



General Assembly

January Session, 2025

Raised Bill No. 1560

LCO No. 7086



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING CONNECTICUT'S ECONOMY, ELECTRICITY AFFORDABILITY AND BUSINESS COMPETITIVENESS AND ESTABLISHING THE CONNECTICUT ENERGY PROCUREMENT AUTHORITY AND THE GREEN BOND FUND.

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

- 1 Section 1. (NEW) (*Effective July 1, 2025*) It is found and declared that:
- 2 (1) An energy affordability crisis exists in the state that is creating
- 3 financial strain on households, undermining business competitiveness
- 4 and hindering state-wide economic growth. Therefore, it is in the public
- 5 interest to adopt policies designed to reduce the cost of electricity for
- 6 consumers in the state;
- 7 (2) Electricity rates in the state are greatly impacted by structural
- 8 inefficiencies in the procurement of electricity generation services and
- 9 the recovery of costs related to transmission and distribution
- 10 infrastructure and operating costs. Ratepayers in the state pay for, in
- 11 effect, an electric system that meets peak demand usage that is twice the
- 12 capacity of the average daily use in the state. This inefficient utilization

13 of the electric transmission and distribution systems directly increases
14 ratepayer costs;

15 (3) In addition to system and regulatory inefficiencies, changes in
16 electric demand also disadvantage ratepayers. While individual electric
17 customers who purchase, install or lease solar photovoltaic systems may
18 derive significant benefits from such systems, the associated reduction
19 in sales of kilowatt hours by electric distribution companies has resulted
20 in increased electric rates for the remaining ratepayers;

21 (4) The adoption of electrification policies can reduce rates across the
22 electric distribution system by increasing the number of kilowatt hours
23 of electricity sold in a way that is responsive to demand and makes
24 efficient use of the existing electrical distribution and transmission
25 infrastructure. Such policies may include (A) supporting the
26 development of high-voltage fast-charging electric vehicle
27 infrastructure, (B) encouraging commercial and residential electric
28 customers to convert heating and cooling systems to heat pump
29 technology, and (C) promoting smart meters to fully enable dynamic
30 electricity pricing structures; and

31 (5) Prior to the adoption of this act, no single entity is responsible for
32 coordinating procurement strategy, grid infrastructure investment,
33 smart electric load growth and consumer engagement to lower electric
34 system costs in the state. The establishment of the Connecticut
35 Electricity Procurement Authority will address this systemic gap. The
36 authority will serve as the state's central architect for building a more
37 efficient, cost-effective electric system that actively aligns procurement,
38 grid operations and customer behavior with the goals of affordability,
39 reliability and decarbonization. Operating with a market-oriented
40 mandate, the authority will harness customer and system load data,
41 assist in developing dynamic pricing and competitive market tools to
42 reduce costs, improve infrastructure utilization through smart electric
43 load growth and lower peak electric demand.

44 Sec. 2. (NEW) (*Effective July 1, 2025*) As used in sections 3 to 10,
45 inclusive, of this act:

46 (1) "Authority" means the Connecticut Energy Procurement
47 Authority established pursuant to section 3 of this act;

48 (2) "Board" means the board of directors of the authority;

49 (3) "Commissioner" means the Commissioner of Energy and
50 Environmental Protection;

51 (4) "Demand charge" means an electric billing component that is
52 determined based on an electric customer's peak electricity use during
53 on-peak hours;

54 (5) "Electric distribution company" has the same meaning as
55 provided in section 16-1 of the general statutes, as amended by this act;

56 (6) "Federally mandated congestion charges" has the same meaning
57 as provided in section 16-1 of the general statutes, as amended by this
58 act;

59 (7) "On-peak hours" means the period of time between the hours of
60 four o'clock p.m. to seven o'clock p.m. on weekdays;

61 (8) "Off-peak hours" means any hours that are not on-peak hours;

62 (9) "Regional independent system operator" has the same meaning as
63 provided in section 16-1 of the general statutes, as amended by this act;

64 (10) "Smart meter" means an electric meter that (A) provides real-time
65 electricity consumption data, (B) collects and stores interval load data
66 on a specific customer for purposes of implementing time-of-use rates
67 for both electric generation and electric transmission and distribution
68 services, and (C) provides for customer-specific load interval data when
69 billing for electric generation services;

70 (11) "System load factor" means the ratio of average electric demand

71 to peak electric demand over a given period of time; and

72 (12) "Time-of-use rate" means a rate structure where electricity prices
73 vary by time of day.

74 Sec. 3. (NEW) (*Effective July 1, 2025*) (a) There is created a body politic
75 and corporate to be known as the "Connecticut Energy Procurement
76 Authority". Said authority is constituted a public instrumentality and
77 political subdivision of this state and the exercise by the authority of the
78 powers conferred by this chapter shall be deemed and held to be the
79 performance of an essential public and governmental function. The
80 Connecticut Energy Procurement Authority shall not be construed to be
81 a department, institution or agency of the state.

82 (b) The board of directors of the authority shall consist of seven
83 members as follows:

84 (1) One appointed by the Governor, who owns a business domiciled
85 in the state and is a retail customer of an electric distribution company;

86 (2) One appointed by the speaker of the House of Representatives,
87 who has expertise in energy conservation and electric demand-side
88 management;

89 (3) One appointed by the president pro tempore of the Senate, who
90 has expertise in renewable energy economics and electricity storage
91 financing;

92 (4) One appointed by the majority leader of the House of
93 Representatives, who has a background in legal matters concerning
94 electricity transmission and distribution;

95 (5) One appointed by the majority leader of the Senate, who has
96 experience in electricity rate-making methodologies, rate tariff design
97 and revenue recovery methodologies;

98 (6) One appointed by the minority leader of the House of

99 Representatives, who has expertise in wholesale electricity trading; and

100 (7) One appointed by the minority leader of the Senate, who has
101 experience in data analytics and electric infrastructure investment.

102 (c) The chairperson of the board shall be appointed by the Governor.
103 The board shall annually elect one of its appointed members to serve as
104 vice-chairperson of the board. The Governor or appointing member of
105 the General Assembly, as the case may be, shall fill any vacancy for the
106 unexpired term. A member of the board shall be eligible for
107 reappointment. Any member of the board may be removed by the
108 Governor or appointing member of the General Assembly, as the case
109 may be, for misfeasance, malfeasance or wilful neglect of duty. Each
110 member of the board, before entering upon such member's duties, shall
111 take and subscribe the oath of affirmation required by article XI, section
112 1, of the state Constitution. A record of each such oath shall be filed in
113 the office of the Secretary of the State. The Commissioner of Energy and
114 Environmental Protection, or the commissioner's designee, shall be an
115 ex-officio member of the board and shall attend the board's meetings.
116 The board shall meet not less than quarterly.

117 (d) (1) The powers of the authority shall be vested in the board. The
118 board may hold such meetings and public hearings as the board deems
119 desirable and at locations in the state as determined by the board. The
120 authority shall develop and maintain an Internet web site and, not later
121 than five days before any meeting or public hearing of the board, post
122 on said Internet web site the location of, notice of and the agenda for
123 each such meeting or public hearing.

124 (2) A majority of the board shall constitute a quorum at any meeting
125 of the board. Action may be taken, motions voted and resolutions
126 adopted by the board at any meeting of the board by vote of a majority
127 of the members present, unless in any case any bylaws adopted by the
128 board require a larger number for adoption.

129 (3) The board may adopt, on a prospective basis, methods of voting

130 for all or specifically designated matters. Any such methods shall be
131 specified in the bylaws unanimously adopted by the board.

132 (4) Not later than five days after a meeting or hearing of the board,
133 the authority shall post the minutes of such meeting or hearing on the
134 authority's Internet web site, including any actions taken, motions voted
135 and resolutions adopted.

136 (e) The board may appoint and employ a chief executive officer, a
137 treasurer, a secretary, a general counsel and such officers, advisors,
138 consultants and other agents and employees as the board may deem
139 necessary, and the board shall determine their qualifications, terms of
140 office, duties and compensation. In selecting such officers, advisors,
141 consultants, agents or employees, the board shall give preference to
142 individuals with experience in wholesale and retail electric procurement
143 and generation services, development of dynamic time-of-use rates,
144 electric load growth strategy development, data analytics concerning
145 customer behaviors, electric rate design, electric transmission and
146 distribution planning, advanced electric metering and economics.

147 (f) Any necessary and related administrative and operational
148 expenses incurred by the authority may be paid from funds from the
149 Energy Infrastructure Transition Fund established pursuant to section
150 35 of this act.

151 (g) All initial appointments to the board shall be made not later than
152 January 1, 2026. The initial terms of the members shall be as follows: (1)
153 Those appointed by the Governor shall serve for one year; (2) those
154 appointed by the minority leaders of the Senate and House of
155 Representatives shall serve for two years; (3) those appointed by the
156 president pro tempore of the Senate and the majority leader of the
157 House of Representatives shall serve for three years; and (4) those
158 appointed by the majority leader of the Senate and the speaker of the
159 House of Representatives shall serve for four years. Terms following the
160 initial terms shall be for four years. Each board member shall hold office

161 for the term for which the member was appointed and until the
162 member's successor has been appointed and has qualified. A board
163 member may be removed by the appointing authority only for
164 inefficiency or neglect of duty or misconduct in office. Any member to
165 be removed pursuant to this subsection shall be given a written notice
166 of the reason for such proposed removal not sooner than ten days before
167 such removal and the opportunity, in person or by legal counsel, to be
168 heard concerning such removal by the board.

169 (h) Not less than biennially, the authority shall cause a forensic
170 examination to be conducted by a certified forensic auditor, which shall
171 include a review of the revenue and expenditures of the authority for
172 the preceding two years. The auditor shall submit a report including a
173 review of whether such authority's operating procedures conform with
174 the provisions of this chapter and the bylaws adopted by the board and
175 any recommendations for any corrective actions needed to ensure such
176 conformance. The auditor shall not be required to perform a full
177 financial audit of the two-year period or submit an opinion regarding
178 the financial statements or a management letter. Not later than seven
179 days after the authority receives such report from such auditor, the
180 authority shall post such report on its Internet web site.

181 (i) The authority shall annually provide the following, in accordance
182 with the provisions of section 11-4a of the general statutes, to the joint
183 standing committee of the General Assembly having cognizance of
184 matters relating to energy and technology: (1) A list of the current
185 members and officers of the board; (2) a copy of the most recent audited
186 financial statements, management letter and reports of the authority; (3)
187 a copy of any conflicts of interest policy of the authority; (4) a copy of
188 the bylaws adopted by the board, if such bylaws have been adopted or
189 amended in the preceding year; and (5) as to any employee of the
190 authority, a report listing the position of each employee and the amount
191 of the salary, wages and fringe benefit expenses paid to each such
192 employee.

193 Sec. 4. (NEW) (*Effective July 1, 2025*) The Connecticut Energy
194 Procurement Authority shall have the powers to:

195 (1) Have perpetual succession as a body politic and corporate and to
196 adopt and from time to time amend and repeal bylaws, policies and
197 procedures for the regulations of its affairs and the conduct of its
198 business;

199 (2) Adopt and have a common seal and to alter the same;

200 (3) Sue and be sued;

201 (4) Contract and be contracted with;

202 (5) Develop and implement a plan that allows for the dynamic
203 procurement of electric generation services and related wholesale
204 electricity market products in a manner that reduces the average cost of
205 standard service while maintaining standard service cost volatility
206 within reasonable levels, as determined by the authority;

207 (6) Investigate the desirability of and necessity for additional sources
208 and supplies of electric power, and to make such studies, surveys and
209 estimates as may be necessary to determine the feasibility and cost of
210 any such additional sources and supplies of electric power for the
211 purpose of developing and implementing an electric procurement
212 portfolio sufficient to provide an alternative to standard service, as
213 described in section 16-244c of the general statutes, which shall include
214 the execution of contracts with electric generators, suppliers,
215 wholesalers or aggregators for the provision of electricity to customers
216 in the state;

217 (7) Cooperate with private electric utilities, municipal electric
218 utilities, the regional independent system operator and other public or
219 private electric power entities, within and without the state, or with any
220 person without the state, in the development of such sources and
221 supplies of electric power;

222 (8) Study and report on electric customer usage patterns and the
223 efficacy of investments in electrification projects and grid-scale
224 electricity storage projects;

225 (9) Develop and implement policies and incentives to encourage (A)
226 the dispatch of energy generated by distributed solar photovoltaic
227 systems installed behind customer electric meters for the purpose of
228 increasing the system load factor, (B) the adoption of alternative air
229 conditioning technologies, including, but not limited to, ice storage, (C)
230 smart electric load growth by not less than one per cent per year, and
231 (D) the achievement of greenhouse gas reduction goals established
232 under section 22a-200a of the general statutes by promoting the
233 adoption of technologies and policies that will lead to an average annual
234 reduction of greenhouse gas emissions by not less than one million one
235 hundred thousand metric tons of carbon dioxide equivalent for the
236 period between 2022 and 2030;

237 (10) Study and report on methods to promote business growth in the
238 state through electric load growing energy policies;

239 (11) Mandate, develop and recommend to the Public Utilities
240 Regulatory Authority time-of-use rate tariff structures, for both electric
241 generation services and transmission and distribution services, based on
242 on-peak and off-peak usage designed to create electric customer
243 demand elasticity by encouraging electricity usage in off-peak hours
244 and discouraging electricity usage in on-peak hours. For the purposes
245 of time-of-use electric generation rate design, on-peak electric service
246 rates shall be a minimum of three hundred per cent higher than off-peak
247 rates;

248 (12) Administer the Electric Rate Stabilization Fund created pursuant
249 to section 9 of this act for the purpose of reducing the volatility of
250 increases and decreases in electric generation service costs during
251 periods of higher and lower electricity demand throughout the calendar
252 year;

253 (13) Administer the Energy Infrastructure Transition Fund created
254 pursuant to section 35 of this act for the purpose of supporting (A) the
255 adoption of smart meter infrastructure and electric billing system
256 upgrades, (B) distribution system and substation upgrades, (C) efforts
257 to increase the electrification of transportation in the state, including
258 incentives for the adoption of rapid electric vehicle charging stations
259 and electric distribution infrastructure supporting such stations, (D)
260 efforts to increase the electrification of residential and commercial
261 heating and cooling systems in the state, including incentives for the
262 conversion of such systems into heat pump systems, and (E) the
263 installation of battery storage systems for residential and commercial
264 customers for the purpose of reducing peak electric demand;

265 (14) (A) Mandate and oversee the adoption of smart meters for the
266 purpose of implementing time-of-use rates, (B) design a customer
267 education and engagement program to be implemented by electric
268 distribution companies that informs electric customers of the benefits of
269 smart meters and time-of-use rates, (C) advocate and participate in the
270 development of time-of-use pricing to optimize customer price
271 elasticity, and (D) promote electric load-shifting behavior by customers;

272 (15) Establish a consumer advisory panel for purposes of educating
273 electric consumers on (A) smart meters, including data access and
274 functionality, (B) opportunities to reduce electricity costs through the
275 utilization of time-of-use rates, (C) opportunities for customers to
276 reduce their impact on (i) greenhouse gas emissions, and (ii) the
277 installed capacity payments that constitute a portion of the federally
278 mandated congestion charges, as defined in section 16-1 of the general
279 statutes, as amended by this act, and (D) other opportunities for electric
280 consumers as the authority deems advisable;

281 (16) Procure from any state or federal agency any consents,
282 authorizations or approvals that may be requisite to enable any project
283 within its powers to be carried forward;

284 (17) Do and perform any acts and things authorized by this act under,
285 through or by means of its board, officers, agents or employees;

286 (18) Acquire, hold, use and dispose of its income, revenues, funds and
287 moneys;

288 (19) Acquire, own, hire, use, operate and dispose of personal
289 property;

290 (20) Acquire, own, use, lease, operate and dispose of real property
291 and interests in real property, and to make improvements thereon;

292 (21) Grant the use, by lease or otherwise, and to make charges for the
293 use, of any property or facility owned or controlled by the authority;

294 (22) Borrow money and to execute promissory notes in the name of
295 the authority;

296 (23) Procure insurance against any losses in connection with its
297 property, operations or assets in such amounts and from such insurers
298 as the board deems desirable;

299 (24) Contract for and to accept any gifts or grants or loans of funds or
300 property or financial or other aid in any form from the United States or
301 any agency or instrumentality thereof, or from any other source, and to
302 comply, subject to the provisions of this chapter, with the terms and
303 conditions thereof;

304 (25) Guarantee, in connection with any project, the punctual payment
305 of the principal of and interest on the indebtedness or other contractual
306 obligations of any of the participants in such project; and

307 (26) To exercise all other powers not inconsistent with the State
308 Constitution or the United States Constitution, which may be
309 reasonably necessary or appropriate for or incidental to the effectuation
310 of its authorized purposes or to the exercise of any of the foregoing
311 powers, and generally to exercise in connection with its property and

312 affairs, and in connection with property within its control, any and all
313 powers that might be exercised by a natural person or a private
314 corporation in connection with similar property and affairs.

315 Sec. 5. (NEW) (*Effective July 1, 2025*) No representative, officer or
316 employee of the authority shall have or acquire any personal interest,
317 direct or indirect, in any project or in any property included or planned
318 to be included in any project or in any contract or proposed contract for
319 materials or services to be furnished to or used by the authority,
320 provided the holding of any office or employment in the government of
321 any municipal electric utility or in any municipal electric energy
322 cooperative under any law of the state shall not be deemed a
323 disqualification for board membership or employment by the authority.

324 Sec. 6. (NEW) (*Effective July 1, 2025*) The authority may, by vote of the
325 board, reimburse members of the board for necessary expenses incurred
326 in the discharge of their duties and pay a reasonable, uniformly
327 applicable stipend to such board member for their service on the board
328 as provided in this section.

329 Sec. 7. (NEW) (*Effective July 1, 2025*) The Connecticut Energy
330 Procurement Authority shall, for the purposes of chapter 62 of the
331 general statutes, be subject to the authority of the State Contracting
332 Standards Board established under section 4e-2 of the general statutes.

333 Sec. 8. (NEW) (*Effective July 1, 2025*) (a) The Connecticut Energy
334 Procurement Authority shall, in consultation with the Public Utilities
335 Regulatory Authority, design a customer education and engagement
336 program for the purpose of informing electric distribution customers of
337 the benefits of smart meters and time-of-use rates and encouraging such
338 customers to utilize such meters and such rates. The program design
339 shall include (1) approved methods of customer outreach, education
340 and engagement activities, (2) a requirement that electric distribution
341 companies develop an electronic application that notifies customers of
342 the electric distribution company, in real time, of energy saving

343 opportunities based on electric transmission and distribution system
344 factors, (3) objective performance standards regarding the program
345 implementation, (4) mandatory reporting requirements for electric
346 distribution companies concerning such companies' compliance with
347 the program requirements, including the submission of documentation
348 or data as required by the Public Utilities Regulatory Authority, and (5)
349 a process under which the Connecticut Energy Procurement Authority
350 certifies that an electric distribution company is in compliance with this
351 section.

352 (b) Upon approval by the Connecticut Energy Procurement
353 Authority and the Public Utilities Regulatory Authority, the program
354 shall be administered by the electric distribution companies.

355 Sec. 9. (NEW) (*Effective July 1, 2025*) (a) There is established a fund to
356 be known as the "Electric Rate Stabilization Fund". The fund shall be
357 administered by the Connecticut Energy Procurement Authority for the
358 purpose of reducing volatility in electric generation service costs for
359 residents and businesses in the state who receive standard service as
360 described in section 16-244c of the general statutes.

361 (b) The authority shall develop and implement a methodology for
362 accumulating excess electric generation service revenues during lower
363 cost off-peak periods, on both a seasonal and hourly basis, and
364 disbursing funds to offset higher electric generation prices during peak
365 summer and winter months for the purpose of ensuring stable electric
366 generation prices to ratepayers across all customer classes.

367 (c) Amounts in the fund shall be derived from the following sources:

368 (1) Assessments collected in connection with power purchase
369 agreements approved by the Connecticut Energy Procurement
370 Authority;

371 (2) Allocations from any federal funds designated for energy cost
372 stabilization, grid resilience or consumer rate relief;

373 (3) Interest derived from the investment of the fund; and

374 (4) Voluntary contributions from electric distribution companies.

375 (d) Not later than January first of each year, the authority shall submit
376 a report, in accordance with the provisions of section 11-4a of the general
377 statutes, to the joint standing committee of the General Assembly
378 having cognizance of matters relating to energy and technology,
379 detailing the financial status of the fund, sources of revenue,
380 disbursements made and recommendations for future appropriations or
381 modifications.

382 (e) The Office of Policy and Management, in coordination with the
383 authority, shall conduct a biennial review of the fund to assess its
384 effectiveness in stabilizing electric rates and recommend any necessary
385 statutory or regulatory adjustments.

386 Sec. 10. (NEW) (*Effective July 1, 2025*) (a) (1) On and after July 1, 2027,
387 and annually thereafter, the Connecticut Energy Procurement Authority
388 shall, in consultation with each electric distribution company, and
389 others at the authority's discretion, including, but not limited to, the
390 Commissioner of Energy and Environmental Protection, a municipal
391 energy cooperative established pursuant to chapter 101a of the general
392 statutes, other than entities, individuals and companies or their affiliates
393 potentially involved in bidding on standard service, shall develop a plan
394 for the procurement of electric generation services and related
395 wholesale electricity market products in a manner that reduces the
396 average cost of standard service while maintaining standard service cost
397 volatility within reasonable levels. Each procurement plan shall provide
398 for the competitive solicitation for load-following electric service and
399 may include a provision for the use of other contracts, including, but not
400 limited to, contracts for generation or other electricity market products
401 and financial contracts and may provide for the use of varying lengths
402 of contracts. If such plan includes the purchase of full requirements
403 contracts, it shall include an explanation of why such purchases are in

404 the best interests of standard service customers.

405 (2) All reasonable costs associated with the development of the
406 procurement plan by the authority shall be paid from the Green Bond
407 Fund established pursuant to section 16-245l of the general statutes, as
408 amended by this act.

409 (b) The costs of procurement for standard service shall be borne solely
410 by the standard service customers.

411 (c) The authority shall report annually, in accordance with the
412 provisions of section 11-4a of the general statutes, to the joint standing
413 committee of the General Assembly having cognizance of matters
414 relating to commerce, energy and technology, and finance, revenue and
415 bonding regarding the procurement plan and its implementation. Any
416 such report may be submitted electronically.

417 Sec. 11. Subdivision (1) of subsection (a) of section 16-244m of the
418 general statutes is repealed and the following is substituted in lieu
419 thereof (*Effective July 1, 2025*):

420 (a) (1) On or before January 1, 2012, and annually thereafter, until July
421 1, 2027, the procurement manager of the Public Utilities Regulatory
422 Authority, in consultation with each electric distribution company, and
423 others at the procurement manager's discretion, including, but not
424 limited to, the Commissioner of Energy and Environmental Protection,
425 a municipal energy cooperative established pursuant to chapter 101a,
426 other than entities, individuals and companies or their affiliates
427 potentially involved in bidding on standard service, shall develop a plan
428 for the procurement of electric generation services and related
429 wholesale electricity market products that will enable each electric
430 distribution company to manage a portfolio of contracts to reduce the
431 average cost of standard service while maintaining standard service cost
432 volatility within reasonable levels. Each Procurement Plan shall provide
433 for the competitive solicitation for load-following electric service and
434 may include a provision for the use of other contracts, including, but not

435 limited to, contracts for generation or other electricity market products
436 and financial contracts, and may provide for the use of varying lengths
437 of contracts. If such plan includes the purchase of full requirements
438 contracts, it shall include an explanation of why such purchases are in
439 the best interests of standard service customers.

440 Sec. 12. Subdivision (20) of section 16-1 of the general statutes is
441 repealed and the following is substituted in lieu thereof (*Effective July 1,*
442 *2025*):

443 (20) "Class I renewable energy source" means (A) electricity derived
444 from (i) solar power, (ii) wind power, (iii) a fuel cell, (iv) geothermal, (v)
445 landfill methane gas, anaerobic digestion or other biogas derived from
446 biological sources, (vi) thermal electric direct energy conversion from a
447 certified Class I renewable energy source, (vii) ocean thermal power,
448 (viii) wave or tidal power, (ix) low emission advanced renewable energy
449 conversion technologies, including, but not limited to, zero emission
450 low grade heat power generation systems based on organic oil free
451 rankine, kalina or other similar nonsteam cycles that use waste heat
452 from an industrial or commercial process that does not generate
453 electricity, (x) (I) a run-of-the-river hydropower facility that began
454 operation after July 1, 2003, has a generating capacity of not more than
455 sixty megawatts, is not based on a new dam or a dam identified by the
456 Commissioner of Energy and Environmental Protection as a candidate
457 for removal, and meets applicable state and federal requirements,
458 including state dam safety requirements and applicable site-specific
459 standards for water quality and fish passage, or (II) a run-of-the-river
460 hydropower facility that received a new license after January 1, 2018,
461 under the Federal Energy Regulatory Commission rules pursuant to 18
462 CFR 16, as amended from time to time, is not based on a new dam or a
463 dam identified by the Commissioner of Energy and Environmental
464 Protection as a candidate for removal, and meets applicable state and
465 federal requirements, including state dam safety requirements and
466 applicable site-specific standards for water quality and fish passage, (xi)
467 a biomass facility that uses sustainable biomass fuel and has an average

468 emission rate of equal to or less than .075 pounds of nitrogen oxides per
 469 million BTU of heat input for the previous calendar quarter, except that
 470 energy derived from a biomass facility with a capacity of less than five
 471 hundred kilowatts that began construction before July 1, 2003, may be
 472 considered a Class I renewable energy source, or (xii) a nuclear power
 473 generating facility [constructed on or after October 1, 2023] located in
 474 the state, or (B) any electrical generation, including distributed
 475 generation, generated from a Class I renewable energy source,
 476 provided, on and after January 1, 2014, any megawatt hours of
 477 electricity from a renewable energy source described under this
 478 subparagraph that are claimed or counted by a load-serving entity,
 479 province or state toward compliance with renewable portfolio
 480 standards or renewable energy policy goals in another province or state,
 481 other than the state of Connecticut, shall not be eligible for compliance
 482 with the renewable portfolio standards established pursuant to section
 483 16-245a;

484 Sec. 13. (NEW) (*Effective July 1, 2025*) In any proceeding of the Public
 485 Utilities Regulatory Authority on and after July 1, 2025, to establish or
 486 approve tariffs that include a credit for any amount of energy produced
 487 by a facility and not consumed, such credit shall be allowed against
 488 electric supply costs for an end use customer and shall not be allowed
 489 against any distribution cost, transmission cost or any other cost
 490 associated with the delivery of electric service to such customer,
 491 including any component of the charge known as the "combined public
 492 benefits charge" on consumer electric bills. Nothing in this section shall
 493 be construed to require the alteration of any such tariff approved by the
 494 authority before July 1, 2025.

495 Sec. 14. Subdivision (3) of subsection (a) of section 16-245d of the
 496 general statutes is repealed and the following is substituted in lieu
 497 thereof (*Effective July 1, 2025*):

498 (3) Not later than August 1, [2023] 2025, each electric distribution
 499 company shall use a total of four categories as part of the standard

500 billing format for all residential customers, one of which shall relate to
 501 charges for generation of electricity, one of which shall relate to charges
 502 for local distribution of electricity, and one of which shall relate to
 503 charges for transmission of electricity, and one of which shall relate to
 504 [system benefits and the subset of federally mandated congesting] any
 505 other charges approved by the authority pursuant to any provision of
 506 the general statutes, public act or special act. The authority shall require
 507 that each electric distribution company's standard billing format for
 508 residential customers identify each charge and the corresponding
 509 category in accordance with the authority's determinations. The
 510 authority, in a docket reopened pursuant to subdivision (2) of this
 511 subsection, may modify the categories described in this subdivision if
 512 the authority finds that such modification improves customer
 513 understanding of the components of the electric bill or customer
 514 understanding of what costs are causing increases to the total amount
 515 of a customer's bill.

516 Sec. 15. (NEW) (*Effective July 1, 2025*) Notwithstanding any provision
 517 of title 16 of the general statutes, on and after October 1, 2025, any costs
 518 associated with federally mandated congestion charges, as defined in
 519 section 16-1 of the general statutes, as amended by this act, shall be (1)
 520 removed from consumer electric bills, and (2) paid from the Green Bond
 521 Fund established pursuant to section 16-245l of the general statutes, as
 522 amended by this act.

523 Sec. 16. Section 16-245l of the general statutes is repealed and the
 524 following is substituted in lieu thereof (*Effective July 1, 2025*):

525 (a) As used in this section:

526 (1) "Green Bond Fund" or "fund" means the fund established by the
 527 Public Utilities Regulatory Authority pursuant to subsection (b) of this
 528 section;

529 (2) "Displaced worker protection costs" means the reasonable costs
 530 incurred, prior to January 1, 2008, (A) by an electric supplier, exempt

531 wholesale generator, electric company, an operator of a nuclear power
 532 generating facility in this state or a generation entity or affiliate arising
 533 from the dislocation of any employee other than an officer, provided
 534 such dislocation is a result of (i) restructuring of the electric generation
 535 market and such dislocation occurs on or after July 1, 1998, or (ii) the
 536 closing of a Title IV source or an exempt wholesale generator, as defined
 537 in 15 USC 79z-5a, on or after January 1, 2004, as a result of such source's
 538 failure to meet requirements imposed as a result of sections 22a-197 and
 539 22a-198 and this section or those Regulations of Connecticut State
 540 Agencies adopted by the Department of Energy and Environmental
 541 Protection, as amended from time to time, in accordance with Executive
 542 Order Number 19, issued on May 17, 2000, and provided further such
 543 costs result from either the execution of agreements reached through
 544 collective bargaining for union employees or from the company's or
 545 entity's or affiliate's programs and policies for nonunion employees, and
 546 (B) by an electric distribution company or an exempt wholesale
 547 generator arising from the retraining of a former employee of an
 548 unaffiliated exempt wholesale generator, which employee was
 549 involuntarily dislocated on or after January 1, 2004, from such wholesale
 550 generator, except for cause. "Displaced worker protection costs"
 551 includes costs incurred or projected for severance, retraining, early
 552 retirement, outplacement, coverage for surviving spouse insurance
 553 benefits and related expenses.

554 [(a)] (b) The Public Utilities Regulatory Authority shall establish and
 555 [each electric distribution company shall collect a systems benefits
 556 charge to be imposed against all end use customers of each electric
 557 distribution company beginning January 1, 2000. The authority shall
 558 hold a hearing that shall be conducted as a contested case in accordance
 559 with chapter 54 to establish the amount of the systems benefits charge.
 560 The authority may revise the systems benefits charge or any element of
 561 said charge as the need arises] administer a fund to be known as the
 562 "Green Bond Fund" to pay expenses incurred in connection with
 563 programs that benefit the operation of the electric grid in the state,

564 promote energy efficiency and benefit ratepayers as set forth in
565 subsections (c) and (d) of this section. Not later than October 1, 2025, the
566 authority shall develop and implement a methodology for disbursing
567 funds to pay for such expenses. The authority shall administer the fund
568 in such a way as to limit the annual expenditures from the fund to eight
569 hundred million dollars or less.

570 (c) [Commencing on July 1, 2015, and annually thereafter, the sum of
571 two million one hundred thousand dollars shall be transferred from the
572 systems benefits charge to Operation Fuel, Incorporated, for energy
573 assistance, provided two hundred thousand dollars of such sum may be
574 used for administrative purposes. The systems benefits charge] The
575 Green Bond Fund shall [also] be used to fund (1) the expenses of the
576 public education outreach program developed under section 16-244d
577 other than expenses for authority staff, (2) the cost of hardship
578 protection measures under sections 16-262c, as amended by this act, and
579 16-262d and other hardship protections, including, but not limited to,
580 electric service bill payment programs, funding and technical support
581 for energy assistance, fuel bank and weatherization programs and
582 weatherization services, (3) the payment program to offset tax losses
583 described in section 12-94d, as amended by this act, (4) any sums paid
584 to a resource recovery authority pursuant to subsection (b) of section 16-
585 243e, as amended by this act, (5) low income conservation programs
586 approved by the Public Utilities Regulatory Authority, (6) displaced
587 worker protection costs, (7) unfunded storage and disposal costs for
588 spent nuclear fuel generated before January 1, 2000, approved by the
589 appropriate regulatory agencies, (8) postretirement safe shutdown and
590 site protection costs that are incurred in preparation for
591 decommissioning, (9) decommissioning fund contributions, (10) costs
592 associated with the Connecticut electric efficiency partner program
593 established pursuant to section 16-243v, as amended by this act, (11)
594 reinvestments and investments in energy efficiency programs and
595 technologies pursuant to section 16a-38l, as amended by this act, costs
596 associated with the electricity conservation incentive program

597 established pursuant to section 119 of public act 07-242, (12) legal,
 598 appraisal and purchase costs of a conservation or land use restriction
 599 and other related costs as the authority in its discretion deems
 600 appropriate, incurred by a municipality on or before January 1, 2000, to
 601 ensure the environmental, recreational and scenic preservation of any
 602 reservoir located within this state created by a pump storage
 603 hydroelectric generating facility, [and] (13) the residential furnace and
 604 boiler replacement program pursuant to subsection (k) of section 16-
 605 243v, as amended by this act, [. As used in this subsection, "displaced
 606 worker protection costs" means the reasonable costs incurred, prior to
 607 January 1, 2008, (A) by an electric supplier, exempt wholesale generator,
 608 electric company, an operator of a nuclear power generating facility in
 609 this state or a generation entity or affiliate arising from the dislocation
 610 of any employee other than an officer, provided such dislocation is a
 611 result of (i) restructuring of the electric generation market and such
 612 dislocation occurs on or after July 1, 1998, or (ii) the closing of a Title IV
 613 source or an exempt wholesale generator, as defined in 15 USC 79z-5a,
 614 on or after January 1, 2004, as a result of such source's failure to meet
 615 requirements imposed as a result of sections 22a-197 and 22a-198 and
 616 this section or those Regulations of Connecticut State Agencies adopted
 617 by the Department of Energy and Environmental Protection, as
 618 amended from time to time, in accordance with Executive Order
 619 Number 19, issued on May 17, 2000, and provided further such costs
 620 result from either the execution of agreements reached through
 621 collective bargaining for union employees or from the company's or
 622 entity's or affiliate's programs and policies for nonunion employees, and
 623 (B) by an electric distribution company or an exempt wholesale
 624 generator arising from the retraining of a former employee of an
 625 unaffiliated exempt wholesale generator, which employee was
 626 involuntarily dislocated on or after January 1, 2004, from such wholesale
 627 generator, except for cause. "Displaced worker protection costs"
 628 includes costs incurred or projected for severance, retraining, early
 629 retirement, outplacement, coverage for surviving spouse insurance
 630 benefits and related expenses] (14) the federally mandated congestion

631 charges, as defined in section 16-1, as amended by this act, (15) expenses
 632 associated with any power purchase agreement between an electric
 633 distribution company and a nuclear power generating facility approved
 634 by the authority pursuant to section 16a-3m, as amended by this act, (16)
 635 expenses associated with the Conservation and Load Management Plan,
 636 as approved pursuant to section 16-245m, as amended by this act, and
 637 (17) expenses associated with the operation of the Clean Energy Fund
 638 pursuant to section 16-245n, as amended by this act.

639 [(b) The amount of the systems benefits charge shall be determined
 640 by the authority in a general and equitable manner and shall be imposed
 641 on all end use customers of each electric distribution company at a rate
 642 that is applied equally to all customers of the same class in accordance
 643 with methods of allocation in effect on July 1, 1998, provided the system
 644 benefits charge shall not be imposed on customers receiving services
 645 under a special contract which is in effect on July 1, 1998, until such
 646 special contracts expire. The system benefits charge shall be imposed
 647 beginning on January 1, 2000, on all customers receiving services under
 648 a special contract which are entered into or renewed after July 1, 1998.
 649 The systems benefits charge shall have a generally applicable manner of
 650 determination that may be measured on the basis of percentages of total
 651 costs of retail sales of generation services. The systems benefits charge
 652 shall be payable on an equal basis on the same payment terms and shall
 653 be eligible or subject to prepayment on an equal basis. Any exemption
 654 of the systems benefits charge by customers under a special contract
 655 shall not result in an increase in rates to any customer.]

656 (d) Commencing on July 1, 2025, and annually thereafter, the sum of
 657 two million one hundred thousand dollars shall be transferred from the
 658 Green Bond Fund to Operation Fuel, Incorporated, for energy
 659 assistance, provided two hundred thousand dollars of such sum may be
 660 used for administrative purposes.

661 Sec. 17. Subsection (d) of section 12-94d of the general statutes is
 662 repealed and the following is substituted in lieu thereof (*Effective July 1,*

663 2025):

664 (d) On or before June fifteenth, annually, following the assessment
665 date for which the value of an electric generation facility decreases as a
666 direct result of restructuring of the electric industry, the assessor or
667 board of assessors of a municipality in which such a facility is located
668 shall certify to the Secretary of the Office of Policy and Management, on
669 a form furnished by the secretary, the amount as computed in
670 subsection (c) of this section together with supporting information as
671 the secretary may require. The secretary may reevaluate any such
672 facility when, in the secretary's judgment, the valuation is inaccurate.
673 The secretary shall review each claim and modify the value of any
674 facility included therein when, in the secretary's judgment, the value is
675 inaccurate or the facility did not decrease in value as a direct result of
676 restructuring of the electric industry. Not later than July first next
677 succeeding the assessment date for which the amount was approved by
678 the assessor or assessors, the secretary shall notify the municipality in
679 which the facility is located of the modification, in accordance with the
680 procedure set forth in subsection (e) of this section. The secretary shall,
681 on or before July fifteenth, annually, certify to the Public Utilities
682 Regulatory Authority the amount due the municipality under the
683 provisions of this section, including any modification of such amount
684 made prior to July first, and the authority shall order the payment of
685 such amount by the appropriate electric distribution company to the
686 municipality in which the facility is located according to the following
687 formula: Not later than five business days following the date on which
688 the taxes are paid by the owner of an electric generation facility in July,
689 but in no case prior to July fifteenth, the balance required to equal an
690 amount equal to half of the amount of tax for which the owner of an
691 electric generation facility is liable under this chapter with respect to
692 such facility plus half of the amount calculated in subsection (c) of this
693 section; on or before the thirty-first day of January immediately
694 following, the balance required to equal an amount equal to half of the
695 amount of tax for which the owner of an electric generation facility is

696 liable under this chapter with respect to such facility plus half of the
 697 amount calculated in subsection (c) of this section. Following the
 698 payment of taxes by the owner of an electric generation facility in July,
 699 the town shall certify to the Public Utilities Regulatory Authority the
 700 amount paid by such owner of an electric generation facility. The
 701 amount paid shall be recovered by the electric distribution company
 702 [through the systems benefits charge] from the Green Bond Fund
 703 established pursuant to section 16-245l, as amended by this act. If any
 704 modification is made as the result of the provisions of this section on or
 705 after the July fifteenth following the date on which the assessor has
 706 provided the amount in question, any adjustments to the amount due
 707 to a municipality for the period for which such modification was made
 708 shall be made in the next payment the electric distribution company
 709 shall make to such municipality pursuant to this section.

710 Sec. 18. Subdivision (2) of subsection (c) of section 12-264 of the
 711 general statutes is repealed and the following is substituted in lieu
 712 thereof (*Effective July 1, 2025*):

713 (2) For purposes of this subsection, gross earnings from providing
 714 electric transmission services or electric distribution services shall
 715 include (A) all income classified as income from providing electric
 716 transmission services or electric distribution services, as determined by
 717 the Commissioner of Revenue Services in consultation with the Public
 718 Utilities Regulatory Authority, and (B) the competitive transition
 719 assessment collected pursuant to section 16-245g, as amended by this
 720 act, other than any component of such assessment that constitutes
 721 transition property as to which an electric distribution company has no
 722 right, title or interest pursuant to subsection (a) of section 16-245h, as
 723 amended by this act, [the systems benefits charge collected pursuant to
 724 section 16-245l, the conservation adjustment mechanisms charged
 725 under section 16-245m,] and the assessments charged under section 16-
 726 245n, as amended by this act. Such gross earnings shall not include
 727 income from providing electric transmission services or electric
 728 distribution services to a company described in subsection (c) of section

729 12-265.

730 Sec. 19. Subsection (d) of section 16-24a of the general statutes is
 731 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 732 *2025*):

733 (d) The cost of low-income and discounted rates and related outreach
 734 activities pursuant to this section shall be paid (1) through the normal
 735 rate-making procedures of the department, (2) on a semiannual basis
 736 [through the systems benefits charge for an electric distribution
 737 company] from the Green Bond Fund established under section 16-245l,
 738 as amended by this act, and (3) solely from the funds of the programs
 739 modified, terminated or reduced by the department pursuant to this
 740 section and the reduced cost of providing service to those eligible for
 741 such discounted or low-income rates, any available energy assistance
 742 and other sources of coverage for such rates, including, but not limited
 743 to, generation available through the electricity purchasing pool
 744 operated by the department.

745 Sec. 20. Subsection (b) of section 16-243e of the general statutes is
 746 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 747 *2025*):

748 (b) Not later than October 1, 2000, and annually thereafter, the
 749 authority shall calculate the difference between the amount paid by the
 750 electric distribution company pursuant to each such contract in effect
 751 during the preceding fiscal year for electricity generated at the facility
 752 from waste that originated within such franchise area and the amount
 753 that would have been paid had the company been obligated to pay the
 754 rate in effect during calendar year 1999, as determined by the authority.
 755 The difference, if positive, shall be recovered [through the systems
 756 benefits charge] from the Green Bond Fund established under section
 757 16-245l, as amended by this act, and remitted to the regional resource
 758 recovery authority acting on behalf of member municipalities.

759 Sec. 21. Section 16-243h of the general statutes is repealed and the

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

761 On and after January 1, 2000, and until December 31, 2021, each
 762 electric supplier or any electric distribution company providing
 763 standard offer, transitional standard offer, standard service or back-up
 764 electric generation service, pursuant to section 16-244c, shall give a
 765 credit for any electricity generated by a customer from a Class I
 766 renewable energy source or a hydropower facility that has a nameplate
 767 capacity rating of two megawatts or less for a term ending on December
 768 31, 2041, provided any customer that has a contract approved by the
 769 Public Utilities Regulatory Authority pursuant to section 16-244r on or
 770 before December 31, 2021, shall be eligible for such credit. The electric
 771 distribution company providing electric distribution services to such a
 772 customer shall make such interconnections necessary to accomplish
 773 such purpose. An electric distribution company, at the request of any
 774 residential customer served by such company and if necessary to
 775 implement the provisions of this section, shall provide for the
 776 installation of metering equipment that (1) measures electricity
 777 consumed by such customer from the facilities of the electric
 778 distribution company, (2) deducts from the measurement the amount of
 779 electricity produced by the customer and not consumed by the
 780 customer, and (3) registers, for each billing period, the net amount of
 781 electricity either (A) consumed and produced by the customer, or (B) the
 782 net amount of electricity produced by the customer. If, in a given
 783 monthly billing period, a customer-generator supplies more electricity
 784 to the electric distribution system than the electric distribution company
 785 or electric supplier delivers to the customer-generator, the electric
 786 distribution company or electric supplier shall credit the customer-
 787 generator for the excess by reducing the customer-generator's bill for the
 788 next monthly billing period to compensate for the excess electricity from
 789 the customer-generator in the previous billing period at a rate of one
 790 kilowatt-hour for one kilowatt-hour produced. The electric distribution
 791 company or electric supplier shall carry over the credits earned from
 792 monthly billing period to monthly billing period, and the credits shall

793 accumulate until the end of the annualized period. At the end of each
 794 annualized period, the electric distribution company or electric supplier
 795 shall compensate the customer-generator for any excess kilowatt-hours
 796 generated, at the avoided cost of wholesale power. A customer who
 797 generates electricity from a generating unit with a nameplate capacity
 798 of more than ten kilowatts of electricity pursuant to the provisions of
 799 this section shall be assessed for the competitive transition assessment,
 800 pursuant to section 16-245g, as amended by this act, [and the systems
 801 benefits charge, pursuant to section 16-245l,] based on the amount of
 802 electricity consumed by the customer from the facilities of the electric
 803 distribution company without netting any electricity produced by the
 804 customer. For purposes of this section, "residential customer" means a
 805 customer of a single-family dwelling or multifamily dwelling consisting
 806 of two to four units. The Public Utilities Regulatory Authority shall
 807 establish a rate on a cents-per-kilowatt-hour basis for the electric
 808 distribution company to purchase the electricity generated by a
 809 customer pursuant to this section after December 31, 2041.

810 Sec. 22. Section 16-243v of the general statutes is repealed and the
 811 following is substituted in lieu thereof (*Effective July 1, 2025*):

812 (a) For purposes of this section: (1) "Connecticut electric efficiency
 813 partner program" means the coordinated effort among the Public
 814 Utilities Regulatory Authority, persons and entities providing enhanced
 815 demand-side management technologies, and electric consumers to
 816 conserve electricity and reduce demand in Connecticut through the
 817 purchase and deployment of energy efficient technologies; (2)
 818 "enhanced demand-side management technologies" means demand-
 819 side management solutions, customer-side emergency dispatchable
 820 generation resources, customer-side renewable energy generation, load
 821 shifting technologies and conservation and load management
 822 technologies that reduce electric distribution company customers'
 823 electric demand, and high efficiency natural gas and oil boilers and
 824 furnaces; and (3) "Connecticut electric efficiency partner" means an
 825 electric distribution company customer who acquires an enhanced

826 demand-side management technology or a person, other than an electric
827 distribution company, that provides enhanced demand-side
828 management technologies to electric distribution company customers.

829 (b) The Energy Conservation Management Board, in consultation
830 with the Renewable Energy Investments Advisory Committee, shall
831 evaluate and approve enhanced demand-side management
832 technologies that can be deployed by Connecticut electric efficiency
833 partners to reduce electric distribution company customers' electric
834 demand. Such evaluation shall include an examination of the potential
835 to reduce customers' demand, federally mandated congestion charges
836 and other electric costs. On or before October 15, 2007, the Energy
837 Conservation Management Board shall file such evaluation with the
838 Public Utilities Regulatory Authority for the authority to review and
839 approve or to review, modify and approve on or before October 15,
840 2007.

841 (c) Not later than October 15, 2007, the Energy Conservation
842 Management Board shall file with the authority for the authority to
843 review and approve or to review, modify and approve, an analysis of
844 the state's electric demand, peak electric demand and growth forecasts
845 for electric demand and peak electric demand. Such analysis shall
846 identify the principal drivers of electric demand and peak electric
847 demand, associated electric charges tied to electric demand and peak
848 electric demand growth, including, but not limited to, federally
849 mandated congestion charges and other electric costs, and any other
850 information the authority deems appropriate. The analysis shall
851 include, but not be limited to, an evaluation of the costs and benefits of
852 the enhanced demand-side management technologies approved
853 pursuant to subsection (b) of this section and establishing suggested
854 funding levels for said individual technologies.

855 (d) Commencing April 1, 2008, any person may apply to the authority
856 for certification and funding as a Connecticut electric efficiency partner.
857 Such application shall include the technologies that the applicant shall

858 purchase or provide and that have been approved pursuant to
859 subsection (b) of this section. In evaluating the application, the authority
860 shall (1) consider the applicant's potential to reduce customers' electric
861 demand, including peak electric demand, and associated electric
862 charges tied to electric demand and peak electric demand growth, (2)
863 determine the portion of the total cost of each project that shall be paid
864 for by the customer participating in this program and the portion of the
865 total cost of each project that shall be paid for by all electric ratepayers
866 and collected pursuant to subsection (h) of this section. In making such
867 determination, the authority shall ensure that all ratepayer investments
868 maintain a minimum two-to-one payback ratio, and (3) specify that
869 participating Connecticut electric efficiency partners shall maintain the
870 technology for a period sufficient to achieve such investment payback
871 ratio. The annual ratepayer contribution for projects approved pursuant
872 to this section shall not exceed sixty million dollars. Not less than
873 seventy-five per cent of such annual ratepayer investment shall be used
874 for the technologies themselves. No person shall receive electric
875 ratepayer funding pursuant to this subsection if such person has
876 received or is receiving funding from the Conservation and Load
877 Management Plan for the projects included in said person's application.
878 No person shall receive electric ratepayer funding without receiving a
879 certificate of public convenience and necessity as a Connecticut electric
880 efficiency partner by the authority. The authority may grant an
881 applicant a certificate of public convenience if it possesses and
882 demonstrates adequate financial resources, managerial ability and
883 technical competency. The authority may conduct additional requests
884 for proposals from time to time as it deems appropriate. The authority
885 shall specify the manner in which a Connecticut electric efficiency
886 partner shall address measures of effectiveness and shall include
887 performance milestones.

888 (e) Beginning February 1, 2010, a certified Connecticut electric
889 efficiency partner may only receive funding if selected in a request for
890 proposal developed, issued and evaluated by the authority. In

891 evaluating a proposal, the authority shall take into consideration the
892 potential to reduce customers' electric demand including peak electric
893 demand, and associated electric charges tied to electric demand and
894 peak electric demand growth, including, but not limited to, federally
895 mandated congestion charges and other electric costs, and shall utilize
896 a cost benefit test established pursuant to subsection (c) of this section
897 to rank responses for selection. The authority shall determine the
898 portion of the total cost of each project that shall be paid by the customer
899 participating in this program and the portion of the total cost of each
900 project that shall be paid by all electric ratepayers and collected
901 pursuant to the provisions of this subsection. In making such
902 determination, the authority shall (1) ensure that all ratepayer
903 investments maintain a minimum two-to-one payback ratio, and (2)
904 specify that participating Connecticut electric efficiency partners shall
905 maintain the technology for a period sufficient to achieve such
906 investment payback ratio. The annual ratepayer contribution shall not
907 exceed sixty million dollars. Not less than seventy-five per cent of such
908 annual ratepayer investment shall be used for the technologies
909 themselves. No Connecticut electric efficiency partner shall receive
910 funding pursuant to this subsection if such partner has received or is
911 receiving funding from the Conservation and Load Management Plan
912 for such technology. The authority may conduct additional requests for
913 proposals from time to time as it deems appropriate. The authority shall
914 specify the manner in which a Connecticut electric efficiency partner
915 shall address measures of effectiveness and shall include performance
916 milestones.

917 (f) The authority may retain the services of a third party entity with
918 expertise in areas such as demand-side management solutions,
919 customer-side renewable energy generation, customer-side distributed
920 generation resources, customer-side emergency dispatchable
921 generation resources, load shifting technologies and conservation and
922 load management investments to assist in the development and
923 operation of the Connecticut electric efficiency partner program. The

924 costs for obtaining third party services pursuant to this subsection shall
925 be recoverable [through the systems benefits charge] from the Green
926 Bond Fund established under section 16-245l, as amended by this act.

927 (g) The authority shall develop a long-term low-interest loan
928 program to assist certified Connecticut electric efficiency partners in
929 financing the customer portion of the capital costs of approved
930 enhanced demand-side management technologies. The authority may
931 establish such financing mechanism by the use of one or more of the
932 following strategies: (1) Modifying the existing long-term customer-side
933 distributed generation financing mechanism established pursuant to
934 section 16-243j, (2) negotiating and entering into an agreement with
935 Connecticut Innovations, Incorporated to establish a credit facility or to
936 utilize grants, loans or loan guarantees for the purposes of this section
937 upon such terms and conditions as Connecticut Innovations,
938 Incorporated may prescribe including provisions regarding the rights
939 and remedies available to Connecticut Innovations, Incorporated in case
940 of default, or (3) selecting by competitive bid one or more entities that
941 can provide such long-term financing.

942 (h) The authority shall provide for the payment of electric ratepayers'
943 portion of the costs of deploying enhanced demand-side management
944 technologies by implementing a contractual financing agreement with
945 Connecticut Innovations, Incorporated or a private financing entity
946 selected through an appropriate open competitive selection process. No
947 contractual financing agreements entered into with Connecticut
948 Innovations, Incorporated shall exceed ten million dollars. Any electric
949 ratepayer costs resulting from such financing agreement shall be
950 [recovered from all electric ratepayers through the systems benefits
951 charge] paid from the Green Bond Fund established under section 16-
952 245l, as amended by this act.

953 (i) On or before February 15, 2009, and annually thereafter, the
954 authority shall report to the joint standing committee of the General
955 Assembly having cognizance of matters relating to energy regarding the

956 effectiveness of the Connecticut electric efficiency partner program
957 established pursuant to this section. Said report shall include, but not be
958 limited to, an accounting of all benefits and costs to ratepayers, a
959 description of the approved technologies, the payback ratio of all
960 investments, the number of programs deployed and a list of proposed
961 projects compared to approved projects and reasons for not being
962 approved.

963 (j) On or before April 1, 2011, the Public Utilities Regulatory
964 Authority shall initiate a proceeding to review the effectiveness of the
965 program and perform a ratepayer cost-benefit analysis. Based upon the
966 authority's findings in the proceeding, the authority may modify or
967 discontinue the partnership program established pursuant to this
968 section.

969 (k) (1) As used in this section:

970 (A) "Residential retail end use customer" means any electric, gas or
971 heating fuel customer, regardless of heating source, who wishes to
972 replace heating furnace or boiler equipment, or purchase either an
973 underground or above ground propane fuel tank, including, but not
974 limited to, a propane fuel tank that the residential retail end use
975 customer leases, provided a residential retail end use customer (i) shall
976 be a customer of an electric distribution company, and (ii) shall not
977 include a customer who occupies leased premises or who does not own
978 the premises on which the replacement heating furnace or boiler
979 equipment is located or on which the underground or above ground
980 propane tank to be purchased is located or will be located;

981 (B) "Heating furnace or boiler equipment" means the primary heating
982 equipment for space and hot water needs, along with the ancillary
983 piping, pumps, duct work and associated other equipment that may be
984 required as part of the replacement of a heating furnace or boiler;

985 (C) "Furnace or boiler replacement and propane fuel tank purchase
986 funds" means any funds approved by the third-party administrator

987 pursuant to this subsection, provided (i) such funds may be used for the
988 loan principal in an amount not to exceed fifteen thousand dollars,
989 excluding interest expense associated with such loan and the expense
990 for any loan default, and (ii) participating residential retail end use
991 customers may be charged interest on the loan principal in an amount
992 not to exceed three per cent, based on income eligibility as determined
993 by the third-party administrator;

994 (D) "Electric distribution company" and "gas company" have the
995 same meanings as provided in section 16-1, as amended by this act;

996 (E) "Propane fuel tank" means a tank used to store propane fuel that
997 is used in connection with residential heating of space, hot water needs,
998 operation of an emergency generator for such space or the performance
999 of indoor installed-appliance-based cooking in such space.

1000 (2) Not later than September 1, 2013, the electric distribution and gas
1001 companies shall develop a residential furnace or boiler replacement and
1002 propane fuel tank purchase program funded by the [systems benefits
1003 charge] Green Bond Fund established pursuant to section 16-245l, as
1004 amended by this act, in a manner that minimizes the impact on
1005 ratepayers. Said program shall be reviewed and approved or modified
1006 by the Department of Energy and Environmental Protection, in
1007 consultation with the Energy Conservation Management Board, within
1008 sixty days of receipt of the plan for said program. Said program shall
1009 include a contract for retention of a third-party administrator to become
1010 effective upon approval of the program by the department. Said
1011 program shall continue until the end of the eleventh year of the
1012 program. On or before January 1, 2014, the electric distribution and gas
1013 companies shall retain the services of a third-party administrator with
1014 expertise in developing, implementing and administering residential
1015 lending programs, including credit evaluation, to provide financing for
1016 improvement projects by property owners, loan servicing and program
1017 administration. The third-party administrator shall, in conjunction with
1018 the electric distribution companies and gas companies, develop the

1019 program. On and after December 29, 2015, said program shall be
1020 amended to provide such residential lending to residential retail end use
1021 customers who seek to purchase either an underground or above
1022 ground propane fuel tank, including, but not limited to, a propane fuel
1023 tank that the residential retail end use customer leases.

1024 (3) The third-party administrator shall be responsible for extending
1025 loans and administering the residential furnace or boiler replacement
1026 and propane fuel tank purchase program to assist residential retail end
1027 use customers in funding heating furnace or boiler equipment
1028 replacements and propane fuel tank purchases that meet all of the
1029 program requirements. (A) For heating furnace or boiler equipment
1030 replacements, the program requirements shall include, but not be
1031 limited to, (i) the total projected direct cost savings to the eligible
1032 residential retail end use customer resulting from the heating furnace or
1033 boiler replacement, calculated on an annual basis commencing from the
1034 month that the replacement furnace or boiler is projected to be in
1035 service, shall be greater than the total cost of the replacement funds over
1036 the term of the program in order to qualify for the program, (ii) the
1037 eligible customer shall pay a contribution of not less than ten per cent of
1038 the total cost of the replacement or conversion of the heating furnace or
1039 boiler and any additional amounts that are required in order to meet the
1040 program requirements, (iii) eligible customers shall have six consecutive
1041 months of timely utility payments and shall not have any past due
1042 balance owed to any electric distribution company or gas company, (iv)
1043 the term of the repayment of the replacement funds shall be the lesser
1044 of (I) the simple payback period of the replacement funds plus two
1045 years, or (II) ten years, and (v) the replacement furnace or boiler shall
1046 meet or exceed federal Energy Star standards. (B) For propane fuel tank
1047 purchases, the program requirements shall include, but not be limited
1048 to, (i) eligible customers shall have six consecutive months of timely
1049 utility payments and shall not have any past due balance owed to any
1050 electric distribution company, propane seller or gas company, (ii) the
1051 term of the repayment of the replacement funds shall be not longer than

1052 ten years, and (iii) the loan recipient shall have such propane tank
1053 inspected on an annual basis and forward a certificate of inspection to
1054 the third-party administrator. In the event that such propane tank is
1055 found to need repair as a result of such inspection, any person
1056 performing such inspection shall inform the homeowner and the
1057 applicable local fire marshal. If the requisite repair is not made in a
1058 timely fashion or as otherwise recommended or ordered by the local fire
1059 marshal, said fire marshal shall render such propane tank inoperable.
1060 Eligible residential retail end use customers may apply to the third-
1061 party administrator for participation in the program. The third-party
1062 administrator shall screen each applicant to ensure that the applicant
1063 meets the eligibility requirements and such program requirements prior
1064 to accepting the customer into the program. The third-party
1065 administrator shall create awareness of the propane fuel tank purchase
1066 provisions of the program by the general public and, in particular, by
1067 residential propane purchasers.

1068 (4) Program participants shall repay the furnace or boiler
1069 replacement and propane fuel tank purchase funds through a monthly
1070 charge on the customer's residential electric or gas utility bill, provided
1071 heating fuel customers shall be able to repay such replacement and
1072 propane fuel tank purchase funds through a monthly charge on such
1073 customer's electric or gas utility bill. Furnace or boiler replacement and
1074 propane fuel tank purchase funds provided shall be reflected on the
1075 residential retail end use customer's electric service or gas account, as
1076 applicable, for the premises on which the replacement heating furnace
1077 or boiler equipment or propane fuel tank is located. If the premises are
1078 sold, the amount of replacement or propane fuel tank purchase funds
1079 remaining to be repaid shall be transferred to subsequent service
1080 account holders at such premises, who may become program
1081 participants for purposes of the repayment obligation, unless the seller
1082 and buyer agree that the loan will not be transferred.

1083 (5) Furnace or boiler replacement and propane fuel tank purchase
1084 funds shall be recovered [through the systems benefits charge of the

1085 respective electric distribution company where the heating furnace or
1086 boiler equipment or propane tank is located] from the Green Bond Fund
1087 established under section 16-245l, as amended by this act. Any program
1088 costs incurred by the third-party administrator or the propane or gas
1089 company and funds not repaid by customers who default on their
1090 repayment obligations and other costs associated with the program or
1091 customers' failure to repay replacement or propane fuel tank purchase
1092 funds to the third-party administrator shall be recovered [through the
1093 systems benefits charge] from the fund. All administrative and capital
1094 carrying costs of the electric distribution companies associated with the
1095 program shall be recovered by the companies through a reconciling
1096 component [, such as the systems benefits charge as] approved by the
1097 Public Utilities Regulatory Authority.

1098 (6) On or before January 1, 2016, and on or before January 1, 2018, the
1099 Department of Energy and Environmental Protection and the Energy
1100 Conservation Management Board shall engage an independent third
1101 party to evaluate and submit a report, in accordance with section 11-4a,
1102 to the joint standing committees of the General Assembly having
1103 cognizance of matters relating to energy and finance, revenue and
1104 bonding on the status of the program. Such report shall also include an
1105 evaluation of the program developed pursuant to section 16a-40m. The
1106 report shall include, but not be limited to, for each program, a review of
1107 (A) cost effectiveness of the program, (B) number of customers served
1108 and potential for growth, (C) the customer classes served, and (D) the
1109 fuel type of the financed equipment.

1110 (7) The third-party administrator shall be entitled to take all available
1111 legal action as may be necessary to secure the furnace or boiler
1112 replacement and propane fuel tank purchase funds and repayment of
1113 the funds, including, but not limited to, attaching liens and requiring
1114 filings to be made on applicable land records or as otherwise necessary
1115 or required.

1116 Sec. 23. Subsection (e) of section 16-245c of the general statutes is

1117 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1118 *2025*):

1119 (e) Any municipal electric utility created on or after July 1, 1998,
1120 pursuant to section 7-214 or a special act and any municipal electric
1121 utility that expands its service area on or after July 1, 1998, shall collect
1122 from its new customers the competitive transition assessment imposed
1123 pursuant to section 16-245g, as amended by this act, [the systems
1124 benefits charge imposed pursuant to section 16-245l, three mills per
1125 kilowatt hour of electricity sold for the conservation adjustment
1126 mechanisms described in section 16-245m, and the assessments charged
1127 under section 16-245n] in such manner and at such rate as the authority
1128 prescribes, provided the authority shall order the collection of said
1129 assessment [and said charge] in a manner and rate equal to that to which
1130 the customers would have been subject had the municipal electric utility
1131 not been created or expanded.

1132 Sec. 24. Subdivision (3) of subsection (h) of section 16-245e of the
1133 general statutes is repealed and the following is substituted in lieu
1134 thereof (*Effective July 1, 2025*):

1135 (3) The authority shall calculate the stranded costs for each
1136 nondivested nuclear generation asset described in subdivision (1) of
1137 subsection (d) of section 16-244g to be the difference between its book
1138 value and the market value of a prudently and efficiently managed
1139 nuclear generating facility of comparable size, age and technical
1140 characteristics in a competitive market. In determining the market value
1141 of any such asset, the authority may consider (A) the dollars per kilowatt
1142 received from the sale of similar generation facilities, if any, (B) income
1143 capitalization based on the operating history and capacity of the facility,
1144 the market rates for power, and any existing long-term contracts for the
1145 sale of power or capacity, (C) the provision for decommissioning and
1146 related costs to be paid from the [systems benefits charge] Green Bond
1147 Fund as provided in section 16-245l, as amended by this act, (D)
1148 independent market appraisals, or (E) other relevant factors. At least

1149 every four years after the date when the authority issues an initial
 1150 finding of the calculation of the stranded costs for such nondivested
 1151 nuclear generation assets as provided in this subdivision until the earlier
 1152 of (i) the expiration of the collection of the competitive transition
 1153 assessment, or (ii) the date when such an asset is divested, the authority
 1154 shall hold a hearing and issue a finding to adjust the stranded cost
 1155 calculation of each such asset and to adjust the competitive transition
 1156 assessment accordingly to true up the stranded cost recovery for the
 1157 difference between the market value projected in such initial finding
 1158 and the actual market value of a prudently and efficiently managed
 1159 nuclear generating facility of comparable size, age and technical
 1160 characteristics during the time period between the initial finding and
 1161 the adjustment date, provided the second and subsequent adjustments
 1162 shall reflect the difference during the time period since the most recent
 1163 true-up. The authority shall calculate the value of each such asset in
 1164 accordance with the methodology provided in this subdivision. Any
 1165 hearing shall be conducted as a contested case in accordance with
 1166 chapter 54.

1167 Sec. 25. Subdivision (3) of subsection (h) of section 16-245o of the
 1168 general statutes is repealed and the following is substituted in lieu
 1169 thereof (*Effective July 1, 2025*):

1170 (3) No electric supplier, aggregator or agent of an electric supplier or
 1171 aggregator shall (A) advertise or disclose the price of electricity to
 1172 mislead a reasonable person into believing that the electric generation
 1173 services portion of the bill will be the total bill amount for the delivery
 1174 of electricity to the customer's location, or (B) make any statement, oral
 1175 or written, suggesting a prospective customer is required to choose a
 1176 supplier. When advertising or disclosing the price for electricity, the
 1177 electric supplier, aggregator or agent of an electric supplier or
 1178 aggregator shall (i) disclose the electric distribution company's current
 1179 charges, including the competitive transition assessment, [and the
 1180 systems benefits charge,] for that customer class, and (ii) indicate, using
 1181 at least a ten-point font size, in a conspicuous part of any advertisement

1182 or disclosure that includes an advertised price, (I) the expiration of such
 1183 advertised price, and (II) any fixed or recurring charge, including, but
 1184 not limited to, any minimum monthly charge.

1185 Sec. 26. Subsections (b) to (d), inclusive, of section 16-245w of the
 1186 general statutes are repealed and the following is substituted in lieu
 1187 thereof (*Effective July 1, 2025*):

1188 (b) The Public Utilities Regulatory Authority shall design a process
 1189 for determining a fee to be paid by customers who have installed self-
 1190 generation facilities in order to offset any loss or potential loss in
 1191 revenue from such facilities toward the competitive transition
 1192 assessment. [the systems benefits charge, the conservation adjustment
 1193 mechanisms collected under section 16-245m and the Clean Energy
 1194 Fund assessment collected under section 16-245n.] Except as provided
 1195 in subsection (c) of this section, such fee shall apply to customers who
 1196 have installed self-generation facilities that begin operation on or after
 1197 July 1, 1998.

1198 (c) An exit fee shall not apply to a customer who has installed a self-
 1199 generation facility that (1) exclusively services the load of one to four
 1200 residential units, or (2) is installed in conjunction with the expansion of
 1201 an industrial plant that began operation before July 1, 1998, if the self-
 1202 generation facility predominantly services such industrial plant and the
 1203 expansion of said industrial plant results in economic development, as
 1204 determined by the authority. The exemption under subdivision (2) of
 1205 this subsection shall only apply to the amount of any new load provided
 1206 by the self-generation facility to service the expansion.

1207 (d) The authority shall develop criteria for excluding units based on
 1208 size or specialized use, balancing concerns of the potential impact on
 1209 small businesses, equity among customer classes, and the need to offset
 1210 losses to the competitive transition assessment. [and the systems
 1211 benefits charge.] The authority shall establish procedures for
 1212 distinguishing between existing load and new load for purposes of self-

1213 generation facilities described in subdivision (2) of subsection (c) of this
 1214 section. The authority shall determine how to identify self-generation
 1215 facilities, such as through a registration process, and how to enforce the
 1216 collection of such fees. The authority shall establish criteria to determine
 1217 how such fee shall be valued and the process for its collection, which
 1218 shall include the ability of self-generation facilities to pay the fee over a
 1219 period of time.

1220 Sec. 27. Subsection (f) of section 16-262c of the general statutes is
 1221 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 1222 *2025*):

1223 (f) If an electric supplier suffers a loss of revenue by operation of this
 1224 section, the supplier may make a claim for such revenue to the authority.
 1225 The electric distribution company shall reimburse the electric supplier
 1226 for such losses found to be reasonable by the authority at the lower of
 1227 (1) the price of the contract between the supplier and the customer, or
 1228 (2) the electric distribution company's price to customers for default
 1229 service, as determined by the authority. The electric distribution
 1230 company may recover such reimbursement, along with transaction
 1231 costs, [through the systems benefits charge] from the Green Bond Fund
 1232 established under section 16-245l, as amended by this act.

1233 Sec. 28. Subsection (b) of section 16a-38l of the general statutes is
 1234 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 1235 *2025*):

1236 (b) Any savings achieved through the implementation of said plan
 1237 shall be allocated as follows: (1) Seventy-five per cent shall be retained
 1238 by electric ratepayers, and (2) twenty-five per cent shall be divided
 1239 equally between (A) reinvestment into energy efficiency programs in
 1240 state buildings, and (B) investment into energy efficiency programs and
 1241 technologies on behalf of participants of energy assistance programs
 1242 administered by the Department of Social Services. Any reinvestments
 1243 or investments made in programs pursuant to this section shall be paid

1244 [through the systems benefits charge] from the Green Bond Fund
1245 established under section 16-245l, as amended by this act.

1246 Sec. 29. Subsection (b) of section 33-219 of the general statutes is
1247 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1248 *2025*):

1249 (b) Notwithstanding the provisions of subsection (a) of this section,
1250 cooperative, nonprofit, membership corporations may be organized
1251 under this chapter for the purpose of generating electric energy by
1252 means of cogeneration technology, renewable energy resources or both
1253 and supplying it to any member or supplying it to, purchasing it from
1254 or exchanging it with a public service company, electric supplier, as
1255 defined in section 16-1, as amended by this act, municipal aggregator,
1256 as defined in said section, municipal utility or municipal electric energy
1257 cooperative, in accordance with an agreement with the company,
1258 electric supplier, electric aggregator, municipal utility or cooperative.
1259 No membership corporation under this subsection may exercise those
1260 powers contained in subsection (i) or (j) of section 33-221 unless the prior
1261 approval of the Public Utilities Regulatory Authority is obtained, after
1262 opportunity for hearing in accordance with title 16 and chapter 54. Any
1263 cooperative organized on or after July 1, 1998, pursuant to this
1264 subsection shall collect from its members the competitive transition
1265 assessment levied pursuant to section 16-245g, as amended by this act,
1266 [and the systems benefits charge levied pursuant to section 16-245l] in
1267 such manner and at such rate as the Public Utilities Regulatory
1268 Authority prescribes, provided the authority shall order the collection
1269 of said assessment and said charge in a manner and rate equal to that to
1270 which the members of the cooperative would have been subject had the
1271 cooperative not been organized.

1272 Sec. 30. Subdivision (3) of subsection (e) of section 16a-3m of the
1273 general statutes is repealed and the following is substituted in lieu
1274 thereof (*Effective July 1, 2025*):

1275 (3) Any agreement entered into pursuant to subdivision (2) of this
 1276 subsection shall be subject to review and approval by the Public Utilities
 1277 Regulatory Authority. The electric distribution company shall file an
 1278 application for the approval of any such agreement with the authority.
 1279 The authority's review shall commence upon the filing of the signed
 1280 power purchase agreement with the authority. The authority shall
 1281 approve agreements that it determines (A) provide for the delivery of
 1282 adequate and reliable products and services, for which there is a clear
 1283 public need, at a just and reasonable price, (B) are prudent and cost
 1284 effective, and (C) that the respondent to the solicitation has the technical,
 1285 financial and managerial capabilities to perform pursuant to such
 1286 agreement. For any eligible nuclear power generating facility selected in
 1287 any solicitation described in subsection (g) of this section, the authority
 1288 shall require any such agreement to be conditioned upon the approval
 1289 of such a power purchase agreement or other agreement for energy,
 1290 capacity and any environmental attributes, or any combination thereof,
 1291 with such eligible nuclear power generating facility, in at least two other
 1292 states, by the applicable officials of such states or by electric utilities or
 1293 other entities designated by the applicable officials of such states. The
 1294 authority shall issue a decision not later than one hundred eighty days
 1295 after such filing. If the authority does not issue a decision within one
 1296 hundred eighty days after such filing, the agreement shall be deemed
 1297 approved. The net costs of any such agreement, including costs incurred
 1298 by the electric distribution company under the agreement and
 1299 reasonable costs incurred by the electric distribution company in
 1300 connection with the agreement, shall be [recovered on a timely basis
 1301 through a nonbypassable fully reconciling component of electric rates
 1302 for all customers of the electric distribution company] paid from the
 1303 Green Bond Fund established pursuant to section 16-245I, as amended
 1304 by this act. Any net revenues from the sale of products purchased in
 1305 accordance with long-term contracts entered into pursuant to this
 1306 subsection shall be credited to [customers through the same
 1307 nonbypassable fully reconciling rate component for all customers of the
 1308 contracting electric distribution company] said fund.

1309 Sec. 31. Subdivision (2) of subsection (c) of section 12-264 of the
1310 general statutes is repealed and the following is substituted in lieu
1311 thereof (*Effective July 1, 2025*):

1312 (2) For purposes of this subsection, gross earnings from providing
1313 electric transmission services or electric distribution services shall
1314 include (A) all income classified as income from providing electric
1315 transmission services or electric distribution services, as determined by
1316 the Commissioner of Revenue Services in consultation with the Public
1317 Utilities Regulatory Authority, and (B) the competitive transition
1318 assessment collected pursuant to section 16-245g, as amended by this
1319 act, other than any component of such assessment that constitutes
1320 transition property as to which an electric distribution company has no
1321 right, title or interest pursuant to subsection (a) of section 16-245h, as
1322 amended by this act. [, the systems benefits charge collected pursuant to
1323 section 16-245l, the conservation adjustment mechanisms charged
1324 under section 16-245m, and the assessments charged under section 16-
1325 245n.] Such gross earnings shall not include income from providing
1326 electric transmission services or electric distribution services to a
1327 company described in subsection (c) of section 12-265.

1328 Sec. 32. Section 16-243n of the general statutes is repealed and the
1329 following is substituted in lieu thereof (*Effective July 1, 2025*):

1330 (a) Not later than [October 1, 2005] July 1, 2026, each electric
1331 distribution company, as defined in section 16-1, as amended by this act,
1332 shall submit an application to the Public Utilities Regulatory Authority
1333 to [(1) on or before January 1, 2007,] implement time-of-use rates for (1)
1334 residential customers, [that have a maximum demand of not less than
1335 three hundred fifty kilowatts that may include, but not be limited to,
1336 mandatory peak, shoulder and off-peak time-of-use rates, and (2) on or
1337 before June 1, 2006, offer optional interruptible or load response rates
1338 for customers that have a maximum demand of not less than three
1339 hundred fifty kilowatts and offer optional seasonal and time-of-use
1340 rates for all customers. The application shall propose to establish time-

1341 of-use rates through a procurement plan, revenue neutral adjustments
1342 to delivery rates, or both] and (2) commercial and industrial customers.

1343 (b) [Not later than November 1, 2005, each electric distribution
1344 company shall submit an application to the Public Utilities Regulatory
1345 Authority to implement mandatory seasonal rates for all customers
1346 beginning April 1, 2007.] (1) Transmission and distribution time-of-use
1347 rates submitted pursuant to subsection (a) of this section shall provide
1348 for fixed rates across twenty-four-hour cycles based on projected
1349 seasonal demand that include on-peak rates for the period between the
1350 hours of four o'clock p.m. and seven o'clock p.m. each weekday. Such
1351 peak rates shall be not less than three hundred per cent higher than rates
1352 for off-peak hours. Such time-of-use rates shall be based on revenue
1353 recovery for hourly kilowatt sales and shall not include any demand
1354 charge for any rate tariff.

1355 (2) Each application shall propose to establish (A) such time-of-use
1356 rates through an approved revenue recovery mechanism for
1357 transmission and distribution rates, and (B) a monthly revenue
1358 reconciliation mechanism whereby any revenue undercollected or
1359 overcollected through such time-of-use rates is recovered or refunded,
1360 as appropriate, through a subsequent billing reconciliation adjustment.
1361 Such adjustment shall adhere to an approved recovery mechanism that
1362 adds or deducts from the hourly time-of-use base rates.

1363 (c) The authority shall hold a hearing that shall be conducted as a
1364 contested case, in accordance with the provisions of chapter 54, to
1365 approve, reject or modify applications submitted pursuant to subsection
1366 (a) [or (b)] of this section. No application for time-of-use rates shall be
1367 approved by the authority unless (1) such rates reasonably reflect the
1368 cost of service during their respective time-of-use periods, [and] (2) the
1369 Connecticut Energy Procurement Authority has provided an
1370 assessment or recommendations concerning such rates, (3) the costs
1371 associated with implementation, the impact on customers and benefits
1372 to the utility system justify implementation of such rates, and [(3)] (4)

1373 such rates alter patterns of customer consumption of electricity without
1374 undue adverse effect on the customer.

1375 (d) Each electric distribution company shall assist customers to help
1376 manage loads and reduce peak consumption through the
1377 comprehensive plan developed pursuant to section 16-245m, as
1378 amended by this act.

1379 Sec. 33. Subsections (a) and (b) of section 16-19f of the general statutes
1380 are repealed and the following is substituted in lieu thereof (*Effective July*
1381 *1, 2025*):

1382 (a) As used in this section and section 16-243n, as amended by this
1383 act:

1384 (1) "Cost of service" means an electric utility rate for a class of
1385 consumer which is designed, to the maximum extent practicable, to
1386 reflect the cost to the utility in providing electric service to such class;

1387 (2) "Declining block rate" means an electric utility rate for a class of
1388 consumer which prices successive blocks of electricity consumed by
1389 such consumer at lower per-unit prices;

1390 (3) ["Time of day rate"] "Time-of-use rate" means an electric utility
1391 rate for a class of consumer [which] that is designed to (A) reflect the
1392 cost to the utility of providing electricity to such consumer at different
1393 times of the day, and (B) create adequate price elasticity that incentivizes
1394 targeted electric load growth and system efficiency;

1395 [(4) "Seasonal rate" means an electric utility rate for a class of
1396 consumer designed to reflect the cost to the utility in providing
1397 electricity to such consumer during different seasons of the year;

1398 (5) "Electric vehicle time of day rate" means an electric utility rate for
1399 a class of consumer designed to reflect the cost to the utility of providing
1400 electricity to such consumer charging an electric vehicle at an electric
1401 vehicle charging station at different times of the day, but shall not

1402 include demand charges;]

1403 [(6)] (4) "Electric vehicle charging station" means an electric
1404 component assembly or cluster of component assemblies designed
1405 specifically to charge batteries within electric vehicles by permitting the
1406 transfer of electric energy to a battery or other storage device in an
1407 electric vehicle;

1408 [(7)] (5) "Public electric vehicle charging station" means an electric
1409 vehicle charging station located at a publicly available parking space;

1410 [(8)] (6) "Publicly available parking space" means a parking space that
1411 has been designated by a property owner or lessee to be available to,
1412 and accessible by, the public and may include on-street parking spaces
1413 and parking spaces in surface lots or parking garages, but shall not
1414 include: (A) A parking space that is part of, or associated with, a private
1415 residence; (B) a parking space that is reserved for the exclusive use of an
1416 individual driver or vehicle or for a group of drivers or vehicles, such as
1417 employees, tenants, visitors, residents of a common interest
1418 development, or residents of an adjacent building; or (C) a parking
1419 space reserved for persons who are blind and persons with disabilities
1420 as described in section 14-253a;

1421 [(9)] "Interruptible rate" means an electric utility rate designed to
1422 reflect the cost to the utility in providing service to a consumer where
1423 such consumer permits his service to be interrupted during periods of
1424 peak electrical demand; and]

1425 [(10)] (7) "Load management techniques" means cost-effective
1426 techniques used by an electric utility to reduce the maximum kilowatt
1427 demand on the utility; and

1428 (8) "On-peak" means the period between the hours of four o'clock
1429 p.m. and seven o'clock p.m. each weekday.

1430 (b) [The] Not later than October 1, 2026, the Public Utilities

1431 Regulatory Authority shall, with respect to each electric public service
 1432 company, [shall (1) within two years, consider and determine whether
 1433 it is appropriate to implement any of the following rate design
 1434 standards: (A) Cost of service; (B) prohibition of declining block rates;
 1435 (C) time of day rates; (D) seasonal rates; (E) interruptible rates; and (F)
 1436 load management techniques, and (2) not later than June 1, 2017,
 1437 consider and determine whether it is appropriate to implement electric
 1438 vehicle time of day rates] implement time-of-use hourly rates for
 1439 residential and commercial customers. The consideration of said
 1440 standards by the authority shall be made after public notice and hearing.
 1441 Such hearing may be held concurrently with a hearing required
 1442 pursuant to subsection (b) of section 16-19e. The authority shall make a
 1443 determination on whether it is appropriate to implement any of said
 1444 standards. Said determination shall be in writing, shall take into
 1445 consideration the evidence presented at the hearing and shall be
 1446 available to the public. A standard shall be deemed to be appropriate
 1447 for implementation if such implementation would encourage energy
 1448 conservation, optimal and efficient use of facilities and resources by an
 1449 electric public service company and equitable rates for electric
 1450 consumers approved by the authority. If the authority does not approve
 1451 such rates on or before October 1, 2026, the time-of-use-hourly rates
 1452 submitted to the authority by the Connecticut Energy Procurement
 1453 Authority pursuant to section 4 of this act shall be deemed approved.

1454 Sec. 34. Section 16-243w of the general statutes is repealed and the
 1455 following is substituted in lieu thereof (*Effective July 1, 2025*):

1456 (a) On or before [July 1, 2007] January 1, 2026, each electric
 1457 distribution company shall submit a plan to the Public Utilities
 1458 Regulatory Authority to deploy an advanced metering system. [In lieu
 1459 of submitting a plan pursuant to this section, an electric distribution
 1460 company may seek a determination by the authority that] If such
 1461 company's existing metering system meets the requirements of this
 1462 section, such company shall use such existing metering system. Such
 1463 metering systems shall support net metering and be capable of tracking

1464 hourly consumption to support proactive customer pricing signals
1465 through innovative time-of-use rate design [, such as time-of-day or
1466 real-time pricing of electric service for all customer classes] as described
1467 in section 16-243n, as amended by this act.

1468 (b) Each plan to implement an advanced metering system
1469 developedPle pursuant to subsection (a) of this section shall outline an
1470 implementation schedule whereby meters and any network necessary
1471 to support such meters are fully deployed on or before January 1, [2009.
1472 On] 2027, provided on or after January 1, [2009] 2027, any customer may
1473 obtain a meter on demand.

1474 (c) The cost of the advanced metering system, including, but not
1475 limited to, the meters, the network to support the meters, software and
1476 vendor costs to obtain the required information from the metering
1477 system and administrative, installation, operation maintenance costs,
1478 shall be borne by the electric distribution company and shall be
1479 recoverable in rates if the Connecticut Energy Procurement Authority
1480 has certified such company's compliance with the requirements of the
1481 customer education and engagement program pursuant to section 8 of
1482 this act. Any unrecovered cost of the current metering system shall
1483 continue to be reflected in rates.

1484 (d) Not later than [six months after June 4, 2007] January 1, 2028,
1485 electric distribution companies, competitive electric suppliers and
1486 aggregators shall offer time-of-use pricing options to all customer
1487 classes. These pricing options shall include, but not be limited to, hourly
1488 and real-time pricing options.

1489 Sec. 35. (NEW) (*Effective July 1, 2025*) (a) There is established a fund
1490 to be known as the "Energy Infrastructure Transition Fund". The fund
1491 shall be administered by the Connecticut Energy Procurement
1492 Authority for the purpose of supporting the adoption of smart meter
1493 infrastructure and electric billing system upgrades, electric vehicle
1494 infrastructure adoption, distribution system and substation upgrades,

1495 efforts to increase the electrification of heating and cooling systems, and
1496 the deployment of battery storage technologies located behind customer
1497 electric meters in the state.

1498 (b) Not later than December 1, 2025, and every three years thereafter,
1499 each electric distribution company, as defined in section 16-1 of the
1500 general statutes, as amended by this act, shall submit to the authority an
1501 energy infrastructure transition plan, in accordance with the provisions
1502 of this section, to implement smart metering programs and
1503 infrastructure upgrades, load settlement and billing system upgrades,
1504 distribution system updates and load factor optimization investments.
1505 The authorities shall advise and assist the electric distribution
1506 companies in the development of such plan.

1507 (c) Programs included in the plan developed and submitted pursuant
1508 to subsection (b) of this section may include, but not be limited to:

1509 (1) Advanced metering infrastructure to support the collection,
1510 storage and utilization of hourly interval usage data from customer
1511 electricity consumption for the purpose of procuring, settlement and
1512 billing of time-of-use electric rates;

1513 (2) Billing system upgrades that allow an electric distribution
1514 company to incorporate time-of-use rates and accurately bill end use
1515 customers according to such rates on a monthly basis, provided each
1516 electric distribution company shall publish detailed hourly usage by
1517 each such customer and prices on an Internet-based application that can
1518 be accessed by such customer;

1519 (3) Distribution system and substation infrastructure upgrades to
1520 improve or replace existing infrastructure to accommodate additional
1521 electric loads resulting from heat pump conversions, battery storage
1522 installations and electric vehicle charging infrastructure, provided such
1523 plan includes proposed performance metrics related to investments and
1524 load-growth metrics and plans to include such conversions, installations
1525 and infrastructure;

1526 (4) Residential demand response solutions including (A) smart
1527 inverter controls whereby the output of solar photovoltaic systems is
1528 modulated by an electric distribution company based on electric system
1529 demand; (B) smart thermostats, water heaters or electric vehicle
1530 chargers that can shift or pause electricity usage to benefit customers
1531 based on time-of-use rates or to reduce electric system demand; and

1532 (5) Electric vehicle fleet battery dispatch technologies that allow
1533 electric vehicle fleets to dispatch energy stored by such vehicles back to
1534 the electric grid during times of peak electricity demand.

1535 (d) Any plan submitted pursuant to this section shall include a
1536 detailed budget sufficient to fund the programs described in such plan,
1537 in whole, in part, or in increments, as applicable, and be evaluated and
1538 selected within an integrated supply and demand planning framework
1539 developed by the authority. The authority shall, in an uncontested
1540 proceeding during which the authority shall hold a public meeting,
1541 approve, modify or reject any such plan. Following approval by the
1542 authority, the authority shall assist the companies in implementing such
1543 plan. Not later than sixty days after the approval of a plan under this
1544 section, the authority shall disburse payments to the electric distribution
1545 company in accordance with the approved plan.

1546 (e) In addition to the purposes set out in subsections (b) and (c) of this
1547 section, moneys from the fund may be used for the payment of any
1548 administrative and operational expenses incurred by the authority.

1549 (f) Each electric distribution company shall collect an energy
1550 infrastructure transition adjustment mechanism to capitalize the fund
1551 by collecting an amount equal to seven mills per kilowatt hour of
1552 electricity sold to each end use customer of an electric distribution
1553 company. Each electric distribution company shall remit the funds
1554 collected through such mechanism to the authority for deposit in the
1555 fund on a monthly basis.

1556 (g) The authority may negotiate and enter into an agreement with a

1557 financial institution, as defined in section 36a-41 of the general statutes,
 1558 whereby the funds collected, or projected to be collected, pursuant to
 1559 subsection (f) of this section are pledged as security pursuant to a
 1560 financial instrument or instruments under which the authority obtains
 1561 operating capital for the purposes set forth in this section, provided the
 1562 term of any such instrument or instruments shall not exceed twenty
 1563 years.

1564 (h) The authority shall administer the funds in a manner designed to
 1565 offset designated infrastructure investments made by electric
 1566 distribution companies and approved recovery through rates by electric
 1567 distribution companies for investments allowed under the fund.

1568 Sec. 36. Subdivision (1) of subsection (d) of section 16-245m of the
 1569 general statutes is repealed and the following is substituted in lieu
 1570 thereof (*Effective July 1, 2025*):

1571 (d) (1) Not later than November 1, 2012, and every three years
 1572 thereafter, electric distribution companies, as defined in section 16-1, as
 1573 amended by this act, in coordination with the gas companies, as defined
 1574 in section 16-1, as amended by this act, shall submit to the Energy
 1575 Conservation Management Board a combined electric and gas
 1576 Conservation and Load Management Plan, in accordance with the
 1577 provisions of this section, to implement cost-effective energy
 1578 conservation programs, demand management and market
 1579 transformation initiatives. All supply and conservation and load
 1580 management options shall be evaluated and selected within an
 1581 integrated supply and demand planning framework. Services provided
 1582 under the plan shall be available to all customers of electric distribution
 1583 companies and gas companies, provided a customer of an electric
 1584 distribution company may not be denied such services based on the fuel
 1585 such customer uses to heat such customer's home. The Energy
 1586 Conservation Management Board shall advise and assist the electric
 1587 distribution companies and gas companies in the development of such
 1588 plan. The Energy Conservation Management Board shall approve the

1589 plan before transmitting it to the Commissioner of Energy and
1590 Environmental Protection for approval. The commissioner shall, in an
1591 uncontested proceeding during which the commissioner may hold a
1592 public meeting, approve, modify or reject said plan prepared pursuant
1593 to this subsection. Following approval by the commissioner, the board
1594 shall assist the companies in implementing the plan and collaborate
1595 with the Connecticut Green Bank to further the goals of the plan. Said
1596 plan shall include a detailed budget sufficient to fund all energy
1597 efficiency that is cost-effective or lower cost than acquisition of
1598 equivalent supply, and shall be reviewed and approved by the
1599 commissioner. [The Public Utilities Regulatory Authority shall, not later
1600 than sixty days after the plan is approved by the commissioner, ensure
1601 that the balance of revenues required to fund such plan is provided
1602 through fully reconciling conservation adjustment mechanisms. Electric
1603 distribution companies shall collect a conservation adjustment
1604 mechanism that ensures the plan is fully funded by collecting an
1605 amount that is not more than the sum of six mills per kilowatt hour of
1606 electricity sold to each end use customer of an electric distribution
1607 company during the three years of any Conservation and Load
1608 Management Plan. The authority shall ensure that the revenues
1609 required to fund such plan with regard to gas companies are provided
1610 through a fully reconciling conservation adjustment mechanism for
1611 each gas company of not more than the equivalent of four and six-tenth
1612 cents per hundred cubic feet during the three years of any Conservation
1613 and Load Management Plan.] The costs of said plan shall be funded
1614 from the Green Bond Fund established pursuant to section 16-245l, as
1615 amended by this act. Said plan shall include steps that would be needed
1616 to achieve the goal of weatherization of eighty per cent of the state's
1617 residential units by 2030 and to reduce energy consumption by 1.6
1618 million MMBtu, or the equivalent megawatts of electricity, as defined in
1619 subdivision (4) of section 22a-197, annually each year for calendar years
1620 commencing on and after January 1, 2020, up to and including calendar
1621 year 2025. Each program contained in the plan shall be reviewed by such
1622 companies and accepted, modified or rejected by the Energy

1623 Conservation Management Board prior to submission to the
1624 commissioner for approval. The Energy Conservation Management
1625 Board shall, as part of its review, examine opportunities to offer joint
1626 programs providing similar efficiency measures that save more than
1627 one fuel resource or otherwise to coordinate programs targeted at
1628 saving more than one fuel resource. Any costs for joint programs shall
1629 be allocated equitably among the conservation programs. The Energy
1630 Conservation Management Board shall give preference to projects that
1631 maximize the reduction of federally mandated congestion charges.

1632 Sec. 37. Subsection (b) of section 16-245n of the general statutes is
1633 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1634 *2025*):

1635 (b) On and after July 1, [2004] 2025, the Public Utilities Regulatory
1636 Authority shall [assess or cause to be assessed a charge of not less than
1637 one mill per kilowatt hour charged to each end use customer of electric
1638 services in this state which shall be deposited] deposit into the Clean
1639 Energy Fund established under subsection (c) of this section funds from
1640 the Green Bond Fund established pursuant to section 16-245l, as
1641 amended by this act, that the authority determines are necessary for the
1642 operation of the Clean Energy Fund.

1643 Sec. 38. Section 16-245e of the general statutes is repealed and the
1644 following is substituted in lieu thereof (*Effective July 1, 2025*):

1645 (a) As used in this section, sections 16-245f to 16-245k, inclusive, as
1646 amended by this act, and section 16-245m, as amended by this act:

1647 (1) "Rate reduction bonds" means bonds, notes, certificates of
1648 participation or beneficial interest, or other [evidences] evidence of
1649 indebtedness or ownership, issued pursuant to an executed indenture
1650 or other agreement of a financing entity, in accordance with this section
1651 and sections 16-245f to 16-245k, inclusive, as amended by this act, the
1652 proceeds of which are used, directly or indirectly, to provide, recover,
1653 finance, or refinance stranded costs, storm costs or economic recovery

1654 transfer, or to sustain funding of conservation and load management
1655 and renewable energy investment programs by substituting for
1656 disbursements to the General Fund from the Conservation and Load
1657 Management Plan established by section 16-245m, as amended by this
1658 act, and from the Clean Energy Fund established by section 16-245n, as
1659 amended by this act, and which, directly or indirectly, are secured by,
1660 evidence ownership interests in, or are payable from, transition
1661 property;

1662 (2) "Competitive transition assessment" means those nonbypassable
1663 rates and other charges, that are authorized by the authority (A) in a
1664 financing order in respect to the economic recovery transfer, or in a
1665 financing order, to sustain funding of conservation and load
1666 management and renewable energy investment programs by
1667 substituting disbursements to the General Fund from proceeds of rate
1668 reduction bonds for such disbursements from the Conservation and
1669 Load Management Plan established by section 16-245m, as amended by
1670 this act, and from the Clean Energy Fund established by section 16-245n,
1671 as amended by this act, or to recover those stranded costs or storm costs
1672 that are eligible to be funded with the proceeds of rate reduction bonds
1673 pursuant to section 16-245f, as amended by this act, and the costs of
1674 providing, recovering, financing, or refinancing the economic recovery
1675 transfer or such substitution of disbursements to the General Fund or
1676 such stranded costs or storm costs through a plan approved by the
1677 authority in the financing order, including the costs of issuing, servicing,
1678 and retiring rate reduction bonds, (B) to recover those stranded costs or
1679 storm costs determined under this section but not eligible to be funded
1680 with the proceeds of rate reduction bonds pursuant to section 16-245f,
1681 as amended by this act, or (C) to recover costs determined under
1682 subdivision (1) of subsection (e) of section 16-244g. If requested by the
1683 electric distribution company, the authority shall include in the
1684 competitive transition assessment nonbypassable rates and other
1685 charges to recover federal and state taxes whose recovery period is
1686 modified by the transactions contemplated in this section and sections

1687 16-245f to 16-245k, inclusive, as amended by this act;

1688 (3) "Customer" means any individual, business, firm, corporation,
1689 association, tax-exempt organization, joint stock association, trust,
1690 partnership, limited liability company, the United States or its agencies,
1691 this state, any political subdivision thereof or state agency that
1692 purchases electric generation or distribution services as a retail end user
1693 in the state from any electric supplier or electric distribution company;

1694 (4) "Finance authority" means the state, acting through the office of
1695 the State Treasurer;

1696 (5) "Net proceeds" means the book income from the sale or divestiture
1697 of assets, consisting of sales price less reasonable expenses of sale,
1698 related income and other;

1699 (6) "Stranded costs" means that portion of generation assets,
1700 generation-related regulatory assets or long-term contract costs
1701 determined by the authority in accordance with the provisions of
1702 subsections (e), (f), (g) and (h) of this section;

1703 (7) "Generation assets" means the total construction and other capital
1704 asset costs of generation facilities approved for inclusion in rates before
1705 July 1, 1997, but does not include any costs relating to the
1706 decommissioning of any such facility or any costs which the authority
1707 found during a proceeding initiated before July 1, 1998, were incurred
1708 because of imprudent management;

1709 (8) "Generation-related regulatory assets" means generation-related
1710 costs authorized or mandated before July 1, 1998, by the Public Utilities
1711 Regulatory Authority, approved for inclusion in the rates, and include,
1712 but are not limited to, costs incurred for deferred taxes, conservation
1713 programs, environmental protection programs, public policy costs and
1714 research and development costs, net of any applicable credits payable
1715 to customers, but does not include any costs which the authority found
1716 during a proceeding initiated before July 1, 1998, were incurred because

1717 of imprudent management;

1718 (9) "Long-term contract costs" mean the above-market portion of the
1719 costs of contractual obligations approved for inclusion in the rates that
1720 were entered into before January 1, 2000, arising from independent
1721 power producer contracts required by law or purchased power
1722 contracts approved by the Federal Energy Regulatory Commission;

1723 (10) "Financing entity" means the finance authority or any special
1724 purpose trust or other entity that is authorized by the finance authority,
1725 or, in the case of rate reduction bonds to recover storm costs, authorized
1726 by the Public Utilities Regulatory Authority pursuant to a financing
1727 order, to issue rate reduction bonds or acquire transition property
1728 pursuant to such terms and conditions as the finance authority, or said
1729 authority, if applicable, may specify, or both;

1730 (11) "Financing order" means an order of the authority adopted in
1731 accordance with this section and sections 16-245f to 16-245k, inclusive,
1732 as amended by this act;

1733 (12) "Transition property" means the irrevocable property right
1734 created pursuant to this section and sections 16-245f to 16-245k,
1735 inclusive, as amended by this act, in respect to the economic recovery
1736 transfer or in respect of disbursements to the General Fund to sustain
1737 funding of conservation and load management and renewable energy
1738 investment programs or those stranded costs or storm costs that are
1739 eligible to be funded with the proceeds of rate reduction bonds pursuant
1740 to section 16-245f, as amended by this act, including, without limitation,
1741 the right, title, and interest of an electric distribution company or its
1742 transferee or the financing entity (A) in and to the rates and charges
1743 established pursuant to a financing order, as adjusted from time to time
1744 in accordance with subdivision (2) of subsection (b) of section 16-245i,
1745 as amended by this act, and the financing order, (B) to be paid the
1746 amount that is determined in a financing order to be the amount that
1747 the electric distribution company or its transferee or the financing entity

1748 is lawfully entitled to receive pursuant to the provisions of this section
1749 and sections 16-245f to 16-245k, inclusive, as amended by this act, and
1750 the proceeds thereof, and in and to all revenues, collections, claims,
1751 payments, money, or proceeds of or arising from the rates and charges
1752 or constituting the competitive transition assessment that is the subject
1753 of a financing order including those nonbypassable rates and other
1754 charges referred to in subdivision (2) of this subsection, and (C) in and
1755 to all rights to obtain adjustments to the rates and charges pursuant to
1756 the terms of subdivision (2) of subsection (b) of section 16-245i, as
1757 amended by this act, and the financing order. "Transition property" shall
1758 constitute a current and irrevocable property right notwithstanding the
1759 fact that the value of the property right will depend on consumers using
1760 electricity or, in those instances where consumers are customers of a
1761 particular electric distribution company, the electric distribution
1762 company performing certain services;

1763 (13) "State rate reduction bonds" means the rate reduction bonds
1764 issued on June 23, 2004, by the state to sustain funding of conservation
1765 and load management and renewable energy investment programs by
1766 substituting for disbursements to the General Fund from the
1767 Conservation and Load Management Plan, established by section 16-
1768 245m, as amended by this act, and from the Clean Energy Fund,
1769 established by section 16-245n, as amended by this act. The state rate
1770 reduction bonds for the purposes of section 4-30a shall be deemed to be
1771 outstanding indebtedness of the state;

1772 (14) "Operating expenses" means, with respect to state rate reduction
1773 bonds or economic recovery revenue bonds, (A) all expenses, costs and
1774 liabilities of the state or the trustee incurred in connection with the
1775 administration or payment of the state rate reduction bonds or economic
1776 recovery revenue bonds, or in discharge of its obligations and duties
1777 under the state rate reduction bonds or economic recovery revenue
1778 bonds, or bond documents, expenses and other costs and expenses
1779 arising in connection with the state rate reduction bonds or economic
1780 recovery revenue bonds, or pursuant to the financing order providing

1781 for the issuance of such bonds including any arbitrage rebate and
1782 penalties payable under the code in connection with such bonds, and
1783 (B) all fees and expenses payable or disbursable to the servicers or others
1784 under the bond documents;

1785 (15) "Bond documents" means, with respect to state rate reduction
1786 bonds or economic recovery revenue bonds, the following documents:
1787 The servicing agreements, the tax compliance agreement and certificate,
1788 and the continuing disclosure agreement and indenture entered into in
1789 connection with the state rate reduction bonds or the economic recovery
1790 revenue bonds;

1791 (16) "Indenture" means the indenture executed in connection with the
1792 state rate reduction bonds or the economic recovery revenue bonds, or,
1793 with respect to state rate reduction bonds, the RRB Indenture, dated as
1794 of June 23, 2004, by and between the state and the trustee, as amended
1795 from time to time;

1796 (17) "Trustee" means, with respect to state rate reduction bonds, the
1797 trustee appointed under the indenture;

1798 (18) "Economic recovery transfer" means the disbursement to the
1799 General Fund of nine hundred fifty-six million dollars from proceeds of
1800 the issuance of the economic recovery revenue bonds; and

1801 (19) "Economic recovery revenue bonds" means rate reduction bonds
1802 issued to fund the economic recovery transfer, the costs of issuance,
1803 credit enhancements, operating expenses and such other costs as the
1804 finance authority deems necessary or advisable, and which shall be
1805 payable from competitive transition assessment charges that replace the
1806 competitive transition assessment charges funding stranded costs; [.]
1807 and

1808 (20) "Storm costs" means (A) costs determined by the Public Utilities
1809 Regulatory Authority, after a hearing conducted as a contested case in
1810 accordance with chapter 54, to have been prudently incurred by an

1811 electric distribution company for preparation, restoration and response
1812 to storm damage disrupting the normal operation of the electric system;
1813 and (B) in each case, all related fees, expenses and transaction costs
1814 incurred in connection with the issuance, servicing, retirement or
1815 refinancing of rate reduction bonds whose proceeds are used to pay off
1816 storm costs.

1817 (b) The authority shall, in accordance with the provisions of this
1818 section, identify and calculate, upon application by an electric
1819 distribution company, those stranded costs or storm costs that may be
1820 collected through the competitive transition assessment which shall be
1821 calculated and collected in accordance with the provisions of section 16-
1822 245g, as amended by this act. No electric distribution company shall be
1823 eligible to claim stranded costs unless a public auction has been held to
1824 divest itself of all nonnuclear generation assets or the electric
1825 distribution company has sold its nonnuclear generation assets in
1826 accordance with section 16-43.

1827 (c) (1) Notwithstanding subdivision (1) of subsection (e) of section 16-
1828 244g, any electric distribution company seeking to claim stranded costs
1829 shall, in accordance with this subsection, mitigate such costs to the
1830 fullest extent possible. Prior to the approval by the authority of any
1831 stranded costs, the electric distribution company shall show to the
1832 satisfaction of the authority that the electric distribution company has
1833 taken all reasonable steps to mitigate to the maximum extent possible
1834 the total amount of stranded costs that it seeks to claim and to minimize
1835 the cost to be recovered from customers. Mitigation shall include: (A)
1836 Except to the extent provided in collective bargaining agreements or
1837 agreements to purchase generation assets entered into prior to July 1,
1838 1998, the obtaining of written commitments from purchasers of
1839 generation facilities divested pursuant to section 16-244g, that the
1840 purchasers will offer employment to persons who were employed in
1841 nonmanagerial positions by a divested generation facility at any time
1842 during the three-month period prior to the divestiture, at levels of wages
1843 and overall compensation not lower than the employees' lowest level

1844 during the six-month period prior to the date the contract to divest the
 1845 asset was entered into; (B) good faith efforts to negotiate the buyout,
 1846 buydown or renegotiation of independent power producer contracts
 1847 and purchased power contracts approved by the Federal Energy
 1848 Regulatory Commission, provided the fixed present value of any
 1849 contract to which a political subdivision of the state is a party shall be
 1850 calculated using the political subdivision's tax-exempt borrowing rate
 1851 as the discount rate; and (C) the reasonable costs of the consultants
 1852 appointed to conduct the auctions of generation assets pursuant to
 1853 section 16-244g. Mitigation may include, but is not limited to,
 1854 reallocation of depreciation reserves to existing generation assets to the
 1855 extent consistent with generally accepted accounting principles;
 1856 reduction of book assets by application of net proceeds of any sale of
 1857 existing assets; maximization of market revenues from existing
 1858 generation assets; efforts to maximize current and future operating
 1859 efficiency, including appropriate and timely maintenance, trouble
 1860 shooting, aggressive identification and correction of potential problem
 1861 areas; voluntary write-offs of above-market generation assets; the
 1862 decision to retire uneconomical generation assets and efforts to divest
 1863 generating sites at market prices reflective of best use of sites. Mitigation
 1864 shall not include any expenditures to restart a nuclear generation asset
 1865 that was not operating for reasons other than scheduled maintenance or
 1866 refueling at the time such expenditure was made. Any mitigation efforts
 1867 and associated costs shall be subject to approval by the authority.

1868 (2) The authority shall allow the cost of such mitigation efforts to be
 1869 included in the calculation of stranded costs to the extent that such
 1870 mitigation costs are reasonable relative to the amount of the reduction
 1871 in stranded costs resulting from the mitigation.

1872 (d) An electric distribution company shall submit to the authority an
 1873 application for recovery of that portion of generation-related regulatory
 1874 assets, long-term contract costs, generation assets and mitigation costs
 1875 which are determined by the authority in accordance with subsections
 1876 (c), (e), (f) and (g) of this section and subdivision (1) of subsection (e) of

1877 section 16-244g. The application shall include a description of mitigation
1878 efforts and a request for recovery through the competitive transition
1879 assessment and may include a request for a financing order. The
1880 authority shall hold a hearing for each electric distribution company and
1881 issue a finding of the calculation of stranded costs in a time frame that
1882 allows for collection of the competitive transition assessment to begin
1883 on January 1, 2000. Any hearing shall be conducted as a contested case
1884 in accordance with chapter 54.

1885 (e) The authority shall calculate the stranded costs for generation-
1886 related regulatory assets to be their book value as of January 1, 2000. In
1887 calculating the value of generation-related regulatory assets that are
1888 being provided in a lump sum as the result of a funding with the
1889 proceeds of rate reduction bonds, the authority shall adjust the value of
1890 each such asset to reflect the time value of such lump sum, if any.

1891 (f) (1) The authority shall calculate the stranded costs for long-term
1892 contract costs that have been reduced to a fixed present value through
1893 the buyout, buydown, or renegotiation of independent power producer
1894 contracts and purchased power contracts approved by the Federal
1895 Energy Regulatory Commission as such present value. In making such
1896 calculation, the authority shall net purchased power contracts approved
1897 by the Federal Energy Regulatory Commission that are below market
1898 value against any such contracts that are above-market value.

1899 (2) The authority shall calculate the stranded costs for any portion of
1900 a long-term contract cost that has not been reduced to a fixed present
1901 value by comparing the contract price to the market price at least
1902 annually. In making such calculation, the authority shall net purchased
1903 power contracts approved by the Federal Energy Regulatory
1904 Commission that are below market value against any such contracts that
1905 are above-market value. The costs described in this subdivision shall be
1906 included in the competitive transition assessment pursuant to section
1907 16-245g, as amended by this act, but shall not be included in any funding
1908 with the proceeds of rate reduction bonds.

1909 (g) The authority shall calculate the stranded cost for each generation
1910 asset to be the difference between its book value and the market value
1911 of a prudently and efficiently managed nonnuclear generating facility
1912 of comparable size, age and technical characteristics in a competitive
1913 market. In determining the market value of any such asset, the authority
1914 may consider (A) the dollars per kilowatt received from the sale of
1915 similar generation facilities, if any, (B) income capitalization based on
1916 the operating history and capacity of the facility, the market rates for
1917 power, and any existing long-term contracts for the sale of power or
1918 capacity, (C) independent market appraisals, or (D) other relevant
1919 factors. The authority shall calculate the stranded costs for generation
1920 assets at least every three years. The costs described in this subsection
1921 shall be included in the competitive transition assessment pursuant to
1922 section 16-245g, as amended by this act, but shall not be included in any
1923 funding with the proceeds of rate reduction bonds.

1924 (h) (1) On or before January 1, 2004, an electric distribution company
1925 may submit to the authority an application for recovery of that portion
1926 of nuclear generation assets which is determined by the authority in
1927 accordance with this subsection, which application shall include a
1928 request for recovery through the competitive transition assessment. The
1929 authority shall hold a hearing for each electric distribution company and
1930 issue a finding of the calculation of such nuclear generation assets in
1931 accordance with the provisions of this subsection. Any hearing shall be
1932 conducted as a contested case proceeding in accordance with chapter
1933 54. The costs described in this subsection shall be included in the
1934 competitive transition assessment pursuant to section 16-245g, as
1935 amended by this act, but shall not be included in any funding with
1936 proceeds of rate reduction bonds.

1937 (2) The authority shall calculate the stranded costs for each nuclear
1938 generation asset that was divested at a price less than book value as
1939 described in subdivision (5) of subsection (c) of section 16-244g as the
1940 difference between the book value of this asset and the final bid price of
1941 the asset. The authority's calculation of stranded costs pursuant to this

1942 subdivision shall be final and shall not be subject to further adjustment
1943 by the authority.

1944 (3) The authority shall calculate the stranded costs for each
1945 nondivested nuclear generation asset described in subdivision (1) of
1946 subsection (d) of section 16-244g to be the difference between its book
1947 value and the market value of a prudently and efficiently managed
1948 nuclear generating facility of comparable size, age and technical
1949 characteristics in a competitive market. In determining the market value
1950 of any such asset, the authority may consider (A) the dollars per kilowatt
1951 received from the sale of similar generation facilities, if any, (B) income
1952 capitalization based on the operating history and capacity of the facility,
1953 the market rates for power, and any existing long-term contracts for the
1954 sale of power or capacity, (C) the provision for decommissioning and
1955 related costs to be paid from the systems benefits charge provided in
1956 section 16-245l, as amended by this act, (D) independent market
1957 appraisals, or (E) other relevant factors. At least every four years after
1958 the date when the authority issues an initial finding of the calculation of
1959 the stranded costs for such nondivested nuclear generation assets as
1960 provided in this subdivision until the earlier of (i) the expiration of the
1961 collection of the competitive transition assessment, or (ii) the date when
1962 such an asset is divested, the authority shall hold a hearing and issue a
1963 finding to adjust the stranded cost calculation of each such asset and to
1964 adjust the competitive transition assessment accordingly to true up the
1965 stranded cost recovery for the difference between the market value
1966 projected in such initial finding and the actual market value of a
1967 prudently and efficiently managed nuclear generating facility of
1968 comparable size, age and technical characteristics during the time
1969 period between the initial finding and the adjustment date, provided the
1970 second and subsequent adjustments shall reflect the difference during
1971 the time period since the most recent true-up. The authority shall
1972 calculate the value of each such asset in accordance with the
1973 methodology provided in this subdivision. Any hearing shall be
1974 conducted as a contested case in accordance with chapter 54.

1975 (4) After the authority has calculated the total value of stranded costs
1976 for all nuclear generation assets, the authority shall (A) reduce such
1977 amount by the net proceeds that are above book value realized by an
1978 electric distribution company from the sale of nonnuclear generation
1979 assets, (B) reduce such valuation to reflect the total net proceeds that are
1980 above book value realized by an electric distribution company from the
1981 sale of any nuclear generation assets pursuant to subsection (c) of
1982 section 16-244g, and (C) reduce such amount by the net proceeds that
1983 are above book value received by an electric distribution company for
1984 the sale or lease of any real property after July 1, 1998.

1985 (i) If any net proceeds described in subdivision (4) of subsection (h)
1986 of this section remain after the reduction in the calculation of nuclear
1987 generation assets pursuant to said subdivision (4) or are realized after
1988 said reduction is calculated, the additional amount of such net proceeds
1989 shall be netted against long-term contract costs described in subdivision
1990 (2) of subsection (f) of this section, and the competitive transition
1991 assessment shall be adjusted accordingly.

1992 (j) No electric distribution company shall be eligible to claim any
1993 stranded costs for a nuclear generation asset or for any generation-
1994 related regulatory asset related to such generation asset, if the
1995 generation asset is not operating as a result of an order issued by the
1996 United States Nuclear Regulatory Commission that applies specifically
1997 to such asset. Any such asset that is not eligible to be claimed as a
1998 stranded cost shall be eligible after it is permitted to and has resumed
1999 operation and is selling power.

2000 (k) If an electric distribution company elected to transfer any of its
2001 nuclear generation assets and related operations and functions to a
2002 separate corporate affiliate or to a division that is functionally separate
2003 from the electric distribution company pursuant to section 16-244g and
2004 subsequently sold any such assets in an arm's length transaction to an
2005 unrelated entity prior to January 1, 2012, the net proceeds realized from
2006 such sale that exceed book value for such assets shall be netted against

2007 the total amount of stranded costs, and the competitive transition
2008 assessment shall be adjusted accordingly and, if appropriate, other
2009 reimbursement shall be ordered by the authority.

2010 (l) Storm costs incurred by an electric distribution company shall be
2011 paid off with the proceeds of rate reduction bonds, and the costs of the
2012 rate reduction bonds, including all principal, interest, premium, costs,
2013 and arrearages on such bonds, shall be recovered through the
2014 competitive transition assessment without reduction, delay or
2015 impairment in accordance with subsections (d) and (e) of section 16-
2016 245g, as amended by this act, subsection (b) of section 16-245i, as
2017 amended by this act, and subsection (b) of section 16-245j, as amended
2018 by this act.

2019 (m) Notwithstanding any provision to the contrary, the net benefits
2020 of accumulated deferred income taxes relating to amounts that will be
2021 recovered through the issuance of rate reduction bonds for storm costs
2022 shall be credited to retail customers of electric distribution companies
2023 by reducing the amount of such rate reduction bonds that would
2024 otherwise be issued by the net present value of the related tax cash
2025 flows, using a discount rate equal to the expected interest rate on such
2026 rate reduction bonds.

2027 Sec. 39. Subsection (a) of section 16-245f of the general statutes is
2028 repealed and the following is substituted in lieu thereof (*Effective July 1,*
2029 *2025*):

2030 (a) (1) An electric distribution company shall submit to the authority
2031 an application for a financing order with respect to any proposal to
2032 sustain funding of conservation and load management and renewable
2033 energy investment programs by substituting disbursements to the
2034 General Fund from proceeds of rate reduction bonds for such
2035 disbursements from the Conservation and Load Management Plan
2036 established by section 16-245m, as amended by this act, and from the
2037 Clean Energy Fund established by section 16-245n, as amended by this

2038 act, and may submit to the authority an application for a financing order
 2039 with respect to the following stranded costs: [(1)] (A) The cost of
 2040 mitigation efforts, as calculated pursuant to subsection (c) of section 16-
 2041 245e, as amended by this act; [(2)] (B) generation-related regulatory
 2042 assets, as calculated pursuant to subsection (e) of section 16-245e, as
 2043 amended by this act; and [(3)] (C) those long-term contract costs that
 2044 have been reduced to a fixed present value through the buyout,
 2045 buydown, or renegotiation of such contracts, as calculated pursuant to
 2046 subsection (f) of section 16-245e, as amended by this act. No stranded
 2047 costs shall be funded with the proceeds of rate reduction bonds unless
 2048 [(A)] (i) the electric distribution company proves to the satisfaction of
 2049 the authority that the savings attributable to such funding will be
 2050 directly passed on to customers through lower rates, and [(B)] (ii) the
 2051 authority determines such funding will not result in giving the electric
 2052 distribution company or any generation entities or affiliates an unfair
 2053 competitive advantage.

2054 (2) An electric distribution company may submit to the authority an
 2055 application for a financing order with respect to incurred storm costs.
 2056 Storm costs shall be paid off with the proceeds of rate reduction bonds
 2057 if the authority determines that the interests of customers are served by
 2058 such financing for reasons including, but not limited to, a showing that
 2059 customers would experience lower overall costs as compared to
 2060 traditional recovery calculated over the same time period, or would
 2061 mitigate bill impacts to customers as compared with alternative
 2062 methods of financing or direct rate recovery of such storm costs. The
 2063 authority shall issue a final decision on such application for financing of
 2064 storm costs not more than sixty days after its receipt of an application
 2065 by an electric distribution company for a financing order.

2066 (3) The authority shall hold a hearing for each such electric
 2067 distribution company to determine the amount of disbursements to the
 2068 General Fund from proceeds of rate reduction bonds that may be
 2069 substituted for such disbursements from the Conservation and Load
 2070 Management Plan established by section 16-245m, as amended by this

2071 act, and from the Clean Energy Fund established by section 16-245n, as
 2072 amended by this act, and thereby constitute transition property and the
 2073 portion of stranded costs or storm costs that may be included in such
 2074 funding and thereby constitute transition property. Any hearing shall
 2075 be conducted as a contested case in accordance with chapter 54, except
 2076 that any hearing with respect to a financing order or other order to
 2077 sustain funding for conservation and load management and renewable
 2078 energy investment programs by substituting the disbursement to the
 2079 General Fund from the Conservation and Load Management Plan
 2080 established by section 16-245m, as amended by this act, and from the
 2081 Clean Energy Investment Fund established by section 16-245n, as
 2082 amended by this act, shall not be a contested case, as defined in section
 2083 4-166. The authority shall not include any rate reduction bonds as debt
 2084 of an electric distribution company in determining the capital structure
 2085 of the company in a rate-making proceeding, for calculating the
 2086 company's return on equity or in any manner that would impact the
 2087 electric distribution company for rate-making purposes, and shall not
 2088 approve such rate reduction bonds that include covenants that have
 2089 provisions prohibiting any change to their appointment of an
 2090 administrator of the Conservation and Load Management Plan.

2091 Sec. 40. Section 16-245g of the general statutes is repealed and the
 2092 following is substituted in lieu thereof (*Effective July 1, 2025*):

2093 (a) The Public Utilities Regulatory Authority shall assess and
 2094 beginning January 1, 2000, or a later date determined by the authority
 2095 in a finance order with respect to any subsequent issuance of rate
 2096 reduction bonds, impose the competitive transition assessment which
 2097 shall be imposed on all customers of each electric distribution company
 2098 to provide funds for the purposes described in subsection (d) of this
 2099 section. The authority shall hold a hearing that shall be conducted as a
 2100 contested case in accordance with chapter 54, except as otherwise
 2101 provided in section 16-245f, as amended by this act, to determine the
 2102 amount of the competitive transition assessment.

2103 (b) The authority shall consider the effect on all customer rates and
2104 other factors relevant to reducing rates in determining the amount of the
2105 competitive transition assessment and the manner in which and the
2106 period over which it shall be imposed in any decision of the authority
2107 to set or adjust the competitive transition assessment.

2108 (c) The competitive transition assessment shall be determined by the
2109 authority in a general and equitable manner and, in accordance with the
2110 provisions of subsection (b) of section 16-245f, shall be imposed on all
2111 customers at a rate that is applied equally to all customers of the same
2112 class in accordance with methods of allocation in effect on July 1, 1998,
2113 or a later date determined by the authority in a finance order with
2114 respect to any subsequent issuance of rate reduction bonds, provided
2115 the competitive transition assessment shall not be imposed on
2116 customers receiving services under a special contract which is in effect
2117 on July 1, 1998, or a later date determined by the authority in a finance
2118 order with respect to any subsequent issuance of rate reduction bonds,
2119 until such special contract expires. The competitive transition
2120 assessment shall be imposed beginning on January 1, 2000, or a later
2121 date determined by the authority in a finance order with respect to any
2122 subsequent issuance of rate reduction bonds, on all customers receiving
2123 services under a special contract [which] that is entered into or renewed
2124 after July 1, 1998, or a later date determined by the authority in a finance
2125 order with respect to any subsequent issuance of rate reduction bonds.
2126 The competitive transition assessment shall have a generally applicable
2127 manner of determination that may be measured on the basis of
2128 percentages of total costs of retail sales of electric generation services.
2129 Subject to the provisions of subsection (b) of section 16-245f, the
2130 competitive transition assessment shall be payable by customers on an
2131 equal basis on the same payment terms and shall be eligible or subject
2132 to prepayment on an equal basis. Any exemption of the competitive
2133 transition assessment by customers under a special contract shall not
2134 result in an increase in rates to any customer.

2135 (d) The authority shall establish, fix and revise the competitive

2136 transition assessment in an amount sufficient at all times to: (1) Pay the
 2137 principal of and the interest and any credit enhancement or premium
 2138 on rate reduction bonds as the same shall become due and payable; (2)
 2139 to pay all reasonable and necessary expenses relating to the financing;
 2140 and (3) to pay an electric distribution company stranded costs or storm
 2141 costs that are not funded with the proceeds of rate reduction bonds and
 2142 interim capital costs determined under subdivision (1) of subsection (e)
 2143 of section 16-244g.

2144 (e) The competitive transition assessment shall be charged to
 2145 customers until the rate reduction bonds are paid in full, including all
 2146 principal, interest, premium, costs and arrearages on such bonds, by the
 2147 financing entity and stranded costs and storm costs not funded with the
 2148 proceeds of rate reduction bonds are fully recovered by the electric
 2149 distribution company. Amounts collected from a customer shall be
 2150 allocated on a pro rata basis among (1) rates and charges described in
 2151 subparagraph (A) of subdivision (2) of subsection (a) of section 16-245e,
 2152 as amended by this act, (2) rates and charges described in subparagraph
 2153 (B) of subdivision (2) of subsection (a) of section 16-245e, as amended by
 2154 this act, and (3) other charges. To the extent that the authority, when
 2155 issuing a financing order, determines that special treatment on
 2156 customers' bills is necessary or desirable to distinguish rates and charges
 2157 described in subparagraph (A) of subdivision (2) of subsection (a) of
 2158 section 16-245e, as amended by this act, from rates and charges
 2159 described in subparagraph (B) of subdivision (2) of subsection (a) of
 2160 section 16-245e, as amended by this act, in order to facilitate the
 2161 successful issuance and sale of rate reduction bonds, it may so provide
 2162 as part of such financing order.

2163 Sec. 41. Subsection (a) of section 16-245h of the general statutes is
 2164 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 2165 *2025*):

2166 (a) The competitive transition assessment described in subparagraph
 2167 (A) of subdivision (2) of subsection (a) of section 16-245e, as amended

2168 by this act, shall constitute transition property when, and to the extent
 2169 that, a financing order authorizing such portion of the competitive
 2170 transition assessment has become effective in accordance with sections
 2171 16-245e to 16-245k, inclusive, as amended by this act, and the transition
 2172 property shall thereafter continuously exist as property for all purposes
 2173 with all of the rights and privileges of sections 16-245e to 16-245k,
 2174 inclusive, as amended by this act, for the period and to the extent
 2175 provided in the financing order, but in any event until the rate reduction
 2176 bonds are paid in full, including all principal, interest, premium, costs,
 2177 and arrearages on such bonds. Prior to its sale or other transfer by the
 2178 electric distribution company pursuant to sections 16-245e to 16-245k,
 2179 inclusive, as amended by this act, transition property, other than
 2180 transition property in respect of the economic recovery transfer or in
 2181 respect to disbursements to the General Fund to sustain funding of
 2182 conservation and load management and renewable energy investment
 2183 programs, shall be a vested contract right of the electric distribution
 2184 company, notwithstanding any contrary treatment thereof for
 2185 accounting, tax, or other purpose. Transition property in respect of
 2186 disbursements to the General Fund to sustain funding of conservation
 2187 and load management and renewable energy investment programs
 2188 shall immediately upon its creation vest solely in the financing entity.
 2189 Transition property in respect to the economic recovery transfer shall
 2190 immediately upon its creation vest solely in the financing entity.
 2191 Transition property in respect of storm costs shall immediately upon its
 2192 creation vest solely in the applicable electric distribution company. The
 2193 electric distribution company shall have no right, title or interest in
 2194 transition property in respect to the economic recovery transfer or in
 2195 respect of disbursements to the General Fund to sustain funding of
 2196 conservation and load management and renewable energy investment
 2197 programs, and in respect of such transition property shall be only a
 2198 collection agent on behalf of the financing entity.

2199 Sec. 42. Section 16-245i of the general statutes is repealed and the
 2200 following is substituted in lieu thereof (*Effective July 1, 2025*):

2201 (a) The authority may issue financing orders in accordance with
2202 sections 16-245e to 16-245k, inclusive, as amended by this act, to fund
2203 the economic recovery transfer, to sustain funding of conservation and
2204 load management and renewable energy investment programs by
2205 substituting disbursements to the General Fund from proceeds of rate
2206 reduction bonds for such disbursements in furtherance of the
2207 Conservation and Load Management Plan established by section 16-
2208 245m, as amended by this act, and from the Clean Energy Fund
2209 established by section 16-245n, as amended by this act, and to facilitate
2210 the provision, recovery, financing, or refinancing of stranded costs and
2211 storm costs. Except for a financing order in respect to the economic
2212 recovery revenue bonds, a financing order may be adopted only upon
2213 the application of an electric distribution company, pursuant to section
2214 16-245f, as amended by this act, and shall become effective in
2215 accordance with its terms only after the electric distribution company
2216 files with the authority the electric distribution company's written
2217 consent to all terms and conditions of the financing order. Any financing
2218 order in respect to the economic recovery revenue bonds shall be
2219 effective on issuance.

2220 (b) (1) Notwithstanding any general or special law, rule, or regulation
2221 to the contrary, except as otherwise provided in this subsection with
2222 respect to transition property that has been made the basis for the
2223 issuance of rate reduction bonds, the financing orders and the
2224 competitive transition assessment shall be irrevocable and the authority
2225 shall not have authority either by rescinding, altering, or amending the
2226 financing order or otherwise, to revalue or revise for rate-making
2227 purposes the stranded costs and storm costs, or the costs of providing,
2228 recovering, financing, or refinancing the stranded costs and storm costs,
2229 the amount of the economic recovery transfer or the amount of
2230 disbursements to the General Fund from proceeds of rate reduction
2231 bonds substituted for such disbursements in furtherance of the
2232 Conservation and Load Management Plan established by section 16-
2233 245m, as amended by this act, and from the Clean Energy Fund

2234 established by section 16-245n, as amended by this act, determine that
2235 the competitive transition assessment is unjust or unreasonable, or in
2236 any way reduce or impair the value of transition property either directly
2237 or indirectly by taking the competitive transition assessment into
2238 account when setting other rates for the electric distribution company;
2239 nor shall the amount of revenues arising with respect thereto be subject
2240 to reduction, impairment, postponement, or termination.

2241 (2) Notwithstanding any other provision of this section, the authority
2242 shall approve the adjustments to the competitive transition assessment
2243 as may be necessary to ensure timely recovery of all stranded costs and
2244 storm costs that are the subject of the pertinent financing order, and the
2245 costs of capital associated with the provision, recovery, financing, or
2246 refinancing thereof, including the costs of issuing, servicing, and retiring
2247 the rate reduction bonds issued to recover stranded costs and storm
2248 costs contemplated by the financing order and to ensure timely recovery
2249 of the costs of issuing, servicing, and retiring the rate reduction bonds
2250 issued to sustain funding of conservation and load management and
2251 renewable energy investment programs contemplated by the financing
2252 order, and to ensure timely recovery of the costs of issuing, servicing
2253 and retiring the economic recovery revenue bonds issued to fund the
2254 economic recovery transfer contemplated by the financing order.

2255 (3) Notwithstanding any general or special law, rule, or regulation to
2256 the contrary, any requirement under sections 16-245e to 16-245k,
2257 inclusive, as amended by this act, or a financing order that the authority
2258 take action with respect to the subject matter of a financing order shall
2259 be binding upon the authority, as it may be constituted from time to
2260 time, and any successor agency exercising functions similar to the
2261 authority and the authority shall have no authority to rescind, alter, or
2262 amend that requirement in a financing order. Section 16-43 shall not
2263 apply to any sale, assignment, or other transfer of or grant of a security
2264 interest in any transition property or the issuance of rate reduction
2265 bonds under sections 16-245e to 16-245k, inclusive, as amended by this
2266 act.

2267 (c) The authority shall provide in any financing order for a procedure
 2268 for the timely approval by the authority of periodic adjustments to the
 2269 competitive transition assessment that is the subject of the pertinent
 2270 financing order, as required by subdivision (2) of subsection (b) of this
 2271 section. The procedure shall require the authority to determine whether
 2272 the adjustments are required on [each anniversary of the issuance of the
 2273 financing order] an annual basis, and at the additional intervals as may
 2274 be provided for in the financing order, and for the adjustments, if
 2275 required, to be approved within ninety days of [each anniversary of the
 2276 issuance of the financing order, or of each additional interval] the filing
 2277 of each adjustment or within such shorter period as may be provided
 2278 for in the financing order.

2279 Sec. 43. Subsections (b) and (c) of section 16-245j of the general
 2280 statutes are repealed and the following is substituted in lieu thereof
 2281 (*Effective July 1, 2025*):

2282 (b) Except as otherwise provided in this subsection, the state of
 2283 Connecticut does hereby pledge and agree with the owners of transition
 2284 property and holders of and trustees for rate reduction bonds that
 2285 neither the state nor any agency of the state shall [neither] limit, [nor]
 2286 alter, amend, reduce or impair the competitive transition assessment,
 2287 transition property, financing orders, and all rights thereunder until the
 2288 obligations, together with the interest thereon, are fully met and
 2289 discharged, provided nothing contained in this subsection shall
 2290 preclude the limitation or alteration if and when adequate provision
 2291 shall be made by law for the protection of the owners, [and] holders and
 2292 trustees. The finance authority as agent for the state is authorized to
 2293 include this pledge and undertaking for the state in these obligations.

2294 (c) (1) Financing orders and rate reduction bonds shall not be deemed
 2295 to constitute a debt or liability of the state or of any political subdivision
 2296 thereof, other than the financing entity, shall not constitute a pledge of
 2297 the full faith and credit of the state or any of its political subdivisions,
 2298 other than the financing entity, but shall be payable solely from the

2299 funds provided under sections 16-245e to 16-245k, inclusive, as
2300 amended by this act, and shall not constitute an indebtedness of the state
2301 within the meaning of any constitutional or statutory debt limitation or
2302 restriction and, accordingly, shall not be subject to any statutory
2303 limitation on the indebtedness of the state and shall not be included in
2304 computing the aggregate indebtedness of the state in respect to and to
2305 the extent of any such limitation. This subsection shall in no way
2306 preclude bond guarantees or enhancements pursuant to sections 16-
2307 245e to 16-245k, inclusive, as amended by this act. All rate reduction
2308 bonds shall contain on the face thereof a statement to the following
2309 effect: "Neither the full faith and credit nor the taxing power of the State
2310 of Connecticut is pledged to the payment of the principal of, or interest
2311 on, this bond."

2312 (2) The issuance of rate reduction bonds under sections 16-245e to 16-
2313 245k, inclusive, as amended by this act, shall not directly, indirectly, or
2314 contingently obligate the state or any political subdivision thereof to
2315 levy or to pledge any form of taxation therefor or to make any
2316 appropriation for their payment.

2317 (3) The exercise of the powers granted by sections 16-245e to 16-245k,
2318 inclusive, as amended by this act, shall be in all respects for the benefit
2319 of the people of this state, for the increase of their commerce, welfare,
2320 and prosperity, and as the exercise of such powers shall constitute the
2321 performance of an essential public function, neither the finance
2322 authority, any electric distribution company, any affiliate of any electric
2323 distribution company, any financing entity, or any collection or other
2324 agent of any of the foregoing shall be required to pay any taxes or
2325 assessments upon or in respect of any revenues or property received,
2326 acquired, transferred, or used by the finance authority, any electric
2327 distribution company, any affiliate of any electric distribution company,
2328 any financing entity, or any collection or other agent of any of the
2329 foregoing under the provisions of sections 16-245e to 16-245k, inclusive,
2330 as amended by this act, or upon or in respect of the income therefrom,
2331 and any rate reduction bonds shall be treated as issued by or on behalf

2332 of a public instrumentality created under the laws of the state for
2333 purposes of chapter 229.

2334 (4) (A) The proceeds of any rate reduction bonds, other than
2335 economic recovery revenue bonds, shall be used for the purposes
2336 approved by the authority in the financing order, including, but not
2337 limited to, disbursements to the General Fund in substitution for such
2338 disbursements in furtherance of the Conservation and Load
2339 Management Plan established by section 16-245m, as amended by this
2340 act, and from the Clean Energy Fund established by section 16-245n, as
2341 amended by this act, the costs of refinancing or retiring of debt of the
2342 electric distribution company, and associated federal and state tax
2343 liabilities; provided such proceeds shall not be applied to purchase
2344 generation assets or to purchase or redeem stock or to pay dividends to
2345 parent company shareholders or to pay operating expenses other than
2346 taxes resulting from the receipt of such proceeds.

2347 (B) The proceeds of any economic recovery revenue bonds shall be
2348 used for the purposes approved by the authority in the financing order,
2349 including, but not limited to, funding the economic recovery transfer,
2350 provided such proceeds shall not be applied to purchase generation
2351 assets or to purchase or redeem stock or to pay dividends to
2352 shareholders or operating expenses other than taxes resulting from the
2353 receipt of such proceeds.

2354 (5) Rate reduction bonds are made and declared (A) securities in
2355 which all public officers and public bodies of the state and its political
2356 subdivisions, all insurance companies, state banks and trust companies,
2357 national banking associations, savings banks, savings and loan
2358 associations, investment companies, executors, administrators, trustees
2359 and other fiduciaries may properly and legally invest funds, including
2360 capital in their control or belonging to them, and (B) securities which
2361 may properly and legally be deposited with and received by any state
2362 or municipal officer or any agency or political subdivision of the state
2363 for any purpose for which the deposit of bonds or obligations of the state

2364 is now or may be authorized.

2365 (6) Rate reduction bonds, other than economic recovery revenue
2366 bonds, shall mature at such time or times approved by the authority in
2367 the financing order; provided that such maturity shall not be later than
2368 December 31, 2011. Economic recovery revenue bonds shall mature at
2369 such time or times approved by the authority in the financing order,
2370 provided such maturity shall not be later than eight years after the date
2371 of issuance, provided such maturity may be extended for economic
2372 reasons, upon the advice of the financing entity.

2373 (7) Rate reduction bonds issued and at any time outstanding may, if
2374 and to the extent permitted under the indenture or other agreement
2375 pursuant to which they are issued, be refunded by other rate reduction
2376 bonds.

2377 Sec. 44. Subsection (l) of section 16-245k of the general statutes is
2378 repealed and the following is substituted in lieu thereof (*Effective July 1,*
2379 *2025*):

2380 (l) [The authority of the Public Utilities Regulatory Authority to issue
2381 financing orders pursuant to sections 16-245e to 16-245k, inclusive, shall
2382 expire on December 31, 2008, with respect to bonds other than economic
2383 recovery revenue bonds.] The authority of the Public Utilities
2384 Regulatory Authority to issue financing orders pursuant to sections 16-
2385 245e to 16-245k, inclusive, as amended by this act, with respect to
2386 economic recovery revenue bonds shall expire on December 31, 2012.
2387 The expiration of such authority shall have no effect upon any other
2388 financing orders adopted by the Public Utilities Regulatory Authority
2389 pursuant to sections 16-245e to 16-245k, inclusive, as amended by this
2390 act, or upon any financing orders adopted by the Public Utilities
2391 Regulatory Authority pursuant to sections 16-245e to 16-245k, inclusive,
2392 as amended by this act, with respect to economic recovery bonds prior
2393 to December 31, 2012, or any transition property arising [therefrom]
2394 from any such financing orders, or upon the charges authorized to be

2395 levied thereunder, or the rights, interests, and obligations of the electric
2396 distribution company or a financing entity or holders of rate reduction
2397 bonds pursuant to [the] any such financing order, or the authority of the
2398 Public Utilities Regulatory Authority to monitor, supervise, or take
2399 further action with respect to [the] any such financing order in
2400 accordance with the terms of sections 16-245e to 16-245k, inclusive, as
2401 amended by this act, and of [the] any such financing order.

2402 Sec. 45. Section 12-412 of the general statutes is amended by adding
2403 subdivision (127) as follows (*Effective July 1, 2025, and applicable to sales*
2404 *occurring on or after July 1, 2025*):

2405 (NEW) (127) Any electricity used at a commercial or industrial
2406 property, as defined in section 12-62u.

2407 Sec. 46. (*Effective July 1, 2025*) (a) For the purposes described in
2408 subsection (b) of this section, the State Bond Commission shall have the
2409 power from time to time to authorize the issuance of bonds of the state
2410 in one or more series and in principal amounts not exceeding in the
2411 aggregate two billion four hundred million dollars.

2412 (b) The proceeds of the sale of such bonds, to the extent of the amount
2413 stated in subsection (a) of this section, shall be used by the Public
2414 Utilities Regulatory Authority for the purpose of administering the
2415 Green Bond Fund established pursuant to section 16-245l of the general
2416 statutes, as amended by this act.

2417 (c) All provisions of section 3-20 of the general statutes, or the exercise
2418 of any right or power granted thereby, that are not inconsistent with the
2419 provisions of this section are hereby adopted and shall apply to all
2420 bonds authorized by the State Bond Commission pursuant to this
2421 section. Temporary notes in anticipation of the money to be derived
2422 from the sale of any such bonds so authorized may be issued in
2423 accordance with section 3-20 of the general statutes and from time to
2424 time renewed. Such bonds shall mature at such time or times not
2425 exceeding twenty years from their respective dates as may be provided

2426 in or pursuant to the resolution or resolutions of the State Bond
 2427 Commission authorizing such bonds. None of such bonds shall be
 2428 authorized except upon a finding by the State Bond Commission that
 2429 there has been filed with it a request for such authorization that is signed
 2430 by or on behalf of the Secretary of the Office of Policy and Management
 2431 and states such terms and conditions as said commission, in its
 2432 discretion, may require. Such bonds issued pursuant to this section shall
 2433 be general obligations of the state and the full faith and credit of the state
 2434 of Connecticut are pledged for the payment of the principal of and
 2435 interest on such bonds as the same become due, and accordingly and as
 2436 part of the contract of the state with the holders of such bonds,
 2437 appropriation of all amounts necessary for punctual payment of such
 2438 principal and interest is hereby made, and the State Treasurer shall pay
 2439 such principal and interest as the same become due.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2025	New section
Sec. 2	July 1, 2025	New section
Sec. 3	July 1, 2025	New section
Sec. 4	July 1, 2025	New section
Sec. 5	July 1, 2025	New section
Sec. 6	July 1, 2025	New section
Sec. 7	July 1, 2025	New section
Sec. 8	July 1, 2025	New section
Sec. 9	July 1, 2025	New section
Sec. 10	July 1, 2025	New section
Sec. 11	July 1, 2025	16-244m(a)(1)
Sec. 12	July 1, 2025	16-1(20)
Sec. 13	July 1, 2025	New section
Sec. 14	July 1, 2025	16-245d(a)(3)
Sec. 15	July 1, 2025	New section
Sec. 16	July 1, 2025	16-245l
Sec. 17	July 1, 2025	12-94d(d)
Sec. 18	July 1, 2025	12-264(c)(2)
Sec. 19	July 1, 2025	16-24a(d)

Sec. 20	July 1, 2025	16-243e(b)
Sec. 21	July 1, 2025	16-243h
Sec. 22	July 1, 2025	16-243v
Sec. 23	July 1, 2025	16-245c(e)
Sec. 24	July 1, 2025	16-245e(h)(3)
Sec. 25	July 1, 2025	16-245o(h)(3)
Sec. 26	July 1, 2025	16-245w(b) to (d)
Sec. 27	July 1, 2025	16-262c(f)
Sec. 28	July 1, 2025	16a-38l(b)
Sec. 29	July 1, 2025	33-219(b)
Sec. 30	July 1, 2025	16a-3m(e)(3)
Sec. 31	July 1, 2025	12-264(c)(2)
Sec. 32	July 1, 2025	16-243n
Sec. 33	July 1, 2025	16-19f(a) and (b)
Sec. 34	July 1, 2025	16-243w
Sec. 35	July 1, 2025	New section
Sec. 36	July 1, 2025	16-245m(d)(1)
Sec. 37	July 1, 2025	16-245n(b)
Sec. 38	July 1, 2025	16-245e
Sec. 39	July 1, 2025	16-245f(a)
Sec. 40	July 1, 2025	16-245g
Sec. 41	July 1, 2025	16-245h(a)
Sec. 42	July 1, 2025	16-245i
Sec. 43	July 1, 2025	16-245j(b) and (c)
Sec. 44	July 1, 2025	16-245k(l)
Sec. 45	July 1, 2025, and applicable to sales occurring on or after July 1, 2025	12-412(127)
Sec. 46	July 1, 2025	New section

Statement of Purpose:

To (1) establish the Connecticut Energy Procurement Authority; (2) establish the Electric Rate Stabilization Fund; (3) redefine "Class I renewable energy source" to include electricity generated from any nuclear power generating facility in the state; (4) require the Public Utilities Regulatory Authority to incorporate time-of-use components into electric rates; (5) establish the Energy Infrastructure Transition Fund; (6) allow for electric distribution companies to issue securities

concerning certain storm remediation costs; and (7) authorize bonds of the state to fund the Green Bond Fund.

[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.]