seven and eight under subparagraph (A) of this  
349 subdivision; and (ii) are less than two megawatts in size, located on the  
350 customer side of the revenue meter, serve the distribution system of  
351 the electric distribution company, and use Class I technologies that  
352 have no emissions of no more than 0.07 pounds per megawatt-hour of  
353 nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide,  
354 0.02 pounds per megawatt-hour of volatile organic compounds, and  
355 one grain per one hundred standard cubic feet, provided such  
356 contracts do not exceed fifty per cent of the dollar amount established  
357 for years six, [and] seven and eight under subparagraph (A) of this  
358 subdivision. The authority may give a preference to contracts for  
359 technologies manufactured, researched or developed in the state.

360 Sec. 7. (NEW) (*Effective from passage*) (a) (1) (A) On or before  
361 September 1, 2018, the Public Utilities Regulatory Authority shall  
362 initiate a proceeding to establish a procurement plan for each electric  
363 distribution company pursuant to this subsection and may give a  
364 preference to technologies manufactured, researched or developed in  
365 the state. Each electric distribution company shall develop such  
366 procurement plan in consultation with the Department of Energy and  
367 Environmental Protection and shall submit such procurement plan to  
368 the authority not later than sixty days after the authority initiates the  
369 proceeding pursuant to this subdivision. The authority may require  
370 such electric distribution companies to conduct separate solicitations  
371 pursuant to subdivision (2) of this subsection for the resources in  
372 subparagraphs (A), (B) and (C) of said subdivision based upon the size  
373 of such resources to allow for a diversity of selected projects.

374 (B) On or before September 1, 2018, the authority shall initiate a  
375 proceeding to establish tariffs described in subdivision (3) of this  
376 subsection for each electric distribution company pursuant to  
377 subparagraphs (A) and (B) of subdivision (2) of this subsection. The

378 rate for such tariffs shall be established by the solicitation pursuant to  
379 subdivision (2) of this subsection.

380 (C) On or before September 1, 2018, the Department of Energy and  
381 Environmental Protection (i) shall initiate a proceeding to develop  
382 program requirements for shared clean energy facilities including, but  
383 not limited to, the requirements in subdivision (6) of this subsection,  
384 (ii) may establish a tariff that includes a price cap on a cents-per-  
385 kilowatt-hour basis for any procurement for such resources based on  
386 the procurement results of any other procurement issued pursuant to  
387 this subsection, and (iii) may establish a tariff proposal that includes a  
388 tariff rate for customers eligible under subparagraph (C) of subdivision  
389 (2) of this subsection based on energy policy goals identified by the  
390 department in the Comprehensive Energy Strategy pursuant to section  
391 16a-3d of the general statutes. The department shall submit any such  
392 program requirements and tariff proposal to the authority for review  
393 and approval.

394 (2) Not later than July 1, 2020, and annually thereafter, each electric  
395 distribution company shall solicit and file with the Public Utilities  
396 Regulatory Authority for its approval one or more twenty-year  
397 contracts pursuant to the tariffs established in subparagraphs (B) and  
398 (C)(ii) of subdivision (1) of this subsection that are consistent with the  
399 procurement plan established pursuant to this subsection and that are  
400 applicable to (A) customers that own or develop new generation  
401 projects on a customer's own premises that are less than two  
402 megawatts in size, serve the distribution system of the electric  
403 distribution company, are constructed after the solicitation conducted  
404 pursuant to subdivision (4) of this subsection to which the customer is  
405 responding, and use a Class I renewable energy source that either (i)  
406 uses anaerobic digestion, or (ii) has emissions of no more than 0.07  
407 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per  
408 megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-hour  
409 of volatile organic compounds and one grain per one hundred  
410 standard cubic feet, (B) customers that own or develop new generation  
411 projects on a customer's own premises that are less than two

412 megawatts in size, serve the distribution system of the electric  
413 distribution company, are constructed after the solicitation conducted  
414 pursuant to subdivision (4) of this subsection to which the customer is  
415 responding, and use a Class I renewable energy source that emits no  
416 pollutants, and (C) customers that own or develop new generation  
417 projects that are a shared clean energy facility, as defined in section 16-  
418 244x of the general statutes, and subscriptions, as defined in such  
419 section, associated with such facility, consistent with the program  
420 requirements developed pursuant to subparagraph (C)(ii) of  
421 subdivision (1) of this subsection. Any project that is eligible pursuant  
422 to one subparagraph of this subdivision shall not be eligible pursuant  
423 to any other subparagraph of this subdivision.

424 (3) A customer that is eligible pursuant to subparagraphs (A) or (B)  
425 of subdivision (2) of this subsection may elect in any such solicitation  
426 to utilize either (A) a tariff of the purchase of all energy and renewable  
427 energy certificates on a cents-per-kilowatt-hour basis, or (B) a tariff for  
428 the purchase of any energy produced by a facility and not consumed  
429 in real time and all renewable energy certificates generated by such  
430 facility on a cents-per-kilowatt-hour basis.

431 (4) Each electric distribution company shall conduct an annual  
432 solicitation or solicitations, as determined by the authority, for the  
433 purchase of energy and renewable energy certificates produced by  
434 eligible generation projects under this subsection over the duration of  
435 the tariff. Generation projects eligible pursuant to subparagraphs (A)  
436 and (B) of subdivision (2) of this subsection shall be sized so as not to  
437 exceed the load at the customer's individual electric meter or a set of  
438 electric meters, when such meters are combined for billing purposes,  
439 from the electric distribution company providing service to such  
440 customer, as determined by such electric distribution company, unless  
441 such customer is a state, municipal or agricultural customer, then such  
442 generation project shall be sized so as not to exceed the load at such  
443 customer's individual electric meter or a set of electric meters at the  
444 same customer premises, when such meters are combined for billing  
445 purposes, and the load of up to five state, municipal or agricultural

446 beneficial accounts identified by such state, municipal or agricultural  
447 customer, and such state, municipal or agricultural customer may  
448 include the load of up to five additional nonstate or municipal  
449 beneficial accounts when sizing such generation project, provided such  
450 accounts are critical facilities, as defined in subdivision (2) of  
451 subsection (a) of section 16-243y of the general statutes, and are  
452 connected to a microgrid.

453 (5) The maximum selected purchase price of energy and renewable  
454 energy certificates on a cents-per-kilowatt-hour basis in any given  
455 solicitation shall not exceed such maximum selected purchase price for  
456 the same resources in the prior year's solicitation, unless the authority  
457 makes a determination that there are changed circumstances in any  
458 given year. For the first year solicitation issued pursuant to this  
459 subsection, the authority shall establish a cap for the selected purchase  
460 price for energy and renewable energy certificates on a cents-per-  
461 kilowatt-hour basis for any resources authorized under this subsection.

462 (6) The program requirements for shared clean energy facilities  
463 developed pursuant to subparagraph (C)(i) of subdivision (1) of this  
464 subsection shall include, but not be limited to, the following:

465 (A) The department shall consider all proposals received, including  
466 cost-effective projects of various nameplate capacities that may allow  
467 for the construction of multiple projects in the service area of each  
468 electric distribution company that operates within the state.

469 (B) After receiving proposals pursuant to such issued request for  
470 proposals, the department shall determine the billing credit for any  
471 subscriber of a shared clean energy facility that may be issued through  
472 the electric distribution companies' monthly billing systems, and  
473 establish consumer protections for subscribers and potential  
474 subscribers of such a facility, including, but not limited to, disclosures  
475 to be made when selling or reselling a subscription.

476 (C) Such program shall utilize one or more tariff mechanisms with  
477 the electric distribution companies for a term not to exceed twenty

478 years, subject to approval by the Public Utilities Regulatory Authority,  
479 to pay for the purchase of any energy products produced by any  
480 shared clean energy facility identified by the department in the request  
481 for proposals, or to deliver any billing credit of any such facility.

482 (D) The terms of such tariff shall be consistent with the program  
483 requirements established by the department in the request for  
484 proposals.

485 (E) The electric distribution companies shall be entitled to recover  
486 all reasonable costs and expenses prudently incurred for the  
487 implementation and operation of such pilot program through a  
488 reconciling component of electric rates, as determined by the authority.

489 (F) The electric distribution companies shall be entitled to such  
490 recovery for the period that any shared clean energy facility is enrolled  
491 in the tariff, or the term of the pilot program, whichever is longer.

492 (G) The electric distribution companies shall submit to the Public  
493 Utilities Regulatory Authority for review and approval: (i) Any tariffs  
494 proposed pursuant to this subsection with shared clean energy facility  
495 projects selected in the department's request for proposal process; (ii)  
496 any tariffs proposed pursuant to this subsection with shared clean  
497 energy facility project subscribers; (iii) any other tariffs proposed  
498 pursuant to this subsection; and (iv) any proposal to recover costs  
499 associated with administering the implementation and operation of the  
500 shared clean energy facility pilot program.

501 (H) The department shall limit subscribers to (i) low-income  
502 customers, (ii) moderate-income customers, (iii) small business  
503 customers, (iv) state or municipal customers, and (v) residential  
504 customers who can demonstrate, pursuant to criteria determined by  
505 the department in the procurement plan, that they are unable to utilize  
506 the tariffs offered pursuant to subsection (b) of this section.

507 (b) (1) On or before September 1, 2019, the authority shall initiate a  
508 proceeding to establish (A) tariffs for each electric distribution



509 company pursuant to subdivision (2) of this subsection, and (B) a rate  
510 for such tariffs, which may be based upon the results of one or more  
511 competitive solicitations issued pursuant to subsection (a) of this  
512 section, which may be based on the average cost of installing the  
513 generation project and a reasonable rate of return that is just,  
514 reasonable and adequate, as determined by the authority, and shall be  
515 guided by the Comprehensive Energy Strategy prepared pursuant to  
516 section 16a-3d of the general statutes. The authority may modify such  
517 rate for new customers under this subsection based on changed  
518 circumstances and may establish an interim tariff rate prior to the  
519 expiration of the residential solar investment program pursuant to  
520 subsection (b) of section 16-245ff of the general statutes as an  
521 alternative to such program, provided any residential customer  
522 utilizing a tariff pursuant to this subsection at such customer's electric  
523 meter shall not be eligible for any incentives offered pursuant to  
524 section 16-245ff of the general statutes at the same such electric meter  
525 and any residential customer utilizing any incentives offered pursuant  
526 to section 16-245ff of the general statutes at such customer's electric  
527 meter shall not be eligible for a tariff pursuant to this subsection at the  
528 same such electric meter.

529 (2) At the expiration of the residential solar investment program  
530 pursuant to subsection (b) of section 16-245ff of the general statutes,  
531 each electric distribution company shall offer the following options to  
532 residential customers for the purchase of products generated from a  
533 Class I renewable energy source that is located on a customer's own  
534 premises and has a nameplate capacity rating of twenty-five kilowatts  
535 or less for a term not to exceed twenty years: (A) A tariff for the  
536 purchase of all energy and renewable energy certificates on a cents-  
537 per-kilowatt-hour basis; and (B) a tariff for the purchase of any energy  
538 produced and not consumed in real time and all renewable energy  
539 certificates generated by such facility on a cents-per-kilowatt-hour  
540 basis. A residential customer shall select either option authorized  
541 pursuant to subparagraphs (A) or (B) of this subdivision, consistent  
542 with the requirements of this section. Such generation projects shall be

543 sized so as not to exceed the load at the customer's individual electric  
544 meter from the electric distribution company providing service to such  
545 customer, as determined by such electric distribution company. For  
546 purposes of this section, "residential customer" means a customer of a  
547 single-family dwelling or a multifamily dwelling consisting of two to  
548 four units.

549 (c) (1) (A) The aggregate total compensation to all customers  
550 utilizing a procurement and tariff offered by electric distribution  
551 companies pursuant to subsection (a) of this section shall be budgeted  
552 up to twenty-eight million dollars in year one and increase by up to an  
553 additional twenty-eight million dollars per year in each of the years  
554 two through six of such a tariff, provided the total compensation to  
555 customers eligible under subparagraphs (A) and (B) of subdivision (2)  
556 of subsection (a) of this section, shall not exceed twenty-three million  
557 dollars per year and the total compensation to customers eligible  
558 under subparagraph (C) of subdivision (2) of subsection (a) of this  
559 section shall not exceed five million dollars per year, except that actual  
560 expenditures may vary based on reasonable variations between  
561 budgeted and actual energy production, as outlined in the  
562 procurement plan established pursuant to subsection (a) of this section  
563 and determined by the authority. For the purposes of budgeting, the  
564 amount of the total compensation to any customer utilizing the tariff  
565 options allowing for consumption of energy offered pursuant to  
566 subparagraph (B) of subdivision (3) of subsection (a) of this section  
567 shall include and be calculated based on a reasonable forecast of the  
568 retail rate for such customer for the term of the tariff, as determined by  
569 the authority, when such customer enters into the tariff. The authority  
570 shall monitor the competitiveness of any procurements authorized  
571 pursuant to subsection (a) of this section and may adjust the annual  
572 purchase amount established in this subsection or other procurement  
573 parameters to maintain competitiveness. Any money not allocated in  
574 any given year shall not roll into the next year's available funds. The  
575 obligation to purchase energy and renewable energy certificates shall  
576 be apportioned to electric distribution companies based on their

577 respective distribution system loads, as determined by the authority.

578 (B) The electric distribution companies shall offer any tariffs  
579 developed pursuant to subsection (b) of this section for six years. At  
580 the end of the tariff term pursuant to subparagraph (B) of subdivision  
581 (2) of subsection (b) of this section, residential customers that elected  
582 the option pursuant to said subparagraph shall be credited all cents-  
583 per-kilowatt-hour charges pursuant to the tariff rate for such customer  
584 for energy produced by the Class I renewable energy source against  
585 any energy that is consumed in real time by such residential customer.

586 (C) The authority shall establish tariffs for the purchase of energy on  
587 a cents-per-kilowatt-hour basis at the expiration of any tariff terms  
588 authorized pursuant to this section.

589 (2) At the beginning of year six of the procurements authorized  
590 pursuant to this subsection, the authority, in consultation with the  
591 department, shall assess the tariff offerings pursuant to this section  
592 and determine if such offerings are competitive compared to the cost  
593 of the technologies. The authority shall report, in accordance with  
594 section 11-4a of the general statutes, the results of such determination  
595 to the General Assembly. If the General Assembly does not reject such  
596 results by a simple majority vote in each house within sixty days of  
597 receiving such results, such results shall be deemed approved. If the  
598 authority, in consultation with the department, finds that such  
599 offerings are competitive and the General Assembly approves such  
600 results, the authority may require the electric distribution companies to  
601 conduct procurements and offer tariffs consistent with this section for  
602 up to ten years inclusive of the six years authorized in subdivision (1)  
603 of this subsection, provided the budget allocations are consistent with  
604 the requirements in such subdivision.

605 (3) For any tariff established pursuant to this section, the authority  
606 shall examine how to incorporate the following energy system benefits  
607 into the rate established for any such tariff: (A) Energy storage systems  
608 that provide electric distribution benefits, (B) location of a facility on

609 the distribution system, (C) time-of-use rates or other dynamic pricing,  
610 and (D) other energy policy benefits identified in the Comprehensive  
611 Energy Strategy prepared pursuant to section 16a-3d of the general  
612 statutes.

613 (d) In accordance with subsection (h) of section 16-245a of the  
614 general statutes, as amended by this act, the authority shall determine  
615 which of the following two options is in the best interest of ratepayers  
616 and shall direct each electric distribution company to either (1) retire  
617 the renewable energy certificates it purchases pursuant to subsections  
618 (a) and (b) of this section on behalf of all ratepayers to satisfy the  
619 obligations of all electric suppliers and electric distribution companies  
620 providing standard service or supplier of last resort service pursuant  
621 to section 16-245a of the general statutes, as amended by this act, or (2)  
622 sell such renewable energy certificates into the New England Power  
623 Pool Generation information system renewable energy credit market.  
624 The authority shall establish procedures for the retirement of such  
625 renewable energy certificates. Any net revenues from the sale of  
626 products purchased in accordance with this section shall be credited to  
627 customers through a nonbypassable fully reconciling component of  
628 electric rates for all customers of the electric distribution company.

629 (e) The costs incurred by an electric distribution company pursuant  
630 to this section shall be recovered on a timely basis through a  
631 nonbypassable fully reconciling component of electric rates for all  
632 customers of the electric distribution company. Any net revenues from  
633 the sale of products purchased in accordance with any tariff offered  
634 pursuant to this section shall be credited to customers through the  
635 same fully reconciling rate component for all customers of such electric  
636 distribution company.

637 Sec. 8. (NEW) (*Effective from passage*) The state shall reduce energy  
638 consumption by not less than 1.6 million MMBtu, as defined in  
639 subdivision (4) of section 22a-197 of the general statutes, annually each  
640 year for calendar years commencing on and after January 1, 2020, up to  
641 and including calendar year 2025.

642 Sec. 9. Subdivision (1) of subsection (d) of section 16-245m of the  
643 general statutes is repealed and the following is substituted in lieu  
644 thereof (*Effective from passage*):

645 (d) (1) Not later than November 1, 2012, and every three years  
646 thereafter, electric distribution companies, as defined in section 16-1, in  
647 coordination with the gas companies, as defined in section 16-1, shall  
648 submit to the Energy Conservation Management Board a combined  
649 electric and gas Conservation and Load Management Plan, in  
650 accordance with the provisions of this section, to implement cost-  
651 effective energy conservation programs, demand management and  
652 market transformation initiatives. All supply and conservation and  
653 load management options shall be evaluated and selected within an  
654 integrated supply and demand planning framework. Services  
655 provided under the plan shall be available to all customers of electric  
656 distribution companies and gas companies, [ Each such company shall  
657 apply to the Energy Conservation Management Board for  
658 reimbursement for expenditures pursuant to the plan] provided a  
659 customer of an electric distribution company may not be denied such  
660 services based on the fuel such customer uses to heat such customer's  
661 home. The Energy Conservation Management Board shall advise and  
662 assist the electric distribution companies and gas companies in the  
663 development of such plan. The Energy Conservation Management  
664 Board shall approve the plan before transmitting it to the  
665 Commissioner of Energy and Environmental Protection for approval.  
666 The commissioner shall, in an uncontested proceeding during which  
667 the commissioner may hold a public meeting, approve, modify or  
668 reject said plan prepared pursuant to this subsection. Following  
669 approval by the commissioner, the board shall assist the companies in  
670 implementing the plan and collaborate with the Connecticut Green  
671 Bank to further the goals of the plan. Said plan shall include a detailed  
672 budget sufficient to fund all energy efficiency that is cost-effective or  
673 lower cost than acquisition of equivalent supply, and shall be reviewed  
674 and approved by the commissioner. [To the extent that the budget in  
675 the plan approved by the commissioner with regard to electric

676 distribution companies exceeds the revenues collected pursuant to  
677 subdivision (1) of subsection (a) of this section, the] The Public Utilities  
678 Regulatory Authority shall, not later than sixty days after the plan is  
679 approved by the commissioner, ensure that the balance of revenues  
680 required to fund such [budget] plan is provided through [a] fully  
681 reconciling conservation adjustment [mechanism of not more than  
682 three mills per kilowatt hour of electricity sold to each end use  
683 customer of an electric distribution company during the three years of  
684 any Conservation and Load Management Plan] mechanisms. Electric  
685 distribution companies shall collect a conservation adjustment  
686 mechanism that ensures the plan is fully funded by collecting an  
687 amount that is not more than the sum of six mills per kilowatt hour of  
688 electricity sold to each end use customer of an electric distribution  
689 company during the three years of any Conservation and Load  
690 Management Plan. The authority shall ensure that the revenues  
691 required to fund such [budget] plan with regard to gas companies are  
692 provided through a fully reconciling conservation adjustment  
693 mechanism for each gas company of not more than the equivalent of  
694 four and six-tenth cents per hundred cubic feet during the three years  
695 of any Conservation and Load Management Plan. Said plan shall  
696 include steps that would be needed to achieve the goal of  
697 weatherization of eighty per cent of the state's residential units by 2030  
698 and to reduce energy consumption by 1.6 million MMBtu, as defined  
699 in subdivision (4) of section 22a-197, annually each year for calendar  
700 years commencing on and after January 1, 2020, up to and including  
701 calendar year 2025. Each program contained in the plan shall be  
702 reviewed by such companies and accepted, modified or rejected by the  
703 Energy Conservation Management Board prior to submission to the  
704 commissioner for approval. The Energy Conservation Management  
705 Board shall, as part of its review, examine opportunities to offer joint  
706 programs providing similar efficiency measures that save more than  
707 one fuel resource or otherwise to coordinate programs targeted at  
708 saving more than one fuel resource. Any costs for joint programs shall  
709 be allocated equitably among the conservation programs. The Energy  
710 Conservation Management Board shall give preference to projects that

711 maximize the reduction of federally mandated congestion charges.

712 Sec. 10. Subsection (h) of section 16-245n of the general statutes is  
713 repealed and the following is substituted in lieu thereof (*Effective from*  
714 *passage*):

715 (h) (1) The state of Connecticut does hereby pledge to and agree  
716 with any person with whom the Connecticut Green Bank may enter  
717 into contracts pursuant to the provisions of this section that the state  
718 will not limit or alter the rights hereby vested in said bank until such  
719 contracts and the obligations thereunder are fully met and performed  
720 on the part of said bank, provided nothing herein contained shall  
721 preclude such limitation or alteration if adequate provision shall be  
722 made by law for the protection of such persons entering into contracts  
723 with said bank. The pledge provided by this subsection shall be  
724 interpreted and applied broadly to effectuate and maintain the bank's  
725 financial capacity to perform its essential public and governmental  
726 function.

727 (2) The contracts and obligations thereunder of said bank shall be  
728 obligatory upon the bank, and the bank may appropriate in each year  
729 during the term of such contracts an amount of money that, together  
730 with other funds of the bank available for such purposes, shall be  
731 sufficient to pay such contracts and obligations or meet any contractual  
732 covenants or warranties, and there shall be included in the charge  
733 assessed to each end use customer of electric services, as provided in  
734 subsection (b) of this section, an amount that, together with other  
735 funds of the bank available for such purposes, shall be sufficient to  
736 meet such appropriation.

737 Sec. 11. Subdivision (2) of subsection (c) of section 12-264 of the 2018  
738 supplement to the general statutes is repealed and the following is  
739 substituted in lieu thereof (*Effective July 1, 2020*):

740 (2) For purposes of this subsection, gross earnings from providing  
741 electric transmission services or electric distribution services shall  
742 include (A) all income classified as income from providing electric

743 transmission services or electric distribution services, as determined by  
744 the Commissioner of Revenue Services in consultation with the Public  
745 Utilities Regulatory Authority, and (B) the competitive transition  
746 assessment collected pursuant to section 16-245g, other than any  
747 component of such assessment that constitutes transition property as  
748 to which an electric distribution company has no right, title or interest  
749 pursuant to subsection (a) of section 16-245h, the systems benefits  
750 charge collected pursuant to section 16-245l, the conservation  
751 adjustment mechanisms charged under section 16-245m, as amended  
752 by this act, and the assessments charged under [sections 16-245m and]  
753 section 16-245n, as amended by this act. Such gross earnings shall not  
754 include income from providing electric transmission services or  
755 electric distribution services to a company described in subsection (c)  
756 of section 12-265.

757 Sec. 12. Subsections (b) to (d), inclusive, of section 16-243q of the  
758 general statutes are repealed and the following is substituted in lieu  
759 thereof (*Effective July 1, 2020*):

760 (b) Except as provided in subsection (d) of this section, the Public  
761 Utilities Regulatory Authority shall assess each electric supplier and  
762 each electric distribution company that fails to meet the percentage  
763 standards of subsection (a) of this section a charge of up to five and  
764 five-tenths cents for each kilowatt hour of electricity that such supplier  
765 or company is deficient in meeting such percentage standards.  
766 Seventy-five per cent of such assessed charges shall be [deposited in  
767 the Energy] used in furtherance of the Conservation and Load  
768 Management [Fund] Plan established in section 16-245m, as amended  
769 by this act, and twenty-five per cent shall be deposited in the Clean  
770 Energy Fund established in section 16-245n, as amended by this act,  
771 except that such seventy-five per cent of assessed charges with respect  
772 to an electric supplier shall be [divided] allocated among the [Energy]  
773 Conservation and Load Management [Funds] Plan of electric  
774 distribution companies in proportion to the amount of electricity such  
775 electric supplier provides to end use customers in the state using the  
776 facilities of each electric distribution company.



777 (c) An electric supplier or electric distribution company may satisfy  
778 the requirements of this section by participating in a conservation and  
779 distributed resources trading program approved by the Public Utilities  
780 Regulatory Authority. Credits created by conservation and customer-  
781 side distributed resources shall be allocated to the person that  
782 conserved the electricity or installed the project for customer-side  
783 distributed resources to which the credit is attributable and to the  
784 [Energy] Conservation and Load Management [Fund] Plan. Such  
785 credits shall be made in the following manner: A minimum of twenty-  
786 five per cent of the credits shall be allocated to the person that  
787 conserved the electricity or installed the project for customer-side  
788 distributed resources to which the energy credit is attributable and the  
789 remainder of the credits shall be [allocated to the Energy] used in  
790 furtherance of the Conservation and Load Management [Fund] Plan,  
791 based on a schedule created by the authority no later than January 1,  
792 2007, and reviewed annually thereafter. The authority may, in a  
793 proceeding and for good cause shown, allocate a larger proportion of  
794 such credits to the person who conserved the electricity or installed the  
795 customer-side distributed resources. The authority shall consider the  
796 proportion of investment made by a ratepayer through various  
797 ratepayer-funded incentive programs and the resulting reduction in  
798 federally mandated congestion charges. The portion [allocated to the  
799 Energy] used in furtherance of the Conservation and Load  
800 Management [Fund] Plan shall be used for measures that respond to  
801 energy demand and for peak reduction programs.

802 (d) An electric distribution company providing standard service  
803 may contract with its wholesale suppliers to comply with the  
804 conservation and customer-side distributed resources standards set  
805 forth in subsection (a) of this section. The Public Utilities Regulatory  
806 Authority shall annually conduct a contested case, in accordance with  
807 the provisions of chapter 54, to determine whether the electric  
808 distribution company's wholesale suppliers met the conservation and  
809 distributed resources standards during the preceding year. Any such  
810 contract shall include a provision that requires such supplier to pay the

811 electric distribution company in an amount of up to five and one-half  
812 cents per kilowatt hour if the wholesale supplier fails to comply with  
813 the conservation and distributed resources standards during the  
814 subject annual period. The electric distribution company shall  
815 immediately transfer seventy-five per cent of any payment received  
816 from the wholesale supplier for the failure to meet the conservation  
817 and distributed resources standards to the [Energy] Conservation and  
818 Load Management [Fund] Plan and twenty-five per cent to the Clean  
819 Energy Fund. Any payment made pursuant to this section shall not be  
820 considered revenue or income to the electric distribution company.

821 Sec. 13. Section 16-243t of the general statutes is repealed and the  
822 following is substituted in lieu thereof (*Effective July 1, 2020*):

823 (a) Notwithstanding the provisions of this title, a customer who  
824 implements energy conservation or customer-side distributed  
825 resources, as defined in section 16-1, on or after January 1, 2008, shall  
826 be eligible for Class III credits, pursuant to section 16-243q, as  
827 amended by this act. The Class III credit shall be not less than one cent  
828 per kilowatt hour. For nonresidential projects receiving conservation  
829 and load management funding, twenty-five per cent of the financial  
830 value derived from the credits earned pursuant to this section shall be  
831 directed to the customer who implements energy conservation or  
832 customer-side distribution resources pursuant to this section with the  
833 remainder of the financial value directed [to] in furtherance of the  
834 Conservation and Load Management [Funds] Plan. For nonresidential  
835 projects not receiving conservation and load management funding  
836 submitted on or after March 9, 2007, seventy-five per cent of the  
837 financial value derived from the credits earned pursuant to this section  
838 shall be directed to the customer who implements energy conservation  
839 or customer-side distribution resources pursuant to this section with  
840 the remainder of the financial value directed [to] in furtherance of the  
841 Conservation and Load Management [Funds] Plan. Not later than July  
842 1, 2007, the Public Utilities Regulatory Authority shall initiate a  
843 contested case proceeding in accordance with the provisions of chapter  
844 54, to implement the provisions of this section.

845 (b) In order to be eligible for ongoing Class III credits, the customer  
846 shall file an application that contains information necessary for the  
847 authority to determine that the resource qualifies for Class III status.  
848 Such application shall (1) certify that installation and metering  
849 requirements have been met where appropriate, (2) provide a detailed  
850 energy savings or energy output calculation for such time period as  
851 specified by the authority, and (3) include any other information that  
852 the authority deems appropriate.

853 (c) For conservation and load management projects that serve  
854 residential customers, seventy-five per cent of the financial value  
855 derived from the credits shall be directed [to] in furtherance of the  
856 Conservation and Load Management [Funds] Plan.

857 Sec. 14. Subsections (d) and (e) of section 16-243v of the general  
858 statutes are repealed and the following is substituted in lieu thereof  
859 (*Effective July 1, 2020*):

860 (d) Commencing April 1, 2008, any person may apply to the  
861 authority for certification and funding as a Connecticut electric  
862 efficiency partner. Such application shall include the technologies that  
863 the applicant shall purchase or provide and that have been approved  
864 pursuant to subsection (b) of this section. In evaluating the application,  
865 the authority shall (1) consider the applicant's potential to reduce  
866 customers' electric demand, including peak electric demand, and  
867 associated electric charges tied to electric demand and peak electric  
868 demand growth, (2) determine the portion of the total cost of each  
869 project that shall be paid for by the customer participating in this  
870 program and the portion of the total cost of each project that shall be  
871 paid for by all electric ratepayers and collected pursuant to subsection  
872 (h) of this section. In making such determination, the authority shall  
873 ensure that all ratepayer investments maintain a minimum two-to-one  
874 payback ratio, and (3) specify that participating Connecticut electric  
875 efficiency partners shall maintain the technology for a period sufficient  
876 to achieve such investment payback ratio. The annual ratepayer  
877 contribution for projects approved pursuant to this section shall not

878 exceed sixty million dollars. Not less than seventy-five per cent of such  
879 annual ratepayer investment shall be used for the technologies  
880 themselves. No person shall receive electric ratepayer funding  
881 pursuant to this subsection if such person has received or is receiving  
882 funding from the [Energy] Conservation and Load Management  
883 [Funds] Plan for the projects included in said person's application. No  
884 person shall receive electric ratepayer funding without receiving a  
885 certificate of public convenience and necessity as a Connecticut electric  
886 efficiency partner by the authority. The authority may grant an  
887 applicant a certificate of public convenience if it possesses and  
888 demonstrates adequate financial resources, managerial ability and  
889 technical competency. The authority may conduct additional requests  
890 for proposals from time to time as it deems appropriate. The authority  
891 shall specify the manner in which a Connecticut electric efficiency  
892 partner shall address measures of effectiveness and shall include  
893 performance milestones.

894 (e) Beginning February 1, 2010, a certified Connecticut electric  
895 efficiency partner may only receive funding if selected in a request for  
896 proposal developed, issued and evaluated by the authority. In  
897 evaluating a proposal, the authority shall take into consideration the  
898 potential to reduce customers' electric demand including peak electric  
899 demand, and associated electric charges tied to electric demand and  
900 peak electric demand growth, including, but not limited to, federally  
901 mandated congestion charges and other electric costs, and shall utilize  
902 a cost benefit test established pursuant to subsection (c) of this section  
903 to rank responses for selection. The authority shall determine the  
904 portion of the total cost of each project that shall be paid by the  
905 customer participating in this program and the portion of the total cost  
906 of each project that shall be paid by all electric ratepayers and collected  
907 pursuant to the provisions of this subsection. In making such  
908 determination, the authority shall (1) ensure that all ratepayer  
909 investments maintain a minimum two-to-one payback ratio, and (2)  
910 specify that participating Connecticut electric efficiency partners shall  
911 maintain the technology for a period sufficient to achieve such

912 investment payback ratio. The annual ratepayer contribution shall not  
913 exceed sixty million dollars. Not less than seventy-five per cent of such  
914 annual ratepayer investment shall be used for the technologies  
915 themselves. No Connecticut electric efficiency partner shall receive  
916 funding pursuant to this subsection if such partner has received or is  
917 receiving funding from the [Energy] Conservation and Load  
918 Management [Funds] Plan for such technology. The authority may  
919 conduct additional requests for proposals from time to time as it  
920 deems appropriate. The authority shall specify the manner in which a  
921 Connecticut electric efficiency partner shall address measures of  
922 effectiveness and shall include performance milestones.

923 Sec. 15. Subsection (e) of section 16-245c of the general statutes is  
924 repealed and the following is substituted in lieu thereof (*Effective July*  
925 *1, 2020*):

926 (e) Any municipal electric utility created on or after July 1, 1998,  
927 pursuant to section 7-214 or a special act and any municipal electric  
928 utility that expands its service area on or after July 1, 1998, shall collect  
929 from its new customers the competitive transition assessment imposed  
930 pursuant to section 16-245g, the systems benefits charge imposed  
931 pursuant to section 16-245l, the conservation adjustment mechanisms  
932 charged under section 16-245m, as amended by this act, and the  
933 assessments charged under [sections 16-245m and] section 16-245n, as  
934 amended by this act, in such manner and at such rate as the authority  
935 prescribes, provided the authority shall order the collection of said  
936 assessment and said charge in a manner and rate equal to that to  
937 which the customers would have been subject had the municipal  
938 electric utility not been created or expanded.

939 Sec. 16. Subdivisions (1) and (2) of subsection (a) of section 16-245e  
940 of the general statutes are repealed and the following is substituted in  
941 lieu thereof (*Effective July 1, 2020*):

942 (1) "Rate reduction bonds" means bonds, notes, certificates of  
943 participation or beneficial interest, or other evidences of indebtedness

944 or ownership, issued pursuant to an executed indenture or other  
945 agreement of a financing entity, in accordance with this section and  
946 sections 16-245f to 16-245k, inclusive, as amended by this act, the  
947 proceeds of which are used, directly or indirectly, to provide, recover,  
948 finance, or refinance stranded costs or economic recovery transfer, or  
949 to sustain funding of conservation and load management and  
950 renewable energy investment programs by substituting for  
951 disbursements to the General Fund from the [Energy] Conservation  
952 and Load Management [Fund] Plan established by section 16-245m, as  
953 amended by this act, and from the Clean Energy Fund established by  
954 section 16-245n, as amended by this act, and which, directly or  
955 indirectly, are secured by, evidence ownership interests in, or are  
956 payable from, transition property;

957 (2) "Competitive transition assessment" means those nonbypassable  
958 rates and other charges, that are authorized by the authority (A) in a  
959 financing order in respect to the economic recovery transfer, or in a  
960 financing order, to sustain funding of conservation and load  
961 management and renewable energy investment programs by  
962 substituting disbursements to the General Fund from proceeds of rate  
963 reduction bonds for such disbursements from the [Energy]  
964 Conservation and Load Management [Fund] Plan established by  
965 section 16-245m, as amended by this act, and from the Clean Energy  
966 Fund established by section 16-245n, as amended by this act, or to  
967 recover those stranded costs that are eligible to be funded with the  
968 proceeds of rate reduction bonds pursuant to section 16-245f, as  
969 amended by this act, and the costs of providing, recovering, financing,  
970 or refinancing the economic recovery transfer or such substitution of  
971 disbursements to the General Fund or such stranded costs through a  
972 plan approved by the authority in the financing order, including the  
973 costs of issuing, servicing, and retiring rate reduction bonds, (B) to  
974 recover those stranded costs determined under this section but not  
975 eligible to be funded with the proceeds of rate reduction bonds  
976 pursuant to section 16-245f, as amended by this act, or (C) to recover  
977 costs determined under subdivision (1) of subsection (e) of section 16-

978 244g. If requested by the electric distribution company, the authority  
979 shall include in the competitive transition assessment nonbypassable  
980 rates and other charges to recover federal and state taxes whose  
981 recovery period is modified by the transactions contemplated in this  
982 section and sections 16-245f to 16-245k, inclusive, as amended by this  
983 act;

984 Sec. 17. Subdivision (13) of subsection (a) of section 16-245e of the  
985 general statutes is repealed and the following is substituted in lieu  
986 thereof (*Effective July 1, 2020*):

987 (13) "State rate reduction bonds" means the rate reduction bonds  
988 issued on June 23, 2004, by the state to sustain funding of conservation  
989 and load management and renewable energy investment programs by  
990 substituting for disbursements to the General Fund from the [Energy]  
991 Conservation and Load Management [Fund] Plan, established by  
992 section 16-245m, as amended by this act, and from the Clean Energy  
993 Fund, established by section 16-245n, as amended by this act. The state  
994 rate reduction bonds for the purposes of section 4-30a shall be deemed  
995 to be outstanding indebtedness of the state;

996 Sec. 18. Subsection (a) of section 16-245f of the general statutes is  
997 repealed and the following is substituted in lieu thereof (*Effective July*  
998 *1, 2020*):

999 (a) An electric distribution company shall submit to the authority an  
1000 application for a financing order with respect to any proposal to 1001  
sustain funding of conservation and load management and renewable 1002  
energy investment programs by substituting disbursements to the 1003  
General Fund from proceeds of rate reduction bonds for such 1004  
disbursements from the [Energy] Conservation and Load Management 1005  
[Fund] Plan established by section 16-245m, as amended by this act, 1006 and  
from the Clean Energy Fund established by section 16-245n, as 1007 amended  
by this act, and may submit to the authority an application 1008 for a financing  
order with respect to the following stranded costs: (1) 1009 The cost of  
mitigation efforts, as calculated pursuant to subsection (c)

1010 of section 16-245e; (2) generation-related regulatory assets, as  
1011 calculated pursuant to subsection (e) of section 16-245e; and (3) those  
1012 long-term contract costs that have been reduced to a fixed present  
1013 value through the buyout, buydown, or renegotiation of such  
1014 contracts, as calculated pursuant to subsection (f) of section 16-245e.  
1015 No stranded costs shall be funded with the proceeds of rate reduction  
1016 bonds unless (A) the electric distribution company proves to the  
1017 satisfaction of the authority that the savings attributable to such  
1018 funding will be directly passed on to customers through lower rates,  
1019 and (B) the authority determines such funding will not result in giving  
1020 the electric distribution company or any generation entities or affiliates  
1021 an unfair competitive advantage. The authority shall hold a hearing for  
1022 each such electric distribution company to determine the amount of  
1023 disbursements to the General Fund from proceeds of rate reduction  
1024 bonds that may be substituted for such disbursements from the  
1025 [Energy] Conservation and Load Management [Fund] Plan established  
1026 by section 16-245m, as amended by this act, and from the Clean Energy  
1027 Fund established by section 16-245n, as amended by this act, and  
1028 thereby constitute transition property and the portion of stranded costs  
1029 that may be included in such funding and thereby constitute transition  
1030 property. Any hearing shall be conducted as a contested case in  
1031 accordance with chapter 54, except that any hearing with respect to a  
1032 financing order or other order to sustain funding for conservation and  
1033 load management and renewable energy investment programs by  
1034 substituting the disbursement to the General Fund from the [Energy]  
1035 Conservation and Load Management [Fund] Plan established by  
1036 section 16-245m, as amended by this act, and from the Clean Energy  
1037 Investment Fund established by section 16-245n, as amended by this  
1038 act, shall not be a contested case, as defined in section 4-166. The  
1039 authority shall not include any rate reduction bonds as debt of an  
1040 electric distribution company in determining the capital structure of  
1041 the company in a rate-making proceeding, for calculating the  
1042 company's return on equity or in any manner that would impact the  
1043 electric distribution company for rate-making purposes, and shall not  
1044 approve such rate reduction bonds that include covenants that have



1045 provisions prohibiting any change to their appointment of an  
1046 administrator of the [Energy] Conservation and Load Management  
1047 [Fund. Nothing in this subsection shall be deemed to affect the terms  
1048 of subsection (b) of section 16-245m] Plan.

1049 Sec. 19. Subsections (a) and (b) of section 16-245i of the general  
1050 statutes are repealed and the following is substituted in lieu thereof  
1051 (*Effective July 1, 2020*):

1052 (a) The authority may issue financing orders in accordance with  
1053 sections 16-245e to 16-245k, inclusive, as amended by this act, to fund  
1054 the economic recovery transfer, to sustain funding of conservation and  
1055 load management and renewable energy investment programs by  
1056 substituting disbursements to the General Fund from proceeds of rate  
1057 reduction bonds for such disbursements [from the Energy] in  
1058 furtherance of the Conservation and Load Management [Fund] Plan  
1059 established by section 16-245m, as amended by this act, and from the  
1060 Clean Energy Fund established by section 16-245n, as amended by this  
1061 act, and to facilitate the provision, recovery, financing, or refinancing  
1062 of stranded costs. Except for a financing order in respect to the  
1063 economic recovery revenue bonds, a financing order may be adopted  
1064 only upon the application of an electric distribution company,  
1065 pursuant to section 16-245f, as amended by this act, and shall become  
1066 effective in accordance with its terms only after the electric distribution  
1067 company files with the authority the electric distribution company's  
1068 written consent to all terms and conditions of the financing order. Any  
1069 financing order in respect to the economic recovery revenue bonds  
1070 shall be effective on issuance.

1071 (b) (1) Notwithstanding any general or special law, rule, or  
1072 regulation to the contrary, except as otherwise provided in this  
1073 subsection with respect to transition property that has been made the  
1074 basis for the issuance of rate reduction bonds, the financing orders and  
1075 the competitive transition assessment shall be irrevocable and the  
1076 authority shall not have authority either by rescinding, altering, or  
1077 amending the financing order or otherwise, to revalue or revise for

1078 rate-making purposes the stranded costs, or the costs of providing,  
1079 recovering, financing, or refinancing the stranded costs, the amount of  
1080 the economic recovery transfer or the amount of disbursements to the  
1081 General Fund from proceeds of rate reduction bonds substituted for  
1082 such disbursements [from the Energy] in furtherance of the  
1083 Conservation and Load Management [Fund] Plan established by  
1084 section 16-245m, as amended by this act, and from the Clean Energy  
1085 Fund established by section 16-245n, as amended by this act,  
1086 determine that the competitive transition assessment is unjust or  
1087 unreasonable, or in any way reduce or impair the value of transition  
1088 property either directly or indirectly by taking the competitive  
1089 transition assessment into account when setting other rates for the  
1090 electric distribution company; nor shall the amount of revenues arising  
1091 with respect thereto be subject to reduction, impairment,  
1092 postponement, or termination.

1093 (2) Notwithstanding any other provision of this section, the  
1094 authority shall approve the adjustments to the competitive transition  
1095 assessment as may be necessary to ensure timely recovery of all  
1096 stranded costs that are the subject of the pertinent financing order, and  
1097 the costs of capital associated with the provision, recovery, financing,  
1098 or refinancing thereof, including the costs of issuing, servicing, and  
1099 retiring the rate reduction bonds issued to recover stranded costs  
1100 contemplated by the financing order and to ensure timely recovery of  
1101 the costs of issuing, servicing, and retiring the rate reduction bonds  
1102 issued to sustain funding of conservation and load management and  
1103 renewable energy investment programs contemplated by the financing  
1104 order, and to ensure timely recovery of the costs of issuing, servicing  
1105 and retiring the economic recovery revenue bonds issued to fund the  
1106 economic recovery transfer contemplated by the financing order.

1107 (3) Notwithstanding any general or special law, rule, or regulation  
1108 to the contrary, any requirement under sections 16-245e to 16-245k,  
1109 inclusive, as amended by this act, or a financing order that the  
1110 authority take action with respect to the subject matter of a financing  
1111 order shall be binding upon the authority, as it may be constituted

1112 from time to time, and any successor agency exercising functions  
1113 similar to the authority and the authority shall have no authority to  
1114 rescind, alter, or amend that requirement in a financing order. Section  
1115 16-43 shall not apply to any sale, assignment, or other transfer of or  
1116 grant of a security interest in any transition property or the issuance of  
1117 rate reduction bonds under sections 16-245e to 16-245k, inclusive, as  
1118 amended by this act.

1119 Sec. 20. Subparagraph (A) of subdivision (4) of subsection (c) of  
1120 section 16-245j of the general statutes is repealed and the following is  
1121 substituted in lieu thereof (*Effective July 1, 2020*):

1122 (4) (A) The proceeds of any rate reduction bonds, other than  
1123 economic recovery revenue bonds, shall be used for the purposes  
1124 approved by the authority in the financing order, including, but not  
1125 limited to, disbursements to the General Fund in substitution for such  
1126 disbursements [from the Energy] in furtherance of the Conservation  
1127 and Load Management [Fund] Plan established by section 16-245m, as  
1128 amended by this act, and from the Clean Energy Fund established by  
1129 section 16-245n, as amended by this act, the costs of refinancing or  
1130 retiring of debt of the electric distribution company, and associated  
1131 federal and state tax liabilities; provided such proceeds shall not be  
1132 applied to purchase generation assets or to purchase or redeem stock  
1133 or to pay dividends to shareholders or operating expenses other than  
1134 taxes resulting from the receipt of such proceeds.

1135 Sec. 21. Subdivision (3) of subsection (d) of section 16-245m of the  
1136 general statutes is repealed and the following is substituted in lieu  
1137 thereof (*Effective July 1, 2020*):

1138 (3) Programs included in the plan developed under subdivision (1)  
1139 of this subsection shall be screened through cost-effectiveness testing  
1140 that compares the value and payback period of program benefits for all  
1141 energy savings to program costs to ensure that programs are designed  
1142 to obtain energy savings and system benefits, including mitigation of  
1143 federally mandated congestion charges, whose value is greater than

1144 the costs of the programs. Program cost-effectiveness shall be reviewed  
1145 by the Commissioner of Energy and Environmental Protection  
1146 annually, or otherwise as is practicable, and shall incorporate the  
1147 results of the evaluation process set forth in subdivision (4) of this  
1148 subsection. If a program is determined to fail the cost-effectiveness test  
1149 as part of the review process, it shall either be modified to meet the test  
1150 or shall be terminated, unless it is integral to other programs that in  
1151 combination are cost-effective. On or before March 1, 2005, and on or  
1152 before March first annually thereafter, the board shall provide a report,  
1153 in accordance with the provisions of section 11-4a, to the joint standing  
1154 committees of the General Assembly having cognizance of matters  
1155 relating to energy and the environment that documents (A)  
1156 expenditures and fund balances and evaluates the cost-effectiveness of  
1157 such programs conducted in the preceding year, and (B) the extent to  
1158 and manner in which the programs of such board collaborated and  
1159 cooperated with programs, established under section 7-233y, of  
1160 municipal electric energy cooperatives. To maximize the reduction of  
1161 federally mandated congestion charges, programs in the plan may  
1162 allow for disproportionate allocations between the amount of  
1163 contributions [to the Energy Conservation and Load Management  
1164 Funds] pursuant to this section by a certain rate class and the  
1165 programs that benefit such a rate class. Before conducting such  
1166 evaluation, the board shall consult with the board of directors of the  
1167 Connecticut Green Bank. The report shall include a description of the  
1168 activities undertaken during the reporting period.

1169 Sec. 22. Subdivision (1) of subsection (f) of section 16-245n of the  
1170 general statutes is repealed and the following is substituted in lieu  
1171 thereof (*Effective July 1, 2020*):

1172 (f) (1) The board shall issue annually a report to the Department of  
1173 Energy and Environmental Protection reviewing the activities of the  
1174 Connecticut Green Bank in detail and shall provide a copy of such  
1175 report, in accordance with the provisions of section 11-4a, to the joint  
1176 standing committees of the General Assembly having cognizance of  
1177 matters relating to energy and commerce. The report shall include a

1178 description of the programs and activities undertaken during the  
1179 reporting period jointly or in collaboration with the [Energy]  
1180 Conservation and Load Management [Funds] Plan established  
1181 pursuant to section 16-245m, as amended by this act.

1182 Sec. 23. Subsection (b) of section 16-245w of the general statutes is  
1183 repealed and the following is substituted in lieu thereof (*Effective July*  
1184 *1, 2020*):

1185 (b) The Public Utilities Regulatory Authority shall design a process  
1186 for determining a fee to be paid by customers who have installed self-  
1187 generation facilities in order to offset any loss or potential loss in  
1188 revenue from such facilities toward the competitive transition  
1189 assessment, the systems benefits charge, [the conservation and load  
1190 management assessment] the conservation adjustment mechanisms  
1191 collected under section 16-245m, as amended by this act, and the Clean  
1192 Energy Fund assessment collected under section 16-245n, as amended  
1193 by this act. Except as provided in subsection (c) of this section, such fee  
1194 shall apply to customers who have installed self-generation facilities  
1195 that begin operation on or after July 1, 1998.

1196 Sec. 24. Subsection (d) of section 16-258d of the general statutes is  
1197 repealed and the following is substituted in lieu thereof (*Effective July*  
1198 *1, 2020*):

1199 (d) The Public Utilities Regulatory Authority shall ensure that the  
1200 revenues required to fund such incentive payments made pursuant to  
1201 this section are provided through a fully reconciling conservation  
1202 adjustment mechanism, which shall not exceed more than nine million  
1203 dollars in total for the program established under this section,  
1204 provided (1) such revenues shall be in addition to the revenues  
1205 authorized to fund the [conservation and load management fund]  
1206 Conservation and Load Management Plan pursuant to section 16-  
1207 245m, as amended by this act, and (2) such revenues exceeding two  
1208 million dollars required to fund such incentive payments shall be paid  
1209 over a period of not less than two years. Such revenues shall only be

1210 collected from the gas customers of the company in whose service area  
1211 such district heating system is located.

1212 Sec. 25. Subdivision (1) of subsection (a) and subsection (b) of  
1213 section 16-245m of the general statutes are repealed. (*Effective July 1,*  
1214 *2020*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-245a(a)
Sec. 2	<i>from passage</i>	16-245a
Sec. 3	<i>from passage</i>	16-244c(h)(1)
Sec. 4	<i>from passage</i>	16-245(k)
Sec. 5	<i>from passage</i>	16-243h
Sec. 6	<i>from passage</i>	16-244r(c)(3)
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	16-245m(d)(1)
Sec. 10	<i>from passage</i>	16-245n(h)
Sec. 11	<i>July 1, 2020</i>	12-264(c)(2)
Sec. 12	<i>July 1, 2020</i>	16-243q(b) to (d)
Sec. 13	<i>July 1, 2020</i>	16-243t
Sec. 14	<i>July 1, 2020</i>	16-243v(d) and (e)
Sec. 15	<i>July 1, 2020</i>	16-245c(e)
Sec. 16	<i>July 1, 2020</i>	16-245e(a)(1) and (2)
Sec. 17	<i>July 1, 2020</i>	16-245e(a)(13)
Sec. 18	<i>July 1, 2020</i>	16-245f(a)
Sec. 19	<i>July 1, 2020</i>	16-245i(a) and (b)
Sec. 20	<i>July 1, 2020</i>	16-245j(c)(4)(A)
Sec. 21	<i>July 1, 2020</i>	16-245m(d)(3)
Sec. 22	<i>July 1, 2020</i>	16-245n(f)(1)
Sec. 23	<i>July 1, 2020</i>	16-245w(b)
Sec. 24	<i>July 1, 2020</i>	16-258d(d)
Sec. 25	<i>July 1, 2020</i>	Repealer section