



House of Representatives

General Assembly

File No. 560

January Session, 2025

Substitute House Bill No. 7087

House of Representatives, April 7, 2025

The Committee on Energy and Technology reported through REP. STEINBERG of the 136th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING COMMUNITY SOLAR ENERGY GENERATING SYSTEMS.

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

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) As used in this section
2 and section 2 of this act:

3 (1) "Authority" means the Public Utilities Regulatory Authority;

4 (2) "Baseline annual usage" means (A) a subscriber's accumulated
5 electricity use in kilowatt-hours for the twelve months before the
6 subscriber's most recent subscription, or (B) for a subscriber that does
7 not have a record of twelve months of electricity use at the time of the
8 subscriber's most recent subscription, an estimate of the subscriber's
9 accumulated twelve months of electricity use in kilowatt-hours,
10 determined in a manner approved by the authority;

11 (3) "Community solar energy generating system" means a solar
12 photovoltaic system, with or without a connected energy storage

13 system, that (A) is located in the state or in the territory of the regional
14 independent system operator, as defined in section 16-1 of the general
15 statutes, (B) is connected to the electric meter of more than one
16 subscriber or is a separate facility with its own electric meter, (C) credits
17 such system's generated electricity, or the value of such system's
18 generated electricity, to the bills of the subscribers to such system
19 through virtual net energy metering, (D) has at least two subscribers, (E)
20 does not have any individual subscriber that constitutes more than sixty
21 per cent of such system's subscriptions, and (F) is owned by any person
22 or entity that is not an electric distribution company;

23 (4) "Electric distribution company" has the same meaning as
24 provided in section 16-1 of the general statutes;

25 (5) "Electric supplier" has the same meaning as provided in section
26 16-1 of the general statutes;

27 (6) "Program" means the community solar energy generating systems
28 pilot program;

29 (7) "Subscriber" means a retail customer of an electric distribution
30 company that (A) holds a subscription to a community solar energy
31 generating system, and (B) has identified one or more individual meters
32 or accounts to which the subscription shall be attributed;

33 (8) "Subscriber organization" means (A) a person that owns or
34 operates a community solar energy generating system, or (B) the
35 collective group of subscribers of a community solar energy generating
36 system;

37 (9) "Subscription" means the portion of the electricity generated by a
38 community solar energy generating system that is credited to a
39 subscriber;

40 (10) "Unsubscribed energy" means any community solar energy
41 generating system output in kilowatt-hours that is not allocated to any
42 subscriber; and

43 (11) "Virtual net energy metering" means the measurement of the
44 difference between the kilowatt-hours or value of electricity that is
45 supplied by an electric company and the kilowatt-hours or value of
46 electricity attributable to a subscription to a community solar energy
47 generating system that is fed back to the electric grid over a subscriber's
48 billing period.

49 (b) On or before December 1, 2025, the Public Utilities Regulatory
50 Authority shall initiate a proceeding to establish a community solar
51 energy generating systems pilot program. The program shall comply
52 with the following:

53 (1) All electric customer rate classes shall be eligible to participate in
54 the program;

55 (2) Subscribers receiving standard service, as described in section 16-
56 244c of the general statutes, and subscribers served by an electric
57 supplier may hold subscriptions to the same community solar energy
58 generating system;

59 (3) A subscriber organization shall (A) determine how to allocate
60 subscriptions to subscribers, and (B) notify each electric distribution
61 company or electricity supplier that provides services to its subscribers
62 about the regulations the authority adopts under subsection (c) of this
63 section;

64 (4) An electric distribution company shall use the tariff structure
65 adopted under subsection (c) of this section to provide each subscriber
66 with the credits calculated by a subscriber organization;

67 (5) A subscriber may not receive credit for virtual net energy
68 metering excess generation that exceeds two hundred per cent of the
69 subscriber's baseline annual usage;

70 (6) A subscriber organization may sell to an electric distribution
71 company any unsubscribed energy generated by a community solar
72 energy generating system under such company's process for purchasing
73 the output from qualifying facilities at the amount such energy would

74 cost to procure on the electric market in the state. A subscriber
75 organization may transfer any unsubscribed or overproduced energy
76 credits not sold to an electric distribution company to the Connecticut
77 Green Bank pursuant to the program established pursuant to section 2
78 of this act;

79 (7) An electric distribution company shall offer a subscriber
80 organization the option to utilize a consolidated billing mechanism
81 whereby the electric distribution company administers billing credits or
82 charges for subscribers concerning the operations of the community
83 solar energy generating system;

84 (8) An electric distribution company shall use energy generated from
85 a community solar energy generating system to offset purchases from
86 wholesale electricity suppliers for standard service;

87 (9) Any costs associated with small generator interconnection
88 standards approved or adopted by the authority shall be paid by the
89 subscriber organization;

90 (10) A subscriber organization may petition an electric distribution
91 company to coordinate the interconnection and commencement of
92 operations of a community solar energy generating system after the
93 authority adopts regulations required under subsection (c) of this
94 section;

95 (11) A subscriber organization may contract with a third party for the
96 financing, construction, ownership or operation of a community solar
97 energy generating system;

98 (12) A municipal electric utility or cooperative utility may participate
99 in such program; and

100 (13) The authority shall limit such program to a total nameplate
101 capacity rating of six hundred megawatts in the aggregate.

102 (c) Not later than February 1, 2026, the authority shall adopt
103 regulations, in accordance with the provisions of chapter 54 of the

104 general statutes, to implement the provisions of this section, including
105 regulations establishing (1) consumer protections for electric customers,
106 (2) a tariff structure for a subscriber organization or an electric
107 distribution company to provide a subscriber with the kilowatt-hours
108 or value of the subscriber's subscription at the retail rate for electricity
109 in the state, (3) a calculation for virtual net energy metering determined
110 by the authority, (4) a protocol for electric distribution companies,
111 electricity suppliers and subscriber organizations to communicate the
112 information necessary to calculate and provide monthly electric bill
113 credits and any yearly net excess generation payments required by this
114 section, and (5) a protocol for a subscriber organization to coordinate
115 with an electric distribution company for the interconnection of a
116 community solar energy generating system with the distribution grid
117 operated by such company and the commencement of operations of
118 such system.

119 (d) Any contract relating to a community solar energy generating
120 system or subscriber organization executed during the program shall
121 not be affected by the termination of such program.

122 (e) After such program terminates, (1) a subscriber organization may
123 continue the operation of a community solar energy generating system
124 that began operation during the program, including the creation and
125 trading of subscriptions, and (2) each electric distribution company shall
126 continue to facilitate the operation of a community solar energy
127 generating system that began operation during the program, in
128 accordance with the program requirements and regulations adopted by
129 the authority pursuant to this section.

130 (f) A subscriber organization may submit content to be posted on the
131 Internet web site of the Energy Conservation Management Board,
132 established pursuant to section 16-245m of the general statutes, to
133 inform customers of an electric distribution company of potential offers
134 and subscriptions provided by such organization, including offers or
135 subscriptions that may be used by such customers in combination with
136 electric supply offers from other sources. Each electric distribution

137 company shall place a message on each customer electric bill informing
138 such customer how to subscribe to a community solar energy generating
139 system and information concerning offers on the Energy Conservation
140 Management Board's Internet web site.

141 Sec. 2. (NEW) (*Effective October 1, 2025*) The Connecticut Green Bank,
142 created pursuant to section 16-245n of the general statutes, in
143 consultation with the Commissioner of Energy and Environmental
144 Protection, shall establish and administer a program to be known as the
145 "community solar energy credit sale program". Under such program, a
146 subscriber organization may transfer any unsubscribed or
147 overproduced energy credits held by such organization to the
148 Connecticut Green Bank for sale by the bank. Upon transfer, such
149 energy credits shall be owned by the bank until sold or otherwise
150 disposed of by the bank. The purchase price of such energy credits
151 received by the bank from a subscriber organization shall be determined
152 by the bank. Upon the sale of any such energy credit by the bank, the
153 purchase price of such energy credit, less a reasonable administrative
154 fee determined by the bank in consultation with the commissioner, shall
155 be remitted to the subscriber organization.

156 Sec. 3. (*Effective October 1, 2025*) (a) There is established a working
157 group to study the value and costs of the pilot program established
158 pursuant to section 1 of this act and make recommendations to the
159 Public Utilities Regulatory Authority on the advisability of establishing
160 a permanent program. Such working group shall consist of (1) the
161 chairperson of the Public Utilities Regulatory Authority, or the
162 chairperson's designee, (2) the Commissioner of Energy and
163 Environmental Protection, or the commissioner's designee, (3) the
164 Consumer Counsel, or the Consumer Counsel's designee, and (4) such
165 other persons as the chairperson of the Public Utilities Regulatory
166 Authority believes may serve to accomplish the purpose of the working
167 group.

168 (b) All initial appointments to the working group shall be made not
169 later than July 1, 2026. Any vacancy shall be filled by the chairperson of

170 the Public Utilities Regulatory Authority. The chairperson of the Public
171 Utilities Regulatory Authority shall serve as chairperson of the working
172 group and shall schedule the first meeting of the working group, which
173 shall be held not later than October 1, 2026.

174 (c) In conducting the study, the working group shall identify and
175 examine (1) a framework for valuation of the costs and benefits related
176 to community solar and virtual net energy metering, (2) the costs and
177 benefits of community solar energy generating systems to participating
178 subscribers and to nonsubscriber ratepayers, (3) an appropriate credit
179 mechanism and operational structure that allows a community
180 renewable solar energy generating system to minimize administrative
181 costs to an electric company, electric supplier or subscriber
182 organization, (4) the benefits to and the technical and cost impacts of
183 community solar programs and virtual net energy metering on an
184 electric company's distribution grid, (5) issues, benefits and concerns
185 related to the participation of electric companies, including investor-
186 owned utilities, in community solar programs and projects, including
187 owners and operators of the projects, (6) whether and how community
188 solar projects or virtual net energy metering have a substantially
189 different technical impact on the distribution system than traditional net
190 energy metering, (7) any impacts of the program on the standard offer
191 service procurement process, (8) community solar programs and cost-
192 benefit studies in other states, (9) whether and how community solar
193 programs can help reduce the cost of compliance with the renewable
194 energy portfolio standard, (10) how community solar energy generating
195 systems can impact locational marginal prices in the state, (11) the
196 impacts of the pilot program on energy costs, reliability and equitable
197 cost allocation for ratepayers, (12) how community solar project
198 developers can increase participation by low and moderate-income
199 retail electric customers in community solar projects, (13) the progress
200 of the community solar energy generating pilot program established
201 pursuant to section 1 of this act, in attracting low and moderate-income
202 retail electric customers, (14) whether community solar energy
203 generating systems are an overall net benefit in helping the state achieve
204 its distributed generation and renewable goals, and (15) any other

205 matters the working group considers relevant and appropriate.

206 (d) Not later than January 1, 2028, the chairperson of the Public
207 Utilities Regulatory Authority shall submit a report, in accordance with
208 the provisions of section 11-4a of the general statutes, to the joint
209 standing committee of the General Assembly having cognizance of
210 matters relating to energy and technology. Such report shall include an
211 analysis of the factors identified in subsection (c) of this section. The
212 working group shall terminate on the date that it submits such report or
213 January 1, 2028, whichever is later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	New section
Sec. 2	October 1, 2025	New section
Sec. 3	October 1, 2025	New section

Statement of Legislative Commissioners:

Section 1(a)(3)(E) was rewritten for clarity; in Section 1(b)(6), "by" was changed to "pursuant to" for accuracy; in Section 1(c)(1), "electric consumer protections" was changed to "consumer protections for electric customers" for clarity; in Section 3(c)(7), "identification of" was deleted and "of the program" was added after "impacts" for clarity and grammar; in Section 3(c)(8), "a review of" was deleted for grammar.

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill requires the Public Utilities Regulatory Authority (PURA) to start a proceeding to establish a community solar energy generating pilot program, adopt regulations and conduct a study on the pilot program. This is not anticipated to result in an additional cost to PURA as they have the staff and resources necessary to complete the requirements contained within the bill.

Rate Payer Impact

The rate payer impact of the bill is indeterminate and would be dependent upon decisions made by electric distribution companies (EDC) and the development and approval of the community solar pilot program.

The bill establishes the development of a program that would rely on rate payer funds to support incentives and build the community solar pilot program, which could result in increased costs to rate payers. However, to the extent that customers (including municipalities) receive credits on their bills for a portion of the electricity the project generates, rate payers will experience savings.

The net impact, which is anticipated to yield overall savings, is indeterminate and would be dependent upon various decisions related to the development and the execution of the pilot program that could

offset savings and are outside the immediate scope of the bill.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 7087*****AN ACT CONCERNING COMMUNITY SOLAR ENERGY GENERATING SYSTEMS.*****SUMMARY**

This bill requires the Public Utilities Regulatory Authority (PURA) to start a proceeding, by December 1, 2025, to establish a community solar energy generating system (“community solar project”) pilot program. Under the program, electric customers may subscribe to a community solar project and receive credits for a portion of the electricity the system generates. These credits are applied, through virtual net energy metering, toward the subscriber’s account or meter with an electric distribution company (EDC, i.e. Eversource and United Illuminating). The bill specifies that municipal electric utilities and cooperative utilities may participate in the program, but also limits subscriber participation to only EDC customers.

The bill caps the pilot program at 600 megawatts, based on the nameplate capacity of all projects. It also, among other things, establishes processes for a community solar project to sell any excess credits it generates, requires PURA to adopt pilot program regulations (including a tariff structure that provides the retail rate for energy produced under a subscription), and allows a participating community solar project to continue operating as one even after the pilot program ends. (Presumably, the pilot program ends when subscriber organizations claim 600 megawatts in capacity.)

Additionally, the bill establishes a working group to study the pilot program and make recommendations to PURA on whether a permanent program should be established.

EFFECTIVE DATE: October 1, 2025

COMMUNITY SOLAR PROJECT PILOT PROGRAM***Community Solar Energy Generating Projects***

Under the bill, a community solar project is a solar photovoltaic system located in ISO-New England territory that may have a connected energy storage system. To qualify, a project must have at least two subscribers.

Through virtual net energy metering, described below, subscribers receive credits on their bills (presumably electric bills) for a portion of the electricity the project generates. (The bill does not specify how EDCs recover their costs for the program.)

A community solar project must have its own electric meter or be connected to two or more subscribers' electric meters. To qualify, a project may not be owned by an EDC and no individual subscriber may constitute more than 60% of the total subscriptions.

EDCs must use the energy a community solar project produces to offset the electricity it purchases from wholesale suppliers for its standard service.

The bill specifies a subscriber organization (the community solar project's owner or a collective group of subscribers) may contract with an outside party to finance, construct, own, or operate a community solar project. It also makes the subscriber organization responsible for paying any costs associated with small generator interconnection standards PURA may adopt or approve.

Notification of Offers

EDCs must place a message on customers' electric bills letting them know how to subscribe to a community solar project and about offers on the Energy Conservation Management Board's website. The bill allows subscriber organizations to submit information, for posting on this website, about potential offers and subscriptions it provides, including any that may be used in combination with other sources' electric supply offers.

Subscribers and Subscriptions

Under the bill, subscribers must be EDC retail customers, but all rate classes are eligible to participate. Subscribers must have at least one individual meter or account to which the subscription can be applied. The bill specifies that electric customers receiving their electric supply through a standard service plan and those receiving it through a third-party supplier may subscribe to the same community solar project.

The bill requires the community solar project's subscriber organization to allocate subscriptions among subscribers.

Virtual Net Energy Metering and Subscriber Credits

Under the bill, virtual net energy metering is measured over a subscriber's billing period and is the difference between the number of kilowatt hours (kWh) that are supplied by the electric company and the number attributable to his or her subscription and fed back to the electric grid. It may also be measured using the difference in electricity value, rather than kWh.

Billing. The subscriber organization calculates the credits owed each subscriber under the bill and the EDC must provide these credits according to a tariff structure in regulations PURA must adopt, as described below. The EDC must additionally offer subscriber organizations a "consolidated billing mechanism," through which the EDC also bills subscribers for charges (or credits) related to the community solar project's operations.

Credit Cap. The bill limits the credits a subscriber may receive. A subscriber may not receive credit for virtual net excess generation (presumably, credit that exceeds usage) that exceeds 200% of the subscriber's baseline annual usage (i.e. the total kWh used over the 12 months before the most recent subscription began or, if the subscriber does not have this record, a 12-month estimate determined in a way that PURA approves).

Sale of Excess and Unsubscribed Energy and Credits

To EDCs. If the community solar project generates kilowatt hours

that are not allocated to any subscriber (i.e. unsubscribed energy), the bill allows the subscriber organization to sell them to an EDC under the company's processes for purchasing the output from qualifying facilities at the amount the energy would cost to procure on the electric market in the state.

The subscriber organization may transfer any unsubscribed or overproduced energy credits to the Connecticut Green Bank as described below.

By Connecticut Green Bank. The bill requires the Connecticut Green Bank, in consultation with the Department of Energy and Environmental Protection (DEEP), to establish and administer a community solar energy credit sale program. Under this program, subscriber organizations may transfer any unsubscribed or overproduced energy credits to the bank, which then owns them until it sells or disposes of them. Under the bill, the bank determines the purchase price of the credits it receives from the subscriber organization. (Presumably this is the price the Green Bank pays the subscriber organization for the credits.) After selling the credits, the bank must remit the proceeds back to the subscriber organization, less an administrative fee the bank sets in consultation with the commissioner.

Pilot Program Termination

The bill specifies that any community solar project or subscriber organization contracts executed during the pilot program are not affected by the program ending. Once the program ends, subscriber organizations may continue operating projects (including accepting subscriptions) that began under the pilot program. Similarly, EDCs must continue to facilitate these projects' operations. They must do so in accordance with the program's requirements and regulations PURA adopts.

PURA Regulations

The bill requires PURA to adopt regulations to implement the pilot program by February 1, 2026. These regulations must establish:

1. consumer protections for electric customers;
2. a tariff structure providing the electric retail rate for the kWh or value produced under a subscriber's subscription;
3. a calculation for virtual net energy metering;
4. a protocol for EDCs, electric suppliers, and subscriber organizations to exchange information about, calculate, and provide monthly bill credits and any yearly net excess generation payments required under the bill (the bill does not define or otherwise reference yearly excess generation payments); and
5. a protocol for subscriber organizations to coordinate with EDCs to interconnect their community solar projects with the distribution grid and start operating the projects.

Once PURA adopts these regulations, subscriber organizations may petition EDCs to coordinate the community solar project's interconnection and the start of its operations. Subscriber organizations must notify each EDC and electric supplier serving its subscribers about the regulations.

PILOT PROGRAM WORKING GROUP

The bill establishes a working group to study the pilot program's value and costs and make recommendations to PURA on whether a permanent program should be established. The PURA chairperson must submit, by January 1, 2028, a report to the Energy and Technology Committee analyzing the working group's findings. The working group terminates on this date or when it submits the report, whichever is later.

Membership and Initial Meeting

The working group members include the following or their designees: the (1) PURA chairperson, (2) DEEP commissioner, and (3) consumer counsel. The PURA chairperson may also appoint any other people she believes may help the working group achieve its purpose.

Initial appointments must be made by July 1, 2026. The PURA

chairperson (or, presumably, her designee if she appoints one in her stead) is the working group's chairperson and must fill vacancies and schedule the first meeting, which must be held by October 1, 2026.

Study Considerations

When conducting the study, the working group must identify and examine:

1. a framework to value the costs and benefits related to community solar and virtual net energy metering;
2. the costs and benefits of community solar projects for participating subscribers and other ratepayers;
3. credit mechanisms and operating structures allowing a project to minimize electric companies', electric suppliers', or subscriber organizations' administrative costs;
4. the benefits and costs, including the technical impact, of community solar projects and virtual net energy metering on EDCs' distribution grids;
5. issues, benefits, and concerns about participating in community solar programs and projects by electric companies (including investor-owned companies) and project owners and operators;
6. the technical impact that virtual net energy metering and these projects have on the distribution system compared to the impact of traditional net energy metering;
7. any impacts the program has on the standard service procurement process;
8. community solar programs and cost-benefit studies in other states;
9. whether and how community solar programs can reduce renewable portfolio standard compliance costs;

10. how community solar projects can impact locational marginal prices in the state;
11. the pilot program's impact on energy costs, including their equitable allocation among ratepayers, and reliability;
12. the pilot program's progress in attracting low- and moderate-income customers and how future project developers can increase their participation;
13. whether community solar energy generating systems provide a net benefit overall in helping the state meet its distributed generation and renewable goals; and
14. any other matters the working group considers relevant and appropriate.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 14 Nay 9 (03/18/2025)