
OLR Bill Analysis

HB 6523

AN ACT CONCERNING VIRTUAL NET METERING CREDITS FOR MANUFACTURERS IN DISTRESSED MUNICIPALITIES.

SUMMARY

The state's virtual net metering law generally allows a state, municipal, or agricultural "customer host" that owns or leases certain renewable energy resources (e.g., solar) to (1) generate virtual net metering billing credits when the host generates more power than it uses and (2) share the credits with the customer host's designated "beneficial accounts" to reduce the beneficial accounts' electric bills.

This bill increases the annual cap on virtual net metering credits from \$20 million to \$30 million, but it requires that at least \$10 million in annual credits be designated for manufacturers in a distressed municipality (presumably, as beneficial accounts of a state or municipal customer host). It also requires the manufacturers to include, in their application to an electric distribution company (EDC) (i.e., Eversource and United Illuminating), an anticipated plan for using any energy savings associated with the credits it receives. (The bill does not specify any criteria that this plan must meet for approval. In addition, it is unclear how a manufacturer would meet this requirement, as existing law requires a customer-host to give its EDC advance written notification about its designated beneficial accounts, but it does not require the beneficial account holders to apply for an EDC's approval (CGS § 16-244u(d)).)

By law, the Department of Economic Community Development commissioner must annually designate distressed municipalities based on a combination of economic, education, demographic, and housing criteria. In 2020, she designated the following 25 municipalities as distressed: Ansonia, Bridgeport, Bristol, Chaplin, Derby, East Hartford, East Haven, Griswold, Hartford, Meriden, Montville, New Britain,

New Haven, New London, Norwich, Preston, Putnam, Sprague, Stratford, Torrington, Voluntown, Waterbury, West Haven, Winchester, and Windham.

EFFECTIVE DATE: July 1, 2021

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 26 Nay 0 (03/18/2021)