



General Assembly

**Substitute Bill No. 6409**

January Session, 2021



**AN ACT CONCERNING THE SOLICITATION OF BIOGAS INJECTION PROPOSALS FROM ANAEROBIC DIGESTION FACILITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2021*) (a) For purposes of this  
2 section, "anaerobic digestion facility" means a facility that obtained a  
3 permit pursuant to section 22a-208a of the general statutes and produces  
4 by-products that provide biogas derived from the decomposition of  
5 farm-generated organic waste or source-separated organic material.

6 (b) The Commissioner of Energy and Environmental Protection, in  
7 consultation with the Office of Consumer Counsel and the Attorney  
8 General, may solicit proposals, in one solicitation or multiple  
9 solicitations, from anaerobic digestion facilities that will make biogas of  
10 a quality suitable for injection into the natural gas distribution system  
11 in the state. The commissioner may select proposals from such  
12 anaerobic digestion facilities that do not exceed by-product that is  
13 generated by three hundred thousand tons of organic waste annually.

14 (c) In making a selection of such proposals, the commissioner shall  
15 consider factors including, but not limited to: (1) Whether the proposal  
16 is in the best interest of natural gas ratepayers; (2) whether the proposal  
17 promotes the policy goals outlined in the state-wide solid waste  
18 management plan developed pursuant to section 22a-241a of the general

19 statutes; (3) any positive impacts on the state's economic development,  
20 including any positive impacts on the state's agricultural industry; (4)  
21 whether the proposal is consistent with the requirements to reduce  
22 greenhouse gas emissions in accordance with section 22a-200a of the  
23 general statutes; (5) the characteristics of a relevant facility that produces  
24 renewable natural gas, including whether the proposed gas  
25 conditioning system or systems and the biogas complies with the  
26 interconnection standards developed in accordance with section 18 of  
27 public act 19-35; and (6) whether the proposal promotes natural gas  
28 distribution system benefits.

29 (d) The commissioner may direct the gas companies, as defined in  
30 section 16-1 of the general statutes, to enter into gas purchase  
31 agreements for biogas suppliers selected pursuant to this section for  
32 periods of not more than twenty years on behalf of all customers of the  
33 state's gas companies.

34 (e) Any gas purchase agreement entered into pursuant to this section  
35 shall be subject to review and approval by the Public Utilities  
36 Regulatory Authority. Such review shall be completed not later than one  
37 hundred twenty days after the date such agreement is filed with the  
38 authority. The authority shall review and approve such gas purchase  
39 agreement if it meets the solicitation proposal criteria pursuant to  
40 subsection (b) of this section and is in the best interest of the ratepayers.

41 (f) (1) The reasonable costs incurred by the gas companies in  
42 negotiating and executing such gas purchase agreements and the net  
43 costs for the supply of biogas under any such gas purchase agreement  
44 shall be recovered from all customers of such company through the  
45 purchased gas adjustment clause pursuant to section 16-19b of the  
46 general statutes. Any net revenue from the sale of products purchased  
47 in accordance with the gas purchase agreement entered into pursuant  
48 to this section shall be credited to customers through the same fully  
49 reconciling rate component for all customers of the contracting gas  
50 company. Any such net costs or net revenues, as applicable, of any such  
51 gas purchase agreement shall be apportioned in proportion to the

52 revenues of each contracting gas company as reported to the authority  
53 pursuant to section 16-49 of the general statutes for the most recent fiscal  
54 year.

55 (2) The gas companies shall recover any costs incurred related to  
56 constructing, operating and maintaining the infrastructure arising from  
57 such gas purchase agreement from the biogas supplier through a  
58 contribution in aid of construction, or other provision, of the gas  
59 purchase agreement. Any costs not recoverable from the biogas supplier  
60 shall be identified and approved by the authority at the time the  
61 authority approves any such gas purchase agreement. Such approved  
62 and prudently incurred costs shall be recovered in any existing rate  
63 tracking mechanism for the recovery of natural gas infrastructure  
64 investments, or, if no mechanism currently exists, a newly established  
65 rate tracking mechanism established by the authority.

66 (g) A gas company may elect to (1) use any renewable natural gas  
67 procured under this section to meet the needs of its customers, or (2) sell  
68 any such renewable natural gas into applicable markets or through  
69 bilateral contracts with third parties with the net benefits or costs  
70 reflected in the purchased gas adjustment clause pursuant to section 16-  
71 19b of the general statutes.

72 (h) The commissioner may retain consultants to assist in  
73 implementing this section, including, but not limited to, the evaluation  
74 of proposals submitted pursuant to this section. All reasonable costs  
75 associated with the commissioner's solicitation and review of proposals  
76 pursuant to this section shall be recoverable through the same fully  
77 reconciling rate component for all customers of the gas companies. Such  
78 costs shall be recoverable even if the commissioner does not select any  
79 solicitation proposals pursuant to this section.

80 (i) (1) Any dispute arising from a contract that is approved by the  
81 authority pursuant to this section shall be brought to the authority. A  
82 party may petition the authority for a declaratory ruling or make an  
83 application for review pursuant to this subsection. Notwithstanding

