



General Assembly

January Session, 2025

Substitute Bill No. 1560



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 Energy
35 Procurement Authority will address this systemic gap. The authority
36 will serve as the state's central architect for building a more efficient,
37 cost-effective electric system that actively aligns procurement, grid
38 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 section and sections 4 to 10, inclusive, of this
79 act shall be deemed and held to be the performance of an essential public
80 and governmental function. The Connecticut Energy Procurement
81 Authority shall not be construed to be a department, institution or
82 agency of the state.

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

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

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

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

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

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

99 (6) One appointed by the minority leader of the House of
100 Representatives, who has expertise in wholesale electricity trading; and

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

103 (c) The chairperson of the board shall be appointed by the Governor.
104 The board shall annually elect one of its appointed members to serve as
105 vice-chairperson of the board. The Governor or appointing member of

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

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

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

130 (3) The board may adopt, on a prospective basis, methods of voting
131 for all or specifically designated matters. Any such methods shall be
132 specified in the bylaws unanimously adopted by the board.

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

137 (e) The board may appoint and employ a chief executive officer, a

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

148 (f) Any necessary and related administrative and operational
149 expenses incurred by the authority may be paid from funds from the
150 Energy Infrastructure Transition Fund established pursuant to section
151 33 of this act.

152 (g) All initial appointments to the board shall be made not later than
153 January 1, 2026. The initial terms of the members shall be as follows: (1)
154 Those appointed by the Governor shall serve for one year; (2) those
155 appointed by the minority leaders of the Senate and House of
156 Representatives shall serve for two years; (3) those appointed by the
157 president pro tempore of the Senate and the majority leader of the
158 House of Representatives shall serve for three years; and (4) those
159 appointed by the majority leader of the Senate and the speaker of the
160 House of Representatives shall serve for four years. Terms following the
161 initial terms shall be for four years. Each board member shall hold office
162 for the term for which the member was appointed and until the
163 member's successor has been appointed and has qualified. A board
164 member may be removed by the appointing authority only for
165 inefficiency or neglect of duty or misconduct in office. Any member to
166 be removed pursuant to this subsection shall be given a written notice
167 of the reason for such proposed removal not sooner than ten days before
168 such removal and the opportunity, in person or by legal counsel, to be
169 heard concerning such removal by the board.

170 (h) Not less than biennially, the authority shall cause a forensic

171 examination to be conducted by a certified forensic auditor, which shall
172 include a review of the revenue and expenditures of the authority for
173 the preceding two years. The auditor shall submit a report including a
174 review of whether such authority's operating procedures conform with
175 the provisions of sections 3 to 10, inclusive, of this act and the bylaws
176 adopted by the board and any recommendations for any corrective
177 actions needed to ensure such conformance. The auditor shall not be
178 required to perform a full financial audit of the two-year period or
179 submit an opinion regarding the financial statements or a management
180 letter. Not later than seven days after the authority receives such report
181 from such auditor, the authority shall post such report on its Internet
182 web site.

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

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

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

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

202 (3) Sue and be sued;

203 (4) Contract and be contracted with;

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

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

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

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

227 (9) Develop and implement policies and incentives to encourage (A)
228 the dispatch of energy generated by distributed solar photovoltaic
229 systems installed behind customer electric meters for the purpose of
230 increasing the system load factor, (B) the adoption of alternative air
231 conditioning technologies, including, but not limited to, ice storage, (C)
232 smart electric load growth by not less than one per cent per year, and
233 (D) the achievement of greenhouse gas reduction goals established
234 under section 22a-200a of the general statutes by promoting the

235 adoption of technologies and policies that will lead to an average annual
236 reduction of greenhouse gas emissions by not less than one million one
237 hundred thousand metric tons of carbon dioxide equivalent for the
238 period between 2022 and 2030;

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

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

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

255 (13) Administer the Energy Infrastructure Transition Fund created
256 pursuant to section 33 of this act for the purpose of supporting (A) the
257 adoption of smart meter infrastructure and electric billing system
258 upgrades, (B) distribution system and substation upgrades, (C) efforts
259 to increase the electrification of transportation in the state, including
260 incentives for the adoption of rapid electric vehicle charging stations
261 and electric distribution infrastructure supporting such stations, (D)
262 efforts to increase the electrification of residential and commercial
263 heating and cooling systems in the state, including incentives for the
264 conversion of such systems into heat pump systems, and (E) the
265 installation of battery storage systems for residential and commercial
266 customers for the purpose of reducing peak electric demand;

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

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

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

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

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

290 (19) Acquire, own, hire, use, operate and dispose of personal
291 property;

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

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

296 (22) Borrow money and to execute promissory notes in the name of

297 the authority;

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

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

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

309 (26) Exercise all other powers not inconsistent with the State
310 Constitution or the United States Constitution, which may be
311 reasonably necessary or appropriate for or incidental to the effectuation
312 of its authorized purposes or to the exercise of any of the foregoing
313 powers, and generally to exercise in connection with its property and
314 affairs, and in connection with property within its control, any and all
315 powers that might be exercised by a natural person or a private
316 corporation in connection with similar property and affairs.

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

326 Sec. 6. (NEW) (*Effective July 1, 2025*) The authority may, by vote of the
327 board, reimburse members of the board for necessary expenses incurred

328 in the discharge of their duties and pay a reasonable, uniformly
329 applicable stipend to such board member for their service on the board
330 as provided in this section.

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

335 Sec. 8. (NEW) (*Effective July 1, 2025*) (a) The Connecticut Energy
336 Procurement Authority shall, in consultation with the Public Utilities
337 Regulatory Authority, design a customer education and engagement
338 program for the purpose of informing electric distribution customers of
339 the benefits of smart meters and time-of-use rates and encouraging such
340 customers to utilize such meters and such rates. The program design
341 shall include (1) approved methods of customer outreach, education
342 and engagement activities, (2) a requirement that electric distribution
343 companies develop an electronic application that notifies customers of
344 the electric distribution company, in real time, of energy saving
345 opportunities based on electric transmission and distribution system
346 factors, (3) objective performance standards regarding the program
347 implementation, (4) mandatory reporting requirements for electric
348 distribution companies concerning such companies' compliance with
349 the program requirements, including the submission of documentation
350 or data as required by the Public Utilities Regulatory Authority, and (5)
351 a process under which the Connecticut Energy Procurement Authority
352 certifies that an electric distribution company is in compliance with this
353 section.

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

357 Sec. 9. (NEW) (*Effective July 1, 2025*) (a) There is established a fund to
358 be known as the "Electric Rate Stabilization Fund". The fund shall be
359 administered by the Connecticut Energy Procurement Authority for the

360 purpose of reducing volatility in electric generation service costs for
361 residents and businesses in the state who receive standard service as
362 described in section 16-244c of the general statutes.

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

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

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

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

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

376 (4) Voluntary contributions from electric distribution companies.

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

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

388 Sec. 10. (NEW) (*Effective July 1, 2025*) (a) (1) On and after July 1, 2027,

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

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

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

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

419 Sec. 11. Subdivision (1) of subsection (a) of section 16-244m of the
420 general statutes is repealed and the following is substituted in lieu

421 thereof (*Effective July 1, 2025*):

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

442 Sec. 12. Subdivision (20) of section 16-1 of the general statutes is
443 repealed and the following is substituted in lieu thereof (*Effective July 1,*
444 *2025*):

445 (20) "Class I renewable energy source" means (A) electricity derived
446 from (i) solar power, (ii) wind power, (iii) a fuel cell, (iv) geothermal, (v)
447 landfill methane gas, anaerobic digestion or other biogas derived from
448 biological sources, (vi) thermal electric direct energy conversion from a
449 certified Class I renewable energy source, (vii) ocean thermal power,
450 (viii) wave or tidal power, (ix) low emission advanced renewable energy
451 conversion technologies, including, but not limited to, zero emission
452 low grade heat power generation systems based on organic oil free
453 rankine, kalina or other similar nonsteam cycles that use waste heat

454 from an industrial or commercial process that does not generate
 455 electricity, (x) (I) a run-of-the-river hydropower facility that began
 456 operation after July 1, 2003, has a generating capacity of not more than
 457 sixty megawatts, is not based on a new dam or a dam identified by the
 458 Commissioner of Energy and Environmental Protection as a candidate
 459 for removal, and meets applicable state and federal requirements,
 460 including state dam safety requirements and applicable site-specific
 461 standards for water quality and fish passage, or (II) a run-of-the-river
 462 hydropower facility that received a new license after January 1, 2018,
 463 under the Federal Energy Regulatory Commission rules pursuant to 18
 464 CFR 16, as amended from time to time, is not based on a new dam or a
 465 dam identified by the Commissioner of Energy and Environmental
 466 Protection as a candidate for removal, and meets applicable state and
 467 federal requirements, including state dam safety requirements and
 468 applicable site-specific standards for water quality and fish passage, (xi)
 469 a biomass facility that uses sustainable biomass fuel and has an average
 470 emission rate of equal to or less than .075 pounds of nitrogen oxides per
 471 million BTU of heat input for the previous calendar quarter, except that
 472 energy derived from a biomass facility with a capacity of less than five
 473 hundred kilowatts that began construction before July 1, 2003, may be
 474 considered a Class I renewable energy source, or (xii) a nuclear power
 475 generating facility [constructed on or after October 1, 2023] located in
 476 the state, or (B) any electrical generation, including distributed
 477 generation, generated from a Class I renewable energy source,
 478 provided, on and after January 1, 2014, any megawatt hours of
 479 electricity from a renewable energy source described under this
 480 subparagraph that are claimed or counted by a load-serving entity,
 481 province or state toward compliance with renewable portfolio
 482 standards or renewable energy policy goals in another province or state,
 483 other than the state of Connecticut, shall not be eligible for compliance
 484 with the renewable portfolio standards established pursuant to section
 485 16-245a;

486 Sec. 13. (NEW) (*Effective July 1, 2025*) In any proceeding of the Public
 487 Utilities Regulatory Authority on and after July 1, 2025, to establish or

488 approve tariffs that include a credit for any amount of energy produced
489 by a facility and not consumed, such credit shall be allowed against
490 electric supply costs for an end use customer and shall not be allowed
491 against any distribution cost, transmission cost or any other cost
492 associated with the delivery of electric service to such customer,
493 including any component of the charge known as the "combined public
494 benefits charge" on consumer electric bills. Nothing in this section shall
495 be construed to require the alteration of any such tariff approved by the
496 authority before July 1, 2025.

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

500 (3) Not later than August 1, [2023] 2025, each electric distribution
501 company shall use a total of four categories as part of the standard
502 billing format for all residential customers, one of which shall relate to
503 charges for generation of electricity, one of which shall relate to charges
504 for local distribution of electricity, and one of which shall relate to
505 charges for transmission of electricity, and one of which shall relate to
506 [system benefits and the subset of federally mandated congesting] any
507 other charges approved by the authority pursuant to any provision of
508 the general statutes, public act or special act. The authority shall require
509 that each electric distribution company's standard billing format for
510 residential customers identify each charge and the corresponding
511 category in accordance with the authority's determinations. The
512 authority, in a docket reopened pursuant to subdivision (2) of this
513 subsection, may modify the categories described in this subdivision if
514 the authority finds that such modification improves customer
515 understanding of the components of the electric bill or customer
516 understanding of what costs are causing increases to the total amount
517 of a customer's bill.

518 Sec. 15. (NEW) (*Effective July 1, 2025*) Notwithstanding any provision
519 of title 16 of the general statutes, on and after October 1, 2025, any costs
520 associated with federally mandated congestion charges, as defined in

521 section 16-1 of the general statutes, as amended by this act, shall be (1)
522 removed from consumer electric bills, and (2) paid from the Green Bond
523 Fund established pursuant to section 16-245l of the general statutes, as
524 amended by this act.

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

527 (a) As used in this section:

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

531 (2) "Displaced worker protection costs" means the reasonable costs
532 incurred, prior to January 1, 2008, (A) by an electric supplier, exempt
533 wholesale generator, electric company, an operator of a nuclear power
534 generating facility in this state or a generation entity or affiliate arising
535 from the dislocation of any employee other than an officer, provided
536 such dislocation is a result of (i) restructuring of the electric generation
537 market and such dislocation occurs on or after July 1, 1998, or (ii) the
538 closing of a Title IV source or an exempt wholesale generator, as defined
539 in 15 USC 79z-5a, on or after January 1, 2004, as a result of such source's
540 failure to meet requirements imposed as a result of this section and
541 sections 22a-197 and 22a-198 or those Regulations of Connecticut State
542 Agencies adopted by the Department of Energy and Environmental
543 Protection, as amended from time to time, in accordance with Executive
544 Order Number 19, issued on May 17, 2000, and provided further such
545 costs result from either the execution of agreements reached through
546 collective bargaining for union employees or from the company's or
547 entity's or affiliate's programs and policies for nonunion employees, and
548 (B) by an electric distribution company or an exempt wholesale
549 generator arising from the retraining of a former employee of an
550 unaffiliated exempt wholesale generator, which employee was
551 involuntarily dislocated on or after January 1, 2004, from such wholesale
552 generator, except for cause. "Displaced worker protection costs"

553 includes costs incurred or projected for severance, retraining, early
554 retirement, outplacement, coverage for surviving spouse insurance
555 benefits and related expenses.

556 [(a)] (b) The Public Utilities Regulatory Authority shall establish and
557 [each electric distribution company shall collect a systems benefits
558 charge to be imposed against all end use customers of each electric
559 distribution company beginning January 1, 2000. The authority shall
560 hold a hearing that shall be conducted as a contested case in accordance
561 with chapter 54 to establish the amount of the systems benefits charge.
562 The authority may revise the systems benefits charge or any element of
563 said charge as the need arises. Commencing on July 1, 2015, and
564 annually thereafter, the sum of two million one hundred thousand
565 dollars shall be transferred from the systems benefits charge to
566 Operation Fuel, Incorporated, for energy assistance, provided two
567 hundred thousand dollars of such sum may be used for administrative
568 purposes. The systems benefits charge] administer a fund to be known
569 as the "Green Bond Fund" to pay expenses incurred in connection with
570 programs that benefit the operation of the electric grid in the state,
571 promote energy efficiency and benefit ratepayers as set forth in
572 subsections (c) and (d) of this section. Not later than October 1, 2025, the
573 authority shall develop and implement a methodology for disbursing
574 funds to pay for such expenses. The authority shall administer the fund
575 in such a way as to limit the annual expenditures from the fund to eight
576 hundred million dollars or less.

577 (c) The Green Bond Fund shall [also] be used to fund (1) the expenses
578 of the public education outreach program developed under section 16-
579 244d other than expenses for authority staff, (2) the cost of hardship
580 protection measures under sections 16-262c, as amended by this act, and
581 16-262d and other hardship protections, including, but not limited to,
582 electric service bill payment programs, funding and technical support
583 for energy assistance, fuel bank and weatherization programs and
584 weatherization services, (3) the payment program to offset tax losses
585 described in section 12-94d, as amended by this act, (4) any sums paid
586 to a resource recovery authority pursuant to subsection (b) of section 16-

587 243e, as amended by this act, (5) low income conservation programs
588 approved by the Public Utilities Regulatory Authority, (6) displaced
589 worker protection costs, (7) unfunded storage and disposal costs for
590 spent nuclear fuel generated before January 1, 2000, approved by the
591 appropriate regulatory agencies, (8) postretirement safe shutdown and
592 site protection costs that are incurred in preparation for
593 decommissioning, (9) decommissioning fund contributions, (10) costs
594 associated with the Connecticut electric efficiency partner program
595 established pursuant to section 16-243v, as amended by this act, (11)
596 reinvestments and investments in energy efficiency programs and
597 technologies pursuant to section 16a-38l, as amended by this act, costs
598 associated with the electricity conservation incentive program
599 established pursuant to section 119 of public act 07-242, (12) legal,
600 appraisal and purchase costs of a conservation or land use restriction
601 and other related costs as the authority in its discretion deems
602 appropriate, incurred by a municipality on or before January 1, 2000, to
603 ensure the environmental, recreational and scenic preservation of any
604 reservoir located within this state created by a pump storage
605 hydroelectric generating facility, [and] (13) the residential furnace and
606 boiler replacement program pursuant to subsection (k) of section 16-
607 243v, as amended by this act, [. As used in this subsection, "displaced
608 worker protection costs" means the reasonable costs incurred, prior to
609 January 1, 2008, (A) by an electric supplier, exempt wholesale generator,
610 electric company, an operator of a nuclear power generating facility in
611 this state or a generation entity or affiliate arising from the dislocation
612 of any employee other than an officer, provided such dislocation is a
613 result of (i) restructuring of the electric generation market and such
614 dislocation occurs on or after July 1, 1998, or (ii) the closing of a Title IV
615 source or an exempt wholesale generator, as defined in 15 USC 79z-5a,
616 on or after January 1, 2004, as a result of such source's failure to meet
617 requirements imposed as a result of sections 22a-197 and 22a-198 and
618 this section or those Regulations of Connecticut State Agencies adopted
619 by the Department of Energy and Environmental Protection, as
620 amended from time to time, in accordance with Executive Order
621 Number 19, issued on May 17, 2000, and provided further such costs

622 result from either the execution of agreements reached through
623 collective bargaining for union employees or from the company's or
624 entity's or affiliate's programs and policies for nonunion employees, and
625 (B) by an electric distribution company or an exempt wholesale
626 generator arising from the retraining of a former employee of an
627 unaffiliated exempt wholesale generator, which employee was
628 involuntarily dislocated on or after January 1, 2004, from such wholesale
629 generator, except for cause. "Displaced worker protection costs"
630 includes costs incurred or projected for severance, retraining, early
631 retirement, outplacement, coverage for surviving spouse insurance
632 benefits and related expenses] (14) the federally mandated congestion
633 charges, as defined in section 16-1, as amended by this act, (15) expenses
634 associated with any power purchase agreement between an electric
635 distribution company and a nuclear power generating facility approved
636 by the authority pursuant to section 16a-3m, as amended by this act, (16)
637 expenses associated with the Conservation and Load Management Plan,
638 as approved pursuant to section 16-245m, as amended by this act, and
639 (17) expenses associated with the operation of the Clean Energy Fund
640 pursuant to section 16-245n, as amended by this act.

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

656 of the systems benefits charge by customers under a special contract
657 shall not result in an increase in rates to any customer.]

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

663 Sec. 17. Subsection (d) of section 12-94d of the general statutes is
664 repealed and the following is substituted in lieu thereof (*Effective July 1,*
665 *2025*):

666 (d) On or before June fifteenth, annually, following the assessment
667 date for which the value of an electric generation facility decreases as a
668 direct result of restructuring of the electric industry, the assessor or
669 board of assessors of a municipality in which such a facility is located
670 shall certify to the Secretary of the Office of Policy and Management, on
671 a form furnished by the secretary, the amount as computed in
672 subsection (c) of this section together with supporting information as
673 the secretary may require. The secretary may reevaluate any such
674 facility when, in the secretary's judgment, the valuation is inaccurate.
675 The secretary shall review each claim and modify the value of any
676 facility included therein when, in the secretary's judgment, the value is
677 inaccurate or the facility did not decrease in value as a direct result of
678 restructuring of the electric industry. Not later than July first next
679 succeeding the assessment date for which the amount was approved by
680 the assessor or assessors, the secretary shall notify the municipality in
681 which the facility is located of the modification, in accordance with the
682 procedure set forth in subsection (e) of this section. The secretary shall,
683 on or before July fifteenth, annually, certify to the Public Utilities
684 Regulatory Authority the amount due the municipality under the
685 provisions of this section, including any modification of such amount
686 made prior to July first, and the authority shall order the payment of
687 such amount by the appropriate electric distribution company to the
688 municipality in which the facility is located according to the following

689 formula: Not later than five business days following the date on which
690 the taxes are paid by the owner of an electric generation facility in July,
691 but in no case prior to July fifteenth, the balance required to equal an
692 amount equal to half of the amount of tax for which the owner of an
693 electric generation facility is liable under this chapter with respect to
694 such facility plus half of the amount calculated in subsection (c) of this
695 section; on or before the thirty-first day of January immediately
696 following, the balance required to equal an amount equal to half of the
697 amount of tax for which the owner of an electric generation facility is
698 liable under this chapter with respect to such facility plus half of the
699 amount calculated in subsection (c) of this section. Following the
700 payment of taxes by the owner of an electric generation facility in July,
701 the town shall certify to the Public Utilities Regulatory Authority the
702 amount paid by such owner of an electric generation facility. The
703 amount paid shall be recovered by the electric distribution company
704 [through the systems benefits charge] from the Green Bond Fund
705 established pursuant to section 16-245l, as amended by this act. If any
706 modification is made as the result of the provisions of this section on or
707 after the July fifteenth following the date on which the assessor has
708 provided the amount in question, any adjustments to the amount due
709 to a municipality for the period for which such modification was made
710 shall be made in the next payment the electric distribution company
711 shall make to such municipality pursuant to this section.

712 Sec. 18. Subsection (d) of section 16-24a of the general statutes is
713 repealed and the following is substituted in lieu thereof (*Effective July 1,*
714 *2025*):

715 (d) The cost of low-income and discounted rates and related outreach
716 activities pursuant to this section shall be paid (1) through the normal
717 rate-making procedures of the department, (2) on a semiannual basis
718 [through the systems benefits charge for an electric distribution
719 company] from the Green Bond Fund established under section 16-245l,
720 as amended by this act, and (3) solely from the funds of the programs
721 modified, terminated or reduced by the department pursuant to this
722 section and the reduced cost of providing service to those eligible for

723 such discounted or low-income rates, any available energy assistance
724 and other sources of coverage for such rates, including, but not limited
725 to, generation available through the electricity purchasing pool
726 operated by the department.

727 Sec. 19. Subsection (b) of section 16-243e of the general statutes is
728 repealed and the following is substituted in lieu thereof (*Effective July 1,*
729 *2025*):

730 (b) Not later than October 1, 2000, and annually thereafter, the
731 authority shall calculate the difference between the amount paid by the
732 electric distribution company pursuant to each such contract in effect
733 during the preceding fiscal year for electricity generated at the facility
734 from waste that originated within such franchise area and the amount
735 that would have been paid had the company been obligated to pay the
736 rate in effect during calendar year 1999, as determined by the authority.
737 The difference, if positive, shall be recovered [through the systems
738 benefits charge] from the Green Bond Fund established under section
739 16-245l, as amended by this act, and remitted to the regional resource
740 recovery authority acting on behalf of member municipalities.

741 Sec. 20. Section 16-243h of the general statutes is repealed and the
742 following is substituted in lieu thereof (*Effective July 1, 2025*):

743 On and after January 1, 2000, and until December 31, 2021, each
744 electric supplier or any electric distribution company providing
745 standard offer, transitional standard offer, standard service or back-up
746 electric generation service, pursuant to section 16-244c, shall give a
747 credit for any electricity generated by a customer from a Class I
748 renewable energy source or a hydropower facility that has a nameplate
749 capacity rating of two megawatts or less for a term ending on December
750 31, 2041, provided any customer that has a contract approved by the
751 Public Utilities Regulatory Authority pursuant to section 16-244r on or
752 before December 31, 2021, shall be eligible for such credit. The electric
753 distribution company providing electric distribution services to such a
754 customer shall make such interconnections necessary to accomplish

755 such purpose. An electric distribution company, at the request of any
756 residential customer served by such company and if necessary to
757 implement the provisions of this section, shall provide for the
758 installation of metering equipment that (1) measures electricity
759 consumed by such customer from the facilities of the electric
760 distribution company, (2) deducts from the measurement the amount of
761 electricity produced by the customer and not consumed by the
762 customer, and (3) registers, for each billing period, the net amount of
763 electricity either (A) consumed and produced by the customer, or (B) the
764 net amount of electricity produced by the customer. If, in a given
765 monthly billing period, a customer-generator supplies more electricity
766 to the electric distribution system than the electric distribution company
767 or electric supplier delivers to the customer-generator, the electric
768 distribution company or electric supplier shall credit the customer-
769 generator for the excess by reducing the customer-generator's bill for the
770 next monthly billing period to compensate for the excess electricity from
771 the customer-generator in the previous billing period at a rate of one
772 kilowatt-hour for one kilowatt-hour produced. The electric distribution
773 company or electric supplier shall carry over the credits earned from
774 monthly billing period to monthly billing period, and the credits shall
775 accumulate until the end of the annualized period. At the end of each
776 annualized period, the electric distribution company or electric supplier
777 shall compensate the customer-generator for any excess kilowatt-hours
778 generated, at the avoided cost of wholesale power. A customer who
779 generates electricity from a generating unit with a nameplate capacity
780 of more than ten kilowatts of electricity pursuant to the provisions of
781 this section shall be assessed for the competitive transition assessment,
782 pursuant to section 16-245g, as amended by this act, [and the systems
783 benefits charge, pursuant to section 16-245l,] based on the amount of
784 electricity consumed by the customer from the facilities of the electric
785 distribution company without netting any electricity produced by the
786 customer. For purposes of this section, "residential customer" means a
787 customer of a single-family dwelling or multifamily dwelling consisting
788 of two to four units. The Public Utilities Regulatory Authority shall
789 establish a rate on a cents-per-kilowatt-hour basis for the electric

790 distribution company to purchase the electricity generated by a
791 customer pursuant to this section after December 31, 2041.

792 Sec. 21. Section 16-243v of the general statutes is repealed and the
793 following is substituted in lieu thereof (*Effective July 1, 2025*):

794 (a) For purposes of this section: (1) "Connecticut electric efficiency
795 partner program" means the coordinated effort among the Public
796 Utilities Regulatory Authority, persons and entities providing enhanced
797 demand-side management technologies, and electric consumers to
798 conserve electricity and reduce demand in Connecticut through the
799 purchase and deployment of energy efficient technologies; (2)
800 "enhanced demand-side management technologies" means demand-
801 side management solutions, customer-side emergency dispatchable
802 generation resources, customer-side renewable energy generation, load
803 shifting technologies and conservation and load management
804 technologies that reduce electric distribution company customers'
805 electric demand, and high efficiency natural gas and oil boilers and
806 furnaces; and (3) "Connecticut electric efficiency partner" means an
807 electric distribution company customer who acquires an enhanced
808 demand-side management technology or a person, other than an electric
809 distribution company, that provides enhanced demand-side
810 management technologies to electric distribution company customers.

811 (b) The Energy Conservation Management Board, in consultation
812 with the Renewable Energy Investments Advisory Committee, shall
813 evaluate and approve enhanced demand-side management
814 technologies that can be deployed by Connecticut electric efficiency
815 partners to reduce electric distribution company customers' electric
816 demand. Such evaluation shall include an examination of the potential
817 to reduce customers' demand, federally mandated congestion charges
818 and other electric costs. On or before October 15, 2007, the Energy
819 Conservation Management Board shall file such evaluation with the
820 Public Utilities Regulatory Authority for the authority to review and
821 approve or to review, modify and approve on or before October 15,
822 2007.

823 (c) Not later than October 15, 2007, the Energy Conservation
824 Management Board shall file with the authority for the authority to
825 review and approve or to review, modify and approve, an analysis of
826 the state's electric demand, peak electric demand and growth forecasts
827 for electric demand and peak electric demand. Such analysis shall
828 identify the principal drivers of electric demand and peak electric
829 demand, associated electric charges tied to electric demand and peak
830 electric demand growth, including, but not limited to, federally
831 mandated congestion charges and other electric costs, and any other
832 information the authority deems appropriate. The analysis shall
833 include, but not be limited to, an evaluation of the costs and benefits of
834 the enhanced demand-side management technologies approved
835 pursuant to subsection (b) of this section and establishing suggested
836 funding levels for said individual technologies.

837 (d) Commencing April 1, 2008, any person may apply to the authority
838 for certification and funding as a Connecticut electric efficiency partner.
839 Such application shall include the technologies that the applicant shall
840 purchase or provide and that have been approved pursuant to
841 subsection (b) of this section. In evaluating the application, the authority
842 shall (1) consider the applicant's potential to reduce customers' electric
843 demand, including peak electric demand, and associated electric
844 charges tied to electric demand and peak electric demand growth, (2)
845 determine the portion of the total cost of each project that shall be paid
846 for by the customer participating in this program and the portion of the
847 total cost of each project that shall be paid for by all electric ratepayers
848 and collected pursuant to subsection (h) of this section. In making such
849 determination, the authority shall ensure that all ratepayer investments
850 maintain a minimum two-to-one payback ratio, and (3) specify that
851 participating Connecticut electric efficiency partners shall maintain the
852 technology for a period sufficient to achieve such investment payback
853 ratio. The annual ratepayer contribution for projects approved pursuant
854 to this section shall not exceed sixty million dollars. Not less than
855 seventy-five per cent of such annual ratepayer investment shall be used
856 for the technologies themselves. No person shall receive electric

857 ratepayer funding pursuant to this subsection if such person has
858 received or is receiving funding from the Conservation and Load
859 Management Plan for the projects included in said person's application.
860 No person shall receive electric ratepayer funding without receiving a
861 certificate of public convenience and necessity as a Connecticut electric
862 efficiency partner by the authority. The authority may grant an
863 applicant a certificate of public convenience if it possesses and
864 demonstrates adequate financial resources, managerial ability and
865 technical competency. The authority may conduct additional requests
866 for proposals from time to time as it deems appropriate. The authority
867 shall specify the manner in which a Connecticut electric efficiency
868 partner shall address measures of effectiveness and shall include
869 performance milestones.

870 (e) Beginning February 1, 2010, a certified Connecticut electric
871 efficiency partner may only receive funding if selected in a request for
872 proposal developed, issued and evaluated by the authority. In
873 evaluating a proposal, the authority shall take into consideration the
874 potential to reduce customers' electric demand including peak electric
875 demand, and associated electric charges tied to electric demand and
876 peak electric demand growth, including, but not limited to, federally
877 mandated congestion charges and other electric costs, and shall utilize
878 a cost benefit test established pursuant to subsection (c) of this section
879 to rank responses for selection. The authority shall determine the
880 portion of the total cost of each project that shall be paid by the customer
881 participating in this program and the portion of the total cost of each
882 project that shall be paid by all electric ratepayers and collected
883 pursuant to the provisions of this subsection. In making such
884 determination, the authority shall (1) ensure that all ratepayer
885 investments maintain a minimum two-to-one payback ratio, and (2)
886 specify that participating Connecticut electric efficiency partners shall
887 maintain the technology for a period sufficient to achieve such
888 investment payback ratio. The annual ratepayer contribution shall not
889 exceed sixty million dollars. Not less than seventy-five per cent of such
890 annual ratepayer investment shall be used for the technologies

891 themselves. No Connecticut electric efficiency partner shall receive
892 funding pursuant to this subsection if such partner has received or is
893 receiving funding from the Conservation and Load Management Plan
894 for such technology. The authority may conduct additional requests for
895 proposals from time to time as it deems appropriate. The authority shall
896 specify the manner in which a Connecticut electric efficiency partner
897 shall address measures of effectiveness and shall include performance
898 milestones.

899 (f) The authority may retain the services of a third party entity with
900 expertise in areas such as demand-side management solutions,
901 customer-side renewable energy generation, customer-side distributed
902 generation resources, customer-side emergency dispatchable
903 generation resources, load shifting technologies and conservation and
904 load management investments to assist in the development and
905 operation of the Connecticut electric efficiency partner program. The
906 costs for obtaining third party services pursuant to this subsection shall
907 be recoverable [through the systems benefits charge] from the Green
908 Bond Fund established under section 16-245l, as amended by this act.

909 (g) The authority shall develop a long-term low-interest loan
910 program to assist certified Connecticut electric efficiency partners in
911 financing the customer portion of the capital costs of approved
912 enhanced demand-side management technologies. The authority may
913 establish such financing mechanism by the use of one or more of the
914 following strategies: (1) Modifying the existing long-term customer-side
915 distributed generation financing mechanism established pursuant to
916 section 16-243j, (2) negotiating and entering into an agreement with
917 Connecticut Innovations, Incorporated to establish a credit facility or to
918 utilize grants, loans or loan guarantees for the purposes of this section
919 upon such terms and conditions as Connecticut Innovations,
920 Incorporated may prescribe including provisions regarding the rights
921 and remedies available to Connecticut Innovations, Incorporated in case
922 of default, or (3) selecting by competitive bid one or more entities that
923 can provide such long-term financing.

924 (h) The authority shall provide for the payment of electric ratepayers'
925 portion of the costs of deploying enhanced demand-side management
926 technologies by implementing a contractual financing agreement with
927 Connecticut Innovations, Incorporated or a private financing entity
928 selected through an appropriate open competitive selection process. No
929 contractual financing agreements entered into with Connecticut
930 Innovations, Incorporated shall exceed ten million dollars. Any electric
931 ratepayer costs resulting from such financing agreement shall be
932 [recovered from all electric ratepayers through the systems benefits
933 charge] paid from the Green Bond Fund established under section 16-
934 245l, as amended by this act.

935 (i) On or before February 15, 2009, and annually thereafter, the
936 authority shall report to the joint standing committee of the General
937 Assembly having cognizance of matters relating to energy regarding the
938 effectiveness of the Connecticut electric efficiency partner program
939 established pursuant to this section. Said report shall include, but not be
940 limited to, an accounting of all benefits and costs to ratepayers, a
941 description of the approved technologies, the payback ratio of all
942 investments, the number of programs deployed and a list of proposed
943 projects compared to approved projects and reasons for not being
944 approved.

945 (j) On or before April 1, 2011, the Public Utilities Regulatory
946 Authority shall initiate a proceeding to review the effectiveness of the
947 program and perform a ratepayer cost-benefit analysis. Based upon the
948 authority's findings in the proceeding, the authority may modify or
949 discontinue the partnership program established pursuant to this
950 section.

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

952 (A) "Residential retail end use customer" means any electric, gas or
953 heating fuel customer, regardless of heating source, who wishes to
954 replace heating furnace or boiler equipment, or purchase either an
955 underground or above ground propane fuel tank, including, but not

956 limited to, a propane fuel tank that the residential retail end use
957 customer leases, provided a residential retail end use customer (i) shall
958 be a customer of an electric distribution company, and (ii) shall not
959 include a customer who occupies leased premises or who does not own
960 the premises on which the replacement heating furnace or boiler
961 equipment is located or on which the underground or above ground
962 propane tank to be purchased is located or will be located;

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

967 (C) "Furnace or boiler replacement and propane fuel tank purchase
968 funds" means any funds approved by the third-party administrator
969 pursuant to this subsection, provided (i) such funds may be used for the
970 loan principal in an amount not to exceed fifteen thousand dollars,
971 excluding interest expense associated with such loan and the expense
972 for any loan default, and (ii) participating residential retail end use
973 customers may be charged interest on the loan principal in an amount
974 not to exceed three per cent, based on income eligibility as determined
975 by the third-party administrator;

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

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

982 (2) Not later than September 1, 2013, the electric distribution and gas
983 companies shall develop a residential furnace or boiler replacement and
984 propane fuel tank purchase program funded by the [systems benefits
985 charge] Green Bond Fund established pursuant to section 16-245l, as
986 amended by this act, in a manner that minimizes the impact on
987 ratepayers. Said program shall be reviewed and approved or modified

988 by the Department of Energy and Environmental Protection, in
989 consultation with the Energy Conservation Management Board, within
990 sixty days of receipt of the plan for said program. Said program shall
991 include a contract for retention of a third-party administrator to become
992 effective upon approval of the program by the department. Said
993 program shall continue until the end of the eleventh year of the
994 program. On or before January 1, 2014, the electric distribution and gas
995 companies shall retain the services of a third-party administrator with
996 expertise in developing, implementing and administering residential
997 lending programs, including credit evaluation, to provide financing for
998 improvement projects by property owners, loan servicing and program
999 administration. The third-party administrator shall, in conjunction with
1000 the electric distribution companies and gas companies, develop the
1001 program. On and after December 29, 2015, said program shall be
1002 amended to provide such residential lending to residential retail end use
1003 customers who seek to purchase either an underground or above
1004 ground propane fuel tank, including, but not limited to, a propane fuel
1005 tank that the residential retail end use customer leases.

1006 (3) The third-party administrator shall be responsible for extending
1007 loans and administering the residential furnace or boiler replacement
1008 and propane fuel tank purchase program to assist residential retail end
1009 use customers in funding heating furnace or boiler equipment
1010 replacements and propane fuel tank purchases that meet all of the
1011 program requirements. (A) For heating furnace or boiler equipment
1012 replacements, the program requirements shall include, but not be
1013 limited to, (i) the total projected direct cost savings to the eligible
1014 residential retail end use customer resulting from the heating furnace or
1015 boiler replacement, calculated on an annual basis commencing from the
1016 month that the replacement furnace or boiler is projected to be in
1017 service, shall be greater than the total cost of the replacement funds over
1018 the term of the program in order to qualify for the program, (ii) the
1019 eligible customer shall pay a contribution of not less than ten per cent of
1020 the total cost of the replacement or conversion of the heating furnace or
1021 boiler and any additional amounts that are required in order to meet the

1022 program requirements, (iii) eligible customers shall have six consecutive
1023 months of timely utility payments and shall not have any past due
1024 balance owed to any electric distribution company or gas company, (iv)
1025 the term of the repayment of the replacement funds shall be the lesser
1026 of (I) the simple payback period of the replacement funds plus two
1027 years, or (II) ten years, and (v) the replacement furnace or boiler shall
1028 meet or exceed federal Energy Star standards. (B) For propane fuel tank
1029 purchases, the program requirements shall include, but not be limited
1030 to, (i) eligible customers shall have six consecutive months of timely
1031 utility payments and shall not have any past due balance owed to any
1032 electric distribution company, propane seller or gas company, (ii) the
1033 term of the repayment of the replacement funds shall be not longer than
1034 ten years, and (iii) the loan recipient shall have such propane tank
1035 inspected on an annual basis and forward a certificate of inspection to
1036 the third-party administrator. In the event that such propane tank is
1037 found to need repair as a result of such inspection, any person
1038 performing such inspection shall inform the homeowner and the
1039 applicable local fire marshal. If the requisite repair is not made in a
1040 timely fashion or as otherwise recommended or ordered by the local fire
1041 marshal, said fire marshal shall render such propane tank inoperable.
1042 Eligible residential retail end use customers may apply to the third-
1043 party administrator for participation in the program. The third-party
1044 administrator shall screen each applicant to ensure that the applicant
1045 meets the eligibility requirements and such program requirements prior
1046 to accepting the customer into the program. The third-party
1047 administrator shall create awareness of the propane fuel tank purchase
1048 provisions of the program by the general public and, in particular, by
1049 residential propane purchasers.

1050 (4) Program participants shall repay the furnace or boiler
1051 replacement and propane fuel tank purchase funds through a monthly
1052 charge on the customer's residential electric or gas utility bill, provided
1053 heating fuel customers shall be able to repay such replacement and
1054 propane fuel tank purchase funds through a monthly charge on such
1055 customer's electric or gas utility bill. Furnace or boiler replacement and

1056 propane fuel tank purchase funds provided shall be reflected on the
1057 residential retail end use customer's electric service or gas account, as
1058 applicable, for the premises on which the replacement heating furnace
1059 or boiler equipment or propane fuel tank is located. If the premises are
1060 sold, the amount of replacement or propane fuel tank purchase funds
1061 remaining to be repaid shall be transferred to subsequent service
1062 account holders at such premises, who may become program
1063 participants for purposes of the repayment obligation, unless the seller
1064 and buyer agree that the loan will not be transferred.

1065 (5) Furnace or boiler replacement and propane fuel tank purchase
1066 funds shall be recovered [through the systems benefits charge of the
1067 respective electric distribution company where the heating furnace or
1068 boiler equipment or propane tank is located] from the Green Bond Fund
1069 established under section 16-245l, as amended by this act. Any program
1070 costs incurred by the third-party administrator or the propane or gas
1071 company and funds not repaid by customers who default on their
1072 repayment obligations and other costs associated with the program or
1073 customers' failure to repay replacement or propane fuel tank purchase
1074 funds to the third-party administrator shall be recovered [through the
1075 systems benefits charge] from the fund. All administrative and capital
1076 carrying costs of the electric distribution companies associated with the
1077 program shall be recovered by the companies through a reconciling
1078 component [, such as the systems benefits charge as] approved by the
1079 Public Utilities Regulatory Authority.

1080 (6) On or before January 1, 2016, and on or before January 1, 2018, the
1081 Department of Energy and Environmental Protection and the Energy
1082 Conservation Management Board shall engage an independent third
1083 party to evaluate and submit a report, in accordance with section 11-4a,
1084 to the joint standing committees of the General Assembly having
1085 cognizance of matters relating to energy and finance, revenue and
1086 bonding on the status of the program. Such report shall also include an
1087 evaluation of the program developed pursuant to section 16a-40m. The
1088 report shall include, but not be limited to, for each program, a review of
1089 (A) cost effectiveness of the program, (B) number of customers served

1090 and potential for growth, (C) the customer classes served, and (D) the
1091 fuel type of the financed equipment.

1092 (7) The third-party administrator shall be entitled to take all available
1093 legal action as may be necessary to secure the furnace or boiler
1094 replacement and propane fuel tank purchase funds and repayment of
1095 the funds, including, but not limited to, attaching liens and requiring
1096 filings to be made on applicable land records or as otherwise necessary
1097 or required.

1098 Sec. 22. Subsection (e) of section 16-245c of the general statutes is
1099 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1100 *2025*):

1101 (e) Any municipal electric utility created on or after July 1, 1998,
1102 pursuant to section 7-214 or a special act and any municipal electric
1103 utility that expands its service area on or after July 1, 1998, shall collect
1104 from its new customers the competitive transition assessment imposed
1105 pursuant to section 16-245g, as amended by this act, [the systems
1106 benefits charge imposed pursuant to section 16-245l, three mills per
1107 kilowatt hour of electricity sold for the conservation adjustment
1108 mechanisms described in section 16-245m, and the assessments charged
1109 under section 16-245n] in such manner and at such rate as the authority
1110 prescribes, provided the authority shall order the collection of said
1111 assessment [and said charge] in a manner and rate equal to that to which
1112 the customers would have been subject had the municipal electric utility
1113 not been created or expanded.

1114 Sec. 23. Subdivision (3) of subsection (h) of section 16-245o of the
1115 general statutes is repealed and the following is substituted in lieu
1116 thereof (*Effective July 1, 2025*):

1117 (3) No electric supplier, aggregator or agent of an electric supplier or
1118 aggregator shall (A) advertise or disclose the price of electricity to
1119 mislead a reasonable person into believing that the electric generation
1120 services portion of the bill will be the total bill amount for the delivery
1121 of electricity to the customer's location, or (B) make any statement, oral

1122 or written, suggesting a prospective customer is required to choose a
1123 supplier. When advertising or disclosing the price for electricity, the
1124 electric supplier, aggregator or agent of an electric supplier or
1125 aggregator shall (i) disclose the electric distribution company's current
1126 charges, including the competitive transition assessment, [and the
1127 systems benefits charge,] for that customer class, and (ii) indicate, using
1128 at least a ten-point font size, in a conspicuous part of any advertisement
1129 or disclosure that includes an advertised price, (I) the expiration of such
1130 advertised price, and (II) any fixed or recurring charge, including, but
1131 not limited to, any minimum monthly charge.

1132 Sec. 24. Subsections (b) to (d), inclusive, of section 16-245w of the
1133 general statutes are repealed and the following is substituted in lieu
1134 thereof (*Effective July 1, 2025*):

1135 (b) The Public Utilities Regulatory Authority shall design a process
1136 for determining a fee to be paid by customers who have installed self-
1137 generation facilities in order to offset any loss or potential loss in
1138 revenue from such facilities toward the competitive transition
1139 assessment, [the systems benefits charge, the conservation adjustment
1140 mechanisms collected under section 16-245m and the Clean Energy
1141 Fund assessment collected under section 16-245n.] Except as provided
1142 in subsection (c) of this section, such fee shall apply to customers who
1143 have installed self-generation facilities that begin operation on or after
1144 July 1, 1998.

1145 (c) An exit fee shall not apply to a customer who has installed a self-
1146 generation facility that (1) exclusively services the load of one to four
1147 residential units, or (2) is installed in conjunction with the expansion of
1148 an industrial plant that began operation before July 1, 1998, if the self-
1149 generation facility predominantly services such industrial plant and the
1150 expansion of said industrial plant results in economic development, as
1151 determined by the authority. The exemption under subdivision (2) of
1152 this subsection shall only apply to the amount of any new load provided
1153 by the self-generation facility to service the expansion.

1154 (d) The authority shall develop criteria for excluding units based on
1155 size or specialized use, balancing concerns of the potential impact on
1156 small businesses, equity among customer classes, and the need to offset
1157 losses to the competitive transition assessment. [and the systems
1158 benefits charge.] The authority shall establish procedures for
1159 distinguishing between existing load and new load for purposes of self-
1160 generation facilities described in subdivision (2) of subsection (c) of this
1161 section. The authority shall determine how to identify self-generation
1162 facilities, such as through a registration process, and how to enforce the
1163 collection of such fees. The authority shall establish criteria to determine
1164 how such fee shall be valued and the process for its collection, which
1165 shall include the ability of self-generation facilities to pay the fee over a
1166 period of time.

1167 Sec. 25. Subsection (f) of section 16-262c of the general statutes is
1168 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1169 *2025*):

1170 (f) If an electric supplier suffers a loss of revenue by operation of this
1171 section, the supplier may make a claim for such revenue to the authority.
1172 The electric distribution company shall reimburse the electric supplier
1173 for such losses found to be reasonable by the authority at the lower of
1174 (1) the price of the contract between the supplier and the customer, or
1175 (2) the electric distribution company's price to customers for default
1176 service, as determined by the authority. The electric distribution
1177 company may recover such reimbursement, along with transaction
1178 costs, [through the systems benefits charge] from the Green Bond Fund
1179 established under section 16-245l, as amended by this act.

1180 Sec. 26. Subsection (b) of section 16a-38l of the general statutes is
1181 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1182 *2025*):

1183 (b) Any savings achieved through the implementation of said plan
1184 shall be allocated as follows: (1) Seventy-five per cent shall be retained
1185 by electric ratepayers, and (2) twenty-five per cent shall be divided

1186 equally between (A) reinvestment into energy efficiency programs in
1187 state buildings, and (B) investment into energy efficiency programs and
1188 technologies on behalf of participants of energy assistance programs
1189 administered by the Department of Social Services. Any reinvestments
1190 or investments made in programs pursuant to this section shall be paid
1191 [through the systems benefits charge] from the Green Bond Fund
1192 established under section 16-245l, as amended by this act.

1193 Sec. 27. Subsection (b) of section 33-219 of the general statutes is
1194 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1195 *2025*):

1196 (b) Notwithstanding the provisions of subsection (a) of this section,
1197 cooperative, nonprofit, membership corporations may be organized
1198 under this chapter for the purpose of generating electric energy by
1199 means of cogeneration technology, renewable energy resources or both
1200 and supplying it to any member or supplying it to, purchasing it from
1201 or exchanging it with a public service company, electric supplier, as
1202 defined in section 16-1, as amended by this act, municipal aggregator,
1203 as defined in said section, municipal utility or municipal electric energy
1204 cooperative, in accordance with an agreement with the company,
1205 electric supplier, electric aggregator, municipal utility or cooperative.
1206 No membership corporation under this subsection may exercise those
1207 powers contained in subsection (i) or (j) of section 33-221 unless the prior
1208 approval of the Public Utilities Regulatory Authority is obtained, after
1209 opportunity for hearing in accordance with title 16 and chapter 54. Any
1210 cooperative organized on or after July 1, 1998, pursuant to this
1211 subsection shall collect from its members the competitive transition
1212 assessment levied pursuant to section 16-245g, as amended by this act,
1213 [and the systems benefits charge levied pursuant to section 16-245l] in
1214 such manner and at such rate as the Public Utilities Regulatory
1215 Authority prescribes, provided the authority shall order the collection
1216 of said assessment and said charge in a manner and rate equal to that to
1217 which the members of the cooperative would have been subject had the
1218 cooperative not been organized.

1219 Sec. 28. Subdivision (3) of subsection (e) of section 16a-3m of the
1220 general statutes is repealed and the following is substituted in lieu
1221 thereof (*Effective July 1, 2025*):

1222 (3) Any agreement entered into pursuant to subdivision (2) of this
1223 subsection shall be subject to review and approval by the Public Utilities
1224 Regulatory Authority. The electric distribution company shall file an
1225 application for the approval of any such agreement with the authority.
1226 The authority's review shall commence upon the filing of the signed
1227 power purchase agreement with the authority. The authority shall
1228 approve agreements that it determines (A) provide for the delivery of
1229 adequate and reliable products and services, for which there is a clear
1230 public need, at a just and reasonable price, (B) are prudent and cost
1231 effective, and (C) that the respondent to the solicitation has the technical,
1232 financial and managerial capabilities to perform pursuant to such
1233 agreement. For any eligible nuclear power generating facility selected in
1234 any solicitation described in subsection (g) of this section, the authority
1235 shall require any such agreement to be conditioned upon the approval
1236 of such a power purchase agreement or other agreement for energy,
1237 capacity and any environmental attributes, or any combination thereof,
1238 with such eligible nuclear power generating facility, in at least two other
1239 states, by the applicable officials of such states or by electric utilities or
1240 other entities designated by the applicable officials of such states. The
1241 authority shall issue a decision not later than one hundred eighty days
1242 after such filing. If the authority does not issue a decision within one
1243 hundred eighty days after such filing, the agreement shall be deemed
1244 approved. The net costs of any such agreement, including costs incurred
1245 by the electric distribution company under the agreement and
1246 reasonable costs incurred by the electric distribution company in
1247 connection with the agreement, shall be [recovered on a timely basis
1248 through a nonbypassable fully reconciling component of electric rates
1249 for all customers of the electric distribution company] paid from the
1250 Green Bond Fund established pursuant to section 16-245l, as amended
1251 by this act. Any net revenues from the sale of products purchased in
1252 accordance with long-term contracts entered into pursuant to this

1253 subsection shall be credited to [customers through the same
1254 nonbypassable fully reconciling rate component for all customers of the
1255 contracting electric distribution company] said fund.

1256 Sec. 29. Subdivision (2) of subsection (c) of section 12-264 of the
1257 general statutes is repealed and the following is substituted in lieu
1258 thereof (*Effective July 1, 2025*):

1259 (2) For purposes of this subsection, gross earnings from providing
1260 electric transmission services or electric distribution services shall
1261 include (A) all income classified as income from providing electric
1262 transmission services or electric distribution services, as determined by
1263 the Commissioner of Revenue Services in consultation with the Public
1264 Utilities Regulatory Authority, and (B) the competitive transition
1265 assessment collected pursuant to section 16-245g, as amended by this
1266 act, other than any component of such assessment that constitutes
1267 transition property as to which an electric distribution company has no
1268 right, title or interest pursuant to subsection (a) of section 16-245h, as
1269 amended by this act. [, the systems benefits charge collected pursuant to
1270 section 16-245l, the conservation adjustment mechanisms charged
1271 under section 16-245m, and the assessments charged under section 16-
1272 245n.] Such gross earnings shall not include income from providing
1273 electric transmission services or electric distribution services to a
1274 company described in subsection (c) of section 12-265.

1275 Sec. 30. Section 16-243n of the general statutes is repealed and the
1276 following is substituted in lieu thereof (*Effective July 1, 2025*):

1277 (a) Not later than [October 1, 2005] July 1, 2026, each electric
1278 distribution company, as defined in section 16-1, as amended by this act,
1279 shall submit an application to the Public Utilities Regulatory Authority
1280 to [(1) on or before January 1, 2007,] implement time-of-use rates for (1)
1281 residential customers, [that have a maximum demand of not less than
1282 three hundred fifty kilowatts that may include, but not be limited to,
1283 mandatory peak, shoulder and off-peak time-of-use rates, and (2) on or
1284 before June 1, 2006, offer optional interruptible or load response rates

1285 for customers that have a maximum demand of not less than three
1286 hundred fifty kilowatts and offer optional seasonal and time-of-use
1287 rates for all customers. The application shall propose to establish time-
1288 of-use rates through a procurement plan, revenue neutral adjustments
1289 to delivery rates, or both] and (2) commercial and industrial customers.

1290 (b) [Not later than November 1, 2005, each electric distribution
1291 company shall submit an application to the Public Utilities Regulatory
1292 Authority to implement mandatory seasonal rates for all customers
1293 beginning April 1, 2007.] (1) Transmission and distribution time-of-use
1294 rates submitted pursuant to subsection (a) of this section shall provide
1295 for fixed rates across twenty-four-hour cycles based on projected
1296 seasonal demand that include on-peak rates for the period between the
1297 hours of four o'clock p.m. and seven o'clock p.m. each weekday. Such
1298 peak rates shall be not less than three hundred per cent higher than rates
1299 for off-peak hours. Such time-of-use rates shall be based on revenue
1300 recovery for hourly kilowatt sales and shall not include any demand
1301 charge for any rate tariff.

1302 (2) Each application shall propose to establish (A) such time-of-use
1303 rates through an approved revenue recovery mechanism for
1304 transmission and distribution rates, and (B) a monthly revenue
1305 reconciliation mechanism whereby any revenue undercollected or
1306 overcollected through such time-of-use rates is recovered or refunded,
1307 as appropriate, through a subsequent billing reconciliation adjustment.
1308 Such adjustment shall adhere to an approved recovery mechanism that
1309 adds or deducts from the hourly time-of-use base rates.

1310 (c) The authority shall hold a hearing that shall be conducted as a
1311 contested case, in accordance with the provisions of chapter 54, to
1312 approve, reject or modify applications submitted pursuant to subsection
1313 (a) [or (b)] of this section. No application for time-of-use rates shall be
1314 approved by the authority unless (1) such rates reasonably reflect the
1315 cost of service during their respective time-of-use periods, [and] (2) the
1316 Connecticut Energy Procurement Authority has provided an
1317 assessment or recommendations concerning such rates, (3) the costs

1318 associated with implementation, the impact on customers and benefits
1319 to the utility system justify implementation of such rates, and [(3)] (4)
1320 such rates alter patterns of customer consumption of electricity without
1321 undue adverse effect on the customer.

1322 (d) Each electric distribution company shall assist customers to help
1323 manage loads and reduce peak consumption through the
1324 comprehensive plan developed pursuant to section 16-245m, as
1325 amended by this act.

1326 Sec. 31. Subsections (a) and (b) of section 16-19f of the general statutes
1327 are repealed and the following is substituted in lieu thereof (*Effective July*
1328 *1, 2025*):

1329 (a) As used in this section and section 16-243n, as amended by this
1330 act:

1331 (1) "Cost of service" means an electric utility rate for a class of
1332 consumer which is designed, to the maximum extent practicable, to
1333 reflect the cost to the utility in providing electric service to such class;

1334 (2) "Declining block rate" means an electric utility rate for a class of
1335 consumer which prices successive blocks of electricity consumed by
1336 such consumer at lower per-unit prices;

1337 (3) ["Time of day rate"] "Time-of-use rate" means an electric utility
1338 rate for a class of consumer [which] that is designed to (A) reflect the
1339 cost to the utility of providing electricity to such consumer at different
1340 times of the day, and (B) create adequate price elasticity that incentivizes
1341 targeted electric load growth and system efficiency;

1342 [(4) "Seasonal rate" means an electric utility rate for a class of
1343 consumer designed to reflect the cost to the utility in providing
1344 electricity to such consumer during different seasons of the year;

1345 (5) "Electric vehicle time of day rate" means an electric utility rate for
1346 a class of consumer designed to reflect the cost to the utility of providing
1347 electricity to such consumer charging an electric vehicle at an electric

1348 vehicle charging station at different times of the day, but shall not
1349 include demand charges;]

1350 ~~[(6)]~~ (4) "Electric vehicle charging station" means an electric
1351 component assembly or cluster of component assemblies designed
1352 specifically to charge batteries within electric vehicles by permitting the
1353 transfer of electric energy to a battery or other storage device in an
1354 electric vehicle;

1355 ~~[(7)]~~ (5) "Public electric vehicle charging station" means an electric
1356 vehicle charging station located at a publicly available parking space;

1357 ~~[(8)]~~ (6) "Publicly available parking space" means a parking space that
1358 has been designated by a property owner or lessee to be available to,
1359 and accessible by, the public and may include on-street parking spaces
1360 and parking spaces in surface lots or parking garages, but shall not
1361 include: (A) A parking space that is part of, or associated with, a private
1362 residence; (B) a parking space that is reserved for the exclusive use of an
1363 individual driver or vehicle or for a group of drivers or vehicles, such as
1364 employees, tenants, visitors, residents of a common interest
1365 development, or residents of an adjacent building; or (C) a parking
1366 space reserved for persons who are blind and persons with disabilities
1367 as described in section 14-253a;

1368 ~~[(9)]~~ "Interruptible rate" means an electric utility rate designed to
1369 reflect the cost to the utility in providing service to a consumer where
1370 such consumer permits his service to be interrupted during periods of
1371 peak electrical demand; and]

1372 ~~[(10)]~~ (7) "Load management techniques" means cost-effective
1373 techniques used by an electric utility to reduce the maximum kilowatt
1374 demand on the utility; and

1375 (8) "On-peak" means the period between the hours of four o'clock
1376 p.m. and seven o'clock p.m. each weekday.

1377 (b) [The] Not later than October 1, 2026, the Public Utilities

1378 Regulatory Authority shall, with respect to each electric public service
1379 company, [shall (1) within two years, consider and determine whether
1380 it is appropriate to implement any of the following rate design
1381 standards: (A) Cost of service; (B) prohibition of declining block rates;
1382 (C) time of day rates; (D) seasonal rates; (E) interruptible rates; and (F)
1383 load management techniques, and (2) not later than June 1, 2017,
1384 consider and determine whether it is appropriate to implement electric
1385 vehicle time of day rates] implement time-of-use hourly rates for
1386 residential and commercial customers. The consideration of said
1387 standards by the authority shall be made after public notice and hearing.
1388 Such hearing may be held concurrently with a hearing required
1389 pursuant to subsection (b) of section 16-19e. The authority shall make a
1390 determination on whether it is appropriate to implement any of said
1391 standards. Said determination shall be in writing, shall take into
1392 consideration the evidence presented at the hearing and shall be
1393 available to the public. A standard shall be deemed to be appropriate
1394 for implementation if such implementation would encourage energy
1395 conservation, optimal and efficient use of facilities and resources by an
1396 electric public service company and equitable rates for electric
1397 consumers approved by the authority. If the authority does not approve
1398 such rates on or before October 1, 2026, the time-of-use-hourly rates
1399 submitted to the authority by the Connecticut Energy Procurement
1400 Authority pursuant to section 4 of this act shall be deemed approved.

1401 Sec. 32. Section 16-243w of the general statutes is repealed and the
1402 following is substituted in lieu thereof (*Effective July 1, 2025*):

1403 (a) On or before [July 1, 2007] January 1, 2026, each electric
1404 distribution company shall submit a plan to the Public Utilities
1405 Regulatory Authority to deploy an advanced metering system. [In lieu
1406 of submitting a plan pursuant to this section, an electric distribution
1407 company may seek a determination by the authority that] If such
1408 company's existing metering system meets the requirements of this
1409 section, such company shall use such existing metering system. Such
1410 metering systems shall support net metering and be capable of tracking
1411 hourly consumption to support proactive customer pricing signals

1412 through innovative time-of-use rate design [, such as time-of-day or
1413 real-time pricing of electric service for all customer classes] as described
1414 in section 16-243n, as amended by this act.

1415 (b) Each plan to implement an advanced metering system developed
1416 pursuant to subsection (a) of this section shall outline an
1417 implementation schedule whereby meters and any network necessary
1418 to support such meters are fully deployed on or before January 1, [2009.
1419 On] 2027, provided on or after January 1, [2009] 2027, any customer may
1420 obtain a meter on demand.

1421 (c) The cost of the advanced metering system, including, but not
1422 limited to, the meters, the network to support the meters, software and
1423 vendor costs to obtain the required information from the metering
1424 system and administrative, installation, operation maintenance costs,
1425 shall be borne by the electric distribution company and shall be
1426 recoverable in rates if the Connecticut Energy Procurement Authority
1427 has certified such company's compliance with the requirements of the
1428 customer education and engagement program pursuant to section 8 of
1429 this act. Any unrecovered cost of the current metering system shall
1430 continue to be reflected in rates.

1431 (d) Not later than [six months after June 4, 2007] January 1, 2028,
1432 electric distribution companies, competitive electric suppliers and
1433 aggregators shall offer time-of-use pricing options to all customer
1434 classes. These pricing options shall include, but not be limited to, hourly
1435 and real-time pricing options.

1436 Sec. 33. (NEW) (*Effective July 1, 2025*) (a) There is established a fund
1437 to be known as the "Energy Infrastructure Transition Fund". The fund
1438 shall be administered by the Connecticut Energy Procurement
1439 Authority for the purpose of supporting the adoption of smart meter
1440 infrastructure and electric billing system upgrades, electric vehicle
1441 infrastructure adoption, distribution system and substation upgrades,
1442 efforts to increase the electrification of heating and cooling systems, and
1443 the deployment of battery storage technologies located behind customer

1444 electric meters in the state.

1445 (b) Not later than December 1, 2025, and every three years thereafter,
1446 each electric distribution company, as defined in section 16-1 of the
1447 general statutes, as amended by this act, shall submit to the authority an
1448 energy infrastructure transition plan, in accordance with the provisions
1449 of this section, to implement smart metering programs and
1450 infrastructure upgrades, load settlement and billing system upgrades,
1451 distribution system updates and load factor optimization investments.
1452 The authorities shall advise and assist the electric distribution
1453 companies in the development of such plan.

1454 (c) Programs included in the plan developed and submitted pursuant
1455 to subsection (b) of this section may include, but not be limited to:

1456 (1) Advanced metering infrastructure to support the collection,
1457 storage and utilization of hourly interval usage data from customer
1458 electricity consumption for the purpose of procuring, settlement and
1459 billing of time-of-use electric rates;

1460 (2) Billing system upgrades that allow an electric distribution
1461 company to incorporate time-of-use rates and accurately bill end use
1462 customers according to such rates on a monthly basis, provided each
1463 electric distribution company shall publish detailed hourly usage by
1464 each such customer and prices on an Internet-based application that can
1465 be accessed by such customer;

1466 (3) Distribution system and substation infrastructure upgrades to
1467 improve or replace existing infrastructure to accommodate additional
1468 electric loads resulting from heat pump conversions, battery storage
1469 installations and electric vehicle charging infrastructure, provided such
1470 plan includes proposed performance metrics related to investments and
1471 load-growth metrics and plans to include such conversions, installations
1472 and infrastructure;

1473 (4) Residential demand response solutions including (A) smart
1474 inverter controls whereby the output of solar photovoltaic systems is

1475 modulated by an electric distribution company based on electric system
1476 demand; or (B) smart thermostats, water heaters or electric vehicle
1477 chargers that can shift or pause electricity usage to benefit customers
1478 based on time-of-use rates or to reduce electric system demand; and

1479 (5) Electric vehicle fleet battery dispatch technologies that allow
1480 electric vehicle fleets to dispatch energy stored by such vehicles back to
1481 the electric grid during times of peak electricity demand.

1482 (d) Any plan submitted pursuant to this section shall include a
1483 detailed budget sufficient to fund the programs described in such plan,
1484 in whole, in part, or in increments, as applicable, and be evaluated and
1485 selected within an integrated supply and demand planning framework
1486 developed by the authority. The authority shall, in an uncontested
1487 proceeding during which the authority shall hold a public meeting,
1488 approve, modify or reject any such plan. Following approval by the
1489 authority, the authority shall assist the companies in implementing such
1490 plan. Not later than sixty days after the approval of a plan under this
1491 section, the authority shall disburse payments to the electric distribution
1492 company in accordance with the approved plan.

1493 (e) In addition to the purposes set out in subsections (b) and (c) of this
1494 section, moneys from the fund may be used for the payment of any
1495 administrative and operational expenses incurred by the authority.

1496 (f) Each electric distribution company shall collect an energy
1497 infrastructure transition adjustment mechanism to capitalize the fund
1498 by collecting an amount equal to seven mills per kilowatt hour of
1499 electricity sold to each end use customer of an electric distribution
1500 company. Each electric distribution company shall remit the funds
1501 collected through such mechanism to the authority for deposit in the
1502 fund on a monthly basis.

1503 (g) The authority may negotiate and enter into an agreement with a
1504 financial institution, as defined in section 36a-41 of the general statutes,
1505 whereby the funds collected, or projected to be collected, pursuant to
1506 subsection (f) of this section are pledged as security pursuant to a

1507 financial instrument or instruments under which the authority obtains
1508 operating capital for the purposes set forth in this section, provided the
1509 term of any such instrument or instruments shall not exceed twenty
1510 years.

1511 (h) The authority shall administer the funds in a manner designed to
1512 offset designated infrastructure investments made by electric
1513 distribution companies and approved recovery through rates by electric
1514 distribution companies for investments allowed under the fund.

1515 Sec. 34. Subdivision (1) of subsection (d) of section 16-245m of the
1516 general statutes is repealed and the following is substituted in lieu
1517 thereof (*Effective July 1, 2025*):

1518 (d) (1) Not later than November 1, 2012, and every three years
1519 thereafter, electric distribution companies, as defined in section 16-1, as
1520 amended by this act, in coordination with the gas companies, as defined
1521 in section 16-1, as amended by this act, shall submit to the Energy
1522 Conservation Management Board a combined electric and gas
1523 Conservation and Load Management Plan, in accordance with the
1524 provisions of this section, to implement cost-effective energy
1525 conservation programs, demand management and market
1526 transformation initiatives. All supply and conservation and load
1527 management options shall be evaluated and selected within an
1528 integrated supply and demand planning framework. Services provided
1529 under the plan shall be available to all customers of electric distribution
1530 companies and gas companies, provided a customer of an electric
1531 distribution company may not be denied such services based on the fuel
1532 such customer uses to heat such customer's home. The Energy
1533 Conservation Management Board shall advise and assist the electric
1534 distribution companies and gas companies in the development of such
1535 plan. The Energy Conservation Management Board shall approve the
1536 plan before transmitting it to the Commissioner of Energy and
1537 Environmental Protection for approval. The commissioner shall, in an
1538 uncontested proceeding during which the commissioner may hold a
1539 public meeting, approve, modify or reject said plan prepared pursuant

1540 to this subsection. Following approval by the commissioner, the board
1541 shall assist the companies in implementing the plan and collaborate
1542 with the Connecticut Green Bank to further the goals of the plan. Said
1543 plan shall include a detailed budget sufficient to fund all energy
1544 efficiency that is cost-effective or lower cost than acquisition of
1545 equivalent supply, and shall be reviewed and approved by the
1546 commissioner. [The Public Utilities Regulatory Authority shall, not later
1547 than sixty days after the plan is approved by the commissioner, ensure
1548 that the balance of revenues required to fund such plan is provided
1549 through fully reconciling conservation adjustment mechanisms. Electric
1550 distribution companies shall collect a conservation adjustment
1551 mechanism that ensures the plan is fully funded by collecting an
1552 amount that is not more than the sum of six mills per kilowatt hour of
1553 electricity sold to each end use customer of an electric distribution
1554 company during the three years of any Conservation and Load
1555 Management Plan. The authority shall ensure that the revenues
1556 required to fund such plan with regard to gas companies are provided
1557 through a fully reconciling conservation adjustment mechanism for
1558 each gas company of not more than the equivalent of four and six-tenth
1559 cents per hundred cubic feet during the three years of any Conservation
1560 and Load Management Plan.] The costs of said plan shall be funded
1561 from the Green Bond Fund established pursuant to section 16-245l, as
1562 amended by this act. Said plan shall include steps that would be needed
1563 to achieve the goal of weatherization of eighty per cent of the state's
1564 residential units by 2030 and to reduce energy consumption by 1.6
1565 million MMBtu, or the equivalent megawatts of electricity, as defined in
1566 subdivision (4) of section 22a-197, annually each year for calendar years
1567 commencing on and after January 1, 2020, up to and including calendar
1568 year 2025. Each program contained in the plan shall be reviewed by such
1569 companies and accepted, modified or rejected by the Energy
1570 Conservation Management Board prior to submission to the
1571 commissioner for approval. The Energy Conservation Management
1572 Board shall, as part of its review, examine opportunities to offer joint
1573 programs providing similar efficiency measures that save more than
1574 one fuel resource or otherwise to coordinate programs targeted at

1575 saving more than one fuel resource. Any costs for joint programs shall
1576 be allocated equitably among the conservation programs. The Energy
1577 Conservation Management Board shall give preference to projects that
1578 maximize the reduction of federally mandated congestion charges.

1579 Sec. 35. Subsection (b) of section 16-245n of the general statutes is
1580 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1581 *2025*):

1582 (b) On and after July 1, [2004] 2025, the Public Utilities Regulatory
1583 Authority shall [assess or cause to be assessed a charge of not less than
1584 one mill per kilowatt hour charged to each end use customer of electric
1585 services in this state which shall be deposited] deposit into the Clean
1586 Energy Fund established under subsection (c) of this section funds from
1587 the Green Bond Fund established pursuant to section 16-245l, as
1588 amended by this act, that the authority determines are necessary for the
1589 operation of the Clean Energy Fund.

1590 Sec. 36. Section 16-245e of the general statutes is repealed and the
1591 following is substituted in lieu thereof (*Effective July 1, 2025*):

1592 (a) As used in this section, sections 16-245f to 16-245k, inclusive, as
1593 amended by this act, and section 16-245m, as amended by this act:

1594 (1) "Rate reduction bonds" means bonds, notes, certificates of
1595 participation or beneficial interest, or other [evidences] evidence of
1596 indebtedness or ownership, issued pursuant to an executed indenture
1597 or other agreement of a financing entity, in accordance with this section
1598 and sections 16-245f to 16-245k, inclusive, as amended by this act, the
1599 proceeds of which are used, directly or indirectly, to provide, recover,
1600 finance, or refinance stranded costs, storm costs or economic recovery
1601 transfer, or to sustain funding of conservation and load management
1602 and renewable energy investment programs by substituting for
1603 disbursements to the General Fund from the Conservation and Load
1604 Management Plan established by section 16-245m, as amended by this
1605 act, and from the Clean Energy Fund established by section 16-245n, as
1606 amended by this act, and which, directly or indirectly, are secured by,

1607 evidence ownership interests in, or are payable from, transition
1608 property;

1609 (2) "Competitive transition assessment" means those nonbypassable
1610 rates and other charges, that are authorized by the authority (A) in a
1611 financing order in respect to the economic recovery transfer, or in a
1612 financing order, to sustain funding of conservation and load
1613 management and renewable energy investment programs by
1614 substituting disbursements to the General Fund from proceeds of rate
1615 reduction bonds for such disbursements from the Conservation and
1616 Load Management Plan established by section 16-245m, as amended by
1617 this act, and from the Clean Energy Fund established by section 16-245n,
1618 as amended by this act, or to recover those stranded costs or storm costs
1619 that are eligible to be funded with the proceeds of rate reduction bonds
1620 pursuant to section 16-245f, as amended by this act, and the costs of
1621 providing, recovering, financing, or refinancing the economic recovery
1622 transfer or such substitution of disbursements to the General Fund or
1623 such stranded costs or storm costs through a plan approved by the
1624 authority in the financing order, including the costs of issuing, servicing,
1625 and retiring rate reduction bonds, (B) to recover those stranded costs or
1626 storm costs determined under this section but not eligible to be funded
1627 with the proceeds of rate reduction bonds pursuant to section 16-245f,
1628 as amended by this act, or (C) to recover costs determined under
1629 subdivision (1) of subsection (e) of section 16-244g. If requested by the
1630 electric distribution company, the authority shall include in the
1631 competitive transition assessment nonbypassable rates and other
1632 charges to recover federal and state taxes whose recovery period is
1633 modified by the transactions contemplated in this section and sections
1634 16-245f to 16-245k, inclusive, as amended by this act;

1635 (3) "Customer" means any individual, business, firm, corporation,
1636 association, tax-exempt organization, joint stock association, trust,
1637 partnership, limited liability company, the United States or its agencies,
1638 this state, any political subdivision thereof or state agency that
1639 purchases electric generation or distribution services as a retail end user
1640 in the state from any electric supplier or electric distribution company;

1641 (4) "Finance authority" means the state, acting through the office of
1642 the State Treasurer;

1643 (5) "Net proceeds" means the book income from the sale or divestiture
1644 of assets, consisting of sales price less reasonable expenses of sale,
1645 related income and other;

1646 (6) "Stranded costs" means that portion of generation assets,
1647 generation-related regulatory assets or long-term contract costs
1648 determined by the authority in accordance with the provisions of
1649 subsections (e), (f), (g) and (h) of this section;

1650 (7) "Generation assets" means the total construction and other capital
1651 asset costs of generation facilities approved for inclusion in rates before
1652 July 1, 1997, but does not include any costs relating to the
1653 decommissioning of any such facility or any costs which the authority
1654 found during a proceeding initiated before July 1, 1998, were incurred
1655 because of imprudent management;

1656 (8) "Generation-related regulatory assets" means generation-related
1657 costs authorized or mandated before July 1, 1998, by the Public Utilities
1658 Regulatory Authority, approved for inclusion in the rates, and include,
1659 but are not limited to, costs incurred for deferred taxes, conservation
1660 programs, environmental protection programs, public policy costs and
1661 research and development costs, net of any applicable credits payable
1662 to customers, but does not include any costs which the authority found
1663 during a proceeding initiated before July 1, 1998, were incurred because
1664 of imprudent management;

1665 (9) "Long-term contract costs" mean the above-market portion of the
1666 costs of contractual obligations approved for inclusion in the rates that
1667 were entered into before January 1, 2000, arising from independent
1668 power producer contracts required by law or purchased power
1669 contracts approved by the Federal Energy Regulatory Commission;

1670 (10) "Financing entity" means the finance authority or any special
1671 purpose trust or other entity that is authorized by the finance authority,

1672 or, in the case of rate reduction bonds to recover storm costs, authorized
1673 by the Public Utilities Regulatory Authority pursuant to a financing
1674 order, to issue rate reduction bonds or acquire transition property
1675 pursuant to such terms and conditions as the finance authority, or said
1676 authority, if applicable, may specify, or both;

1677 (11) "Financing order" means an order of the authority adopted in
1678 accordance with this section and sections 16-245f to 16-245k, inclusive,
1679 as amended by this act;

1680 (12) "Transition property" means the irrevocable property right
1681 created pursuant to this section and sections 16-245f to 16-245k,
1682 inclusive, as amended by this act, in respect to the economic recovery
1683 transfer or in respect of disbursements to the General Fund to sustain
1684 funding of conservation and load management and renewable energy
1685 investment programs or those stranded costs or storm costs that are
1686 eligible to be funded with the proceeds of rate reduction bonds pursuant
1687 to section 16-245f, as amended by this act, including, without limitation,
1688 the right, title, and interest of an electric distribution company or its
1689 transferee or the financing entity (A) in and to the rates and charges
1690 established pursuant to a financing order, as adjusted from time to time
1691 in accordance with subdivision (2) of subsection (b) of section 16-245i,
1692 as amended by this act, and the financing order, (B) to be paid the
1693 amount that is determined in a financing order to be the amount that
1694 the electric distribution company or its transferee or the financing entity
1695 is lawfully entitled to receive pursuant to the provisions of this section
1696 and sections 16-245f to 16-245k, inclusive, as amended by this act, and
1697 the proceeds thereof, and in and to all revenues, collections, claims,
1698 payments, money, or proceeds of or arising from the rates and charges
1699 or constituting the competitive transition assessment that is the subject
1700 of a financing order including those nonbypassable rates and other
1701 charges referred to in subdivision (2) of this subsection, and (C) in and
1702 to all rights to obtain adjustments to the rates and charges pursuant to
1703 the terms of subdivision (2) of subsection (b) of section 16-245i, as
1704 amended by this act, and the financing order. "Transition property" shall
1705 constitute a current and irrevocable property right notwithstanding the

1706 fact that the value of the property right will depend on consumers using
1707 electricity or, in those instances where consumers are customers of a
1708 particular electric distribution company, the electric distribution
1709 company performing certain services;

1710 (13) "State rate reduction bonds" means the rate reduction bonds
1711 issued on June 23, 2004, by the state to sustain funding of conservation
1712 and load management and renewable energy investment programs by
1713 substituting for disbursements to the General Fund from the
1714 Conservation and Load Management Plan, established by section 16-
1715 245m, as amended by this act, and from the Clean Energy Fund,
1716 established by section 16-245n, as amended by this act. The state rate
1717 reduction bonds for the purposes of section 4-30a shall be deemed to be
1718 outstanding indebtedness of the state;

1719 (14) "Operating expenses" means, with respect to state rate reduction
1720 bonds or economic recovery revenue bonds, (A) all expenses, costs and
1721 liabilities of the state or the trustee incurred in connection with the
1722 administration or payment of the state rate reduction bonds or economic
1723 recovery revenue bonds, or in discharge of its obligations and duties
1724 under the state rate reduction bonds or economic recovery revenue
1725 bonds, or bond documents, expenses and other costs and expenses
1726 arising in connection with the state rate reduction bonds or economic
1727 recovery revenue bonds, or pursuant to the financing order providing
1728 for the issuance of such bonds including any arbitrage rebate and
1729 penalties payable under the code in connection with such bonds, and
1730 (B) all fees and expenses payable or disburseable to the servicers or others
1731 under the bond documents;

1732 (15) "Bond documents" means, with respect to state rate reduction
1733 bonds or economic recovery revenue bonds, the following documents:
1734 The servicing agreements, the tax compliance agreement and certificate,
1735 and the continuing disclosure agreement and indenture entered into in
1736 connection with the state rate reduction bonds or the economic recovery
1737 revenue bonds;

1738 (16) "Indenture" means the indenture executed in connection with the
1739 state rate reduction bonds or the economic recovery revenue bonds, or,
1740 with respect to state rate reduction bonds, the RRB Indenture, dated as
1741 of June 23, 2004, by and between the state and the trustee, as amended
1742 from time to time;

1743 (17) "Trustee" means, with respect to state rate reduction bonds, the
1744 trustee appointed under the indenture;

1745 (18) "Economic recovery transfer" means the disbursement to the
1746 General Fund of nine hundred fifty-six million dollars from proceeds of
1747 the issuance of the economic recovery revenue bonds; [and]

1748 (19) "Economic recovery revenue bonds" means rate reduction bonds
1749 issued to fund the economic recovery transfer, the costs of issuance,
1750 credit enhancements, operating expenses and such other costs as the
1751 finance authority deems necessary or advisable, and which shall be
1752 payable from competitive transition assessment charges that replace the
1753 competitive transition assessment charges funding stranded costs; and

1754 (20) "Storm costs" means (A) costs determined by the Public Utilities
1755 Regulatory Authority, after a hearing conducted as a contested case in
1756 accordance with chapter 54, to have been prudently incurred by an
1757 electric distribution company for preparation, restoration and response
1758 to storm damage disrupting the normal operation of the electric system;
1759 and (B) in each case, all related fees, expenses and transaction costs
1760 incurred in connection with the issuance, servicing, retirement or
1761 refinancing of rate reduction bonds whose proceeds are used to pay off
1762 storm costs.

1763 (b) The authority shall, in accordance with the provisions of this
1764 section, identify and calculate, upon application by an electric
1765 distribution company, those stranded costs or storm costs that may be
1766 collected through the competitive transition assessment which shall be
1767 calculated and collected in accordance with the provisions of section 16-
1768 245g, as amended by this act. No electric distribution company shall be
1769 eligible to claim stranded costs unless a public auction has been held to

1770 divest itself of all nonnuclear generation assets or the electric
1771 distribution company has sold its nonnuclear generation assets in
1772 accordance with section 16-43.

1773 (c) (1) Notwithstanding subdivision (1) of subsection (e) of section 16-
1774 244g, any electric distribution company seeking to claim stranded costs
1775 shall, in accordance with this subsection, mitigate such costs to the
1776 fullest extent possible. Prior to the approval by the authority of any
1777 stranded costs, the electric distribution company shall show to the
1778 satisfaction of the authority that the electric distribution company has
1779 taken all reasonable steps to mitigate to the maximum extent possible
1780 the total amount of stranded costs that it seeks to claim and to minimize
1781 the cost to be recovered from customers. Mitigation shall include: (A)
1782 Except to the extent provided in collective bargaining agreements or
1783 agreements to purchase generation assets entered into prior to July 1,
1784 1998, the obtaining of written commitments from purchasers of
1785 generation facilities divested pursuant to section 16-244g, that the
1786 purchasers will offer employment to persons who were employed in
1787 nonmanagerial positions by a divested generation facility at any time
1788 during the three-month period prior to the divestiture, at levels of wages
1789 and overall compensation not lower than the employees' lowest level
1790 during the six-month period prior to the date the contract to divest the
1791 asset was entered into; (B) good faith efforts to negotiate the buyout,
1792 buydown or renegotiation of independent power producer contracts
1793 and purchased power contracts approved by the Federal Energy
1794 Regulatory Commission, provided the fixed present value of any
1795 contract to which a political subdivision of the state is a party shall be
1796 calculated using the political subdivision's tax-exempt borrowing rate
1797 as the discount rate; and (C) the reasonable costs of the consultants
1798 appointed to conduct the auctions of generation assets pursuant to
1799 section 16-244g. Mitigation may include, but is not limited to,
1800 reallocation of depreciation reserves to existing generation assets to the
1801 extent consistent with generally accepted accounting principles;
1802 reduction of book assets by application of net proceeds of any sale of
1803 existing assets; maximization of market revenues from existing

1804 generation assets; efforts to maximize current and future operating
1805 efficiency, including appropriate and timely maintenance, trouble
1806 shooting, aggressive identification and correction of potential problem
1807 areas; voluntary write-offs of above-market generation assets; the
1808 decision to retire uneconomical generation assets and efforts to divest
1809 generating sites at market prices reflective of best use of sites. Mitigation
1810 shall not include any expenditures to restart a nuclear generation asset
1811 that was not operating for reasons other than scheduled maintenance or
1812 refueling at the time such expenditure was made. Any mitigation efforts
1813 and associated costs shall be subject to approval by the authority.

1814 (2) The authority shall allow the cost of such mitigation efforts to be
1815 included in the calculation of stranded costs to the extent that such
1816 mitigation costs are reasonable relative to the amount of the reduction
1817 in stranded costs resulting from the mitigation.

1818 (d) An electric distribution company shall submit to the authority an
1819 application for recovery of that portion of generation-related regulatory
1820 assets, long-term contract costs, generation assets and mitigation costs
1821 which are determined by the authority in accordance with subsections
1822 (c), (e), (f) and (g) of this section and subdivision (1) of subsection (e) of
1823 section 16-244g. The application shall include a description of mitigation
1824 efforts and a request for recovery through the competitive transition
1825 assessment and may include a request for a financing order. The
1826 authority shall hold a hearing for each electric distribution company and
1827 issue a finding of the calculation of stranded costs in a time frame that
1828 allows for collection of the competitive transition assessment to begin
1829 on January 1, 2000. Any hearing shall be conducted as a contested case
1830 in accordance with chapter 54.

1831 (e) The authority shall calculate the stranded costs for generation-
1832 related regulatory assets to be their book value as of January 1, 2000. In
1833 calculating the value of generation-related regulatory assets that are
1834 being provided in a lump sum as the result of a funding with the
1835 proceeds of rate reduction bonds, the authority shall adjust the value of
1836 each such asset to reflect the time value of such lump sum, if any.

1837 (f) (1) The authority shall calculate the stranded costs for long-term
1838 contract costs that have been reduced to a fixed present value through
1839 the buyout, buydown, or renegotiation of independent power producer
1840 contracts and purchased power contracts approved by the Federal
1841 Energy Regulatory Commission as such present value. In making such
1842 calculation, the authority shall net purchased power contracts approved
1843 by the Federal Energy Regulatory Commission that are below market
1844 value against any such contracts that are above-market value.

1845 (2) The authority shall calculate the stranded costs for any portion of
1846 a long-term contract cost that has not been reduced to a fixed present
1847 value by comparing the contract price to the market price at least
1848 annually. In making such calculation, the authority shall net purchased
1849 power contracts approved by the Federal Energy Regulatory
1850 Commission that are below market value against any such contracts that
1851 are above-market value. The costs described in this subdivision shall be
1852 included in the competitive transition assessment pursuant to section
1853 16-245g, as amended by this act, but shall not be included in any funding
1854 with the proceeds of rate reduction bonds.

1855 (g) The authority shall calculate the stranded cost for each generation
1856 asset to be the difference between its book value and the market value
1857 of a prudently and efficiently managed nonnuclear generating facility
1858 of comparable size, age and technical characteristics in a competitive
1859 market. In determining the market value of any such asset, the authority
1860 may consider (A) the dollars per kilowatt received from the sale of
1861 similar generation facilities, if any, (B) income capitalization based on
1862 the operating history and capacity of the facility, the market rates for
1863 power, and any existing long-term contracts for the sale of power or
1864 capacity, (C) independent market appraisals, or (D) other relevant
1865 factors. The authority shall calculate the stranded costs for generation
1866 assets at least every three years. The costs described in this subsection
1867 shall be included in the competitive transition assessment pursuant to
1868 section 16-245g, as amended by this act, but shall not be included in any
1869 funding with the proceeds of rate reduction bonds.

1870 (h) (1) On or before January 1, 2004, an electric distribution company
1871 may submit to the authority an application for recovery of that portion
1872 of nuclear generation assets which is determined by the authority in
1873 accordance with this subsection, which application shall include a
1874 request for recovery through the competitive transition assessment. The
1875 authority shall hold a hearing for each electric distribution company and
1876 issue a finding of the calculation of such nuclear generation assets in
1877 accordance with the provisions of this subsection. Any hearing shall be
1878 conducted as a contested case proceeding in accordance with chapter
1879 54. The costs described in this subsection shall be included in the
1880 competitive transition assessment pursuant to section 16-245g, as
1881 amended by this act, but shall not be included in any funding with
1882 proceeds of rate reduction bonds.

1883 (2) The authority shall calculate the stranded costs for each nuclear
1884 generation asset that was divested at a price less than book value as
1885 described in subdivision (5) of subsection (c) of section 16-244g as the
1886 difference between the book value of this asset and the final bid price of
1887 the asset. The authority's calculation of stranded costs pursuant to this
1888 subdivision shall be final and shall not be subject to further adjustment
1889 by the authority.

1890 (3) The authority shall calculate the stranded costs for each
1891 nondivested nuclear generation asset described in subdivision (1) of
1892 subsection (d) of section 16-244g to be the difference between its book
1893 value and the market value of a prudently and efficiently managed
1894 nuclear generating facility of comparable size, age and technical
1895 characteristics in a competitive market. In determining the market value
1896 of any such asset, the authority may consider (A) the dollars per kilowatt
1897 received from the sale of similar generation facilities, if any, (B) income
1898 capitalization based on the operating history and capacity of the facility,
1899 the market rates for power, and any existing long-term contracts for the
1900 sale of power or capacity, (C) the provision for decommissioning and
1901 related costs to be paid from the [systems benefits charge] Green Bond
1902 Fund as provided in section 16-245l, as amended by this act, (D)
1903 independent market appraisals, or (E) other relevant factors. At least

1904 every four years after the date when the authority issues an initial
1905 finding of the calculation of the stranded costs for such nondivested
1906 nuclear generation assets as provided in this subdivision until the earlier
1907 of (i) the expiration of the collection of the competitive transition
1908 assessment, or (ii) the date when such an asset is divested, the authority
1909 shall hold a hearing and issue a finding to adjust the stranded cost
1910 calculation of each such asset and to adjust the competitive transition
1911 assessment accordingly to true up the stranded cost recovery for the
1912 difference between the market value projected in such initial finding
1913 and the actual market value of a prudently and efficiently managed
1914 nuclear generating facility of comparable size, age and technical
1915 characteristics during the time period between the initial finding and
1916 the adjustment date, provided the second and subsequent adjustments
1917 shall reflect the difference during the time period since the most recent
1918 true-up. The authority shall calculate the value of each such asset in
1919 accordance with the methodology provided in this subdivision. Any
1920 hearing shall be conducted as a contested case in accordance with
1921 chapter 54.

1922 (4) After the authority has calculated the total value of stranded costs
1923 for all nuclear generation assets, the authority shall (A) reduce such
1924 amount by the net proceeds that are above book value realized by an
1925 electric distribution company from the sale of nonnuclear generation
1926 assets, (B) reduce such valuation to reflect the total net proceeds that are
1927 above book value realized by an electric distribution company from the
1928 sale of any nuclear generation assets pursuant to subsection (c) of
1929 section 16-244g, and (C) reduce such amount by the net proceeds that
1930 are above book value received by an electric distribution company for
1931 the sale or lease of any real property after July 1, 1998.

1932 (i) If any net proceeds described in subdivision (4) of subsection (h)
1933 of this section remain after the reduction in the calculation of nuclear
1934 generation assets pursuant to said subdivision (4) or are realized after
1935 said reduction is calculated, the additional amount of such net proceeds
1936 shall be netted against long-term contract costs described in subdivision
1937 (2) of subsection (f) of this section, and the competitive transition

1938 assessment shall be adjusted accordingly.

1939 (j) No electric distribution company shall be eligible to claim any
1940 stranded costs for a nuclear generation asset or for any generation-
1941 related regulatory asset related to such generation asset, if the
1942 generation asset is not operating as a result of an order issued by the
1943 United States Nuclear Regulatory Commission that applies specifically
1944 to such asset. Any such asset that is not eligible to be claimed as a
1945 stranded cost shall be eligible after it is permitted to and has resumed
1946 operation and is selling power.

1947 (k) If an electric distribution company elected to transfer any of its
1948 nuclear generation assets and related operations and functions to a
1949 separate corporate affiliate or to a division that is functionally separate
1950 from the electric distribution company pursuant to section 16-244g and
1951 subsequently sold any such assets in an arm's length transaction to an
1952 unrelated entity prior to January 1, 2012, the net proceeds realized from
1953 such sale that exceed book value for such assets shall be netted against
1954 the total amount of stranded costs, and the competitive transition
1955 assessment shall be adjusted accordingly and, if appropriate, other
1956 reimbursement shall be ordered by the authority.

1957 (l) Storm costs incurred by an electric distribution company shall be
1958 paid off with the proceeds of rate reduction bonds, and the costs of the
1959 rate reduction bonds, including all principal, interest, premium, costs
1960 and arrearages on such bonds, shall be recovered through the
1961 competitive transition assessment without reduction, delay or
1962 impairment in accordance with subsections (d) and (e) of section 16-
1963 245g, as amended by this act, subsection (b) of section 16-245i, as
1964 amended by this act, and subsection (b) of section 16-245j, as amended
1965 by this act.

1966 (m) Notwithstanding any provision to the contrary, the net benefits
1967 of accumulated deferred income taxes relating to amounts that will be
1968 recovered through the issuance of rate reduction bonds for storm costs
1969 shall be credited to retail customers of electric distribution companies

1970 by reducing the amount of such rate reduction bonds that would
 1971 otherwise be issued by the net present value of the related tax cash
 1972 flows, using a discount rate equal to the expected interest rate on such
 1973 rate reduction bonds.

1974 Sec. 37. Subsection (a) of section 16-245f of the general statutes is
 1975 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 1976 *2025*):

1977 (a) (1) An electric distribution company shall submit to the authority
 1978 an application for a financing order with respect to any proposal to
 1979 sustain funding of conservation and load management and renewable
 1980 energy investment programs by substituting disbursements to the
 1981 General Fund from proceeds of rate reduction bonds for such
 1982 disbursements from the Conservation and Load Management Plan
 1983 established by section 16-245m, as amended by this act, and from the
 1984 Clean Energy Fund established by section 16-245n, as amended by this
 1985 act, and may submit to the authority an application for a financing order
 1986 with respect to the following stranded costs: [(1)] (A) The cost of
 1987 mitigation efforts, as calculated pursuant to subsection (c) of section 16-
 1988 245e, as amended by this act; [(2)] (B) generation-related regulatory
 1989 assets, as calculated pursuant to subsection (e) of section 16-245e, as
 1990 amended by this act; and [(3)] (C) those long-term contract costs that
 1991 have been reduced to a fixed present value through the buyout,
 1992 buydown, or renegotiation of such contracts, as calculated pursuant to
 1993 subsection (f) of section 16-245e, as amended by this act. No stranded
 1994 costs shall be funded with the proceeds of rate reduction bonds unless
 1995 [(A)] (i) the electric distribution company proves to the satisfaction of
 1996 the authority that the savings attributable to such funding will be
 1997 directly passed on to customers through lower rates, and [(B)] (ii) the
 1998 authority determines such funding will not result in giving the electric
 1999 distribution company or any generation entities or affiliates an unfair
 2000 competitive advantage.

2001 (2) An electric distribution company may submit to the authority an
 2002 application for a financing order with respect to incurred storm costs.

2003 Storm costs shall be paid off with the proceeds of rate reduction bonds
2004 if the authority determines that the interests of customers are served by
2005 such financing for reasons including, but not limited to, a showing that
2006 customers would experience lower overall costs as compared to
2007 traditional recovery calculated over the same time period, or would
2008 mitigate bill impacts to customers as compared with alternative
2009 methods of financing or direct rate recovery of such storm costs. The
2010 authority shall issue a final decision on such application for financing of
2011 storm costs not more than sixty days after its receipt of an application
2012 by an electric distribution company for a financing order.

2013 (3) The authority shall hold a hearing for each such electric
2014 distribution company to determine the amount of disbursements to the
2015 General Fund from proceeds of rate reduction bonds that may be
2016 substituted for such disbursements from the Conservation and Load
2017 Management Plan established by section 16-245m, as amended by this
2018 act, and from the Clean Energy Fund established by section 16-245n, as
2019 amended by this act, and thereby constitute transition property and the
2020 portion of stranded costs or storm costs that may be included in such
2021 funding and thereby constitute transition property. Any hearing shall
2022 be conducted as a contested case in accordance with chapter 54, except
2023 that any hearing with respect to a financing order or other order to
2024 sustain funding for conservation and load management and renewable
2025 energy investment programs by substituting the disbursement to the
2026 General Fund from the Conservation and Load Management Plan
2027 established by section 16-245m, as amended by this act, and from the
2028 Clean Energy Investment Fund established by section 16-245n, as
2029 amended by this act, shall not be a contested case, as defined in section
2030 4-166. The authority shall not include any rate reduction bonds as debt
2031 of an electric distribution company in determining the capital structure
2032 of the company in a rate-making proceeding, for calculating the
2033 company's return on equity or in any manner that would impact the
2034 electric distribution company for rate-making purposes, and shall not
2035 approve such rate reduction bonds that include covenants that have
2036 provisions prohibiting any change to their appointment of an

2037 administrator of the Conservation and Load Management Plan.

2038 Sec. 38. Section 16-245g of the general statutes is repealed and the
2039 following is substituted in lieu thereof (*Effective July 1, 2025*):

2040 (a) The Public Utilities Regulatory Authority shall assess and
2041 beginning January 1, 2000, or a later date determined by the authority
2042 in a finance order with respect to any subsequent issuance of rate
2043 reduction bonds, impose the competitive transition assessment which
2044 shall be imposed on all customers of each electric distribution company
2045 to provide funds for the purposes described in subsection (d) of this
2046 section. The authority shall hold a hearing that shall be conducted as a
2047 contested case in accordance with chapter 54, except as otherwise
2048 provided in section 16-245f, as amended by this act, to determine the
2049 amount of the competitive transition assessment.

2050 (b) The authority shall consider the effect on all customer rates and
2051 other factors relevant to reducing rates in determining the amount of the
2052 competitive transition assessment and the manner in which and the
2053 period over which it shall be imposed in any decision of the authority
2054 to set or adjust the competitive transition assessment.

2055 (c) The competitive transition assessment shall be determined by the
2056 authority in a general and equitable manner and, in accordance with the
2057 provisions of subsection (b) of section 16-245f, shall be imposed on all
2058 customers at a rate that is applied equally to all customers of the same
2059 class in accordance with methods of allocation in effect on July 1, 1998,
2060 or a later date determined by the authority in a finance order with
2061 respect to any subsequent issuance of rate reduction bonds, provided
2062 the competitive transition assessment shall not be imposed on
2063 customers receiving services under a special contract which is in effect
2064 on July 1, 1998, or a later date determined by the authority in a finance
2065 order with respect to any subsequent issuance of rate reduction bonds,
2066 until such special contract expires. The competitive transition
2067 assessment shall be imposed beginning on January 1, 2000, or a later
2068 date determined by the authority in a finance order with respect to any

2069 subsequent issuance of rate reduction bonds, on all customers receiving
2070 services under a special contract [which] that is entered into or renewed
2071 after July 1, 1998, or a later date determined by the authority in a finance
2072 order with respect to any subsequent issuance of rate reduction bonds.
2073 The competitive transition assessment shall have a generally applicable
2074 manner of determination that may be measured on the basis of
2075 percentages of total costs of retail sales of electric generation services.
2076 Subject to the provisions of subsection (b) of section 16-245f, the
2077 competitive transition assessment shall be payable by customers on an
2078 equal basis on the same payment terms and shall be eligible or subject
2079 to prepayment on an equal basis. Any exemption of the competitive
2080 transition assessment by customers under a special contract shall not
2081 result in an increase in rates to any customer.

2082 (d) The authority shall establish, fix and revise the competitive
2083 transition assessment in an amount sufficient at all times to: (1) Pay the
2084 principal of and the interest and any credit enhancement or premium
2085 on rate reduction bonds as the same shall become due and payable; (2)
2086 to pay all reasonable and necessary expenses relating to the financing;
2087 and (3) to pay an electric distribution company stranded costs or storm
2088 costs that are not funded with the proceeds of rate reduction bonds and
2089 interim capital costs determined under subdivision (1) of subsection (e)
2090 of section 16-244g.

2091 (e) The competitive transition assessment shall be charged to
2092 customers until the rate reduction bonds are paid in full, including all
2093 principal, interest, premium, costs and arrearages on such bonds, by the
2094 financing entity and stranded costs and storm costs not funded with the
2095 proceeds of rate reduction bonds are fully recovered by the electric
2096 distribution company. Amounts collected from a customer shall be
2097 allocated on a pro rata basis among (1) rates and charges described in
2098 subparagraph (A) of subdivision (2) of subsection (a) of section 16-245e,
2099 as amended by this act, (2) rates and charges described in subparagraph
2100 (B) of subdivision (2) of subsection (a) of section 16-245e, as amended by
2101 this act, and (3) other charges. To the extent that the authority, when
2102 issuing a financing order, determines that special treatment on

2103 customers' bills is necessary or desirable to distinguish rates and charges
2104 described in subparagraph (A) of subdivision (2) of subsection (a) of
2105 section 16-245e, as amended by this act, from rates and charges
2106 described in subparagraph (B) of subdivision (2) of subsection (a) of
2107 section 16-245e, as amended by this act, in order to facilitate the
2108 successful issuance and sale of rate reduction bonds, it may so provide
2109 as part of such financing order.

2110 Sec. 39. Subsection (a) of section 16-245h of the general statutes is
2111 repealed and the following is substituted in lieu thereof (*Effective July 1,*
2112 *2025*):

2113 (a) The competitive transition assessment described in subparagraph
2114 (A) of subdivision (2) of subsection (a) of section 16-245e, as amended
2115 by this act, shall constitute transition property when, and to the extent
2116 that, a financing order authorizing such portion of the competitive
2117 transition assessment has become effective in accordance with sections
2118 16-245e to 16-245k, inclusive, as amended by this act, and the transition
2119 property shall thereafter continuously exist as property for all purposes
2120 with all of the rights and privileges of sections 16-245e to 16-245k,
2121 inclusive, as amended by this act, for the period and to the extent
2122 provided in the financing order, but in any event until the rate reduction
2123 bonds are paid in full, including all principal, interest, premium, costs
2124 and arrearages on such bonds. Prior to its sale or other transfer by the
2125 electric distribution company pursuant to sections 16-245e to 16-245k,
2126 inclusive, as amended by this act, transition property, other than
2127 transition property in respect of the economic recovery transfer or in
2128 respect to disbursements to the General Fund to sustain funding of
2129 conservation and load management and renewable energy investment
2130 programs, shall be a vested contract right of the electric distribution
2131 company, notwithstanding any contrary treatment thereof for
2132 accounting, tax, or other purpose. Transition property in respect of
2133 disbursements to the General Fund to sustain funding of conservation
2134 and load management and renewable energy investment programs
2135 shall immediately upon its creation vest solely in the financing entity.
2136 Transition property in respect to the economic recovery transfer shall

2137 immediately upon its creation vest solely in the financing entity.
2138 Transition property in respect of storm costs shall immediately upon its
2139 creation vest solely in the applicable electric distribution company. The
2140 electric distribution company shall have no right, title or interest in
2141 transition property in respect to the economic recovery transfer or in
2142 respect of disbursements to the General Fund to sustain funding of
2143 conservation and load management and renewable energy investment
2144 programs, and in respect of such transition property shall be only a
2145 collection agent on behalf of the financing entity.

2146 Sec. 40. Section 16-245i of the general statutes is repealed and the
2147 following is substituted in lieu thereof (*Effective July 1, 2025*):

2148 (a) The authority may issue financing orders in accordance with
2149 sections 16-245e to 16-245k, inclusive, as amended by this act, to fund
2150 the economic recovery transfer, to sustain funding of conservation and
2151 load management and renewable energy investment programs by
2152 substituting disbursements to the General Fund from proceeds of rate
2153 reduction bonds for such disbursements in furtherance of the
2154 Conservation and Load Management Plan established by section 16-
2155 245m, as amended by this act, and from the Clean Energy Fund
2156 established by section 16-245n, as amended by this act, and to facilitate
2157 the provision, recovery, financing, or refinancing of stranded costs and
2158 storm costs. Except for a financing order in respect to the economic
2159 recovery revenue bonds, a financing order may be adopted only upon
2160 the application of an electric distribution company, pursuant to section
2161 16-245f, as amended by this act, and shall become effective in
2162 accordance with its terms only after the electric distribution company
2163 files with the authority the electric distribution company's written
2164 consent to all terms and conditions of the financing order. Any financing
2165 order in respect to the economic recovery revenue bonds shall be
2166 effective on issuance.

2167 (b) (1) Notwithstanding any general or special law, rule, or regulation
2168 to the contrary, except as otherwise provided in this subsection with
2169 respect to transition property that has been made the basis for the

2170 issuance of rate reduction bonds, the financing orders and the
2171 competitive transition assessment shall be irrevocable and the authority
2172 shall not have authority either by rescinding, altering, or amending the
2173 financing order or otherwise, to revalue or revise for rate-making
2174 purposes the stranded costs and storm costs, or the costs of providing,
2175 recovering, financing, or refinancing the stranded costs and storm costs,
2176 the amount of the economic recovery transfer or the amount of
2177 disbursements to the General Fund from proceeds of rate reduction
2178 bonds substituted for such disbursements in furtherance of the
2179 Conservation and Load Management Plan established by section 16-
2180 245m, as amended by this act, and from the Clean Energy Fund
2181 established by section 16-245n, as amended by this act, determine that
2182 the competitive transition assessment is unjust or unreasonable, or in
2183 any way reduce or impair the value of transition property either directly
2184 or indirectly by taking the competitive transition assessment into
2185 account when setting other rates for the electric distribution company;
2186 nor shall the amount of revenues arising with respect thereto be subject
2187 to reduction, impairment, postponement, or termination.

2188 (2) Notwithstanding any other provision of this section, the authority
2189 shall approve the adjustments to the competitive transition assessment
2190 as may be necessary to ensure timely recovery of all stranded costs and
2191 storm costs that are the subject of the pertinent financing order, and the
2192 costs of capital associated with the provision, recovery, financing, or
2193 refinancing thereof, including the costs of issuing, servicing, and retiring
2194 the rate reduction bonds issued to recover stranded costs and storm
2195 costs contemplated by the financing order and to ensure timely recovery
2196 of the costs of issuing, servicing, and retiring the rate reduction bonds
2197 issued to sustain funding of conservation and load management and
2198 renewable energy investment programs contemplated by the financing
2199 order, and to ensure timely recovery of the costs of issuing, servicing
2200 and retiring the economic recovery revenue bonds issued to fund the
2201 economic recovery transfer contemplated by the financing order.

2202 (3) Notwithstanding any general or special law, rule, or regulation to
2203 the contrary, any requirement under sections 16-245e to 16-245k,

2204 inclusive, as amended by this act, or a financing order that the authority
 2205 take action with respect to the subject matter of a financing order shall
 2206 be binding upon the authority, as it may be constituted from time to
 2207 time, and any successor agency exercising functions similar to the
 2208 authority and the authority shall have no authority to rescind, alter, or
 2209 amend that requirement in a financing order. Section 16-43 shall not
 2210 apply to any sale, assignment, or other transfer of or grant of a security
 2211 interest in any transition property or the issuance of rate reduction
 2212 bonds under sections 16-245e to 16-245k, inclusive, as amended by this
 2213 act.

2214 (c) The authority shall provide in any financing order for a procedure
 2215 for the timely approval by the authority of periodic adjustments to the
 2216 competitive transition assessment that is the subject of the pertinent
 2217 financing order, as required by subdivision (2) of subsection (b) of this
 2218 section. The procedure shall require the authority to determine whether
 2219 the adjustments are required on [each anniversary of the issuance of the
 2220 financing order] an annual basis, and at the additional intervals as may
 2221 be provided for in the financing order, and for the adjustments, if
 2222 required, to be approved within ninety days of [each anniversary of the
 2223 issuance of the financing order, or of each additional interval] the filing
 2224 of each adjustment or within such shorter period as may be provided
 2225 for in the financing order.

2226 Sec. 41. Subsections (b) and (c) of section 16-245j of the general
 2227 statutes are repealed and the following is substituted in lieu thereof
 2228 (*Effective July 1, 2025*):

2229 (b) Except as otherwise provided in this subsection, the state of
 2230 Connecticut does hereby pledge and agree with the owners of transition
 2231 property and holders of and trustees for rate reduction bonds that
 2232 neither the state nor any agency of the state shall [neither] limit, [nor]
 2233 alter, amend, reduce or impair the competitive transition assessment,
 2234 transition property, financing orders, and all rights thereunder until the
 2235 obligations, together with the interest thereon, are fully met and
 2236 discharged, provided nothing contained in this subsection shall

2237 preclude the limitation or alteration if and when adequate provision
2238 shall be made by law for the protection of the owners, [and] holders and
2239 trustees. The finance authority as agent for the state is authorized to
2240 include this pledge and undertaking for the state in these obligations.

2241 (c) (1) Financing orders and rate reduction bonds shall not be deemed
2242 to constitute a debt or liability of the state or of any political subdivision
2243 thereof, other than the financing entity, shall not constitute a pledge of
2244 the full faith and credit of the state or any of its political subdivisions,
2245 other than the financing entity, but shall be payable solely from the
2246 funds provided under sections 16-245e to 16-245k, inclusive, as
2247 amended by this act, and shall not constitute an indebtedness of the state
2248 within the meaning of any constitutional or statutory debt limitation or
2249 restriction and, accordingly, shall not be subject to any statutory
2250 limitation on the indebtedness of the state and shall not be included in
2251 computing the aggregate indebtedness of the state in respect to and to
2252 the extent of any such limitation. This subsection shall in no way
2253 preclude bond guarantees or enhancements pursuant to sections 16-
2254 245e to 16-245k, inclusive, as amended by this act. All rate reduction
2255 bonds shall contain on the face thereof a statement to the following
2256 effect: "Neither the full faith and credit nor the taxing power of the State
2257 of Connecticut is pledged to the payment of the principal of, or interest
2258 on, this bond."

2259 (2) The issuance of rate reduction bonds under sections 16-245e to 16-
2260 245k, inclusive, as amended by this act, shall not directly, indirectly, or
2261 contingently obligate the state or any political subdivision thereof to
2262 levy or to pledge any form of taxation therefor or to make any
2263 appropriation for their payment.

2264 (3) The exercise of the powers granted by sections 16-245e to 16-245k,
2265 inclusive, as amended by this act, shall be in all respects for the benefit
2266 of the people of this state, for the increase of their commerce, welfare,
2267 and prosperity, and as the exercise of such powers shall constitute the
2268 performance of an essential public function, neither the finance
2269 authority, any electric distribution company, any affiliate of any electric

2270 distribution company, any financing entity, or any collection or other
2271 agent of any of the foregoing shall be required to pay any taxes or
2272 assessments upon or in respect of any revenues or property received,
2273 acquired, transferred, or used by the finance authority, any electric
2274 distribution company, any affiliate of any electric distribution company,
2275 any financing entity, or any collection or other agent of any of the
2276 foregoing under the provisions of sections 16-245e to 16-245k, inclusive,
2277 as amended by this act, or upon or in respect of the income therefrom,
2278 and any rate reduction bonds shall be treated as issued by or on behalf
2279 of a public instrumentality created under the laws of the state for
2280 purposes of chapter 229.

2281 (4) (A) The proceeds of any rate reduction bonds, other than
2282 economic recovery revenue bonds, shall be used for the purposes
2283 approved by the authority in the financing order, including, but not
2284 limited to, disbursements to the General Fund in substitution for such
2285 disbursements in furtherance of the Conservation and Load
2286 Management Plan established by section 16-245m, as amended by this
2287 act, and from the Clean Energy Fund established by section 16-245n, as
2288 amended by this act, the costs of refinancing or retiring of debt of the
2289 electric distribution company, and associated federal and state tax
2290 liabilities; provided such proceeds shall not be applied to purchase
2291 generation assets or to purchase or redeem stock or to pay dividends to
2292 parent company shareholders or to pay operating expenses other than
2293 taxes resulting from the receipt of such proceeds.

2294 (B) The proceeds of any economic recovery revenue bonds shall be
2295 used for the purposes approved by the authority in the financing order,
2296 including, but not limited to, funding the economic recovery transfer,
2297 provided such proceeds shall not be applied to purchase generation
2298 assets or to purchase or redeem stock or to pay dividends to
2299 shareholders or operating expenses other than taxes resulting from the
2300 receipt of such proceeds.

2301 (5) Rate reduction bonds are made and declared (A) securities in
2302 which all public officers and public bodies of the state and its political

2303 subdivisions, all insurance companies, state banks and trust companies,
2304 national banking associations, savings banks, savings and loan
2305 associations, investment companies, executors, administrators, trustees
2306 and other fiduciaries may properly and legally invest funds, including
2307 capital in their control or belonging to them, and (B) securities which
2308 may properly and legally be deposited with and received by any state
2309 or municipal officer or any agency or political subdivision of the state
2310 for any purpose for which the deposit of bonds or obligations of the state
2311 is now or may be authorized.

2312 (6) Rate reduction bonds, other than economic recovery revenue
2313 bonds, shall mature at such time or times approved by the authority in
2314 the financing order; provided that such maturity shall not be later than
2315 December 31, 2011. Economic recovery revenue bonds shall mature at
2316 such time or times approved by the authority in the financing order,
2317 provided such maturity shall not be later than eight years after the date
2318 of issuance, provided such maturity may be extended for economic
2319 reasons, upon the advice of the financing entity.

2320 (7) Rate reduction bonds issued and at any time outstanding may, if
2321 and to the extent permitted under the indenture or other agreement
2322 pursuant to which they are issued, be refunded by other rate reduction
2323 bonds.

2324 Sec. 42. Subsection (l) of section 16-245k of the general statutes is
2325 repealed and the following is substituted in lieu thereof (*Effective July 1,*
2326 *2025*):

2327 (l) [The authority of the Public Utilities Regulatory Authority to issue
2328 financing orders pursuant to sections 16-245e to 16-245k, inclusive, shall
2329 expire on December 31, 2008, with respect to bonds other than economic
2330 recovery revenue bonds.] The authority of the Public Utilities
2331 Regulatory Authority to issue financing orders pursuant to sections 16-
2332 245e to 16-245k, inclusive, as amended by this act, with respect to
2333 economic recovery revenue bonds shall expire on December 31, 2012.
2334 The expiration of such authority shall have no effect upon any other

2335 financing orders adopted by the Public Utilities Regulatory Authority
 2336 pursuant to sections 16-245e to 16-245k, inclusive, as amended by this
 2337 act, or upon any financing orders adopted by the Public Utilities
 2338 Regulatory Authority pursuant to sections 16-245e to 16-245k, inclusive,
 2339 as amended by this act, with respect to economic recovery bonds prior
 2340 to December 31, 2012, or any transition property arising [therefrom]
 2341 from any such financing orders, or upon the charges authorized to be
 2342 levied thereunder, or the rights, interests, and obligations of the electric
 2343 distribution company or a financing entity or holders of rate reduction
 2344 bonds pursuant to [the] any such financing order, or the authority of the
 2345 Public Utilities Regulatory Authority to monitor, supervise, or take
 2346 further action with respect to [the] any such financing order in
 2347 accordance with the terms of sections 16-245e to 16-245k, inclusive, as
 2348 amended by this act, and of [the] any such financing order.

2349 Sec. 43. Section 12-412 of the general statutes is amended by adding
 2350 subdivision (127) as follows (*Effective July 1, 2025, and applicable to sales*
 2351 *occurring on or after July 1, 2025*):

2352 (NEW) (127) Any electricity used at a commercial or industrial
 2353 property, as defined in section 12-62u.

2354 Sec. 44. (*Effective July 1, 2025*) (a) For the purposes described in
 2355 subsection (b) of this section, the State Bond Commission shall have the
 2356 power from time to time to authorize the issuance of bonds of the state
 2357 in one or more series and in principal amounts not exceeding in the
 2358 aggregate two billion four hundred million dollars.

2359 (b) The proceeds of the sale of such bonds, to the extent of the amount
 2360 stated in subsection (a) of this section, shall be used by the Public
 2361 Utilities Regulatory Authority for the purpose of administering the
 2362 Green Bond Fund established pursuant to section 16-245l of the general
 2363 statutes, as amended by this act.

2364 (c) All provisions of section 3-20 of the general statutes, or the exercise
 2365 of any right or power granted thereby, that are not inconsistent with the
 2366 provisions of this section are hereby adopted and shall apply to all

2367 bonds authorized by the State Bond Commission pursuant to this
 2368 section. Temporary notes in anticipation of the money to be derived
 2369 from the sale of any such bonds so authorized may be issued in
 2370 accordance with section 3-20 of the general statutes and from time to
 2371 time renewed. Such bonds shall mature at such time or times not
 2372 exceeding twenty years from their respective dates as may be provided
 2373 in or pursuant to the resolution or resolutions of the State Bond
 2374 Commission authorizing such bonds. None of such bonds shall be
 2375 authorized except upon a finding by the State Bond Commission that
 2376 there has been filed with it a request for such authorization that is signed
 2377 by or on behalf of the Secretary of the Office of Policy and Management
 2378 and states such terms and conditions as said commission, in its
 2379 discretion, may require. Such bonds issued pursuant to this section shall
 2380 be general obligations of the state and the full faith and credit of the state
 2381 of Connecticut are pledged for the payment of the principal of and
 2382 interest on such bonds as the same become due, and accordingly and as
 2383 part of the contract of the state with the holders of such bonds,
 2384 appropriation of all amounts necessary for punctual payment of such
 2385 principal and interest is hereby made, and the State Treasurer shall pay
 2386 such principal and interest as the same become due.

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

Section 1	<i>July 1, 2025</i>	New section
Sec. 2	<i>July 1, 2025</i>	New section
Sec. 3	<i>July 1, 2025</i>	New section
Sec. 4	<i>July 1, 2025</i>	New section
Sec. 5	<i>July 1, 2025</i>	New section
Sec. 6	<i>July 1, 2025</i>	New section
Sec. 7	<i>July 1, 2025</i>	New section
Sec. 8	<i>July 1, 2025</i>	New section
Sec. 9	<i>July 1, 2025</i>	New section
Sec. 10	<i>July 1, 2025</i>	New section
Sec. 11	<i>July 1, 2025</i>	16-244m(a)(1)
Sec. 12	<i>July 1, 2025</i>	16-1(20)
Sec. 13	<i>July 1, 2025</i>	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	16-24a(d)
Sec. 19	July 1, 2025	16-243e(b)
Sec. 20	July 1, 2025	16-243h
Sec. 21	July 1, 2025	16-243v
Sec. 22	July 1, 2025	16-245c(e)
Sec. 23	July 1, 2025	16-245o(h)(3)
Sec. 24	July 1, 2025	16-245w(b) to (d)
Sec. 25	July 1, 2025	16-262c(f)
Sec. 26	July 1, 2025	16a-38l(b)
Sec. 27	July 1, 2025	33-219(b)
Sec. 28	July 1, 2025	16a-3m(e)(3)
Sec. 29	July 1, 2025	12-264(c)(2)
Sec. 30	July 1, 2025	16-243n
Sec. 31	July 1, 2025	16-19f(a) and (b)
Sec. 32	July 1, 2025	16-243w
Sec. 33	July 1, 2025	New section
Sec. 34	July 1, 2025	16-245m(d)(1)
Sec. 35	July 1, 2025	16-245n(b)
Sec. 36	July 1, 2025	16-245e
Sec. 37	July 1, 2025	16-245f(a)
Sec. 38	July 1, 2025	16-245g
Sec. 39	July 1, 2025	16-245h(a)
Sec. 40	July 1, 2025	16-245i
Sec. 41	July 1, 2025	16-245j(b) and (c)
Sec. 42	July 1, 2025	16-245k(l)
Sec. 43	July 1, 2025, and applicable to sales occurring on or after July 1, 2025	12-412(127)
Sec. 44	July 1, 2025	New section

Statement of Legislative Commissioners:

In Section 1(5), "Electricity" was changed to "Energy" for accuracy; in Sections 3(a) and 3(h), "this chapter" was changed to "sections 4 to 10, inclusive, of this act" for accuracy; Section 18 and Section 24 were removed to avoid redundancy, remaining sections were renumbered and internal references were updated for consistency.

FIN *Joint Favorable Subst. -LCO*