



Substitute Senate Bill No. 176

Public Act No. 22-14

AN ACT CONCERNING CLEAN ENERGY TARIFF PROGRAMS.

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

Section 1. Subdivision (2) of subsection (a) of section 16-244z of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2022*):

(2) Not later than July 1, 2022, and annually thereafter, each electric distribution company shall solicit and file with the Public Utilities Regulatory Authority for its approval one or more projects selected resulting from any procurement issued pursuant to subdivision (1) of this subsection that are consistent with the tariffs approved by the authority pursuant to subparagraphs (B) and (C) of subdivision (1) of this subsection and that are applicable to (A) customers that own or develop new generation projects on a customer's own premises that are less than [two] five megawatts in size, serve the distribution system of the electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (4) of this subsection to which the customer is responding, and use a Class I renewable energy source that either (i) uses anaerobic digestion, or (ii) has emissions of no more than 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-hour of volatile organic compounds and one grain per one hundred standard

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cubic feet, (B) customers that own or develop new generation projects on a customer's own premises that are less than [two] five megawatts in size, serve the distribution system of the electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (4) of this subsection to which the customer is responding, and use a Class I renewable energy source that emits no pollutants, and (C) customers that own or develop new generation projects that are a shared clean energy facility, [as defined in section 16-244x, and subscriptions, as defined in such section, associated with such facility,] consistent with the program requirements developed pursuant to subparagraph (C) of subdivision (1) of this subsection. For purposes of this section, "shared clean energy facility" means a Class I renewable energy source, as defined in section 16-1, that (i) is served by an electric distribution company, as defined in section 16-1, (ii) is within the same electric distribution company service territory as the individual billing meters for subscriptions, (iii) has a nameplate capacity rating of five megawatts or less, and (iv) has at least two subscribers. Any project that is eligible pursuant to subparagraph (C) of this subdivision shall not be eligible pursuant to subparagraph (A) or (B) of this subdivision.

Sec. 2. Subdivisions (6) and (7) of subsection (a) of section 16-244z of the 2022 supplement to the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2022*):

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

(A) The department shall allow cost-effective projects of various nameplate capacities that may allow for the construction of multiple projects in the service area of each electric distribution company that operates within the state.

(B) The department shall determine the billing credit for any

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subscriber of a shared clean energy facility that may be issued through the electric distribution companies' monthly billing systems, and establish consumer protections for subscribers and potential subscribers of such a facility, including, but not limited to, disclosures to be made when selling or reselling a subscription.

(C) Such program shall utilize one or more tariff mechanisms with the electric distribution companies for a term not to exceed twenty years, subject to approval by the Public Utilities Regulatory Authority, to pay for the purchase of any energy products and renewable energy certificates produced by any eligible shared clean energy facility, or to deliver any billing credit of any such facility.

(D) The department shall limit subscribers to (i) low-income customers, (ii) moderate-income customers, (iii) small business customers, (iv) state or municipal customers, (v) commercial customers, and (vi) residential customers who can demonstrate, pursuant to criteria determined by the department in the program requirements recommended by the department and approved by the authority, that they are unable to utilize the tariffs offered pursuant to subsection (b) of this section.

(E) The department shall require that (i) not less than ~~[ten]~~ twenty per cent of the total capacity of each shared clean energy facility is sold, given or provided to low-income customers, and (ii) ~~[in addition to the requirement of clause (i) of this subparagraph,]~~ not less than ~~[ten]~~ sixty per cent of the total capacity of each shared clean energy facility is sold, given or provided to low-income customers, moderate-income customers or low-income service organizations.

(F) The department may allow preferences to projects that serve low-income customers and shared clean energy facilities that benefit customers who reside in environmental justice communities.

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(G) The department may create incentives or other financing mechanisms to encourage participation by low-income customers.

(H) The department may require that not more than fifty per cent of the total capacity of each shared clean energy facility is sold to commercial customers.

(7) For purposes of this subsection:

(A) "Environmental justice community" has the same meaning as provided in subsection (a) of section 22a-20a;

(B) "Low-income customer" means an in-state retail end user of an electric distribution company (i) whose income does not exceed [eighty] sixty per cent of the [area] state median income, [as defined by the United States Department of Housing and Urban Development,] adjusted for family size, or (ii) that is an affordable housing facility; [as defined in section 8-39a;]

(C) "Low-income service organization" means a for-profit or nonprofit organization that provides service or assistance to low-income individuals;

(D) "Moderate-income customer" means an in-state retail end user of an electric distribution company whose income is between [eighty] sixty per cent and one hundred per cent of the area median income as defined by the United States Department of Housing and Urban Development, adjusted for family size.

Sec. 3. Subparagraph (A) of subdivision (1) of subsection (c) of section 16-244z of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2022*):

(c) (1) (A) The aggregate total megawatts available to all customers utilizing a procurement and tariff offered by electric distribution

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companies pursuant to subsection (a) of this section shall be up to eighty-five megawatts in year one and increase by up to an additional [eighty-five] one hundred sixty megawatts per year in each of the years two through six of such a tariff, provided the total megawatts available to customers eligible under subparagraph (A) of subdivision (2) of subsection (a) of this section shall not exceed ten megawatts per year, the total megawatts available to customers eligible under subparagraph (B) of subdivision (2) of subsection (a) of this section shall not exceed [fifty] one hundred megawatts per year and the total megawatts available to customers eligible under subparagraph (C) of subdivision (2) of subsection (a) of this section shall not exceed [twenty-five] fifty megawatts per year. The authority shall monitor the competitiveness of any procurements authorized pursuant to subsection (a) of this section and may adjust the annual purchase amount established in this subsection or other procurement parameters to maintain competitiveness. Any megawatts not allocated in any given year shall [not] roll into the next year's available megawatts. The obligation to purchase energy and renewable energy certificates shall be apportioned to electric distribution companies based on their respective distribution system loads, as determined by the authority.

Sec. 4. Section 16-244z of the 2022 supplement to the general statutes is amended by adding subsection (f) as follows (*Effective October 1, 2022*):

(NEW) (f) Notwithstanding the size-to-load provisions of subdivision (4) of subsection (a) of this section, the entire rooftop space of a customer's own premises developed pursuant to subparagraph (B) of subdivision (1) of subsection (a) of this section and owned by a commercial or industrial customer may be used for purposes of electricity generation and participation in the solicitation conducted by each electric distribution company pursuant to subdivision (4) of subsection (a) of this section.

Sec. 5. (*Effective from passage*) The Office of Policy and Management

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shall, in consultation with the Connecticut Conference of Municipalities, the Connecticut Council of Small Towns and industry representatives, study the application of property taxes to commercial solar generation projects with a nameplate capacity rating of fifty kilowatts or more. Not later than January 1, 2023, the Office of Policy and Management shall submit a report to the joint standing committees of the General Assembly having cognizance of matters relating to energy and technology and planning and development. Such report shall include, but need not be limited to, (1) a summary of the current statutory framework for the application of personal and real estate property taxes on commercial solar generation projects with a nameplate capacity rating of fifty kilowatts or more, and (2) recommendations for statutory changes that would remove inconsistencies in the current statutory framework and allow for equitable property tax treatment of commercial solar generation projects across the state.