



General Assembly

January Session, 2023

***Raised Bill No. 997***

LCO No. 3823



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

***AN ACT CONCERNING REVISIONS TO THE CLEAN ENERGY STATUTES.***

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

1 Section 1. Section 16-244z of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2023*):

3 (a) (1) (A) On or before September 1, 2018, the Public Utilities  
4 Regulatory Authority shall initiate a proceeding to establish a  
5 procurement plan for each electric distribution company pursuant to  
6 this subsection and may give a preference to technologies  
7 manufactured, researched or developed in the state, provided such  
8 procurement plan is consistent with and contributes to the requirements  
9 to reduce greenhouse gas emissions in accordance with section 22a-  
10 200a. Each electric distribution company shall develop such  
11 procurement plan in consultation with the Department of Energy and  
12 Environmental Protection and shall submit such procurement plan to  
13 the authority not later than sixty days after the authority initiates the  
14 proceeding pursuant to this subdivision, provided the department shall  
15 submit the program requirements pursuant to subparagraph (C) of this

16 subdivision on or before July 1, 2019. The authority may require such  
17 electric distribution companies to conduct separate solicitations  
18 pursuant to subdivision (4) of this subsection for the resources in  
19 subparagraphs (A), (B) and (C) of said subdivision, including separate  
20 solicitations based upon the size of such resources to allow for a  
21 diversity of selected projects.

22 (B) On or before September 1, 2018, the authority shall initiate a  
23 proceeding to establish tariffs that provide for twenty-year terms of  
24 service described in subdivision (3) of this subsection for each electric  
25 distribution company pursuant to subparagraphs (A) and (B) of  
26 subdivision (2) of this subsection. In such proceeding, the authority shall  
27 establish the period of time that will be used for calculating the net  
28 amount of energy produced by a facility and not consumed, provided  
29 the authority shall assess whether to incorporate time-of-use rates or  
30 other dynamic pricing and such period of time shall be either (i) in real  
31 time, (ii) in one day, (iii) in any fraction of a day not to exceed one day,  
32 or (iv) in any period of time greater than one day up to and including  
33 one month. In such proceeding, the authority shall consider the findings  
34 of the study of the value of distributed energy resources conducted  
35 pursuant to section 16a-3o. The rate for such tariffs shall be established  
36 by the solicitation pursuant to subdivision (2) of this subsection.

37 (C) On or before September 1, 2018, the Department of Energy and  
38 Environmental Protection shall (i) initiate a proceeding to develop  
39 program requirements and tariff proposals for shared clean energy  
40 facilities eligible pursuant to subparagraph (C) of subdivision (2) of this  
41 subsection, including, but not limited to, the requirements in  
42 subdivision (6) of this subsection, and (ii) establish either or both of the  
43 following tariff proposals: (I) A tariff proposal that includes a price cap  
44 on a cents-per-kilowatt-hour basis for any procurement for such  
45 resources based on the procurement results of any other procurement  
46 issued pursuant to this subsection, and (II) a tariff proposal that includes  
47 a tariff rate for customers eligible under subparagraph (C) of  
48 subdivision (2) of this subsection based on energy policy goals identified  
49 by the department in the Comprehensive Energy Strategy pursuant to

50 section 16a-3d. On or before July 1, 2019, the department shall submit  
51 any such program requirements and tariff proposals to the authority for  
52 review and approval. On or before January 1, 2020, the authority shall  
53 approve or modify such program requirements and tariff proposals  
54 submitted by the department. If the authority approves two tariff  
55 proposals pursuant to this subparagraph, the authority shall determine  
56 how much of the total compensation authorized for customers eligible  
57 under this subparagraph pursuant to subparagraph (A) of subdivision  
58 (1) of subsection (c) of this section shall be available under each tariff.

59 (2) [Not later than July 1, 2022, and annually thereafter] Not less than  
60 once per year, each electric distribution company shall jointly or  
61 individually solicit and file with the Public Utilities Regulatory  
62 Authority for its approval one or more projects selected resulting from  
63 any procurement issued pursuant to subdivision (1) of this subsection  
64 that are consistent with the tariffs approved by the authority pursuant  
65 to subparagraphs (B) and (C) of subdivision (1) of this subsection and  
66 that are applicable to (A) customers that own or develop new generation  
67 projects on a customer's own premises that are less than five megawatts  
68 in size, serve the distribution system of [the] an electric distribution  
69 company, are constructed after the solicitation conducted pursuant to  
70 subdivision (4) of this subsection to which the customer is responding,  
71 and use a Class I renewable energy source that either (i) uses anaerobic  
72 digestion, or (ii) has emissions of no more than 0.07 pounds per  
73 megawatt-hour of nitrogen oxides, 0.10 pounds per megawatt-hour of  
74 carbon monoxide, 0.02 pounds per megawatt-hour of volatile organic  
75 compounds and one grain per one hundred standard cubic feet, (B)  
76 customers that own or develop new generation projects on a customer's  
77 own premises that are less than five megawatts in size, serve the  
78 distribution system of [the] an electric distribution company, are  
79 constructed after the solicitation conducted pursuant to subdivision (4)  
80 of this subsection to which the customer is responding, and use a Class  
81 I renewable energy source that emits no pollutants, and (C) customers  
82 that own or develop new generation projects that are a shared clean  
83 energy facility, consistent with the program requirements developed

84 pursuant to subparagraph (C) of subdivision (1) of this subsection. For  
85 purposes of this section, "shared clean energy facility" means a Class I  
86 renewable energy source, as defined in section 16-1, that (i) is served by  
87 an electric distribution company, as defined in section 16-1, (ii) [is within  
88 the same electric distribution company service territory as the  
89 individual billing meters for subscriptions, (iii)] has a nameplate  
90 capacity rating of five megawatts or less, and [(iv)] (iii) has at least two  
91 subscribers. Any project that is eligible pursuant to subparagraph (C) of  
92 this subdivision shall not be eligible pursuant to subparagraph (A) or  
93 (B) of this subdivision.

94 (3) A customer that is eligible pursuant to subparagraph (A) or (B) of  
95 subdivision (2) of this subsection may elect in any such solicitation to  
96 utilize either (A) a tariff for the purchase of all energy and renewable  
97 energy certificates on a cents-per-kilowatt-hour basis, or (B) a tariff for  
98 the purchase of any energy produced by a facility and not consumed in  
99 the period of time established by the authority pursuant to  
100 subparagraph (B) of subdivision (1) of this subsection and all renewable  
101 energy certificates generated by such facility on a cents-per-kilowatt-  
102 hour basis, subject to any tariff terms, conditions or other stipulations of  
103 the authority.

104 (4) Each electric distribution company shall jointly or individually  
105 conduct an annual solicitation or solicitations, as determined by the  
106 authority, for the purchase of energy and renewable energy certificates  
107 produced by eligible generation projects under this subsection over the  
108 duration of each applicable tariff. Generation projects eligible pursuant  
109 to subparagraphs (A) and (B) of subdivision (2) of this subsection shall  
110 be sized so as not to exceed the load at the customer's individual electric  
111 meter or a set of electric meters, when such meters are combined for  
112 billing purposes, [from the electric distribution company providing  
113 service to such customer, as determined by such electric distribution  
114 company] as determined by the authority, unless such customer is a  
115 state, municipal or agricultural customer, then such generation project  
116 shall be sized so as not to exceed the load at such customer's individual  
117 electric meter or a set of electric meters at the same customer premises,

118 when such meters are combined for billing purposes, and the load of up  
119 to five state, municipal or agricultural beneficial accounts, as defined in  
120 section 16-244u, identified by such state, municipal or agricultural  
121 customer, and such state, municipal or agricultural customer may  
122 include the load of up to five additional nonstate or municipal beneficial  
123 accounts, as defined in section 16-244u, when sizing such generation  
124 project, provided such accounts are critical facilities, as defined in  
125 subdivision (2) of subsection (a) of section 16-243y, and are connected to  
126 a microgrid.

127 (5) The maximum selected purchase price of energy and renewable  
128 energy certificates on a cents-per-kilowatt-hour basis in any given  
129 solicitation shall not exceed such maximum selected purchase price for  
130 the same resources in the prior year's solicitation, unless the authority  
131 makes a determination that there are changed circumstances in any  
132 given year. For the first year solicitation issued pursuant to this  
133 subsection, the authority shall establish a cap for the selected purchase  
134 price for energy and renewable energy certificates on a cents-per-  
135 kilowatt-hour basis for any resources authorized under this subsection.

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

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

143 (B) The department shall determine the billing credit for any  
144 subscriber of a shared clean energy facility that may be issued through  
145 the electric distribution companies' monthly billing systems, and  
146 establish consumer protections for subscribers and potential subscribers  
147 of such a facility, including, but not limited to, disclosures to be made  
148 when selling or reselling a subscription.

149 (C) Such program shall utilize one or more tariff mechanisms with

150 the electric distribution companies for a term not to exceed twenty years,  
151 subject to approval by the Public Utilities Regulatory Authority, to pay  
152 for the purchase of any energy products and renewable energy  
153 certificates produced by any eligible shared clean energy facility, or to  
154 deliver any billing credit of any such facility.

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

163 (E) The department shall require that (i) not less than twenty per cent  
164 of the total capacity of each shared clean energy facility is sold, given or  
165 provided to low-income customers, and (ii) not less than sixty per cent  
166 of the total capacity of each shared clean energy facility is sold, given or  
167 provided to low-income customers, moderate-income customers or  
168 low-income service organizations.

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

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

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

177 (7) For purposes of this subsection:

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

180 (B) "Low-income customer" means an in-state retail end user of an  
181 electric distribution company (i) whose income does not exceed sixty  
182 per cent of the state median income, adjusted for family size, or (ii) that  
183 is an affordable housing facility;

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

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

192 (b) (1) On or before July 1, 2020, the authority shall initiate a  
193 proceeding to establish (A) tariffs for each electric distribution company  
194 pursuant to subdivision (2) of this subsection, (B) a rate for such tariffs,  
195 which may be based upon the results of one or more competitive  
196 solicitations issued pursuant to subsection (a) of this section, or on the  
197 average cost of installing the generation project and a reasonable rate of  
198 return that is just, reasonable and adequate, as determined by the  
199 authority, and shall be guided by the Comprehensive Energy Strategy  
200 prepared pursuant to section 16a-3d, and (C) the period of time that will  
201 be used for calculating the net amount of energy produced by a facility  
202 and not consumed, provided the authority shall assess whether to  
203 incorporate time-of-use rates or other dynamic pricing and such period  
204 of time shall be either (i) in real time, (ii) in one day, (iii) in any fraction  
205 of a day not to exceed one day, or (iv) in any period of time greater than  
206 one day up to and including one month. In such proceeding, the  
207 authority shall consider the findings of the study of the value of  
208 distributed energy resources conducted pursuant to section 16a-3o. The  
209 authority shall issue a final decision in such proceeding on or before July  
210 1, 2021. The authority may modify such rate for new customers under  
211 this subsection based on changed circumstances and may establish an  
212 interim tariff rate prior to the expiration of the residential solar

213 investment program pursuant to subsection (b) of section 16-245ff as an  
214 alternative to such program, provided any residential customer  
215 utilizing a tariff pursuant to this subsection at such customer's electric  
216 meter shall not be eligible for any incentives offered pursuant to section  
217 16-245ff at the same such electric meter and any residential customer  
218 utilizing any incentives offered pursuant to section 16-245ff at such  
219 customer's electric meter shall not be eligible for a tariff pursuant to this  
220 subsection at the same such electric meter.

221 (2) On and after January 1, 2022, each electric distribution company  
222 shall offer the following options to residential customers for the  
223 purchase of products generated from a Class I renewable energy source  
224 that is located on a customer's own premises and has a nameplate  
225 capacity rating of twenty-five kilowatts or less for a term not to exceed  
226 twenty years: (A) A tariff for the purchase of all energy and renewable  
227 energy certificates on a cents-per-kilowatt-hour basis; and (B) a tariff for  
228 the purchase of any energy produced and not consumed in the period  
229 of time established by the authority pursuant to subparagraph (C) of  
230 subdivision (1) of this subsection and all renewable energy certificates  
231 generated by such facility on a cents-per-kilowatt-hour basis, subject to  
232 any tariff terms, conditions or other stipulations of the authority. A  
233 residential customer shall select either option authorized pursuant to  
234 subparagraph (A) or (B) of this subdivision, consistent with the  
235 requirements of this section. Such generation projects shall be sized so  
236 as not to exceed the load at the customer's individual electric meter or,  
237 in the case of a multifamily dwelling that qualifies under this subsection,  
238 the load of the premises, from the electric distribution company  
239 providing service to such customer, pursuant to any rules established  
240 by the authority and as determined by such electric distribution  
241 company. For purposes of this section, "residential customer" means a  
242 customer of a single-family dwelling, a multifamily dwelling consisting  
243 of two to four units, or a multifamily dwelling consisting of five or more  
244 units, provided in the case of a multifamily dwelling consisting of five  
245 or more units, (i) not less than sixty per cent of the units of the  
246 multifamily dwelling are occupied by persons and families with income



247 that is not more than sixty per cent of the area median income for the  
248 municipality in which it is located, as determined by the United States  
249 Department of Housing and Urban Development, or (ii) such  
250 multifamily dwelling is determined to be affordable housing by the  
251 Public Utilities Regulatory Authority in consultation with the  
252 Department of Energy and Environmental Protection, Department of  
253 Housing, Connecticut Green Bank, Connecticut Housing Finance  
254 Authority and United States Department of Housing and Urban  
255 Development. In the case of a multifamily dwelling consisting of five or  
256 more units, a generation project shall only qualify under this subsection  
257 if: (I) Each of the dwelling units receives an appropriate share of the  
258 benefits from the generation project, and (II) no greater than an  
259 appropriate share of the benefits from the generation project is used to  
260 offset common area usage. The Public Utilities Regulatory Authority  
261 shall initiate an uncontested proceeding to implement the distribution  
262 of the benefits from the generation project pursuant to this section.

263 (c) (1) (A) The aggregate total megawatts available to all customers  
264 utilizing a procurement and tariff offered by electric distribution  
265 companies pursuant to subsection (a) of this section shall be up to  
266 eighty-five megawatts in year one and increase by up to an additional  
267 one hundred sixty megawatts per year [in each of the years two through  
268 six of such a tariff] on and after January 1, 2023, provided the total  
269 megawatts available to customers eligible under subparagraph (A) of  
270 subdivision (2) of subsection (a) of this section shall not exceed ten  
271 megawatts per year, the total megawatts available to customers eligible  
272 under subparagraph (B) of subdivision (2) of subsection (a) of this  
273 section shall not exceed one hundred megawatts per year and the total  
274 megawatts available to customers eligible under subparagraph (C) of  
275 subdivision (2) of subsection (a) of this section shall not exceed fifty  
276 megawatts per year. The authority shall monitor the competitiveness of  
277 any procurements authorized pursuant to subsection (a) of this section  
278 and may adjust the annual purchase amount established in this  
279 subsection or other procurement parameters to maintain  
280 competitiveness. Any megawatts not allocated in any given year shall

281 roll into the next year's available megawatts. The obligation to purchase  
282 energy and renewable energy certificates shall be apportioned [to  
283 electric distribution companies based on their respective distribution  
284 system loads,] as determined by the authority.

285 (B) The electric distribution companies shall offer any tariffs  
286 developed pursuant to subsection (b) of this section for six years. At the  
287 end of the tariff term pursuant to subparagraph (B) of subdivision (2) of  
288 subsection (b) of this section, residential customers that elected the  
289 option pursuant to said subparagraph shall be credited all cents-per-  
290 kilowatt-hour charges pursuant to the tariff rate for such customer for  
291 energy produced by the Class I renewable energy source against any  
292 energy that is consumed in real time by such residential customer.

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

296 (2) [At the beginning of year six of the procurements authorized  
297 pursuant to this subsection, the] The department, in consultation with  
298 the authority, shall assess the tariff offerings pursuant to this section and  
299 determine if such offerings are competitive compared to the cost of the  
300 [technologies. The department] technologies and shall report, in  
301 accordance with section 11-4a, the results of such determination to the  
302 General Assembly not later than January 15, 2027.

303 (3) For any tariff established pursuant to this section, the authority  
304 shall examine how to incorporate the following energy system benefits  
305 into the rate established for any such tariff: (A) Energy storage systems  
306 that provide electric distribution benefits, (B) location of a facility on the  
307 distribution system, (C) time-of-use rates or other dynamic pricing, and  
308 (D) other energy policy benefits identified in the Comprehensive Energy  
309 Strategy prepared pursuant to section 16a-3d.

310 (d) In accordance with subsection (h) of section 16-245a, the authority  
311 shall determine which of the following two options is in the best interest  
312 of ratepayers and shall direct each electric distribution company to

313 either (1) retire the renewable energy certificates it purchases pursuant  
314 to subsections (a) and (b) of this section on behalf of all ratepayers to  
315 satisfy the obligations of all electric suppliers and electric distribution  
316 companies providing standard service or supplier of last resort service  
317 pursuant to section 16-245a, or (2) sell such renewable energy certificates  
318 into the New England Power Pool Generation information system  
319 renewable energy credit market. The authority shall establish  
320 procedures for the retirement of such renewable energy certificates. Any  
321 net revenues from the sale of products purchased in accordance with  
322 this section shall be credited to customers through a nonbypassable fully  
323 reconciling component of electric rates for all customers of the electric  
324 distribution company.

325 (e) The costs prudently and reasonably incurred by an electric  
326 distribution company pursuant to this section shall be recovered on a  
327 timely basis through a nonbypassable fully reconciling component of  
328 electric rates for all customers of the electric distribution company. Any  
329 net revenues from the sale of products purchased in accordance with  
330 any tariff offered pursuant to this section shall be credited to customers  
331 through the same fully reconciling rate component for all customers of  
332 such electric distribution company.

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

341 (g) State, municipal and agricultural customers shall be exempt from  
342 the requirement that generation projects owned or developed pursuant  
343 to subparagraph (A) or (B) of subdivision (2) of subsection (a) of this  
344 section be located on a customer's own premises.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2023</i>	16-244z
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**Statement of Purpose:**

To (1) facilitate the procurement of projects under the state's renewable energy programs by authorizing joint procurement of such projects and permitting multiple solicitations per year, (2) modify and clarify the rules of these programs and electric utilities' required purchases under the programs, and (3) make conforming changes.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*