

General Assembly

January Session, 2025

## Raised Bill No. 6928

LCO No. **4651** 

Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by: (ET)

## AN ACT CONCERNING MUNICIPAL ELECTRIC AGGREGATION PROGRAMS.

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

3 (2) "Auto-enroll customer" means an eligible customer who will be 4 automatically enrolled in a municipal aggregation program unless such customer opts out of such enrollment, but does not include any such 5 6 customer who (A) has, pursuant to subsection (a) of section 16-2450 of 7 the general statutes, informed the electric distribution company such 8 customer does not want their account information shared, (B) receives 9 electric supply service from an electric supplier and not standard 10 service, (C) are hardship cases for purposes of subdivision (3) of 11 subsection (b) of section 16-262c of the general statutes, (D) have 12 arrearages deducted from such customers' bills by the electric 13 distribution company pursuant to subdivision (5) of subsection (b) of 14 section 16-262c of the general statutes, (E) receives financial assistance 15 from an electric distribution company, or (F) are otherwise protected by

16 law from shutoff of electricity services;

(3) "Community demand response" means changes in electric usage
by electric customers in response to: (A) Changes in the price of
electricity over time, including, but not limited to, time-of-use rates for
residential and small commercial and industrial customers; or (B)
incentive payments designed to induce lower electricity use at times of
high wholesale market prices or when system reliability is jeopardized;

(4) "Consultant" means a person or entity retained by a municipality,
or two or more municipalities acting jointly, to assist with the
development of a municipal aggregation plan and the operation of a
public aggregator;

(5) "Customer communications" means any communication from a
public aggregator concerning the implementation of a municipal
aggregation plan or program to any electric customer;

30 (6) "Electric customer" means a customer of record for an account
31 with an electric distribution company in any customer class;

32 (7) "Electric distribution company" has the same meaning as33 provided in section 16-1 of the general statutes;

34 (8) "Electric supplier" has the same meaning as provided in section
35 16-1 of the general statutes;

(9) "Eligible customer" means any electric customer within a
municipal aggregation service area who receives standard service and
who meets the participation requirements of a municipal aggregation
plan and program;

40 (10) "Energy product" means an electric supply product, community
41 distributed generation or community demand response offered by the
42 public aggregator to a program participant;

43 (11) "Municipal aggregation plan" or "plan" means the plan that a

44 municipality, or two or more municipalities acting jointly, submits to45 the authority for review and comment that describes the administration

46 of the municipal aggregation program;

(12) "Municipal aggregation program" or "program" means a
program established by a municipality, or two or more municipalities
acting jointly, pursuant to a municipal aggregation plan, under which
the municipality or municipalities procure electric supply, community
distributed generation or community demand response on behalf of
electric customers;

(13) "Municipal aggregation service area" means the geographic area
that receives, or is proposed to receive, service under a municipal
aggregation program;

56 (14) "Municipality" means any town, city or borough, whether57 consolidated or unconsolidated;

(15) "Opt-out notice" means the notice sent to auto-enroll customers
to inform such customers of their right to opt out of such enrollment;

60 (16) "Program participant" or "participant" means an eligible
61 customer who is participating in a municipal aggregation program;

(17) "Program supplier" means a licensed electric supplier that
provides energy products to participants of the municipal aggregation
program;

(18) "Public aggregator" means a municipality, or two or more municipalities acting jointly, under a municipal aggregation program established pursuant to this section for the purpose of grouping residential and commercial electric customers receiving standard service to solicit bids, broker and contract for electric supply, community distributed generation or community demand response for such customers;

72 (19) "Standard service" means the electric generation service that an

73 electric distribution company provides to electric customers in their

- service territory pursuant to subsection (a) of section 16-244c of thegeneral statutes; and
- (20) "Voluntary energy product" means any energy product offered
  under a municipal aggregation program that participants of such
  program are required to affirmatively select to receive.

79 (b) A municipality, or two or more municipalities acting jointly, may 80 form a public aggregator pursuant to a municipal aggregation program. 81 Any such public aggregator may enter into agreements for services to 82 facilitate the sale and purchase of energy products including renewable 83 energy certificates. A public aggregator may enter into a contract on 84 behalf of a municipal aggregation program. A public aggregator shall 85 not be considered a public service company as defined in section 16-1 of 86 the general statutes, and providing energy products to electric 87 customers within a municipal aggregation service area shall not be 88 considered a wholesale utility transaction.

89 (c) A municipality may establish a municipal aggregation program 90 and create a public aggregator upon (1) an affirmative vote of the 91 legislative body of such municipality, and (2) the approval of the chief 92 executive officer of such municipality, provided such municipality has 93 complied with the requirements of subdivision (1) of subsection (d) of 94 this section. Two or more municipalities may jointly establish a 95 municipal aggregation program and create a public aggregator, 96 provided each municipality shall authorize the establishment of such 97 program and such aggregator by the vote and approval required in 98 subdivisions (1) and (2) of this subsection in each municipality.

(d) (1) Prior to the affirmative vote and approval required to establish
a municipal aggregation program and create a public aggregator
pursuant to subsection (c) of this section, the municipality, or
municipalities acting jointly, shall develop a municipal aggregation plan
for review by the electors of such municipality or municipalities that

details the process for, and consequences of, electric load aggregation
under such plan. Each municipality shall allow for a public review
period of not less than thirty days for such plan and shall hold not less
than one public hearing concerning such plan prior to seeking the
affirmative vote of the legislative body of the municipality.

109 (2) A municipal aggregation plan shall include, but need not be 110 limited to, the following components: (A) A general description of 111 planned program implementation; (B) the provision of universal access 112 in the municipal aggregation service area; (C) the provision of reliable 113 service; (D) the provision of equitable treatment of all classes of electric 114 customers; (E) an organizational structure of the public aggregator; (F) 115 proposed customer communications, including opt-out notices; (G) the 116 public aggregator's method of setting and providing funding for 117 services under the program and for program administration; (H) a 118 description of how the program rates will be set and structured; (I) the 119 rights and responsibilities of program participants; (J) a plan for 120 resolving customer complaints, including any arbitration or dispute 121 resolution procedure, that ensures that the public aggregator shall 122 participate in the resolution of complaints directly related to the 123 program and does not rely on the authority or an electric distribution 124 company to address such complaints; (K) a public aggregator's intent to 125 offer optional voluntary energy products; (L) the method for 126 suspending or terminating the municipal aggregation program; and (M) 127 a description of any voluntary energy products that the public 128 aggregator will offer to electric customers. If, at the time of filing the 129 plan with the authority, a public aggregator has not determined 130 whether the aggregator shall offer voluntary energy products, the plan 131 shall identify and describe the factors and criteria that the public 132 aggregator will consider in making such a determination.

(3) After the establishment of a public aggregator pursuant to
subsection (c) of this section, the municipal aggregation plan shall be
filed with the authority for review. Any proposed customer
communications included in such plan shall be approved or denied by

the authority not later than one hundred twenty days after the date upon which the plan was filed with the authority. If the authority does not approve or deny such communications within the time specified in this subdivision, such communications shall be deemed approved by the authority.

142 (4) Not later than fourteen days after the authority has approved the 143 proposed customer communications, or such communications have 144 been deemed approved, the public aggregator shall submit a timeline 145 concerning the implementation of the municipal aggregation plan to 146 any electric distribution company serving electric customers within the 147 municipal aggregation service area. The public aggregator shall submit 148 monthly updates concerning the implementation of the plan to any such 149 electric distribution company until the public aggregator executes an 150 agreement with a program supplier. The public aggregator shall 151 provide notice of the execution of such agreement to any such electric 152 distribution company, and the program supplier shall provide any such 153 electric distribution company with information necessary to enroll 154 customers with the program supplier as set forth in subsection (g) of this 155 section.

156 (5) A public aggregator may modify a municipal aggregation plan in 157 a manner consistent with this section provided the public aggregator 158 provides a public review period of not less than thirty days for the 159 revised plan. The public aggregator shall submit such revised plan to 160 the authority on the first day of such public review period. A material 161 revision to any proposed customer communication shall be approved or 162 denied by the authority not later than thirty days after the date upon 163 which the revised plan was filed with the authority. If the authority does 164 not approve or deny such communications within the time specified in 165 this subdivision, such communications shall be deemed approved by 166 the authority.

167 (e) A public aggregator may establish the practices, terms and 168 conditions of the offerings and services to be provided from time to

169 time, including, but not limited to: (1) Rates to support the program, 170 including the provision of energy products; (2) supply terms; (3) the start time of the program; (4) energy product offerings, including any 171 172 periodic changes in the price or composition of such energy product 173 offerings; (5) contract terms and conditions for energy products 174 included in the program; (6) the format and mechanisms for delivering 175 any notice to program participants; (7) the maintenance of an Internet 176 web site dedicated to current program information; and (8) 177 accommodating consumers with limited English proficiency. The 178 practices, terms and conditions of the offerings and services identified 179 in this subsection need not be approved by the authority.

180 (f) A public aggregator shall deliver customer communications 181 concerning the plan, including opt-out notices, as approved or deemed 182 approved by the authority to electric customers in the municipal 183 aggregation service area. Such communications shall be made 184 consistent with the municipal aggregation plan and by one or more 185 delivery methods deemed most effective by the public aggregator. To 186 enable such delivery, any electric distribution company shall provide to 187 the public aggregator a current list of the names, mailing addresses, 188 electronic mail addresses and service addresses of any electric customer 189 receiving electric distribution services, as defined in section 16-1 of the 190 general statutes, from such company in the municipal aggregation 191 service area, except the electric distribution company shall not include 192 any electric customer in such list who (1) has opted out of the 193 aggregation; (2) has a contract with a licensed electric supplier; (3) has a 194 contract with the electric distribution company that prohibits the electric 195 customer from being automatically enrolled in the municipal 196 aggregation program; (4) is not located within the municipal 197 aggregation service area; (5) has informed the electric distribution 198 company such customer does not want their account information 199 shared; (6) is a hardship case for purposes of subdivision (3) of 200 subsection (b) of section 16-262c of the general statutes; (7) has 201 arrearages deducted from such customer's bill by the electric

distribution company pursuant to subdivision (4) of subsection (b) of
section 16-262c of the general statutes; (8) receives financial assistance
from the electric distribution company; or (9) is otherwise protected by
law from shutoff of electricity services.

206 (g) (1) Participation by any electric customer in a municipal 207 aggregation program shall be voluntary. On and after the date 208 customers may begin enrolling in the program, auto-enroll customers 209 shall be transferred to the program according to the opt-out process 210 described in the municipal aggregation plan. Such transfers shall occur 211 on either the January or July electric meter read date for such customers, 212 provided no such customer may be automatically enrolled unless such 213 customer was sent an opt-out notice not fewer than thirty days before 214 such meter read date.

(2) Any municipal aggregation program shall allow any electric
customer to opt out of such program and choose any supplier or
provider, including an electric supplier or standard service from an
electric distribution company, and a public aggregator shall not prohibit
or otherwise restrict electric suppliers or electric distribution companies
from enrolling customers within the municipal aggregation service area.

(3) Once enrolled in the program, any program participant who
chooses to opt out not more than one hundred eighty days after
enrollment shall do so without penalty and shall be entitled to receive
standard service or to select another electric supplier.

(4) After the initial automatic enrollment of eligible customers after
the approval of a municipal aggregation program by the authority, the
subsequent enrollment of new eligible customers or accounts within the
municipal aggregation service area shall be governed by the terms for
enrollment set forth in the municipal aggregation plan.

(h) A public aggregator shall provide written notice to any autoenroll customer in advance of such customer's automatic enrollment (1)
that such customer will be automatically enrolled in the program, (2)

that such customer has the right to opt out of the program, and (3) to provide the deadline after which such customer may be assessed an optout penalty. Such notice shall also prominently state any program charges and the standard service rate, how an electric customer may receive the standard service, and the fact that standard service is available to such customer without penalty.

239 (i) A public aggregator shall notify each program participant in 240 advance of any change in (1) energy products offered under the 241 program, or (2) rates for energy products offered under the program, 242 and that each participant has the right, without penalty, to opt out of the 243 program or to select another energy product available under the 244 program, if applicable. In the event of any such change, each participant 245 shall continue to be enrolled in the program unless the participant opts 246 out of the program.

(j) A public aggregator may offer, and a program participant may
select, voluntary energy products at a price greater than the standard
service rate.

(k) Upon approval from a public aggregator, a program supplier
under contract with the public aggregator may communicate with
program participants and offer products separate from the energy
products offered under the program to such participants.

(1) Unless an electric customer has informed an electric distribution
company such customer does not want such customer's account
information shared, the electric distribution company shall provide realtime interval meter data in fifteen-minute increments in flat file format
to the program supplier, as applicable.

(m) Each program supplier shall file an annual report with the public
aggregator that includes the following for the prior program year: (1)
The monthly enrollment statistics by customer class; (2) the number and
percentage of customers that opted out of the program; (3) the number
and percentage of customers that selected a voluntary energy product,

if applicable; and (4) a description of each customer complaint and thedisposition of each complaint.

(n) A violation of this section, including the use of unauthorized or
deceptive customer communications, by a consultant, program supplier
or public aggregator, shall subject such consultant, supplier or
aggregator to the penalties provided in section 16-41 of the general
statutes, as amended by this act, and the authority may order that any
consultant or program supplier found in violation of this section be
prohibited from providing further services to a public aggregator.

Sec. 2. Subsection (a) of section 16-41 of the general statutes is
repealed and the following is substituted in lieu thereof (*Effective October*1, 2025):

276 (a) Each (1) public service company and its officers, agents and 277 employees, (2) electric supplier or person providing electric generation 278 services without a license in violation of section 16-245, and its officers, 279 agents and employees, (3) certified telecommunications provider or 280 person providing telecommunications services without authorization 281 pursuant to sections 16-247f to 16-247h, inclusive, and its officers, agents 282 and employees, (4) person, public agency or public utility, as such terms 283 are defined in section 16-345, subject to the requirements of chapter 293, 284 (5) person subject to the registration requirements under section 16-285 258a, (6) cellular mobile telephone carrier, as described in section 16-286 250b, (7) Connecticut electric efficiency partner, as defined in section 16-287 243v, (8) company, as defined in section 16-49, (9) entity approved to 288 submeter pursuant to section 16-19ff, [and] (10) person involved in the 289 transportation of gas, as such terms are defined in section 16-280a, (11) 290 consultant, as defined in section 1 of this act, (12) program supplier, as 291 defined in section 1 of this act, and (13) public aggregator, as defined in 292 section 1 of this act, shall obey, observe and comply with all applicable 293 provisions of this title and each applicable order made or applicable 294 regulations adopted by the Public Utilities Regulatory Authority by 295 virtue of this title as long as the same remains in force. Any such

296 company, electric supplier, certified telecommunications provider, 297 cellular mobile telephone carrier, Connecticut electric efficiency partner, 298 entity approved to submeter, person, consultant, program supplier or 299 <u>public aggregator, or</u> any officer, agent or employee thereof, <u>or</u> public 300 agency or public utility which the authority finds has failed to obey or 301 comply with any such provision of this title, order or regulation shall be 302 fined, ordered to pay restitution to customers or ordered to pay a 303 combination of a fine and restitution by order of the authority in 304 accordance with the penalty prescribed for the violated provision of this 305 title or, if no penalty is prescribed, not more than ten thousand dollars 306 for each offense, except that the penalty shall be a fine, restitution to 307 customers or a combination of a fine and restitution of not more than 308 forty thousand dollars for failure to comply with an order of the 309 authority made in accordance with the provisions of section 16-19 or 16-310 247k or within thirty days of such order or within any specific time 311 period for compliance specified in such order. The authority may direct 312 a portion of any fine levied pursuant to this section to be paid to a 313 nonprofit agency engaged in energy assistance programs named by the 314 authority in its decision or notice of violation and may direct a portion 315 of any fine levied pursuant to this section against a person involved in 316 the transportation of gas, as such terms are defined in section 16-280a, 317 to support the study, installation and deployment of residential 318 methane detectors by one or more public service companies, as 319 determined by the authority. Any such nonprofit agency that receives a 320 portion of a fine pursuant to this subsection shall administer such funds 321 as directed by the authority and submit an annual report to the 322 authority, at the end of each fiscal year and in a form determined by the 323 authority, that details the expenditure of such funding. No such 324 nonprofit agency shall use more than ten per cent of such funding for 325 administrative purposes. Notwithstanding any provision of this 326 subsection, for the fiscal years ending June 30, 2023, and June 30, 2024, 327 the authority shall direct not less than ninety-five per cent of any fine 328 levied pursuant to this section to nonprofit agencies engaged in energy 329 assistance programs. Each distinct violation of any such provision of

this title, order or regulation shall be a separate offense and, in case of a
continued violation, each day thereof shall be deemed a separate
offense. Each such penalty and any interest charged pursuant to
subsection (g) or (h) of section 16-49 shall be excluded from operating
expenses for purposes of rate-making.

Sec. 3. Section 16-245b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

337 Notwithstanding the provisions of subsection (a) of section 16-245, 338 the provisions of said section shall not apply to (1) any municipality or 339 regional water authority that aggregates the sale of electric generation 340 services, including any public aggregator established pursuant to 341 section 1 of this act, or to the MIRA Dissolution Authority if such 342 authority aggregates the sale of electric generation services, for end use 343 customers located within the boundaries of such municipality or 344 regional water authority, (2) any municipality that joins together with 345 other municipalities to aggregate the sale of electric generation services 346 for end use customers located within the boundaries of such 347 municipalities, or (3) any municipality or regional water authority that 348 aggregates the purchase of electric generation services for municipal 349 facilities, street lighting, boards of education and other publicly-owned 350 facilities within (A) the municipality for which the municipality is 351 financially responsible, or (B) the municipalities that are within the 352 authorized service area of the regional water authority. Any 353 municipality or regional water authority that aggregates in accordance 354 with this section shall register not less than annually with the Public 355 Utilities Regulatory Authority on a form prescribed by the authority.

Sec. 4. Subsection (b) of section 33-219 of the general statutes is
repealed and the following is substituted in lieu thereof (*Effective October*1, 2025):

(b) Notwithstanding the provisions of subsection (a) of this section,cooperative, nonprofit, membership corporations may be organized

361 under this chapter for the purpose of generating electric energy by 362 means of cogeneration technology, renewable energy resources or both 363 and supplying it to any member or supplying it to, purchasing it from 364 or exchanging it with a public service company, electric supplier, as 365 defined in section 16-1, [municipal] <u>electric</u> aggregator, as defined in 366 [said] section <u>16-1</u>, municipal utility or municipal electric energy 367 cooperative, in accordance with an agreement with the company, 368 electric supplier, electric aggregator, municipal utility or cooperative. 369 No membership corporation under this subsection may exercise those 370 powers contained in subsection (i) or (j) of section 33-221 unless the prior 371 approval of the Public Utilities Regulatory Authority is obtained, after 372 opportunity for hearing in accordance with title 16 and chapter 54. Any 373 cooperative organized on or after July 1, 1998, pursuant to this 374 subsection shall collect from its members the competitive transition 375 assessment levied pursuant to section 16-245g and the systems benefits 376 charge levied pursuant to section 16-245l in such manner and at such 377 rate as the Public Utilities Regulatory Authority prescribes, provided 378 the authority shall order the collection of said assessment and said 379 charge in a manner and rate equal to that to which the members of the 380 cooperative would have been subject had the cooperative not been 381 organized.

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	16-41(a)
Sec. 3	October 1, 2025	16-245b
Sec. 4	October 1, 2025	33-219(b)

## Statement of Purpose:

To allow a municipality, or two or more municipalities acting jointly, to establish municipal aggregation programs.

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