Senate

General Assembly

File No. 325

January Session, 2025

Substitute Senate Bill No. 4

Senate, March 31, 2025

The Committee on Energy and Technology reported through SEN. NEEDLEMAN of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND ACCOUNTABILITY.

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

Section 1. Section 22a-136 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) As used in this section: (1) "Advanced nuclear reactor" has the same meaning as provided in 42 USC 16271, as amended from time to time, and (2) "high level nuclear waste" means those aqueous wastes resulting from the operation of the first cycle of the solvent extraction system or equivalent and the concentrated wastes of the subsequent extraction cycles or equivalent in a facility for reprocessing irradiated reactor fuel and includes spent fuel assemblies prior to fuel reprocessing.

(b) No construction shall commence on a **[**fifth**]** new nuclear power facility **[**until the**]** in the state unless:

(1) The Commissioner of Energy and Environmental Protection finds that the United States Government, through its authorized agency, has identified and approved a demonstrable technology or means for the disposal of high level nuclear waste; **[**. The provisions of this section shall not apply to construction at any nuclear power generating facility operating in the state as of October 1, 2022. As used in this section, "high level nuclear waste" means those aqueous wastes resulting from the operation of the first cycle of the solvent extraction system or equivalent and the concentrated wastes of the subsequent extraction cycles or equivalent in a facility for reprocessing irradiated reactor fuel and shall include spent fuel assemblies prior to fuel reprocessing.**]**

(2) The nuclear power facility is proposed to be sited at a nuclear power generating facility operating in the state as of October 1, 2022; or

(3) The construction is for an advanced nuclear reactor facility and (A) such facility is sited in a municipality that has consented to such facility's development through the affirmative vote of such municipality's legislative body or a referendum held in such municipality, and (B) any additional municipality within the emergency planning zone, as determined by the Nuclear Regulatory Commission, of the proposed facility consents to such facility's development through the affirmative vote of such municipality's legislative body or a referendum held in such municipality.

(c) The entity proposing such new nuclear power facility, including advanced nuclear reactors, shall obtain all permits, licenses, permissions or approvals governing the construction, operation and funding of decommissioning of such nuclear power facility as required by: (1) Any applicable federal statutes, including, but not limited to, the Atomic Energy Act of 1954, the Energy Reorganization Act of 1974, the Low-Level Radioactive Waste Policy Amendments Act of 1985 and the Energy Policy Act of 1992, as amended from time to time; (2) any regulations promulgated or enforced by the United States Nuclear Regulatory Commission, including, but not limited to, those codified at Title X, Parts 20, 30, 40, 50, 52, 53, 70 and 72 of the Code of Federal

Regulations, as amended from time to time; and (3) any other federal or state statute, rule or regulation governing the permitting, licensing, construction, operation or decommissioning of such facility.

Sec. 2. (NEW) (*Effective July 1, 2025*) (a) As used in this section, (1) "eligible recipient" means (A) a regional governmental entity, municipality, regional council of governments, public authority, state or federally recognized tribe or municipal electric utility or cooperative with a demonstrated interest in hosting advanced nuclear reactors or offshore wind energy facilities, as determined by the Commissioner of Energy and Environmental Protection, (B) a private entity partnering or interested in partnering with said entities for the development of advanced nuclear reactors or offshore wind energy facilities, or (C) an institution of higher education in the state; and (2) "advanced nuclear reactor" has the same meaning as provided in 42 USC 16271, as amended from time to time.

(b) The Commissioner of Energy and Environmental Protection shall establish a competitive advanced nuclear reactor and offshore wind energy site readiness funding program. The commissioner may provide funding through the program in the form of grants or loans to eligible recipients in support of:

(1) Environmental and technical studies required for early site permitting for advanced nuclear reactors or offshore wind energy facilities;

(2) Local and regional infrastructure assessments to support the development of advanced nuclear reactors or offshore wind energy facilities;

(3) Community engagement and planning initiatives related to hosting advanced nuclear reactors or offshore wind energy facilities; and

(4) Other necessary expenses identified by the commissioner to advance site readiness for advanced nuclear reactors or offshore wind

energy facilities.

(c) The commissioner may use bond funds authorized in support of the program or federal funds allocated to the state in support of the program established under this section. In the case of federal funds allocated for such purposes, the commissioner may revise its advanced nuclear reactor and offshore wind and energy site readiness grant program criteria to be consistent with the requirements of the federal funding program criteria. The commissioner may use said funds to hire a technical consultant to support the implementation of this section.

Sec. 3. (NEW) (*Effective July 1, 2025*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five million dollars.

(b) The proceeds of the sale of such bonds shall be used by the Department of Energy and Environmental Protection for the purpose of funding grants or loans through the advanced nuclear reactor and offshore wind energy facility site readiness funding program established pursuant to section 2 of this act.

Sec. 4. Subsection (a) of section 16a-102 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) The Commissioner of Energy and Environmental Protection shall coordinate all atomic development activities in the state. Said commissioner or **[**his**]** the commissioner's designee shall (1) advise the Governor with respect to atomic industrial development within the state; (2) act as coordinator of the development and regulatory activities of the state relating to the industrial and commercial uses of atomic energy; (3) act as the Governor's designee in matters relating to atomic energy, including participation in the activities of any committee formed by the New England states to represent their interests in such matters and also cooperation with other states and with the government

of the United States; (4) coordinate the studies, recommendations and proposals of the several departments and agencies of the state required by section 16a-103 with each other and also with the programs and activities of the development commission; and (5) act as a point of contact for public and private stakeholders to assist in compliance with federal, state and local requirements relevant to atomic development, including, but not limited to, siting considerations and permitting requirements. The commissioner shall consult with and review regulations and procedures of the agencies of the state with respect to the regulation of sources of radiation to assure consistency and to prevent unnecessary duplication, inconsistencies or gaps in regulatory requirements.

Sec. 5. Section 16a-3j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) In order to secure cost-effective resources to provide more reliable electric or gas service for the benefit of the state's electric ratepayers and to meet the state's energy and environmental goals and policies established in the Integrated Resources Plan, pursuant to section 16a-3a, and the Comprehensive Energy Strategy, pursuant to section 16a-3d, the Commissioner of Energy and Environmental Protection, in consultation with the procurement manager identified in subsection (l) of section 16-2, the Office of Consumer Counsel and the Attorney General, may, in coordination with other states in the control area of the regional independent system operator, as defined in section 16-1, or on behalf of **[**Connecticut**]** the state alone, issue multiple solicitations for long-term contracts from providers of resources described in subsections (b), (c) and (d) of this section.

(b) In any solicitation for resources to reduce electric or gas demand and improve resiliency and electric or gas grid reliability in the state, issued pursuant to this subsection, the commissioner shall seek proposals for (1) passive demand response measures, including, but not limited to, energy efficiency, load management, and the state's conservation and load management programs, pursuant to section 16-

245m; [, that are capable, either singly or through aggregation, of reducing electric demand by one megawatt or more;] and (2) Class I renewable energy sources and Class III sources, as defined in section 16-1, provided any such project proposal is for a facility that has a nameplate capacity rating of more than two megawatts and less than twenty megawatts. The commissioner may also seek proposals for energy storage systems, as defined in section 16-1, that are capable of storing up to twenty megawatts of energy. Proposals pursuant to this subsection shall not have a contract term exceeding twenty years. Each electric distribution company, as defined in section 16-1, and gas company, as defined in section 16-1, shall, in consultation with the Energy Conservation Management Board established pursuant to section 16-245m, assess whether the submission of a proposal for passive and active demand response measures is feasible pursuant to any solicitation issued pursuant to subdivision (1) of this subsection, provided such proposal only includes electric or gas demand reductions that are in addition to existing and projected demand reductions obtained through the conservation and load management programs.

(c) In any solicitation issued pursuant to this subsection, the commissioner shall seek proposals from (1) Class I renewable energy sources, as defined in section 16-1, having a nameplate capacity rating of twenty megawatts or more, and any associated transmission; and (2) verifiable large-scale hydropower, as defined in section 16-1, and any associated transmission. The commissioner may also seek proposals for energy storage systems, as defined in section 16-1, having a nameplate capacity rating of twenty megawatts or more. Proposals under this subsection shall not have a contract term exceeding twenty years. In soliciting Class I renewable energy sources, and any associated transmission, pursuant to this subsection, the commissioner may, for the purpose of balancing such Class I energy deliveries and improving the economic viability of such proposals, also seek proposals for electricity and capacity from Class II renewable energy sources, as defined in section 16-1, and existing hydropower resources other than those described under section 16-1, provided such resources are interconnected to such associated transmission and are located in the

control area of the regional independent system operator or imported into the control area of the regional independent system operator from resources located in an adjacent regional independent system operator's control area.

(d) In any solicitation for natural gas resources issued pursuant to this subsection, the commissioner shall seek proposals for (1) interstate natural gas transportation capacity, (2) liquefied natural gas, (3) liquefied natural gas storage, and (4) natural gas storage, or a combination of any such resources, provided such proposals provide incremental capacity, gas, or storage that has a firm delivery capability to transport natural gas to natural gas-fired generating facilities located in the control area of the regional independent system operator. Proposals under this subsection shall not have a contract term exceeding a period of twenty years.

(e) The Commissioner of Energy and Environmental Protection, in consultation with the procurement manager identified in subsection (l) of section 16-2, the Office of Consumer Counsel and the Attorney General, shall evaluate project proposals received under any solicitation issued pursuant to subsection (b), (c) or (d) of this section, based on factors including, but not limited to, (1) improvements to the reliability of the electric system, including during winter peak demand; (2) whether the benefits of the proposal outweigh the costs to ratepayers; (3) fuel diversity; (4) the extent to which the proposal contributes to meeting the requirements to reduce greenhouse gas emissions and improve air quality in accordance with sections 16-245a, 22a-174 **[**,**]** and 22a-200a; (5) whether the proposal is in the best interest of ratepayers; and (6) whether the proposal is aligned with the policy goals outlined in the Integrated Resources Plan, pursuant to section 16a-3a, and the Comprehensive Energy Strategy, pursuant to section 16a-3d, including, but not limited to, environmental impacts. In conducting such evaluation, the commissioner may also consider the extent to which project proposals provide economic benefits for the state. In evaluating project proposals received under any solicitation issued pursuant to subsection (b), (c) or (d) of this section, the commissioner shall compare

the costs and benefits of such proposals relative to the expected or actual costs and benefits of other resources eligible to respond to the other procurements authorized pursuant to this section.

(f) The commissioner may hire consultants with expertise in quantitative modeling of electric and gas markets, and physical gas and electric system modeling, as applicable, to assist in implementing this section, including, but not limited to, the evaluation of proposals submitted pursuant to this section. All reasonable costs, not exceeding one million five hundred thousand dollars, associated with the commissioner's solicitation and review of proposals pursuant to this section shall be recoverable through the nonbypassable federally mandated congestion charge, as defined in subsection (a) of section 16-1. Such costs shall be recoverable even if the commissioner does not select any proposals pursuant to solicitations issued pursuant to this section.

(g) If the commissioner finds proposals received pursuant to this section to be in the best interest of **[**electric**]** ratepayers, in accordance with the provisions of subsection (e) of this section, the commissioner may select any such proposal or proposals, provided the total capacity of the resources selected under all solicitations issued pursuant to this section in the aggregate do not exceed three hundred seventy-five million cubic feet per day of natural gas capacity, or the equivalent megawatts of electricity, electric demand reduction or combination thereof. Any proposals selected pursuant to subsections (b) and (c) of this section shall not, in the aggregate, exceed ten per cent of the load distributed by the state's electric distribution companies or ten per cent of the load distributed by the state's gas companies. The commissioner may, on behalf of all customers of electric distribution companies, direct the electric distribution companies to enter into long-term contracts for active or passive demand response measures that result in electric savings, electricity time-of-use shifts, electricity, electric capacity, environmental attributes, energy storage, interstate natural gas transportation capacity, liquefied natural gas, liquefied natural gas storage **[**,**]** and natural gas storage, or any combination thereof, from

proposals submitted pursuant to this section, provided the benefits of such contracts to customers of electric distribution companies outweigh the costs to such companies' customers. The commissioner may, on behalf of the customers of gas companies, direct the gas companies to enter into long-term contracts for active or passive demand response measures that result in gas savings or time-of-use shifts from proposals submitted pursuant to this section, provided the benefits of such contracts to customers of gas companies outweigh the costs to such companies' customers.

(h) Any agreement entered into pursuant to this section shall be subject to review and approval by the Public Utilities Regulatory Authority. The electric distribution company or gas company shall file an application for the approval of any such agreement with the authority. The authority shall approve such agreement if it is cost effective and in the best interest of electric or gas ratepayers. The authority shall issue a decision not later than ninety days after such filing. If the authority does not issue a decision within ninety days after such filing, the agreement shall be deemed approved. When an electric distribution company or gas company both apply for recovery of net costs of the same such agreement, the authority shall determine which net costs are attributable to each company. The net costs of any such agreement, including costs incurred by the electric distribution company or gas company under the agreement and reasonable costs incurred by the electric distribution company in connection with the agreement, shall be recovered on a timely basis through a fully reconciling component of electric rates or gas rates for all customers of the electric distribution company or gas company. Any net revenues from the sale of products purchased in accordance with long-term contracts entered into pursuant to this section shall be credited to customers through the same fully reconciling rate component for all customers of the contracting electric distribution company. For any contract for interstate natural gas transportation capacity, liquefied natural gas, liquefied natural gas storage or natural gas storage entered into pursuant to this section, the electric distribution company may contract with a gas supply manager to sell such interstate natural gas

transportation capacity, liquefied natural gas, liquefied natural gas storage or natural gas storage, or a combination thereof, into the wholesale markets at the best available price in a manner that meets all applicable requirements pursuant to all applicable regulations of the Federal Energy Regulatory Commission.

(i) Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy source or Class III source procured by an electric distribution company pursuant to this section may be: (1) Sold into the New England Power Pool Generation Information System renewable energy credit market to be used by any electric supplier or electric distribution company to meet the requirements of section 16-245a, so long as the revenues from such sale are credited to electric distribution company customers as described in this subsection; or (2) retained by the electric distribution company to meet the requirements of section 16-245a. In considering whether to sell or retain such certificates the company shall select the option that is in the best interest of such company's ratepayers.

Sec. 6. Section 16a-3m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) For the purposes of this section:

(1) "Best interest of ratepayers" means the benefits of a contract or proposal outweigh the costs to electric ratepayers, based on whether the delivered prices of sources included in such contract or proposal are less than the forecasted price of energy and capacity, as determined by the commissioner or the commissioner's designee, and based on a consideration of the following factors, as determined by the commissioner or the commissioner's designee: (A) Impacts on electric system operations and reliability; (B) the extent to which such contract or proposal will contribute to (i) the local sourcing requirement set by the regional independent system operator, as defined in section 16-1, and (ii) meeting the requirements to reduce greenhouse gas emissions and improve air quality in accordance with sections 16-245a, 22a-174 and 22a-200a; (C) fuel diversity; and (D) whether the proposal is aligned

with the policy goals outlined in the Integrated Resources Plan developed pursuant to section 16a-3a and the Comprehensive Energy Strategy developed pursuant to section 16a-3d, including, but not limited to, environmental impacts; and

(2) "Eligible nuclear power generating facility" means a nuclear power generating facility that is located in the control area of the regional independent system operator, as defined in section 16-1, and is licensed to operate through January 1, 2030, or later.

(b) The Commissioner of Energy and Environmental Protection and the Public Utilities Regulatory Authority shall (1) conduct an appraisal regarding nuclear power generating facilities in accordance with subsection (c) of this section, and (2) determine whether a solicitation process for nuclear power generating facilities shall be conducted pursuant to subsection (d) of this section. On or before February 1, 2018, the commissioner and the authority shall report, in accordance with section 11-4a, the results of the appraisal and the selection conducted pursuant to subsection (d) of this section to the General Assembly. If the General Assembly does not reject such results by a simple majority vote in each house on or before March 1, 2018, such results shall be deemed approved.

(c) The appraisal conducted pursuant to subdivision (1) of subsection (b) of this section shall assess: (1) The current economic condition of nuclear generating facilities located in the control area of the regional independent system operator, as defined in section 16-1; (2) the projected economic condition of nuclear power generating facilities located in the control area of the regional independent system operator, as defined in section 16-1; (3) the impact on the following considerations if such nuclear power generating facilities retire before July 1, 2027: (A) Electric markets, fuel diversity, energy security and grid reliability, (B) the state's greenhouse gas emissions mandated levels established pursuant to section 22a-200a, and (C) the state, regional and local economy.

(d) After completing the appraisal, if the results of such appraisal

demonstrate that action is necessary, the commissioner shall act and may issue one or more solicitations, in consultation with the procurement manager identified in subsection (l) of section 16-2 and the Office of Consumer Counsel established in section 16-2a, for zero-carbon electricity generating resources, including, but not limited to, eligible nuclear power generating facilities, hydropower, Class I renewable energy sources, as defined in section 16-1, and energy storage systems, provided (1) the total annual energy output of any proposals selected, in the aggregate, shall be not more than twelve million megawatt hours of electricity, (2) any agreement entered into pursuant to this subdivision with an eligible nuclear power generating facility or hydropower shall be for a period of not less than three years and not more than ten years, and (3) any agreement entered into pursuant to this subdivision with Class I renewable energy sources, as defined in section 16-1, and energy storage systems shall be for a period of not more than twenty years. On or before May 1, 2018, if the results of such appraisal demonstrate that one or more solicitations pursuant to this subsection are necessary, the commissioner shall initiate such solicitation process pursuant to this subsection, in accordance with subsection (e) of this section, provided any changes made, contracts entered into or agreements entered into are in the best interest of ratepayers.

(e) (1) Any solicitation issued pursuant to subsection (d) of this section for zero-carbon electricity generating resources, including, but not limited to, eligible nuclear power generating facilities, hydropower, Class I renewable energy sources, as defined in section 16-1, and energy storage systems, shall be for resources delivered into the control area of the regional independent system operator, as defined in section 16-1, and any agreement entered into pursuant to subdivision (2) of this subsection shall be in the best interest of ratepayers. If the commissioner finds proposals received pursuant to such solicitations to be in the best interest of ratepayers, the commissioner may select any such proposal or proposals, provided (A) the total annual energy output of any proposals selected, in the aggregate, shall be not more than twelve million megawatt hours of electricity, (B) any agreement entered into pursuant to this subdivision with an eligible nuclear power generating

facility or hydropower shall be for a period of not less than three years and not more than ten years, and (C) any agreement entered into pursuant to this subdivision with Class I renewable energy sources, as defined in section 16-1, and energy storage systems shall be for a period of not more than twenty years.

(2) If the commissioner has made the determination and finding pursuant to subdivision (1) of this subsection, the commissioner shall, on behalf of all customers of electric distribution companies, direct the electric distribution companies to enter into agreements for energy, capacity and any environmental attributes, or any combination thereof, from proposals submitted pursuant to this subdivision.

(3) Any agreement entered into pursuant to subdivision (2) of this subsection shall be subject to review and approval by the Public Utilities Regulatory Authority. The electric distribution company shall file an application for the approval of any such agreement with the authority. The authority's review shall commence upon the filing of the signed power purchase agreement with the authority. The authority shall approve agreements that it determines (A) provide for the delivery of adequate and reliable products and services, for which there is a clear public need, at a just and reasonable price, (B) are prudent and cost effective, and (C) that the respondent to the solicitation has the technical, financial and managerial capabilities to perform pursuant to such agreement. For any eligible nuclear power generating facility selected in any solicitation described in subsection (g) of this section, the authority shall require any such agreement to be conditioned upon the approval of such a power purchase agreement or other agreement for energy, capacity and any environmental attributes, or any combination thereof, with such eligible nuclear power generating facility, in at least two other states, by the applicable officials of such states or by electric utilities or other entities designated by the applicable officials of such states. The authority shall issue a decision not later than one hundred eighty days after such filing. If the authority does not issue a decision within one hundred eighty days after such filing, the agreement shall be deemed approved. The net costs of any such agreement, including costs incurred

by the electric distribution company under the agreement and reasonable costs incurred by the electric distribution company in connection with the agreement, but excluding costs associated with the provision of standard service pursuant to subsection (h) of this section, shall be recovered on a timely basis through a nonbypassable fully reconciling component of electric rates for all customers of the electric distribution company. Any net revenues from the sale of products purchased in accordance with long-term contracts entered into pursuant to this subsection, except any such net revenues associated with the provision of standard service pursuant to subsection (h) of this section, shall be credited to customers through the same nonbypassable fully reconciling rate component for all customers of the contracting electric distribution company.

(f) Each person owning and operating a nuclear power generating facility in the state shall pay a pro rata share of all reasonable costs associated with the department's appraisal pursuant to subsection (c) of this section, determination pursuant to subsection (d) of this section, and actions taken pursuant to subsection (e) of this section in an amount not to exceed one million dollars.

(g) Any solicitation issued pursuant to this section on or after July 1, 2024, for eligible nuclear power generating facilities shall be conducted in coordination with two or more other states in the control area of the regional independent system operator, as defined in section 16-1. The commissioner may not direct any electric distribution company to enter into an agreement with an eligible nuclear power generating facility pursuant to this section unless the applicable officials of at least two such states select a proposal for energy, capacity and any environmental attributes, or any combination thereof, from an eligible nuclear power generating facility in response to such coordinated solicitation. The commissioner may revise the appraisal conducted pursuant to subsections (b) and (c) of this section in a manner determined by the commissioner and in furtherance of any such solicitation, at the commissioner's discretion.

(h) (1) Notwithstanding the provisions of subsections (a) to (g), inclusive, of this section, subsection (a) of section 16-244c and section 16-244m, an electric distribution company may request the procurement manager of the Public Utilities Regulatory Authority to authorize such company to use any portion of the energy, capacity or other energy products, or any combination thereof, that such company purchases from an eligible nuclear power generating facility pursuant to an agreement entered into pursuant to subsection (e) of this section for the purpose of providing electric generation services for standard service. Not later than fifteen days after receiving such request, the procurement manager shall, in consultation with the Office of Consumer Counsel, approve or deny such request. The procurement manager may approve such a request only if the procurement manager concludes that such request is in the best interest of standard service customers.

(2) For any request that the procurement manager approves pursuant to this subsection, the procurement manager shall establish: (A) The time period during which such company shall use such energy, capacity or other energy products to provide electric generation services for standard service; (B) the quantity of energy, capacity or other energy products that such company shall use to provide electric generation services for standard service; and (C) the price that standard service customers shall pay for such energy, capacity and other energy products, provided the procurement manager may not establish a price that is higher than the applicable price specified in the agreement that such company entered into pursuant to subsection (e) of this section.

(3) If the procurement manager approves such request and authorizes such company to use such portion of the energy, capacity or other energy products to provide electric generation services for standard service, the cost of such portion of energy, capacity or other energy products shall be paid solely by standard service customers, in accordance with the quantity and price established by the procurement manager pursuant to subdivision (2) of this subsection.

(4) No person owning and operating a nuclear power generating

facility in the state shall pay any administrative costs associated with the procurement manager's actions pursuant to this subsection.

(5) Nothing in this subsection or subsection (g) of this section shall be construed to amend or alter the terms or conditions of any agreement that an electric distribution company entered into pursuant to subsection (e) of this section.

Sec. 7. (NEW) (*Effective from passage*) (a) For the purposes of this section:

(1) "Utility-scale renewable thermal energy network" means distribution infrastructure (A) established for the purpose of providing thermal energy for space heating and cooling, domestic hot water production, refrigeration, thermal energy storage or commercial and industrial processes requiring heating or cooling, and (B) implemented through interconnections between one or more renewable thermal energy resources, which may be owned by multiple parties, and between these resources and heat pumps in multiple buildings owned by multiple parties; and

(2) "Renewable thermal energy" means (A) ambient heating or cooling provided, absorbed or stored by geothermal well boreholes or other noncombusting, non-fossil-fuel-consuming, nonnuclear thermal resources, or (B) thermal energy otherwise lost to the atmosphere or other environmental compartment as waste heat.

(b) Notwithstanding the provisions of title 16 of the general statutes, not later than twelve months after the effective date of this section, the Public Utilities Regulatory Authority shall initiate a proceeding to establish a program for development of utility-scale renewable thermal energy networks by gas companies, as defined in section 16-1 of the general statutes. In establishing said program, the authority shall develop parameters for such networks, procedures for filing proposals for such networks and a standardized data collection system enabling the authority and the public to track the status and performance of utility-scale renewable thermal energy networks developed pursuant to

this section.

(c) The authority shall structure the utility-scale renewable thermal energy network program in the best interest of ratepayers of public service companies, as defined in section 16-1 of the general statutes. For purposes of this section, a determination of the best interest of ratepayers shall be based on an analysis of the reasonableness of the size, scope, scale and character of the project and related budget and the costs and benefits of the project, including, but not limited to: (1) Avoided long-term energy and infrastructure investments in extending or maintaining gas infrastructure; (2) the anticipated contribution of such projects to alleviation of seasonal strains on the state's natural gas supply and electric distribution system; (3) consumer protections and benefits for end users of the project; (4) adherence to best practices emerging from thermal energy network programs and project designs developed in other states or elsewhere in the state; (5) potential for accrual of capital and operational cost savings via interconnection with other existing or future thermal energy networks; (6) improvements in air quality in the buildings and neighborhood served by the project; and (7) reductions in greenhouse gas emissions that contribute to achieving the emissions reductions set forth in section 22a-200a of the general statutes. The authority may approve a utility-scale renewable thermal energy network proposal that meets the parameters established under the program.

(d) The authority shall create a pilot component of the utility-scale renewable thermal energy network program that requires each gas company to file with the authority, for the authority's review and approval, proposals for not less than one and not more than two pilot projects for the development of utility-scale renewable thermal energy networks that meet the program parameters established in subsection (c) of this section. The authority shall review a proposal for a pilot project based on the program parameters and on the basis of the project's ability to provide insights into the potential for scaling up future deployment of thermal energy networks in Connecticut, for improving the performance of these networks and for bringing down

the cost of broader deployment of these networks.

(e) The authority shall require projects submitted to the utility-scale renewable thermal energy network program for approval to include a proposed rate structure for thermal energy services supplied to network end users and consumer-protection plans for end users. The authority may approve the proposed rate structure if the projected heating and cooling costs for end users is not greater than the heating and cooling costs the end users would be projected to incur if had they not participated.

(f) The authority shall approve the recovery of prudent costs incurred by a gas company for the development and construction of projects approved pursuant to the utility-scale renewable thermal energy program through a nonbypassable and fully reconciling component of gas rates for all customers of the gas company.

(g) A gas company may meet its obligation under subsection (b) of section 16-20 of the general statutes through a project approved by the authority pursuant to this section.

(h) The authority shall ensure the transparency and validity of the outcomes of the projects developed pursuant to this section through third-party evaluation of the data the authority collects through its standardized data collection requirement.

(i) Nothing in this section shall prohibit a municipality from developing, owning or maintaining a utility-scale renewable thermal energy network.

(j) As part of the utility-scale renewable thermal energy network program, the authority shall establish a working group to study thermal energy networks comprising representatives of the staffs of the authority, the Department of Energy and Environmental Protection, the Connecticut Green Bank, the gas and electric companies and nongovernmental environmental organizations.

(k) As part of the utility-scale renewable thermal energy network

program, the authority shall, through the working group established under subsection (j) of this section, undertake a study or studies assessing the potential breadth of deployment of thermal energy networks in the state. Such study shall address factors including, but not limited to: (1) Technical feasibility; (2) economic feasibility, taking into account the potential for (A) reduction in energy costs of the customer that is the off-taker of the system; (B) reduction in network capital costs as the scale of deployments increases; (C) reduction in capital and operating costs as thermal energy networks are interconnected; (D) avoided cost of expanding and maintaining portions of the gas-distribution system; (E) minimization of the cost of expanding the electricity distribution system to facilitate increasing electrification of thermal loads; (F) reduction in per-kilowatt-hour cost of supplying electricity as more electricity is sold; (G) state and federal financial incentives available; (H) employing and advancing the skills of gas-utility workers; (I) providing the gas utility companies a business model not dependent on continued use of combustion of fossil fuels; and (J) improvement of air quality; (3) deployment strategies to maximize the scope, minimize the cost and equitably allocate the cost of thermal energy networks, including systematic identification of significant sources of waste heat across the state; (4) considerations regarding deployment in (A) low and moderate income communities, (B) environmental justice communities, (C) new residential and commercial construction versus retrofitting existing residential and commercial buildings, (D) urban versus rural communities, (E) areas with existing gas service versus areas without, and (F) ownership and business models; and (5) appropriate parameters for broader deployment in the near and medium term, including site selection, network design, interactions with, and impacts on, the gas and electricity distribution systems, ratepayer protections, billing models, consumer protections, data collection, community engagement and deployment in low and moderate income communities and environmental justice communities.

Sec. 8. Section 16-32e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) As used in this section, "emergency" means any (1) hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought or fire explosion, or (2) attack or series of attacks by an enemy of the United States causing, or which may cause, substantial damage or injury to civilian property or persons in the United States in any manner by sabotage or by the use of bombs, shellfire or atomic, radiological, chemical, bacteriological or biological means or other weapons or processes.

(b) Not later than July 1, 2012, and every two years thereafter, each public service company, as defined in section 16-1, each telecommunications company, as defined in section 16-1, that installs, maintains, operates or controls poles, wires, conduits or other fixtures under or over any public highway for the provision of telecommunications service authorized by section 16-247c, each voice over Internet protocol service provider, as defined in section 28-30b, and each municipal utility furnishing electric, gas or water service shall file with the Public Utilities Regulatory Authority, the Department of Emergency Services and Public Protection and each municipality located within the service area of the public service company, telecommunications company, voice over Internet protocol service provider or municipal utility an updated plan for restoring service which is interrupted as a result of an emergency, except no such plan shall be required of a public service company or municipal utility that submits a water supply plan pursuant to section 25-32d. Plans filed by public service companies and municipal utilities furnishing water shall be prepared in accordance with the memorandum of understanding entered into pursuant to section 4-67e.

(c) (1) Each company, provider or utility required to file a plan for restoring service pursuant to subsection (b) of this section shall establish an emergency service restoration planning committee to prepare such plan. Not less than fifty per cent of the members of such committee shall be line and restoration crew members employed by such company, provider or utility. The balance of the members appointed to such

committee shall be appointed by such company, provider or utility.

(2) If line and restoration crew members employed by such company, provider or utility are members of a collective bargaining unit, the collective bargaining unit shall select the line and restoration crew members appointed to such committee. If such line and restoration crew members are not members of a collective bargaining unit, the line and crew members appointed to such committee shall be selected through a process determined by the line and crew members employed by such company, provider or utility.

(3) A committee established pursuant to this subsection shall have two cochairpersons, one of whom shall be a line and restoration crew member employed by such company, provider or utility elected by the members of the committee who are line and restoration crew members, and one of whom shall be elected by the members of the committee who are not line and restoration crew members.

(4) A committee established pursuant to this subsection shall take minutes of each meeting, make such minutes available to any employee of such company, provider or utility upon request and submit such minutes to the Public Utilities Regulatory Authority and the Department of Emergency Services and Public Protection upon request. A majority of the members of the committee shall constitute a quorum for the transaction of committee business. Decisions of the committee shall be made by majority vote of the members present at any meeting.

(d) Each such plan for restoring service which is interrupted as a result of an emergency shall include measures for (1) communication and coordination with state officials, municipalities and other public service companies and telecommunications companies during a major disaster, as defined in section 28-1, or an emergency; **[**and**]** (2) participation in training exercises as directed by the Commissioner of Emergency Services and Public Protection; (3) measures to protect the health and safety of line and restoration crews during an emergency and during the restoration of service, including the provision of appropriate personal protective equipment; (4) measures to protect the health and

safety of household and community members during an emergency and during the restoration of service; and (5) a training and skills plan for line and restoration workers. If line and restoration crew members are members of a collective bargaining unit, such training and skills plan shall be jointly developed by the company, provider or utility and such collective bargaining unit. Each such plan shall include such company's, provider's or municipal utility's response for service outages affecting more than ten per cent, thirty per cent, fifty per cent and seventy per cent of such company's, provider's or municipal utility's customers. On or before September 1, 2012, and biannually thereafter, the authority shall submit a report, in accordance with section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to public utilities summarizing such plans. Not later than September 15, 2012, and every two years thereafter, the Public Utilities Regulatory Authority may conduct public hearings on such plans and, in consultation with the Department of Emergency Services and Public Protection, the Department of Public Health and the joint standing committee of the General Assembly having cognizance of matters relating to public utilities, revise such plans to the extent necessary to provide properly for the public convenience, necessity and welfare. If the Public Utilities Regulatory Authority revises the emergency plan of a public service company, telecommunications company, voice over Internet protocol service provider or municipal utility, such company, provider or municipal utility shall file a copy of the revised plan with each municipality located within the service area of the company, provider or municipal utility. Any information provided in any such plan shall be considered confidential, not subject to disclosure under the Freedom of Information Act, as defined in section 1-200, and any such information shall not be transmitted to any person except as needed to comply with this section.

[(c)**]** (e) At the discretion of the Commissioner of Emergency Services and Public Protection or after an emergency or major disaster is declared in the state by the Governor under the laws of this state or by the President of the United States under federal law, each telephone company, certified telecommunications provider, holder of a certificate

of video franchise authority or holder of a certificate of cable franchise authority, as those terms are defined in section 16-1, with more than twenty-five thousand subscribers, shall provide a representative to staff the emergency operations center of an affected electric distribution company, as defined in section 16-1, as needed to ensure communication and coordination during emergency response and restoration efforts.

Sec. 9. Section 16-32*l* of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) For the purposes of this section:

(1) "Emergency" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, earthquake, landslide, mudslide, snowstorm, drought or fire explosion that results in sixty-nine per cent or less of the electric distribution company's customers experiencing an outage at the period of peak electrical demand;

(2) "Electric distribution company" has the same meaning as provided in section 16-1; and

(3) "After the occurrence of an emergency" means the conclusion of the emergency, as determined by the authority in its discretion, through a review of the following: (A) The time when the electric distribution company could first deploy resources safely in its service territory; (B) the first of any official declarations concerning the end of the emergency; or (C) the expiration of the first of any National Weather Service warning applicable to the service territory.

(b) Notwithstanding any other provision of the general statutes, on and after July 1, 2021, each electric distribution company shall provide to residential customers of such company a credit of twenty-five dollars, on the balance of such customer's account, for each day of distribution-system service outage that occurs for such customers for more than ninety-six consecutive hours after the occurrence of an emergency.

(c) Any costs incurred by an electric distribution company pursuant

to this section shall not be recoverable.

(d) Not later than fourteen calendar days after the occurrence of an emergency, an electric distribution company may petition the authority for a waiver of the requirements of this section. Any petition for a waiver made under this subsection shall include the severity of the emergency, line and restoration crew safety issues and conditions on the ground, and shall be conducted as a contested case proceeding. The burden of proving that such waiver is reasonable and warranted shall be on the electric distribution company. In determining whether to grant such waiver, the authority shall consider whether the electric distribution company received approval and reasonable funding allowances, as determined by the authority, to meet infrastructure resiliency efforts to improve such company's performance.

(e) No electric distribution company shall require any line and restoration crew member to work in unsafe conditions to avoid providing credits to customer accounts pursuant to subsection (b) of this section or for any other reason.

(f) No electric distribution company shall discipline, terminate, withhold wages from or otherwise retaliate against any line and restoration crew member for failing to restore a distribution system outage within the ninety-six-hour period specified in subsection (b) of this section.

[(e)**]** (g) On or before January 1, 2021, the Public Utilities Regulatory Authority shall initiate a proceeding to consider the implementation of the residential customer credit and waiver provisions of this section and establish circumstances, standards and methodologies applicable to each electric distribution company and necessary to implement the provisions of this section, including any modifications to the ninety-six-consecutive-hour standard in subsection (b) of this section. The authority shall issue a final decision in such proceeding on or before July 1, 2021.

Sec. 10. Section 16-32m of the general statutes is repealed and the

following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) For the purposes of this section:

(1) "Emergency" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, earthquake, landslide, mudslide, snowstorm, drought or fire explosion that results in sixty-nine per cent or less of the electric distribution company's customers experiencing an outage at the period of peak electrical demand;

(2) "Electric distribution company" has the same meaning as provided in section 16-1; and

(3) "After the occurrence of an emergency" means the conclusion of the emergency, as determined by the authority in its discretion, through a review of the following: (A) The time when the electric distribution company could first deploy resources safely in its service territory; (B) the first of any official declarations concerning the end of the emergency; or (C) the expiration of the first of any National Weather Service warning applicable to the service territory.

(b) On and after July 1, 2021, each electric distribution company shall provide to each residential customer compensation in an amount of two hundred fifty dollars, in the aggregate, for any medication and food that expires or spoils due to a distribution-system service outage that lasts more than ninety-six consecutive hours in duration after the occurrence of an emergency.

(c) Any costs incurred by an electric distribution company pursuant to this section shall not be recoverable.

(d) Not later than fourteen calendar days after the occurrence of an emergency, an electric distribution company may petition the authority for a waiver of the requirements of this section. Any petition for a waiver made under this subsection shall include the severity of the emergency, line and restoration crew safety issues and conditions on the ground, and shall be conducted as a contested case proceeding. The burden of proving that such waiver is reasonable and warranted shall be on the

electric distribution company. In determining whether to grant such waiver, the authority shall consider whether the electric distribution company received approval and reasonable funding allowances, as determined by the authority, to meet infrastructure resiliency efforts to improve such company's performance.

(e) No electric distribution company shall require any line and restoration crew member to work in unsafe conditions to avoid providing credits to customer accounts pursuant to subsection (b) of this section or for any other reason.

(f) No electric distribution company shall discipline, terminate, withhold wages from or otherwise retaliate against any line and restoration crew member for failing to restore a distribution system outage within the ninety-six-hour period specified in subsection (b) of this section.

[(e)**]** (g) On or before January 1, 2021, the Public Utilities Regulatory Authority shall initiate a proceeding to consider the implementation of the compensation reimbursement and waiver provisions of this section and establish circumstances, standards and methodologies applicable to each electric distribution company and necessary to implement the provisions of this section, including any modifications to the ninety-six-consecutive-hour standard in subsection (b) of this section. The authority shall issue a final decision in such proceeding on or before July 1, 2021.

Sec. 11. (NEW) (*Effective from passage*) (a) Not later than July 1, 2025, the Public Utilities Regulatory Authority shall open an uncontested proceeding, or amend the notice of proceeding in an active proceeding, to evaluate the criteria and standards related to appropriate protections from service termination for customers of a regulated gas company or electric distribution company, as those terms are defined in section 16-1 of the general statutes, with a serious illness or life-threatening medical condition. Such evaluation shall include, but need not be limited to:

(1) Reviewing protections for customers with a serious illness or life-

threatening medical condition, and making recommendations on appropriate standards for conditioning protections to such customers on their ability to pay;

(2) Evaluating whether additional notice requirements prior to shutoff would be appropriate for customers with a serious illness and life-threatening medical condition;

(3) Evaluating the current procedures and practices and the relevant information collected for verification of hardship status;

(4) Evaluating the impact on the ratepayers; and

(5) Evaluating the requirement for a medical hardship customer to enroll in a payment plan.

(b) Not later than February 4, 2026, the chairperson of the Public Utilities Regulatory Authority shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology, summarizing the results of such proceeding and providing recommendations regarding service termination policies, and procedures evaluated in such proceeding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*October 1, 2025*	22a-136
Sec. 2	*July 1, 2025*	New section
Sec. 3	*July 1, 2025*	New section
Sec. 4	*October 1, 2025*	16a-102(a)
Sec. 5	*October 1, 2025*	16a-3j
Sec. 6	*October 1, 2025*	16a-3m
Sec. 7	*from passage*	New section
Sec. 8	*October 1, 2025*	16-32e
Sec. 9	*October 1, 2025*	16-32*l*
Sec. 10	*October 1, 2025*	16-32m
Sec. 11	*from passage*	New section

Statement of Legislative Commissioners:
In Section 4(a), "his" was changed to "**[**his**]** the commissioner's" for consistency with the general statutes; and in Section 7(k), "Said" was changed to "Such" for proper form.

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:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
DEEP/PURA[1]	CC&PUCF- Cost	345,811	345,811

Note: GF=General Fund; CC&PUCF=Consumer Counsel and Public Utility Control Fund

Municipal Impact: None

Explanation

The bill makes various changes related to nuclear energy, energy procurements, and renewable thermal energy networks. The corresponding fiscal impacts are described below.

Nuclear Energy

The bill creates a new moratorium exception for advanced nuclear reactors, and also requires the Commissioner of the Department of Energy and Environmental Protection (DEEP) to be a point of contact for requirements related to atomic development. These changes are not anticipated to result in a fiscal impact to the state or municipalities, as DEEP has the staff and expertise necessary to implement the changes.

Additionally, the bill authorizes $5 million in General Obligation bonds for the purpose of funding grants or loans through the advanced

[1]The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 83.26% of payroll in FY 26.

nuclear reactor and offshore wind energy facility site readiness funding program, which is established in the bill. To the extent bonds are fully allocated when available, total debt repayment is anticipated to be approximately $7.2 million over the 20-year duration of the bonds, with the earliest annual payment of up to $250,000 possible in FY 27.

Energy Procurements

The bill requires DEEP to make various procedural and administrative changes to procurement authorization to include active demand response projects and gas demand response projects. Additionally, the bill creates a process to allow electric distribution companies to use power and related products purchased from nuclear facilities to meet standard service requirements. These modifications are not anticipated to result in a fiscal impact as DEEP has the staff and expertise necessary to implement the changes.

Renewable Thermal Energy Networks

The bill results in additional annual costs to the Public Utilities Regulatory Authority (PURA), beginning in FY 26, of approximately $345,811, associated with the establishment of a utility-scale renewable thermal energy network program, which includes a pilot component, working group, and a study of various issues.

PURA would require two additional full-time staff to complete the requirements contained within the bill. The new positions would include: one full-time Economist, with an approximate annual salary of $85,700 (plus 71,353 in fringe benefits) and one full-time Associate Research Analyst, with an approximate annual salary of $103,000 ($85,758 in fringe benefits). The new staff would be responsible for developing parameters and procedures or filing proposals for the networks as well as standardizing a data collection system that allows PURA and the public to track a network's status and performance.

The bill makes various other changes to emergency service restoration planning committees and line and restoration crew members

safety, which do not have a fiscal impact to the state or municipalities, as the changes impact electric distribution companies.

Rate Payer Impact

There are several mechanisms within the bill that could impact rate payers. However, it is estimated that the various changes within the bill will (on average) result in a potential savings to rate payers. The bill is likely to expand efficiency and demand response programs that have provided bill reductions for direct program participants and avoids costs at the system level.

Allowing active demand response projects and gas demand response projects to settle Renewable Energy Certificates instead of reselling them in the market, would likely save administrative fees, which could be passed on to rate payers in the form of savings. Additionally, the bill seeks to avoid costs associated with gas expansion through the development of thermal energy networks, which could also result in savings to the rate payer.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the terms of any bonds issued.

OLR Bill Analysis

sSB 4

AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND ACCOUNTABILITY.

TABLE OF CONTENTS:

Prohibits EDCs from requiring line and restoration crew members to work in unsafe conditions or retaliating against them for not restoring service within 96 hours

§ 11 — PURA PROCEEDING ON MEDICAL HARDSHIP CUSTOMERS

Requires PURA to evaluate service termination protections for medical hardship customers and report to the Energy and Technology Committee by February 4, 2026

SUMMARY

This bill makes various changes in energy-related laws on nuclear energy, energy site readiness funding, energy procurements, renewable thermal energy networks, and restoration crew safety, as described in the section-by-section analysis below.

EFFECTIVE DATE: Various, see below.

§§ 1 & 4 — NEW NUCLEAR CONSTRUCTION

Nuclear Moratorium Exceptions (§ 1)

Creates a second exception from the nuclear moratorium for advanced nuclear reactors that meet certain requirements and expands DEEP's duties related to atomic development activity

Current law generally prohibits construction from starting on a new nuclear facility unless and until the Department of Energy and Environmental Protection (DEEP) commissioner finds that the federal government identified and approved a demonstrable technology or way to dispose of high-level nuclear waste, with an exception for construction at a nuclear power generating facility currently operating in the state (i.e. Millstone Power Station in Waterford).

The bill creates a second exemption from the moratorium for advanced nuclear reactor facilities. Under federal law, advanced nuclear reactors are:

1. nuclear fission reactors, including prototype plants, with significant improvements compared to reactors operating in 2020 (e.g., additional safety features, lower waste yields, and improved fuel and material performance);

2. fusion reactors; and

3. radioisotope power systems that generate energy using heat from radioactive decay.

The moratorium exception for advanced nuclear reactors applies to facilities that get consent, either by a referendum or a vote of the legislative body, from (1) the municipality where the proposed facility is sited and (2) any other municipality in the proposed facility's emergency planning zone, as the federal Nuclear Regulatory Commission (NRC) determines.

For both exceptions (construction at Millstone and advanced nuclear reactors), the bill requires the entity proposing a new facility to get all permits, licenses, and permissions or approvals for the facility's construction, operation, and decommissioning funding required under any applicable federal laws, NRC regulations, and any other federal or state law, rule, or regulation on the facility's permitting, licensing, construction, operation, or decommissioning.

DEEP's Atomic Development Activity Coordination Duties (§ 4)

Existing law requires the DEEP commissioner to coordinate all atomic development activities in the state, including advising the governor and coordinating the state's development and regulatory activities on atomic energy's industrial and commercial uses, among other things. The bill additionally requires the commissioner to be a point of contact for public and private stakeholders to help them comply with federal, state, and local requirements related to atomic development (e.g., siting considerations and permitting).

EFFECTIVE DATE: October 1, 2025

§§ 2 & 3 — ADVANCED NUCLEAR REACTOR AND OFFSHORE WIND ENERGY SITE READINESS FUNDING PROGRAM

Requires DEEP to establish an advanced nuclear reactor and offshore wind site readiness funding program; authorizes up to $5 million in state bonds to fund it

The bill requires the DEEP commissioner to establish a competitive advanced nuclear reactor and offshore wind energy site readiness funding program. It allows the commissioner to give "eligible

recipients" grants or loans to support the following activities related to advanced nuclear reactor facilities and offshore wind facilities:

1. environmental and technical studies required for early site permitting,

2. local and regional infrastructure assessments to support facility development,

3. community engagement and planning initiatives for hosting facilities, and

4. other necessary expenses the commissioner identifies to advance site readiness.

Under the bill, eligible recipients for the program's grants and loans are:

1. regional governmental entities, municipalities, regional councils of government, public authorities, state or federally recognized tribes, or municipal electric utilities or cooperatives, with a demonstrated interest in hosting advanced nuclear reactors or offshore wind facilities as the commissioner determines;

2. private entities partnering with or interested in doing so with the entities described above to develop these facilities; and

3. higher education institutions in the state.

The bill authorizes up to $5 million in state bonding for the DEEP commissioner to award the program's grants and loans. It also allows the commissioner to (1) use federal funds allocated to the state to support the program, (2) revise its program criteria to be consistent with federal funding program criteria, and (3) use the federal funds to hire a technical consultant to implement the bill's provisions on the program.

EFFECTIVE DATE: July 1, 2025

§ 5 — GAS EFFICIENCY AND ACTIVE DEMAND RESPONSE

Expands an existing procurement authorization to include active demand response projects and gas demand response projects

Current law authorizes DEEP to solicit proposals for passive demand response measures to reduce demand and improve reliability, and then direct electric distribution companies (EDCs, i.e. Eversource and United Illuminating) to enter into 20-year contracts for selected projects. The bill expands this authorization (1) to include active demand response measures and (2) by allowing DEEP to solicit and direct gas companies into 20-year contracts for active or demand response proposals. (Generally, "demand response" refers to measures designed to save energy. Passive measures reduce energy demand at all times, while active measures can be activated when needed.)

The bill correspondingly (1) removes a requirement that demand response projects reduce electric demand by at least one megawatt (MW) and (2) requires gas companies, in addition to EDCs, to consult with the Energy Conservation Management Board to assess the feasibility of demand response proposals. Existing law and the bill limit these proposals to projects that are additive to existing and projected demand reduction achieved through the conservation and load management programs.

The bill requires the DEEP commissioner to consider the same factors as under current law when selecting proposals, including whether benefits to ratepayers outweigh costs, fuel diversity, and contributions to meeting state greenhouse gas (GHG) reduction requirements, among other things.

Current law caps the proposals DEEP may select at 10% of EDC load, with the cap applying to the aggregate amount of proposals for demand response measures as well as proposals existing law authorizes for (1) Class I renewable energy sources (e.g., wind and solar) and Class III resources (e.g., combined heat and power) of up to two MW in capacity; (2) energy storage systems; (3) Class I renewable energy sources of 20 MW or larger; and (4) verifiable large-scale hydropower. The bill

additionally caps the aggregate amount of these proposals at 10% of the state's gas utility load.

Current law allows the DEEP commissioner to direct the EDCs into long-term contracts for selected passive demand response measures, among other things. The bill additionally allows DEEP to direct them to enter into long-term contracts for active demand response measures and electricity time-of-use shifts, and requires that active or passive demand response measures yield electric savings. It also allows the DEEP commissioner to direct the gas companies to enter into long-term contracts for active or passive demand response measures that yield gas savings or time-of-use shifts from proposals submitted under the bill, so long as the contract's benefits outweigh its costs to gas customers.

Current law requires EDCs to submit any agreement to the Public Utilities Regulatory Authority (PURA) for approval and PURA to approve it if it is cost effective and in ratepayers' best interests. If PURA does not issue a decision within 90 days after the submission, the agreement is deemed approved. By law, EDCs must recover the net costs of agreements on a timely basis through a fully reconciling component of electric rates. The bill similarly requires gas companies to submit agreements to PURA for approval and recover net costs the same way. Under the bill, if an EDC and gas company both apply to recover net costs for the same agreement, PURA must determine which costs are attributable to each company.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 5004, § 18, favorably reported by the Environment Committee, similarly expands this procurement authority for gas companies and active demand response.

§ 6 — MILLSTONE POWER PURCHASE AGREEMENT AND STANDARD SERVICE PROCUREMENT

Creates a process for EDCs to use power and related products purchased from nuclear facilities to meet standard service requirements

The bill creates a process for EDCs to use any portion or combination of the energy, capacity, or other energy products purchased from an eligible nuclear power generating facility as a result of DEEP's procurements for zero-carbon resources.

Existing law authorizes the DEEP commissioner to solicit proposals for up to 12 million MW-hours of energy annually, in the aggregate, from zero-carbon electricity generating resources that meet certain requirements. If she finds one or more proposals to be in the ratepayers' best interests, she must direct the EDCs to enter into agreements to purchase energy, capacity, and environmental attributes under the selected proposals. Agreements are subject to PURA's review and approval, and the EDCs must recover their net costs of the agreements through a nonbypassable, fully reconciling component of ratepayer bills. In practice, DEEP conducted solicitations under these provisions and the EDCs entered into contracts with selected bidders, including Millstone Power Station in Waterford and Seabrook Station in New Hampshire. For any solicitations DEEP issues after July 1, 2024, for eligible nuclear power generating facilities, existing law requires DEEP to conduct them with at least two other New England states. It also prohibits the commissioner from directing EDCs to enter into contracts unless two other New England states also select a proposal. Eligible nuclear facilities are those in the ISO-New England control area that are licensed to operate through at least January 1, 2030.

The bill allows EDCs to request that PURA's procurement manager authorize the EDC to use any portion of the energy, capacity, or other energy products procured through DEEP's zero-carbon solicitation to provide electric generating services for standard service (the supply purchased for residential customers who do not opt to purchase from a retail electric supplier). It requires the procurement manager to:

1. approve or deny the request, in consultation with the Office of Consumer Counsel, within 15 days after receiving it;

2. only approve requests the procurement manager concludes are in standard service customers' best interests;

3. set the quantity for products the EDC uses for standard service under any approved request and the time period over which they will be used; and

4. set the price standard service customers will pay for products the EDC uses for standard service under any approved request, which the bill caps at the price the company paid under agreements entered into under DEEP's zero carbon procurement.

Under the bill, if the procurement manager approves the request, the cost of the products must be paid solely by standard service customers, in accordance with the quantity and price the procurement manager establishes.

The bill prohibits nuclear power generating facility owners and operators from paying any administrative costs associated with the procurement manager's actions in making determinations under the bill's provisions on using energy products from nuclear generating facilities for the standard service. The bill also specifies that its provisions do not amend or alter terms or conditions of contracts entered into under DEEP's zero carbon procurements.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sSB 1194, favorably reported by the Energy and Technology Committee, allows EDCs to use energy or related products purchased under the zero-carbon procurement or any other approved procurement, to provide standard service.

§ 7 — RENEWABLE THERMAL ENERGY NETWORKS

Requires PURA to establish a utility-scale renewable thermal energy network program, including a pilot component, working group, and study

The bill requires PURA to start a proceeding within 12 months after the bill passes to establish a program for gas companies to develop utility-scale renewable thermal energy networks. Under the bill, a network is distribution infrastructure to provide thermal energy for the

following uses:

1. space heating and cooling,
2. domestic hot water production,
3. refrigeration,
4. thermal energy storage, or
5. commercial and industrial processes that require heating or cooling.

These networks are implemented through interconnections between at least one renewable thermal energy resource, that may be owned by multiple parties, and heat pumps in multiple buildings owned by multiple parties. Renewable thermal energy is (1) ambient heating or cooling provided, absorbed, or stored by geothermal well boreholes or other noncombusting, nonnuclear thermal resources that does not consume fossil fuel or (2) thermal energy otherwise lost to the atmosphere or other environmental compartment as waste heat.

The bill requires PURA to develop parameters and procedures for filing proposals for the networks. PURA must also develop a standardized data collection system that allows it and the public to track a network's status and performance. The bill requires PURA to have data it collects evaluated by a third party to ensure transparency and validity of project outcomes.

The bill specifies that it does not prohibit a municipality from developing, owning, or maintaining a utility-scale renewable thermal energy network.

Ratepayers' Best Interests

The bill requires PURA to structure the utility-scale renewable thermal energy network program in the best interest of utility ratepayers. PURA must base its best-interest determination on the (1) reasonableness of the project's size, scope, scale, and character; (2)

related budget; and (3) project's costs and benefits. Under the bill, the costs and benefits PURA must consider include at least the following:

1. avoided long-term energy and infrastructure investments in extending or maintaining gas infrastructure,
2. the project's anticipated contribution to easing seasonal strains on the state's natural gas supply and electric distribution system,
3. consumer protections and benefits for the project's end users,
4. adherence to best practices emerging from thermal energy network programs and project designs developed in other states or elsewhere in the state,
5. a project's potential to accrue capital and operational cost savings through interconnection with other existing or future networks,
6. air quality improvements in the buildings and neighborhood a project serves, and
7. GHG emissions reductions that contribute to meeting the state's goals.

The bill allows PURA to approve a utility-scale renewable thermal energy network proposal that meets PURA's parameters for the program.

Pilot Component

The bill requires PURA to create a pilot component within the program that requires each gas company to file proposals for one or two pilot projects to develop networks that meet PURA's program parameters. It requires PURA to review proposals based on the program parameters and the project's ability to provide insights into the potential for (1) scaling up future network deployment in the state, (2) improving network performance, and (3) reducing the cost to deploy networks more broadly.

Rate Structures, Cost Recovery, and Other Obligations

Under the bill, PURA must require any network projects submitted to the program to include (1) a proposed rate structure for thermal energy services supplied to network end users and (2) consumer protection plans for end users. The bill allows PURA to approve proposed rate structures if the projected heating and cooling costs for end users is no greater than the costs that would occur had they not participated.

The bill requires PURA to approve a gas company's recovery of prudent costs to develop and build projects under the program through a nonbypassable and fully reconciling component of gas rates for all its customers. It allows a gas company to meet its obligation to furnish adequate service at reasonable rates through an approved project.

Working Group and Study

As part of the program, the bill requires PURA to establish a working group to study thermal energy networks. The working group must include staff from DEEP, the Connecticut Green Bank, gas and electric companies, and nongovernmental environmental organizations.

The bill requires PURA to do at least one study through the working group to assess the potential breadth of thermal energy network deployment in the state. The study must address (1) technical and economic feasibility; (2) deployment strategies to maximize the scope and minimize and equitably allocate network costs, including systematically identifying significant waste heat sources across the state; (4) deployment considerations; and (5) appropriate parameters for broader deployment in the near and medium term.

The study's economic feasibility analysis must consider the potential for the following:

1. reduced (a) energy costs for customers who are off-takers of the system, (b) network capital costs as deployment scale increases, and (c) capital and operating costs as thermal energy networks are connected;

2. avoided costs of expanding and maintaining the gas distribution system;

3. minimized costs of expanding the electricity distribution system to facilitate increased electrification of thermal loads;

4. reduced per-kilowatt-hour costs to supply electricity as more electricity is sold;

5. available state and federal financial incentives;

6. employing gas utility workers and advancing their skills;

7. providing gas utility companies a business model that is not dependent on continued fossil fuel combustion; and

8. air quality improvement.

The study must consider deployment in low- and moderate-income communities, environmental justice communities, new residential and commercial buildings versus retrofitting, urban versus rural communities, areas with existing gas services versus areas without, and ownership and business models.

The study's consideration for appropriate parameters for broader deployment must include the following:

1. site selection,

2. network design,

3. interactions with and impacts on the gas and electric distribution system,

4. ratepayer and consumer protections,

5. billing models,

6. data collection, and

7. community engagement and deployment in low- and moderate-income communities and environmental justice communities.

EFFECTIVE DATE: Upon passage

Background — Related Bill

sHB 5004, § 16, favorably reported by the Environment Committee, also requires PURA to establish a utility-scale renewable thermal energy network program, including a pilot component, working group, and study.

§ 8 — EMERGENCY SERVICE RESTORATION PLANNING COMMITTEES

Requires utilities and other companies to form emergency service restoration planning committees with line and restoration crew members to prepare their emergency restoration plan and expands the plan's required contents

The bill requires each company, provider, or utility required under existing law to submit a service restoration plan (see *Background — Service Restoration Plans*) to establish an emergency service restoration planning committee to prepare the plan. By law, the plan generally includes ways to communicate and coordinate with officials and participate in training exercises.

The bill requires at least half the committee's members to be line and restoration crew members employed by the company, provider, or utility. The line and crew members must select committee members through a process they determine, unless they belong to a collective bargaining unit, in which case the bargaining unit selects the members. The company, provider, or utility appoints the remaining committee members.

Under the bill, the planning committee has two co-chairpersons: one who is a line and crew member elected by line and crew members on the committee and one who is elected by the other members. A majority of members constitutes a quorum to transact committee business, and decisions are made by a majority vote of members present at any meeting.

The bill requires the planning committee to (1) take minutes at each meeting; (2) make them available to any company, utility, or provider employee upon request; and (3) submit them upon request to PURA and the Department of Emergency Services and Public Protection (DESPP).

The bill also expands the required contents of a service restoration plan to include measures to protect the health and safety of (1) line and restoration crews during an emergency and when restoring service, including providing appropriate personal protective equipment, and (2) household and community members during an emergency and during service restoration. The plan must also have a training and skills plan for line and restoration workers.

If the company, provider, or utility's line and restoration crew members belong to a collective bargaining unit, the bill requires the company, provider, or utility and the collective bargaining unit to jointly develop the training and skills plan.

Background — Service Restoration Plans

Existing law requires utilities and certain other companies to file and update plans to restore service interrupted by an emergency (e.g., hurricane, storm, flood, and enemy attack) with PURA, DESPP, and each municipality in the company's service area. Specifically, this requirement applies to:

1. EDCs, gas, telephone, pipeline, sewage, and water companies that own, lease, maintain, operate, manage, or control plants or equipment;

2. telecommunications companies that install, maintain, operate, or control poles, wires, conduits, or other fixtures under or over a public highway to provide telecommunications services;

3. voice over internet protocol service providers; and

4. municipal utilities that provide electric, gas, or water service.

Certain water companies are exempt from the requirement if they

submit a water supply plan under a separate law.

EFFECTIVE DATE: October 1, 2025

§§ 9 & 10 — LINEWORKER AND RESTORATION CREW MEMBER SAFETY

Prohibits EDCs from requiring line and restoration crew members to work in unsafe conditions or retaliating against them for not restoring service within 96 hours

Existing law (1) requires EDCs to make certain payments to residential customers for prolonged outages after an emergency (e.g., a storm, flood, or earthquake) and (2) prohibits them from recovering these costs through rates. Specifically, it requires EDCs to give a (1) $25 credit for each day an outage occurs for more than 96 consecutive hours after an emergency and (2) $250 payment for food or medication that spoils due to an outage lasting more than 96 consecutive hours after an emergency.

The bill prohibits EDCs from requiring line and restoration crew members to work in unsafe conditions to avoid making these credits and payments. It further prohibits them from disciplining, terminating, withholding wages from, or otherwise retaliating against line and restoration crew members for failing to restore service within the 96-hour period.

EFFECTIVE DATE: October 1, 2025

§ 11 — PURA PROCEEDING ON MEDICAL HARDSHIP CUSTOMERS

Requires PURA to evaluate service termination protections for medical hardship customers and report to the Energy and Technology Committee by February 4, 2026

The bill requires PURA to evaluate the criteria and standards related to appropriate service termination protections for gas company or EDC customers with a serious illness or life-threatening medical condition.

Under the bill, PURA must, by July 1, 2025, open an uncontested proceeding or amend the notice of an active proceeding to do this evaluation to review protections for these customers and make recommendations on the appropriate standards for conditioning

protections to them on their ability to pay. The evaluation must also assess the following:

1. whether additional notice requirements before shutoff would be appropriate for the customers,
2. the current procedures and practices and the relevant information collected to verify hardship status,
3. ratepayer impacts, and
4. the requirement for these customers to enroll in a payment plan.

The bill requires PURA to submit a report to the Energy and Technology Committee by February 4, 2026, with a summary of the proceeding's results, recommendations on service termination policies, and procedures evaluated in the proceeding.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute
Yea 17 Nay 8 (03/13/2025)