



General Assembly

Substitute Bill No. 1194

January Session, 2025



**AN ACT CONCERNING POWER PURCHASE AGREEMENTS AND THE
PROVISION OF STANDARD SERVICE TO ELECTRIC CUSTOMERS.**

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

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2 repealed and the following is substituted in lieu thereof (*Effective October*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

4 (e) (1) Any solicitation issued pursuant to subsection (d) of this
5 section for zero-carbon electricity generating resources, including, but
6 not limited to, eligible nuclear power generating facilities, hydropower,
7 Class I renewable energy sources, as defined in section 16-1, and energy
8 storage systems, shall be for resources delivered into the control area of
9 the regional independent system operator, as defined in section 16-1,
10 and any agreement entered into pursuant to subdivision (2) of this
11 subsection shall be in the best interest of ratepayers. If the commissioner
12 finds proposals received pursuant to such solicitations to be in the best
13 interest of ratepayers, the commissioner may select any such proposal
14 or proposals, provided (A) the total annual energy output of any
15 proposals selected, in the aggregate, shall be not more than twelve
16 million megawatt hours of electricity, (B) any agreement entered into
17 pursuant to this subdivision with an eligible nuclear power generating
18 facility or hydropower shall be for a period of not less than three years
19 and not more than ten years, and (C) any agreement entered into

20 pursuant to this subdivision with Class I renewable energy sources, as
21 defined in section 16-1, and energy storage systems shall be for a period
22 of not more than twenty years.

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

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

52 (B) Notwithstanding any provision of the general statutes or the

53 procurement plan adopted pursuant to section 16-244m, as amended by
54 this act, an electric distribution company may, in consultation with the
55 procurement manager of the Public Utilities Regulatory Authority and
56 the Office of Consumer Counsel, elect to use, for a duration of time
57 established in consultation with the procurement manager, any portion
58 of the energy, capacity and other products purchased by such company
59 under any agreement for energy, capacity or any other electricity
60 products approved by the authority pursuant to subparagraph (A) of
61 subdivision (3) of this subsection, or under any other agreement
62 approved by the authority, for the provision of standard service by such
63 company if such company, in consultation with the procurement
64 manager and the Office of Consumer Counsel, concludes such usage is
65 in the best interest of standard service customers. An electric
66 distribution company that elects to use such energy, capacity or
67 products in the provision of standard service shall seek approval from
68 the Public Utilities Regulatory Authority to incorporate any such
69 agreement into standard service at the time such company submits
70 standard service rates to the authority for approval. The authority may
71 establish reporting standards related to any determination of whether
72 the use of such agreements is in the best interest of standard service
73 customers.

74 (C) An electric distribution company that elects to use such energy,
75 capacity or products in the provision of standard service shall, in
76 consultation with the authority and the Office of Consumer Counsel,
77 specify the (i) quantity of energy, capacity and any other products such
78 company shall use to serve standard service customers, (ii) duration of
79 such usage, and (iii) price for such energy, capacity and any other
80 products that will be paid by standard service customers.

81 (D) If any energy, capacity or other products purchased by such
82 company under any such agreement are used to serve standard service
83 customers, the cost of such energy, capacity or other products shall be
84 paid by standard service customers.

85 (E) (i) The remaining net costs of any such agreement that are not

86 associated with the provision of standard service, including costs
 87 incurred by the electric distribution company under the agreement and
 88 reasonable costs incurred by the electric distribution company in
 89 connection with the agreement, shall be recovered on a timely basis
 90 through a nonbypassable fully reconciling component of electric rates
 91 for all customers of the electric distribution company, ~~[. Any]~~ and (ii)
 92 any net revenues from the sale of products purchased in accordance
 93 with long-term contracts entered into pursuant to this subsection, or
 94 pursuant to any other provision of the general statutes, that are not
 95 associated with the provision of standard service, shall be credited to
 96 customers through the same nonbypassable fully reconciling rate
 97 component for all customers of the contracting electric distribution
 98 company.

99 (F) No provision of this subdivision shall be construed to amend or
 100 alter the terms and conditions of any such agreement approved by the
 101 authority.

102 Sec. 2. Subsections (a) and (b) of section 16-244m of the general
 103 statutes are repealed and the following is substituted in lieu thereof
 104 (*Effective October 1, 2025*):

105 (a) (1) On or before January 1, 2012, and annually thereafter, the
 106 procurement manager of the Public Utilities Regulatory Authority, in
 107 consultation with each electric distribution company, and others at the
 108 procurement manager's discretion, including, but not limited to, the
 109 Commissioner of Energy and Environmental Protection, a municipal
 110 energy cooperative established pursuant to chapter 101a, other than
 111 entities, individuals and companies or their affiliates potentially
 112 involved in bidding on standard service, shall develop a plan for the
 113 procurement of electric generation services and related wholesale
 114 electricity market products that will enable each electric distribution
 115 company to manage a portfolio of contracts to reduce the average cost
 116 of standard service while maintaining standard service cost volatility
 117 within reasonable levels. [Each Procurement Plan] The procurement
 118 plan (A) shall provide for the competitive solicitation for load-following

119 electric service, [and] (B) may include a provision for the use of self-
120 service by an electric distribution company under which such company
121 may purchase all or any portion of the energy, capacity or other market
122 products needed to serve such company's standard service load from
123 applicable markets or other sources, and (C) may include any other
124 contracts, including, but not limited to, contracts for generation or other
125 electricity market products and financial contracts, and may provide for
126 the use of varying lengths of contracts. If such plan includes the
127 purchase of full requirements contracts, it shall include an explanation
128 of why such purchases are in the best interests of standard service
129 customers.

130 (2) All reasonable costs associated with the development of the
131 [Procurement Plan] procurement plan by the authority shall be
132 recoverable through the assessment in section 16-49. All electric
133 distribution companies' reasonable costs associated with the
134 development of the [Procurement Plan] procurement plan shall be
135 recoverable through a reconciling bypassable component of the electric
136 rates as determined by the authority.

137 (b) (1) The procurement manager shall, not less than [quarterly]
138 annually, prepare a written report on the implementation of the
139 [Procurement Plan] procurement plan.

140 (2) If the procurement manager finds that an [interim] amendment to
141 the [annual plan might] plan may substantially further the goals of
142 reducing the cost or cost volatility of standard service, the procurement
143 manager may petition the Public Utilities Regulatory Authority for such
144 an [interim] amendment. The [Public Utilities Regulatory Authority]
145 authority shall provide notice of the proposed amendment to the Office
146 of Consumer Counsel and the electric distribution companies. The
147 Office of Consumer Counsel and the electric distribution companies
148 shall have two business days from the date of such notice to request an
149 uncontested proceeding and a technical meeting of the [Public Utilities
150 Regulatory Authority] authority regarding the proposed amendment,
151 [which] and the authority shall hold such proceeding and meeting,

152 [shall occur] if requested. [The Public Utilities Regulatory Authority]
 153 After such proceeding and such meeting, if requested, the authority may
 154 approve, modify or deny the proposed amendment. [, with such
 155 approval, modification or denial following the technical meeting if one
 156 is requested. The Public Utilities Regulatory Authority's] The authority's
 157 ruling on the proposed amendment shall occur [within] not more than
 158 three business days after the technical meeting, if [one] such meeting is
 159 requested, or [within] not more than three business days [of] after the
 160 expiration of the time for requesting a technical meeting if no technical
 161 meeting is requested. The [Public Utilities Regulatory Authority]
 162 authority may maintain the confidentiality of the technical meeting to
 163 the full extent allowed by law.

164 (3) The authority may initiate an uncontested proceeding to amend
 165 the procurement plan from time to time.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	16a-3m(e)
Sec. 2	October 1, 2025	16-244m(a) and (b)

Section 1	October 1, 2025	16a-3m(e)
Sec. 2	October 1, 2025	16-244m(a) and (b)

Statement of Legislative Commissioners:

In Section 1(e)(3)(D), "When" was changed to "If" for accuracy; and in Section 1(e)(3)(E), "any other general statute" was changed to "any other provision of the general statutes" for consistency with standard drafting conventions.

ET *Joint Favorable Subst.*