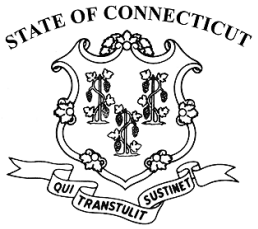


***Substitute Senate Bill No. 4***

# *Public Act No. 25-173*

## *AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND ACCOUNTABILITY.*

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

Section 1. (*Effective July 1, 2025*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one hundred twenty-five million dollars for each of the fiscal years ending June 30, 2026, and June 30, 2027.

(b) The proceeds of the sale of such bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Office of Policy and Management for the purpose of reducing the annual costs of hardship protection measures and other hardship protections within the systems benefits charge, as defined in section 16-245*l* of the general statutes, to the average annual cost of such measures and protections in the five years from 2016 to 2020, inclusive, preceding the COVID-19 pandemic.

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

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

Sec. 2. (*Effective July 1, 2025*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate thirty million dollars for the fiscal year ending June 30, 2026, and twenty million dollars for the fiscal year ending June 30, 2027.

(b) The proceeds of the sale of such bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Office of Policy and Management for the purpose of funding any electric vehicle charging program implemented pursuant to section 16-244dd of the general statutes, as amended by this act.

(c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with section 3-20 of the general statutes and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 3. Section 16-244dd of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) Notwithstanding the provisions of this title and title 16a, the Public Utilities Regulatory Authority may select the Connecticut Green Bank, the Department of Energy and Environmental Protection, the electric distribution companies, as defined in section 16-1, as amended by this act, a third party that the authority deems appropriate or any combination thereof to implement the non-residential renewable energy

program established pursuant to section 16-244z, as amended by this act, the residential renewable energy program established pursuant to said section, the shared clean energy facility program established pursuant to said section, the light-duty electric vehicle charging program established by the authority in a proceeding or a medium-duty to heavy-duty electric vehicle charging program established by the authority in a proceeding.

(b) On and after January 1, 2026, the authority shall limit the expenses for electric vehicle charging stations, as defined in section 16-19f, as amended by this act, and customer wiring upgrades of any light-duty electric vehicle charging program established by the authority in a proceeding to twenty million dollars per year and further limit any expenses for electric vehicle charging stations and customer wiring upgrades incentivized as part of any residential single-family customer program to residents who make less than or equal to three hundred per cent of the federal poverty level or reside in any concentrated poverty census tract, as defined in section 32-7x.

Sec. 4. (*Effective from passage*) (a) Not later than July 1, 2025, the Public Utilities Regulatory Authority shall open an uncontested proceeding, or amend the notice of proceeding in an active proceeding, to evaluate the duration of winter shutoff moratoria and the criteria and standards related to appropriate protections from service termination or disconnection for medically protected customers of a regulated gas company or electric distribution company, as defined in section 16-1 of the general statutes, as amended by this act. Such evaluation shall include, but need not be limited to: (1) Reviewing the definitions of a serious illness or life-threatening medical condition, including evaluating, in consultation with the Probate Court Administrator, whether and how mental health conditions should be included in such definitions, and recommending revisions in consideration of ratepayer costs and laws and regulations adopted in other similar jurisdictions; (2)

recommending revisions to the current protections for customers with a serious illness or life-threatening medical condition that reflect limitations on the duration of termination or disconnection protection; (3) reviewing protections for customers with a serious illness or life-threatening medical condition, and evaluating standards for conditioning protections to such customers on their ability to pay; (4) evaluating additional notice requirements prior to shutoff for customers with a serious illness and life-threatening medical condition; (5) evaluating the current procedures and practices and the relevant processes for verification of hardship status and medical protections; (6) evaluating the impact of limitations on medically protected customer service terminations and disconnections on all other ratepayers; (7) evaluating the requirement for a medical protection customer to enroll in a payment plan; and (8) evaluating standards to ensure that electric or gas companies have in good faith attempted to secure payment from medically protected customers by reasonable means other than termination, and that adequate notice is provided to the customer prior to any termination.

(b) Not later than March 16, 2026, the chairperson of the Public Utilities Regulatory Authority shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology, summarizing the results of such proceeding and providing recommendations regarding service termination policies and procedures evaluated in such proceeding.

Sec. 5. Section 16-262d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) No electric distribution, gas, telephone or water company, no electric supplier and no municipal utility furnishing electric, gas or water service may terminate such service to a residential dwelling on account of nonpayment of a delinquent account unless such company,

electric supplier or municipal utility first gives notice of such delinquency and impending termination by first class mail addressed to the customer to which such service is billed, **[**at least**]** not less than thirteen calendar days prior to the proposed termination, except that if an electric distribution or gas company, electric supplier or municipal utility furnishing electric or gas service has issued a notice under this subsection but has not terminated service prior to issuing a new bill to the customer, such company, electric supplier or municipal utility may terminate such service only after mailing the customer an additional notice of the impending termination, addressed to the customer to which such service is billed either (1) by first class mail at least thirteen calendar days prior to the proposed termination, or (2) by certified mail, **[**at least**]** not less than seven calendar days prior to the proposed termination. In the event that multiple dates of proposed termination are provided to a customer, no such company, electric supplier or municipal utility shall terminate service **[**prior to**]** before the latest of such dates. For purposes of this subsection, the thirteen-day periods and seven-day period shall commence on the date such notice is mailed. If such company, electric supplier or municipal utility does not terminate service within one hundred twenty days after mailing the initial notice of termination, such company, electric supplier or municipal utility shall give the customer a new notice **[**at least**]** not less than thirteen days prior to termination. Every termination notice issued by a public service company, electric supplier or municipal utility shall contain or be accompanied by an explanation of the rights of the customer provided in subsection (c) of this section.

(b) No such company, electric supplier or municipal utility shall effect termination of service for nonpayment during such time as any resident of a dwelling to which such service is furnished is seriously ill, if the fact of such serious illness is certified to such company, electric supplier or municipal utility by a registered physician, a physician assistant or an advanced practice registered nurse within such period of

time after the mailing of a termination notice pursuant to subsection (a) of this section as the Public Utilities Regulatory Authority may by regulation establish, provided the customer agrees to amortize the unpaid balance of his account over a reasonable period of time and keeps current his account for utility service as charges accrue in each subsequent billing period.

(c) No such company, electric supplier or municipal utility shall effect termination of service to a residential dwelling for nonpayment during the pendency of any complaint, investigation, hearing or appeal, initiated by a customer within such period of time after the mailing of a termination notice pursuant to subsection (a) of this section as the Public Utilities Regulatory Authority may by regulation establish; provided, any telephone company during the pendency of any complaint, investigation, hearing or appeal may terminate telephone service if the amount of charges accruing and outstanding subsequent to the initiation of any complaint, investigation, hearing or appeal exceeds on a monthly basis the average monthly bill for the previous three months or if the customer fails to keep current **[**his**]** such telephone account for all undisputed charges or fails to comply with any amortization agreement as hereafter provided.

(d) Any customer who has initiated a complaint or investigation under subsection (c) of this section shall be given an opportunity for review of such complaint or investigation by a review officer of the company, electric supplier or municipal utility other than a member of such company's, electric supplier's or municipal utility's credit authority, provided the Public Utilities Regulatory Authority may waive this requirement for any company, electric supplier or municipal utility employing fewer than twenty-five full-time employees, which review shall include consideration of whether the customer should be permitted to amortize the unpaid balance of his account over a reasonable period of time. No termination shall be effected for any

customer complying with any such amortization agreement, provided such customer also keeps current **[**his**]** such account for utility service as charges accrue in each subsequent billing period.

(e) Any customer whose complaint or request for an investigation has resulted in a determination by a company, electric supplier or municipal utility which is adverse to **[**him**]** such customer may appeal such determination to the Public Utilities Regulatory Authority or a hearing officer appointed by the authority.

(f) If, following the receipt of a termination notice or the entering into of an amortization agreement, the customer makes a payment or payments amounting to twenty per cent of the balance due, the public service company or electric supplier shall not terminate service without giving notice to the customer, in accordance with the provisions of this section, of the conditions the customer must meet to avoid termination, but such subsequent notice shall not entitle such customer to further investigation, review or appeal by the company, electric supplier, municipal utility or authority.

(g) No electric distribution, gas or water company, gas registrant or municipal utility furnishing electric, gas or water service shall submit to a credit rating agency, as defined in section 36a-695, any information about a residential customer's nonpayment for electric, gas or water service unless the customer is more than one hundred twenty days delinquent in paying for such service. In no event shall such a company, gas registrant or municipal utility submit to a credit rating agency any information about a residential customer's nonpayment for such service if the customer has initiated a complaint, investigation, hearing or appeal with regard to such service under subsection (c) of this section that is pending before the authority. If such a company, gas registrant or municipal utility intends to submit to a credit rating agency information about a customer's nonpayment for service, it shall, at least thirty days before submitting such information, send the customer by

first class mail notification that includes the statement, "AS AUTHORIZED BY LAW, FOR RESIDENTIAL ACCOUNTS, WE SUPPLY PAYMENT INFORMATION TO CREDIT RATING AGENCIES. IF YOUR ACCOUNT IS MORE THAN ONE HUNDRED TWENTY DAYS DELINQUENT, THE DELINQUENCY REPORT COULD HARM YOUR CREDIT RATING".

(h) No telephone company or certified telecommunications provider shall submit to a credit rating agency, as defined in section 36a-695, any information about a residential customer's nonpayment for telephone or telecommunications service, unless the customer is more than sixty days delinquent in paying for such service. In no event shall a telephone company or certified telecommunications provider submit to a credit rating agency any information about a residential customer's nonpayment for such service if the customer has initiated a complaint, investigation, hearing or appeal with regard to such service under subsection (c) of this section that is pending before the authority. If a telephone company or certified telecommunications provider intends to submit to a credit rating agency information about a customer's nonpayment for service, it shall, at least thirty days before submitting such information, send the customer, by first class mail, notification that includes the statement, "AS AUTHORIZED BY LAW, FOR RESIDENTIAL ACCOUNTS, WE SUPPLY PAYMENT INFORMATION TO CREDIT RATING <u>OR DEBT COLLECTION</u> AGENCIES. IF YOUR ACCOUNT IS MORE THAN SIXTY DAYS DELINQUENT, THE DELINQUENCY REPORT COULD HARM YOUR CREDIT RATING".

Sec. 6. Section 2 of public act 24-31 is repealed and the following is substituted in lieu thereof(*Effective from passage*):

The chairperson of the Public Utilities Regulatory Authority shall conduct a study regarding the renewable energy tariff programs established pursuant to section 16-244z of the general statutes, as

amended by **[**this act**]** public act 24-31 and this act. Such study shall include, but not be limited to, an examination of (1) whether to extend such programs beyond the procurement years authorized in said section; (2) potential processes that can be adopted to avoid stranded projects; and (3) potential successor programs. An examination conducted pursuant to subdivisions (2) and (3) of this section shall include, but not be limited to: (A) An examination of potential programs that do not incorporate any megawatt cap; (B) consideration of different possible criteria and procedures for choosing projects, such as choosing projects by lottery or on a first-come, first-served basis; **[**and**]** (C) an identification of alternative bidding frameworks, such as awarding solicitations based on what projects can be deployed soonest; (D) a framework to encourage the aggregation of distributed energy resources that can respond and provide grid and retail market services; (E) an evaluation of how nonparticipating electric customers may be impacted by renewable energy tariff programs, and strategies for minimizing any unintended duplication of incentives or subsidies between participating and nonparticipating electric customers, including a fair and complete evaluation of costs and benefits of the renewable energy tariff programs and methods to maximize benefits to nonparticipating customers, such as reducing electric system distribution congestion; and (F) consideration of different compensation structures to encourage deployment in areas of grid underutilization. Not later than **[**January 15**]** March 1, 2026, the chairperson shall submit, in accordance with the provisions of section 11-4a of the general statutes, the results of such study, including any recommendations, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology.

Sec. 7. (NEW) (*Effective July 1, 2025*) Any low-income rates implemented by the Public Utilities Regulatory Authority pursuant to section 16-19 of the general statutes, as amended by this act, 16-19e, 16-19oo or 16-19zz of the general statutes in any rate case or other

proceeding initiated on or after October 1, 2025, or in a pending rate case for which a final decision has not been issued prior to November 1, 2025, shall include, but not be limited to, the following cost-containment measures to protect ratepayers: (1) A monthly kilowatt hour usage cap applied to the low-income rate for customers of an electric distribution company, a monthly centum cubic feet usage cap applied to the low-income rate for customers of a gas company and a gallon usage cap applied to the low-income rate for customers of a water company; (2) a budgetary target-triggering review by the authority if an electric distribution company, gas company or water company's total cost to fund the low-income rate exceeds a certain percentage of the electric distribution company, gas company or water company's annual billed total revenues; and (3) a recertification process to confirm income eligibility for the program and appropriate tier placement at least once every twelve months of program enrollment.

Sec. 8. (NEW) (*Effective from passage*) Not later than November 15, 2029, the chairperson of the Public Utilities Regulatory Authority shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology regarding the implementation of low-income rates pursuant to sections 16-19 of the general statutes, as amended by this act, 16-19e, 16-19oo and 16-19zz of the general statutes, during the period from January 1, 2024, to December 31, 2028, inclusive. The report shall include, but need not be limited to, a review of the low-income rate program, including the effectiveness of the cost-containment measures, the effectiveness of the low-income rate in reducing uncollectibles and the effectiveness of the low-income rate in encouraging bill payment.

Sec. 9. Section 16-244z of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) (1) (A) On or before September 1, 2018, the Public Utilities

Regulatory Authority shall initiate a proceeding to establish a procurement plan for each electric distribution company pursuant to this subsection and may give a preference to technologies manufactured, researched or developed in the state, provided such procurement plan is consistent with and contributes to the requirements to reduce greenhouse gas emissions in accordance with section 22a-200a. Each electric distribution company shall develop such procurement plan in consultation with the Department of Energy and Environmental Protection and shall submit such procurement plan to the authority not later than sixty days after the authority initiates the proceeding pursuant to this subdivision, provided the department shall submit the program requirements pursuant to subparagraph (C) of this subdivision on or before July 1, 2019. The authority may require such electric distribution companies to conduct separate solicitations pursuant to subdivision (4) of this subsection for the resources in subparagraphs (A), (B) and (C) of said subdivision, including separate solicitations based upon the size of such resources to allow for a diversity of selected projects.

(B) On or before September 1, 2018, the authority shall initiate a proceeding to establish tariffs that provide for twenty-year terms of service described in subdivision (3) of this subsection for each electric distribution company pursuant to subparagraphs (A) and (B) of subdivision (2) of this subsection. In such proceeding, the authority shall establish the period of time that will be used for calculating the net amount of energy produced by a facility and not consumed, provided the authority shall assess whether to incorporate time-of-use rates or other dynamic pricing and such period of time shall be either (i) in real time, (ii) in one day, (iii) in any fraction of a day not to exceed one day, or (iv) in any period of time greater than one day up to and including one month. In such proceeding, the authority shall consider the findings of the study of the value of distributed energy resources conducted pursuant to section 16a-3o. The rate for such tariffs shall be established

by the solicitation pursuant to subdivision (2) of this subsection.

(C) On or before September 1, 2018, the Department of Energy and Environmental Protection shall (i) initiate a proceeding to develop program requirements and tariff proposals for shared clean energy facilities eligible pursuant to subparagraph **[**(C)**]** (B) of subdivision (2) of this subsection, including, but not limited to, the requirements in subdivision (6) of this subsection, and (ii) establish either or both of the following tariff proposals: (I) A tariff proposal that includes a price cap on a cents-per-kilowatt-hour basis for any procurement for such resources based on the procurement results of any other procurement issued pursuant to this subsection, and (II) a tariff proposal that includes a tariff rate for customers eligible under subparagraph **[**(C)**]** (B) of subdivision (2) of this subsection based on energy policy goals identified by the department in the Comprehensive Energy Strategy pursuant to section 16a-3d. On or before July 1, 2019, the department shall submit any such program requirements and tariff proposals to the authority for review and approval. On or before January 1, 2020, the authority shall approve or modify such program requirements and tariff proposals submitted by the department. If the authority approves two tariff proposals pursuant to this subparagraph, the authority shall determine how much of the total compensation authorized for customers eligible under this subparagraph pursuant to subparagraph (A) of subdivision (1) of subsection (c) of this section shall be available under each tariff.

(2) Not less than once per year, each electric distribution company shall jointly or individually solicit and file with the Public Utilities Regulatory Authority for its approval one or more projects selected resulting from any procurement issued pursuant to subdivision (1) of this subsection that are consistent with the tariffs approved by the authority pursuant to subparagraphs (B) and (C) of subdivision (1) of this subsection and that are applicable to (A) **[**customers that own or develop new generation projects on a customer's own premises that are

less than five megawatts in size, serve the distribution system of an electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (4) of this subsection to which the customer is responding, and use a Class I renewable energy source that either (i) uses anaerobic digestion, or (ii) has emissions of no more than 0.07 pounds per megawatt-hour of nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide, 0.02 pounds per megawatt-hour of volatile organic compounds and one grain per one hundred standard cubic feet, (B)**]** customers that own or develop new generation projects on a customer's own premises that are less than five megawatts in size, serve the distribution system of an electric distribution company, are constructed after the solicitation conducted pursuant to subdivision (4) of this subsection to which the customer is responding, and use a Class I renewable energy source that emits no pollutants, and **[**(C)**]** (B) customers that own or develop new generation projects that are a shared clean energy facility, consistent with the program requirements developed pursuant to subparagraph (C) of subdivision (1) of this subsection. For purposes of this section, "shared clean energy facility" means a Class I renewable energy source **[**, as defined in section 16-1,**]** that (i) after January 1, 2026, emits no pollutants, (ii) is served by an electric distribution company, **[**as defined in section 16-1,(ii)**]** (iii) has a nameplate capacity rating of five megawatts or less, and **[**(iii)**]** (iv) has at least two subscribers. Any project that is eligible pursuant to subparagraph **[**(C)**]** (B) of this subdivision shall not be eligible pursuant to subparagraph (A) **[**or (B)**]** of this subdivision.

(3) A customer that is eligible pursuant to subparagraph (A) **[**or (B)**]** of subdivision (2) of this subsection may elect in any such solicitation to utilize either (A) a tariff for the purchase of all energy and renewable energy certificates on a cents-per-kilowatt-hour basis, or (B) a tariff for the purchase of any energy produced by a facility and not consumed in the period of time established by the authority pursuant to subparagraph (B) of subdivision (1) of this subsection and all renewable

energy certificates generated by such facility on a cents-per-kilowatt-hour basis, subject to any tariff terms, conditions or other stipulations of the authority, including, but not limited to, stipulations regarding the capacity rights of a given facility.

(4) Each electric distribution company shall jointly or individually conduct an annual solicitation or solicitations, as determined by the authority, for the purchase of energy and renewable energy certificates produced by eligible generation projects under this subsection over the duration of each applicable tariff. Generation projects eligible pursuant to **[**subparagraphs**]** subparagraph (A) **[**and (B)**]** of subdivision (2) of this subsection shall be sized so as not to exceed the load at the customer's individual electric meter or a set of electric meters, when such meters are combined for billing purposes, as determined by the authority, unless such customer is a state, municipal or agricultural customer, then such generation project shall be sized so as not to exceed the load at such customer's individual electric meter or a set of electric meters at the same customer premises, when such meters are combined for billing purposes, and the load of up to five state, municipal or agricultural beneficial accounts, as defined in section 16-244u, identified by such state, municipal or agricultural customer, and such state, municipal or agricultural customer may include the load of up to five additional nonstate or municipal beneficial accounts, as defined in section 16-244u, when sizing such generation project, provided such accounts are critical facilities, as defined in subdivision (2) of subsection (a) of section 16-243y, and are connected to a microgrid.

(5) The maximum selected purchase price of energy and renewable energy certificates on a cents-per-kilowatt-hour basis in any given solicitation shall not exceed such maximum selected purchase price for the same resources in the prior year's solicitation, unless the authority makes a determination that there are changed circumstances in any given year. For the first year solicitation issued pursuant to this

subsection, the authority shall establish a cap for the selected purchase price for energy and renewable energy certificates on a cents-per-kilowatt-hour basis for any resources authorized under this subsection.

(6) The program requirements for shared clean energy facilities developed pursuant to subparagraph (C) of subdivision (1) of this subsection shall include, but not be limited to, the following:

(A) The department shall allow cost-effective projects of various nameplate capacities that may allow for the construction of multiple projects in the service area of each electric distribution company that operates within the state.

(B) The department shall determine the billing credit for any subscriber of a shared clean energy facility that may be issued through the electric distribution companies' monthly billing systems, and establish consumer protections for subscribers and potential subscribers of such a facility, including, but not limited to, disclosures to be made when selling or reselling a subscription.

(C) Such program shall utilize one or more tariff mechanisms with the electric distribution companies for a term not to exceed twenty years, subject to approval by the Public Utilities Regulatory Authority, to pay for the purchase of any energy products and renewable energy certificates produced by any eligible shared clean energy facility, or to deliver any billing credit of any such facility.

(D) The department shall limit subscribers to (i) low-income customers, (ii) moderate-income customers, (iii) small business customers, (iv) state or municipal customers, (v) commercial customers, and (vi) residential customers who can demonstrate, pursuant to criteria determined by the department in the program requirements recommended by the department and approved by the authority, that they are unable to utilize the tariffs offered pursuant to subsection (b) of

this section.

(E) The department shall require that (i) not less than twenty per cent of the total capacity of each shared clean energy facility is sold, given or provided to low-income customers, and (ii) not less than sixty per cent of the total capacity of each shared clean energy facility is sold, given or provided to low-income customers, moderate-income customers or low-income service organizations. The authority may modify such shared clean energy facility capacity requirements for the limited purpose of aligning the allocation of shared clean energy facility capacity with the requirements of any federal acts providing renewable energy incentives.

(F) The department may allow preferences to projects that serve low-income customers and shared clean energy facilities that benefit customers who reside in environmental justice communities.

(G) The department may create incentives or other financing mechanisms to encourage participation by low-income customers.

(H) The department may require that not more than forty per cent of the total capacity of each shared clean energy facility is sold to commercial customers.

(7) For purposes of this subsection:

(A) "Environmental justice community" has the same meaning as provided in subsection (a) of section 22a-20a;

(B) "Low-income customer" means an in-state retail end user of an electric distribution company (i) whose income does not exceed sixty per cent of the state median income, adjusted for family size, or (ii) that is an affordable housing facility. The authority may modify such definition for the limited purpose of aligning such definition with the requirements of any federal acts providing renewable energy incentives;

(C) "Low-income service organization" means a for-profit or nonprofit organization that provides service or assistance to low-income individuals; and

(D) "Moderate-income customer" means an in-state retail end user of an electric distribution company whose income is between sixty per cent and one hundred per cent of the state median income, adjusted for family size. The authority may modify such definition for the limited purpose of aligning such definition with the requirements of any federal acts providing renewable energy incentives.

(b) (1) On or before July 1, 2020, the authority shall initiate a proceeding to establish (A) tariffs for each electric distribution company pursuant to subdivision (2) of this subsection, (B) a rate for such tariffs, which may be based upon the results of one or more competitive solicitations issued pursuant to subsection (a) of this section, or on the average cost of installing the generation project and a reasonable rate of return that is just, reasonable and adequate, as determined by the authority, and shall be guided by the Comprehensive Energy Strategy prepared pursuant to section 16a-3d, and (C) the period of time that will be used for calculating the net amount of energy produced by a facility and not consumed, provided the authority shall assess whether to incorporate time-of-use rates or other dynamic pricing and such period of time shall be either (i) in real time, (ii) in one day, (iii) in any fraction of a day not to exceed one day, or (iv) in any period of time greater than one day up to and including one month. In such proceeding, the authority shall consider the findings of the study of the value of distributed energy resources conducted pursuant to section 16a-3o. The authority shall issue a final decision in such proceeding on or before July 1, 2021. The authority may modify such rate for new customers under this subsection based on changed circumstances and may establish an interim tariff rate prior to the expiration of the residential solar investment program pursuant to subsection (b) of section 16-245ff as an

alternative to such program, provided any residential customer utilizing a tariff pursuant to this subsection at such customer's electric meter shall not be eligible for any incentives offered pursuant to section 16-245ff at the same such electric meter and any residential customer utilizing any incentives offered pursuant to section 16-245ff at such customer's electric meter shall not be eligible for a tariff pursuant to this subsection at the same such electric meter. For rates offered pursuant to subparagraph (A) or (B) of subdivision (2) of this subsection, on and after January 1, 2026, the authority shall establish a nonbypassable charge as part of the netting tariff offering at a rate equal to at least three and one-quarter cents and shall adjust the compensation offered pursuant to the buy-all tariff such that the rates offered pursuant to both tariff offerings are substantially similar.

(2) On and after January 1, 2022, each electric distribution company shall offer the following options to residential customers for the purchase of products generated from a Class I renewable energy source that emits no pollutants and that is located on a customer's own premises and has a nameplate capacity rating of twenty-five kilowatts or less for a term not to exceed twenty years: (A) A tariff for the purchase of all energy and renewable energy certificates on a cents-per-kilowatt-hour basis; and (B) a tariff for the purchase of any energy produced and not consumed in the period of time established by the authority pursuant to subparagraph (C) of subdivision (1) of this subsection and all renewable energy certificates generated by such facility on a cents-per-kilowatt-hour basis, subject to any tariff terms, conditions or other stipulations of the authority, including, but not limited to, stipulations regarding the capacity rights of a given facility. A residential customer shall select either option authorized pursuant to subparagraph (A) or (B) of this subdivision, consistent with the requirements of this section. Such generation projects shall be sized so as not to exceed the load at the customer's individual electric meter or, in the case of a multifamily dwelling that qualifies under this subsection, the load of the premises,

from the electric distribution company providing service to such customer, pursuant to any rules established by the authority and as determined by such electric distribution company. For purposes of this section, "residential customer" means a customer of a single-family dwelling, a multifamily dwelling consisting of two to four units, or a multifamily dwelling consisting of five or more units, provided in the case of a multifamily dwelling consisting of five or more units, (i) not less than sixty per cent of the units of the multifamily dwelling are occupied by persons and families with income that is not more than sixty per cent of the area median income for the municipality in which it is located, as determined by the United States Department of Housing and Urban Development, or (ii) such multifamily dwelling is determined to be affordable housing by the Public Utilities Regulatory Authority in consultation with the Department of Energy and Environmental Protection, Department of Housing, Connecticut Green Bank, Connecticut Housing Finance Authority and United States Department of Housing and Urban Development. In the case of a multifamily dwelling consisting of five or more units, a generation project shall only qualify under this subsection if: (I) Each of the dwelling units receives an appropriate share of the benefits from the generation project, and (II) no greater than an appropriate share of the benefits from the generation project is used to offset common area usage. The Public Utilities Regulatory Authority shall initiate an uncontested proceeding to implement the distribution of the benefits from the generation project pursuant to this section.

(c) (1) (A) Except as provided in subparagraph (B) of this subdivision, for procurement and tariff years commencing on and after January 1, 2025, **[**the total megawatts available to customers eligible under subparagraph (A) of subdivision (2) of subsection (a) of this section shall not exceed ten megawatts per year,**]** the total megawatts available to customers eligible under subparagraph **[**(B)**]** (A) of subdivision (2) of subsection (a) of this section shall not exceed one hundred megawatts

per year and the total megawatts available to customers eligible under subparagraph **[**(C)**]** (B) of subdivision (2) of subsection (a) of this section shall not exceed fifty megawatts per year. The authority shall monitor the competitiveness of any procurements authorized pursuant to subsection (a) of this section and may adjust the annual purchase amount established in this subsection or other procurement parameters to maintain competitiveness. Any megawatts not allocated in any given year shall roll into the next year's available megawatts. The obligation to purchase energy and renewable energy certificates shall be apportioned as determined by the authority.

(B) For procurement and tariff years commencing on and after January 1, 2025, the authority may exceed the limits on total available megawatts described in subparagraph (A) of this subdivision for any procurement and tariff program authorized pursuant to subsection (a) of this section in any such year, if, during the period commencing on January first and ending on the date that the last project is selected pursuant to the usual procurement process for such program, as determined by the authority, the aggregate dollar amount of procurements of energy and renewable energy credits over the tariff term for all selected projects does not exceed the aggregate dollar amount of procurements of energy and renewable energy credits over the tariff term for all projects selected in such program during the calendar year 2024. The authority shall determine the manner of exceeding such limits.

(C) (i) The electric distribution companies shall continue to offer any tariffs developed pursuant to subparagraph (B) of subdivision (1) of subsection (a) of this section for six years, inclusive of previous years of such procurement and tariff program. The sixth and final year of such procurement and tariff program shall be the calendar year 2027.

(ii) The electric distribution companies shall continue to offer any tariffs developed pursuant to subparagraph (C) of subdivision (1) of

subsection (a) of this section for eight years, inclusive of previous years of such procurement and tariff program. The eighth and final year of such procurement and tariff program shall be the calendar year 2027.

(D) The electric distribution companies shall offer any tariffs developed pursuant to subsection (b) of this section for six years. At the end of the tariff term pursuant to subparagraph (B) of subdivision (2) of subsection (b) of this section, residential customers that elected the option pursuant to said subparagraph shall be credited all cents-per-kilowatt-hour charges pursuant to the tariff rate for such customer for energy produced by the Class I renewable energy source against any energy that is consumed in real time by such residential customer.

(E) The authority shall establish tariffs for the purchase of energy on a cents-per-kilowatt-hour basis at the expiration of any tariff terms authorized pursuant to this section.

(2) The department, in consultation with the authority, shall assess the tariff offerings pursuant to this section and determine if such offerings are competitive compared to the cost of the technologies and shall report, in accordance with section 11-4a, the results of such determination to the General Assembly not later than January 15, 2027.

(3) For any tariff established pursuant to this section, the authority shall examine how to incorporate the following energy system benefits into the rate established for any such tariff: (A) Energy storage systems that provide electric distribution benefits, (B) location of a facility on the distribution system, (C) time-of-use rates or other dynamic pricing, and (D) other energy policy benefits identified in the Comprehensive Energy Strategy prepared pursuant to section 16a-3d.

(d) In accordance with subsection **[**(h)**]** (g) of section 16-245a, as amended by this act, the authority shall **[**determine which of the following two options is in the best interest of ratepayers and shall direct

each electric distribution company to either (1) retire the renewable energy certificates it purchases pursuant to subsections (a) and (b) of this section on behalf of all ratepayers to satisfy the obligations of all electric suppliers and electric distribution companies providing standard service or supplier of last resort service pursuant to section 16-245a, or (2) sell such renewable energy certificates into the New England Power Pool Generation information system renewable energy credit market. The authority shall establish procedures for the retirement of such renewable energy certificates. Any net revenues from the sale of products purchased in accordance with this section shall be credited to customers through a nonbypassable fully reconciling component of electric rates for all customers of the electric distribution company**]** follow the procedures established pursuant to subsection (g) of section 16-245a, as amended by this act, for certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy source purchased by an electric distribution company pursuant to this section.

(e) The costs prudently and reasonably incurred by an electric distribution company pursuant to this section shall be recovered on a timely basis through a nonbypassable fully reconciling component of electric rates for all customers of the electric distribution company. Any net revenues from the sale of products purchased in accordance with any tariff offered pursuant to this section shall be credited to customers through the same fully reconciling rate component for all customers of such electric distribution company.

(f) Notwithstanding the size-to-load provisions of subdivision (4) of subsection (a) of this section, the entire rooftop space of a customer's own premises developed pursuant to subparagraph (B) of subdivision (1) of subsection (a) of this section and owned by a commercial or industrial customer may be used for purposes of electricity generation and participation in the solicitation conducted by each electric

distribution company pursuant to subdivision (4) of subsection (a) of this section.

(g) State, municipal and agricultural customers shall be exempt from the requirement that generation projects owned or developed pursuant to subparagraph (A) **[**or (B)**]** of subdivision (2) of subsection (a) of this section be located on a customer's own premises.

(h) Notwithstanding any provision of this section, the authority shall incorporate the program established pursuant to section 16-244ee into the programs authorized pursuant to this section.

Sec. 10. Section 16-245e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

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

(1) "Rate reduction bonds" means bonds, notes, certificates of participation or beneficial interest, or other **[**evidences**]** evidence of indebtedness or ownership, issued pursuant to an executed indenture or other agreement of a financing entity, in accordance with this section and sections 16-245f to 16-245k, inclusive, as amended by this act, the proceeds of which are used, directly or indirectly, to provide, recover, finance, or refinance stranded costs, financed utility services or economic recovery transfer, or to sustain funding of conservation and load management and renewable energy investment programs by substituting for disbursements to the General Fund from the Conservation and Load Management Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, and which, directly or indirectly, are secured by, evidence ownership interests in, or are payable from, transition property;

(2) "Competitive transition assessment" means those nonbypassable

rates and other charges, that are authorized by the authority (A) in a financing order in respect to the economic recovery transfer, or in a financing order, to sustain funding of conservation and load management and renewable energy investment programs by substituting disbursements to the General Fund from proceeds of rate reduction bonds for such disbursements from the Conservation and Load Management Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, or to recover those stranded costs or financed utility services that are eligible to be funded with the proceeds of rate reduction bonds pursuant to section 16-245f, as amended by this act, and the costs of providing, recovering, financing, or refinancing the economic recovery transfer or such substitution of disbursements to the General Fund or such stranded costs or financed utility services through a plan approved by the authority in the financing order, including the costs of issuing, servicing, and retiring rate reduction bonds, (B) to recover those stranded costs or financed utility services determined under this section but not eligible to be funded with the proceeds of rate reduction bonds pursuant to section 16-245f, as amended by this act, or (C) to recover costs determined under subdivision (1) of subsection (e) of section 16-244g. If requested by the electric distribution company, the authority shall include in the competitive transition assessment nonbypassable rates and other charges to recover federal and state taxes whose recovery period is modified by the transactions contemplated in this section and sections 16-245f to 16-245k, inclusive, as amended by this act;

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

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

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

**[**(5)**]** (6) "Net proceeds" means the book income from the sale or divestiture of assets, consisting of sales price less reasonable expenses of sale, related income and other;

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

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

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

**[**(9)**]** (10) "Long-term contract costs" mean the above-market portion of the costs of contractual obligations approved for inclusion in the rates that were entered into before January 1, 2000, arising from independent power producer contracts required by law or purchased power

contracts approved by the Federal Energy Regulatory Commission;

**[**(10)**]** (11) "Financing entity" means the finance authority or any special purpose trust or other entity that is authorized by the finance authority, or, in the case of rate reduction bonds to recover financed utility services, authorized by the Public Utilities Regulatory Authority pursuant to a financing order, to issue rate reduction bonds or acquire transition property pursuant to such terms and conditions as the finance authority, or said authority, if applicable, may specify, or both;

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

**[**(12)**]** (13) "Transition property" means the irrevocable property right created pursuant to this section and sections 16-245f to 16-245k, inclusive, as amended by this act, in respect to the economic recovery transfer or in respect of disbursements to the General Fund to sustain funding of conservation and load management and renewable energy investment programs or those stranded costs or financed utility services that are eligible to be funded with the proceeds of rate reduction bonds pursuant to section 16-245f, as amended by this act, including, without limitation, the right, title, and interest of an electric distribution company or its transferee or the financing entity (A) in and to the rates and charges established pursuant to a financing order, as adjusted from time to time in accordance with subdivision (2) of subsection (b) of section 16-245i, as amended by this act, and the financing order, (B) to be paid the amount that is determined in a financing order to be the amount that the electric distribution company or its transferee or the financing entity is lawfully entitled to receive pursuant to the provisions of this section and sections 16-245f to 16-245k, inclusive, as amended by this act, and the proceeds thereof, and in and to all revenues, collections, claims, payments, money, or proceeds of or arising from the rates and charges or constituting the competitive transition assessment that is the

subject of a financing order including those nonbypassable rates and other charges referred to in subdivision (2) of this subsection, and (C) in and to all rights to obtain adjustments to the rates and charges pursuant to the terms of subdivision (2) of subsection (b) of section 16-245i, as amended by this act, and the financing order. "Transition property" shall constitute a current and irrevocable property right notwithstanding the fact that the value of the property right will depend on consumers using electricity or, in those instances where consumers are customers of a particular electric distribution company, the electric distribution company performing certain services;

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

**[**(14)**]** (15) "Operating expenses" means, with respect to state rate reduction bonds or economic recovery revenue bonds, (A) all expenses, costs and liabilities of the state or the trustee incurred in connection with the administration or payment of the state rate reduction bonds or economic recovery revenue bonds, or in discharge of its obligations and duties under the state rate reduction bonds or economic recovery revenue bonds, or bond documents, expenses and other costs and expenses arising in connection with the state rate reduction bonds or economic recovery revenue bonds, or pursuant to the financing order providing for the issuance of such bonds including any arbitrage rebate and penalties payable under the code in connection with such bonds, and (B) all fees and expenses payable or disbursable to the servicers or

others under the bond documents;

**[**(15)**]** (16) "Bond documents" means, with respect to state rate reduction bonds or economic recovery revenue bonds, the following documents: The servicing agreements, the tax compliance agreement and certificate, and the continuing disclosure agreement and indenture entered into in connection with the state rate reduction bonds or the economic recovery revenue bonds;

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

**[**(17)**]** (18) "Trustee" means, with respect to state rate reduction bonds, the trustee appointed under the indenture;

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

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

(21) "Financed utility services" means costs determined by the Public Utilities Regulatory Authority consistent with the principles set forth in sections 16-11, 16-19, as amended by this act, and 16-19e that (A) have been prudently and efficiently incurred between the period of January 1, 2018, to January 1, 2025, by an electric distribution company to prepare for and restore power to customers following storms, (B) have

been or are reasonably expected to be prudently and efficiently incurred after January 1, 2025, by an electric distribution company for any accelerated initial procurement, installation and operational deployment of advanced metering infrastructure, including capital expenses and one-time non-capital operating expenses to implement and promote customer adoption of advanced metering infrastructure, including information and education for customers or licenses, fees, training and other necessary costs, to replace existing traditional noninterval metering infrastructure utilized by customers of such company, including any reasonable fees, expenses and transaction costs incurred in connection with the issuance, servicing, retirement or refinancing of rate reduction bonds, (C) the unrecovered balance of legacy infrastructure, including stranded costs, being replaced in connection with the deployment of advanced metering infrastructure, and (D) any reasonable fees, expenses and transaction costs incurred in connection with the issuance, servicing, retirement or refinancing of rate reduction bonds issued to finance such costs; and

(22) "Advanced metering infrastructure" means an integrated system of metering equipment, two-way communications networks and information management systems, including billing and customer information systems, used by an electric distribution company to collect and transmit interval or real-time data concerning a customer's energy consumption.

(b) The authority shall, in accordance with the provisions of this section, identify and calculate, upon application by an electric distribution company, those stranded costs or financed utility services that may be collected through the competitive transition assessment which shall be calculated and collected in accordance with the provisions of section 16-245g, as amended by this act. No electric distribution company shall be eligible to claim stranded costs unless a public auction has been held to divest itself of all nonnuclear generation

assets or the electric distribution company has sold its nonnuclear generation assets in accordance with section 16-43.

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

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

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

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

(e) The authority shall calculate the stranded costs for generation-related regulatory assets to be their book value as of January 1, 2000. In calculating the value of generation-related regulatory assets that are

being provided in a lump sum as the result of a funding with the proceeds of rate reduction bonds, the authority shall adjust the value of each such asset to reflect the time value of such lump sum, if any.

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

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

(g) The authority shall calculate the stranded cost for each generation asset to be the difference between its book value and the market value of a prudently and efficiently managed nonnuclear generating facility of comparable size, age and technical characteristics in a competitive market. In determining the market value of any such asset, the authority may consider (A) the dollars per kilowatt received from the sale of similar generation facilities, if any, (B) income capitalization based on the operating history and capacity of the facility, the market rates for power, and any existing long-term contracts for the sale of power or capacity, (C) independent market appraisals, or (D) other relevant

factors. The authority shall calculate the stranded costs for generation assets at least every three years. The costs described in this subsection shall be included in the competitive transition assessment pursuant to section 16-245g, as amended by this act, but shall not be included in any funding with the proceeds of rate reduction bonds.

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

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

(3) The authority shall calculate the stranded costs for each nondivested nuclear generation asset described in subdivision (1) of subsection (d) of section 16-244g to be the difference between its book value and the market value of a prudently and efficiently managed nuclear generating facility of comparable size, age and technical characteristics in a competitive market. In determining the market value

of any such asset, the authority may consider (A) the dollars per kilowatt received from the sale of similar generation facilities, if any, (B) income capitalization based on the operating history and capacity of the facility, the market rates for power, and any existing long-term contracts for the sale of power or capacity, (C) the provision for decommissioning and related costs to be paid from the systems benefits charge provided in section 16-245*l*, (D) independent market appraisals, or (E) other relevant factors. At least every four years after the date when the authority issues an initial finding of the calculation of the stranded costs for such nondivested nuclear generation assets as provided in this subdivision until the earlier of (i) the expiration of the collection of the competitive transition assessment, or (ii) the date when such an asset is divested, the authority shall hold a hearing and issue a finding to adjust the stranded cost calculation of each such asset and to adjust the competitive transition assessment accordingly to true up the stranded cost recovery for the difference between the market value projected in such initial finding and the actual market value of a prudently and efficiently managed nuclear generating facility of comparable size, age and technical characteristics during the time period between the initial finding and the adjustment date, provided the second and subsequent adjustments shall reflect the difference during the time period since the most recent true-up. The authority shall calculate the value of each such asset in accordance with the methodology provided in this subdivision. Any hearing shall be conducted as a contested case in accordance with chapter 54.

(4) After the authority has calculated the total value of stranded costs for all nuclear generation assets, the authority shall (A) reduce such amount by the net proceeds that are above book value realized by an electric distribution company from the sale of nonnuclear generation assets, (B) reduce such valuation to reflect the total net proceeds that are above book value realized by an electric distribution company from the sale of any nuclear generation assets pursuant to subsection (c) of

section 16-244g, and (C) reduce such amount by the net proceeds that are above book value received by an electric distribution company for the sale or lease of any real property after July 1, 1998.

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

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

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

(l) Upon receipt of a petition from an electric distribution company, or upon its own motion, the authority may determine, at its sole

discretion, that the issuance of rate reduction bonds is in the best interest of ratepayers. Upon the issuance of a financing order by the authority that specifies the appropriate amount, timing and terms of such rate reduction bond issuance, the financing entity shall issue such rate reduction bonds in accordance with the financing order, provided the aggregate principal amount of such bonds shall not exceed two billion two hundred million dollars. Subject to the reconciliation process set forth in this subsection, the costs of any rate reduction bonds, including all principal, interest, premium, costs and arrearages on such bonds, shall be recovered through the competitive transition assessment pursuant to section 16-245g, as amended by this act. Upon the issuance of any rate reduction bonds as ordered by the authority to recover any financed utility services, the authority shall periodically adjust the competitive transition assessment in accordance with section 16-245j, as amended by this act, to allow the recovery of the cost of such bonds, including through a reconciliation of the actual revenues from the competitive transition assessment to the actual cost of such bonds. If the proceeds used to purchase transition property with respect to rate reduction bonds issued for the deployment of advanced metering infrastructure is subsequently determined by the authority pursuant to the standards set forth in sections 16-11, 16-19, as amended by this act, or 16-19e to exceed the amount prudently and efficiently incurred for the deployment of advanced metering infrastructure, the total cost of such bonds resulting from the excess shall be returned to ratepayers, with interest, in a manner determined by the authority, including by decreasing another nonbypassable rate charged by such electric distribution company to proportionately account for such decrease, or through the revenue decoupling mechanism line item, provided the competitive transition assessment shall not be decreased in connection with such reconciliation.

(m) Notwithstanding any provision of the general statutes, the net benefits of accumulated deferred income taxes relating to amounts that

will be recovered through the issuance of rate reduction bonds for financed utility services shall be credited to retail customers of electric distribution companies by reducing the amount of such rate reduction bonds that would otherwise be issued by the net present value of the related tax cash flows, using a discount rate equal to the expected interest rate on such rate reduction bonds.

Sec. 11. Subsection (a) of section 16-245f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

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

generation entities or affiliates an unfair competitive advantage.

(2) An electric distribution company may submit to the authority a petition for a financing order with respect to financed utility services that have been determined by the authority in a separate proceeding to be appropriate for cost recovery pursuant to the standards set forth in section 16-19, as amended by this act, or 16-19e. The authority shall issue its response to such petition not more than one hundred twenty days after its receipt of a petition for a financing order pursuant to this subdivision.

(3) The authority shall hold a hearing for each such electric distribution company to determine the amount of disbursements to the General Fund from proceeds of rate reduction bonds that may be substituted for such disbursements from the Conservation and Load Management Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, and thereby constitute transition property and the portion of stranded costs or financed utility services that may be included in such funding and thereby constitute transition property. Any hearing shall be conducted as a contested case in accordance with chapter 54, except that any hearing with respect to a financing order or other order to sustain funding for conservation and load management and renewable energy investment programs by substituting the disbursement to the General Fund from the Conservation and Load Management Plan established by section 16-245m, as amended by this act, and from the Clean Energy Investment Fund established by section 16-245n, shall not be a contested case, as defined in section 4-166. The authority shall not include any rate reduction bonds as debt of an electric distribution company in determining the capital structure of the company in a rate-making proceeding, for calculating the company's return on equity or in any manner that would impact the electric distribution company for rate-making purposes, and shall not approve such rate reduction bonds that

include covenants that have provisions prohibiting any change to their appointment of an administrator of the Conservation and Load Management Plan.

Sec. 12. Section 16-245g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

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

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

(c) The competitive transition assessment shall be determined by the authority in a general and equitable manner and, in accordance with the provisions of subsection (b) of section 16-245f, shall be imposed on all customers at a rate that is applied equally to all customers of the same class in accordance with methods of allocation in effect on July 1, 1998, or a later date determined by the authority in a finance order with respect to any subsequent issuance of rate reduction bonds, provided the competitive transition assessment shall not be imposed on customers receiving services under a special contract which is in effect on July 1, 1998, or a later date determined by the authority in a finance

order with respect to any subsequent issuance of rate reduction bonds, until such special contract expires. The competitive transition assessment shall be imposed beginning on January 1, 2000, or a later date determined by the authority in a finance order with respect to any subsequent issuance of rate reduction bonds, on all customers receiving services under a special contract **[**which**]** that is entered into or renewed after July 1, 1998, or a later date determined by the authority in a finance order with respect to any subsequent issuance of rate reduction bonds. The competitive transition assessment shall have a generally applicable manner of determination that may be measured on the basis of percentages of total costs of retail sales of electric generation services. Subject to the provisions of subsection (b) of section 16-245f, the competitive transition assessment shall be payable by customers on an equal basis on the same payment terms and shall be eligible or subject to prepayment on an equal basis. Any exemption of the competitive transition assessment by customers under a special contract shall not result in an increase in rates to any customer.

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

(e) The competitive transition assessment shall be charged to customers until the rate reduction bonds are paid in full, including all principal, interest, premium, costs and arrearages on such bonds, by the financing entity and stranded costs and financed utility services not funded with the proceeds of rate reduction bonds are fully recovered by

the electric distribution company. Amounts collected from a customer shall be allocated on a pro rata basis among (1) rates and charges described in subparagraph (A) of subdivision (2) of subsection (a) of section 16-245e, as amended by this act, (2) rates and charges described in subparagraph (B) of subdivision (2) of subsection (a) of section 16-245e, as amended by this act, and (3) other charges. To the extent that the authority, when issuing a financing order, determines that special treatment on customers' bills is necessary or desirable to distinguish rates and charges described in subparagraph (A) of subdivision (2) of subsection (a) of section 16-245e, as amended by this act, from rates and charges described in subparagraph (B) of subdivision (2) of subsection (a) of section 16-245e, as amended by this act, in order to facilitate the successful issuance and sale of rate reduction bonds, it may so provide as part of such financing order.

Sec. 13. Subsection (a) of section 16-245h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) The competitive transition assessment described in subparagraph (A) of subdivision (2) of subsection (a) of section 16-245e, as amended by this act, shall constitute transition property when, and to the extent that, a financing order authorizing such portion of the competitive transition assessment has become effective in accordance with sections 16-245e to 16-245k, inclusive, as amended by this act, and the transition property shall thereafter continuously exist as property for all purposes with all of the rights and privileges of sections 16-245e to 16-245k, inclusive, as amended by this act, for the period and to the extent provided in the financing order, but in any event until the rate reduction bonds are paid in full, including all principal, interest, premium, costs, and arrearages on such bonds. Prior to its sale or other transfer by the electric distribution company pursuant to sections 16-245e to 16-245k, inclusive, as amended by this act, transition property, other than

transition property in respect of the economic recovery transfer or in respect to disbursements to the General Fund to sustain funding of conservation and load management and renewable energy investment programs, shall be a vested contract right of the electric distribution company, notwithstanding any contrary treatment thereof for accounting, tax, or other purpose. Transition property in respect of disbursements to the General Fund to sustain funding of conservation and load management and renewable energy investment programs shall immediately upon its creation vest solely in the financing entity. Transition property in respect to the economic recovery transfer shall immediately upon its creation vest solely in the financing entity. Notwithstanding the authority's calculation of costs that may be collected pursuant to subsection (b) of section 16-245e, as amended by this act, or the adjustment of rates pursuant to subsection (f) of section 16-245e, as amended by this act, transition property in respect to financed utility services shall immediately upon its creation vest solely in the applicable electric distribution company. The electric distribution company shall not include transition property in its calculation of any rate base and shall have no right, title or interest in transition property in respect to the economic recovery transfer or in respect of disbursements to the General Fund to sustain funding of conservation and load management and renewable energy investment programs, and in respect of such transition property shall be only a collection agent on behalf of the financing entity.

Sec. 14. Section 16-245i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) The authority may issue financing orders in accordance with sections 16-245e to 16-245k, inclusive, as amended by this act, to fund the economic recovery transfer, to sustain funding of conservation and load management and renewable energy investment programs by substituting disbursements to the General Fund from proceeds of rate

reduction bonds for such disbursements in furtherance of the Conservation and Load Management Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, and to facilitate the provision, recovery, financing, or refinancing of stranded costs and financed utility services. Except for a financing order in respect to the economic recovery revenue bonds, a financing order may be adopted **[**only**]** upon the application of an electric distribution company or upon the authority's own motion, pursuant to section 16-245f, as amended by this act, and shall become effective in accordance with its terms only after the electric distribution company files with the authority the electric distribution company's written consent to all terms and conditions of the financing order. Any financing order in respect to the economic recovery revenue bonds shall be effective on issuance.

(b) (1) Notwithstanding any general or special law, rule, or regulation to the contrary, except as otherwise provided in this subsection with respect to transition property that has been made the basis for the issuance of rate reduction bonds, the financing orders and the competitive transition assessment shall be irrevocable and the authority shall not have authority either by rescinding, altering, or amending the financing order or otherwise, to revalue or revise for rate-making purposes the stranded costs and financed utility services, or the costs of providing, recovering, financing, or refinancing the stranded costs and financed utility services, the amount of the economic recovery transfer or the amount of disbursements to the General Fund from proceeds of rate reduction bonds substituted for such disbursements in furtherance of the Conservation and Load Management Plan established by section 16-245m, as amended by this act, and from the Clean Energy Fund established by section 16-245n, determine that the competitive transition assessment is unjust or unreasonable, or in any way reduce or impair the value of transition property either directly or indirectly by taking the competitive transition assessment into account when setting other rates

for the electric distribution company; nor shall the amount of revenues arising with respect thereto be subject to reduction, impairment, postponement, or termination.

(2) Notwithstanding any other provision of this section, the authority shall approve the adjustments to the competitive transition assessment as may be necessary to ensure timely recovery of all stranded costs and financed utility services that are the subject of the pertinent financing order, and the costs of capital associated with the provision, recovery, financing **[**,**]** or refinancing thereof, including the costs of issuing, servicing **[**,**]** and retiring the rate reduction bonds issued to recover stranded costs and financed utility services contemplated by the financing order and to ensure timely recovery of the costs of issuing, servicing **[**,**]** and retiring the rate reduction bonds issued to sustain funding of conservation and load management and renewable energy investment programs contemplated by the financing order, and to ensure timely recovery of the costs of issuing, servicing and retiring the economic recovery revenue bonds issued to fund the economic recovery transfer contemplated by the financing order.

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

(c) The authority shall provide in any financing order for a procedure

for the timely approval by the authority of periodic adjustments to the competitive transition assessment that is the subject of the pertinent financing order, as required by subdivision (2) of subsection (b) of this section. The procedure shall require the authority to determine whether the adjustments are required on **[**each anniversary of the issuance of the financing order**]** an annual basis, and at the additional intervals as may be provided for in the financing order, and for the adjustments, if required, to be approved within ninety days of **[**each anniversary of the issuance of the financing order, or of each additional interval**]** the filing of each adjustment or within such shorter period as may be provided for in the financing order.

Sec. 15. Subsections (b) and (c) of section 16-245j of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

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

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

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

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

(3) The exercise of the powers granted by sections 16-245e to 16-245k, inclusive, as amended by this act, shall be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare, and prosperity, and as the exercise of such powers shall constitute the performance of an essential public function, neither the finance authority, any electric distribution company, any affiliate of any electric distribution company, any financing entity, or any collection or other agent of any of the foregoing shall be required to pay any taxes or assessments upon or in respect of any revenues or property received, acquired, transferred, or used by the finance authority, any electric distribution company, any affiliate of any electric distribution company, any financing entity, or any collection or other agent of any of the foregoing under the provisions of sections 16-245e to 16-245k, inclusive,

as amended by this act, or upon or in respect of the income therefrom, and any rate reduction bonds shall be treated as issued by or on behalf of a public instrumentality created under the laws of the state for purposes of chapter 229.

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

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

(5) Rate reduction bonds are made and declared (A) securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, state banks and trust companies, national banking associations, savings banks, savings and loan associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, and (B) securities which

may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now or may be authorized.

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

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

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

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

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

Sec. 17. (NEW) (*Effective October 1, 2025*) Notwithstanding any provision of title 16 of the general statutes, the Public Utilities Regulatory Authority may select the Connecticut Green Bank, the Department of Energy and Environmental Protection, the electric distribution companies, as defined in section 16-1 of the general statutes, as amended by this act, a third party that the authority deems appropriate or any combination thereof to implement any ratepayer-funded clean energy or renewable energy program established by the authority in a proceeding. Any such selection shall be based upon the authority's analysis of record evidence in an uncontested proceeding of an entity's qualifications and experience administering the same or comparable programs, projected cost savings, potential administrative efficiencies and impact on customer experience associated with each such entity's implementation of such programs.

Sec. 18. (*Effective from passage*) The Office of Consumer Counsel, in consultation with the Public Utilities Regulatory Authority and the Commissioner of Energy and Environmental Protection, shall prepare a report that describes the line items included in the charges known as the "combined public benefits charges" on a bill to any end use customer of an electric distribution company, as defined in section 16-1 of the

general statutes, as amended by this act. Such report shall include, but need not be limited to, an examination of the enabling authority for the imposition of any such line item, and the purpose, costs and benefits associated with any such line item. Not later than October 1, 2026, the Consumer Counsel shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology.

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

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

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

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

(3) **[**"Time of day rate"**]** "Time-varying rate" means an electric utility rate for a class of consumer **[**which**]** that is designed to (A) reflect the cost to the utility of providing electricity to such consumer at different times, **[**of the day**]** and (B) create a price differential that incentivizes targeted electric load growth and system efficiency, which may include critical peak pricing;

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

**[**(5) "Electric vehicle time of day rate" means an electric utility rate for a class of consumer designed to reflect the cost to the utility of providing electricity to such consumer charging an electric vehicle at an electric vehicle charging station at different times of the day, but shall not include demand charges;**]**

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

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

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

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

**[**(10)**]** (8) "Load management techniques" means cost-effective techniques used by an electric utility to reduce the maximum kilowatt

demand on the [utility] utility's system or shift the demand to maximize electric grid efficiency, as determined by the authority;

(9) "On-peak" means a period likely to capture the regional independent system operator and electric distribution system peaks or to incentivize the cost-effective shifting of load to maximize grid efficiency, as determined by the authority;

(10) "Critical peak" means a period when system costs are highest or when the power grid is severely stressed and electric customers may pay higher prices as a result of such stress; and

(11) "Default rate" means the electric utility rate in which a consumer is enrolled at the start of service if the consumer does not specify a preferred rate.

(b) [The] Not later than October 1, 2027, the Public Utilities Regulatory Authority shall, with respect to each electric public service company, [shall (1) within two years, consider and determine whether it is appropriate to implement any of the following rate design standards: (A) Cost of service; (B) prohibition of declining block rates; (C) time of day rates; (D) seasonal rates; (E) interruptible rates; and (F) load management techniques, and (2) not later than June 1, 2017, consider and determine whether it is appropriate to implement electric vehicle time of day rates] initiate a docket or dockets for the purpose of evaluating applications submitted by the electric distribution companies for the implementation of time-varying rates for residential and commercial customers. The [consideration of said standards by the authority shall be made] authority may implement such rates after public notice and hearing. Such hearing may be held concurrently with a hearing required pursuant to subsection (b) of section 16-19e. [The] Upon submission of proposed time-varying rates by each electric distribution company, the authority shall [make a determination on] evaluate whether it is appropriate to implement any [of said standards]

time-varying rate. Said determination shall be in writing, shall take into consideration the evidence presented at the hearing and shall be available to the public. A **[**standard**]** time-varying rate shall be deemed to be appropriate for implementation if such rate is in the best interest of ratepayers. The authority shall consider (1) if the benefits of the rate exceed the costs of implementing such rate, including, but not limited to, any capital investments necessary to implement such rate, (2) if such implementation would encourage energy conservation, optimal and efficient use of facilities and resources by an electric public service company, **[**and**]** (3) equitable rates for electric consumers approved by the authority, and (4) any other considerations the authority deems appropriate to determine whether such rate is in the best interest of the ratepayers.

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

(a) Not later than October 1, **[**2005**]** 2027, each electric distribution company, as defined in section 16-1, as amended by this act, shall submit an application to the Public Utilities Regulatory Authority to **[**(1) on or before January 1, 2007,**]** implement **[**time-of-use**]** time-varying rates for (1) residential customers, **[**that have a maximum demand of not less than three hundred fifty kilowatts that may include, but not be limited to, mandatory peak, shoulder and off-peak time-of-use rates, and (2) on or before June 1, 2006, offer optional interruptible or load response rates for customers that have a maximum demand of not less than three hundred fifty kilowatts and offer optional seasonal and time-of-use rates for all customers. The application shall propose to establish time-of-use rates through a procurement plan, revenue neutral adjustments to delivery rates, or both**]** and (2) commercial and industrial customers.

(b) **[**Not later than November 1, 2005, each electric distribution company shall submit an application to the Public Utilities Regulatory Authority to implement mandatory seasonal rates for all customers

beginning April 1, 2007.**]** (1) Time-varying rate proposals for transmission, distribution and all other retail electric rate components submitted pursuant to subsection (a) of this section shall (A) provide for fixed rates across twenty-four-hour cycles within each season, (B) be based on projected seasonal demand and include on-peak rates, and (C) adequately incentivize the cost-effective shifting of load to off-peak periods by applying an appropriate price differential between on-peak and off-peak time-varying rates. The design of such rates, including the price differential between on-peak and off-peak time-varying rates, shall be consistent with empirical research conducted by the electric distribution company and other rate-design experts.

(2) Any application submitted pursuant to subsection (a) of this section that proposes a seasonal rate component to such time-varying rates shall submit the following concerning such proposed seasonal rates: (A) Any proposal for differentiation of generation, transmission and distribution energy and demand rates (i) into summer and nonsummer periods, at a minimum, and if cost differences between summer and nonsummer periods are substantial, (ii) into winter and shoulder month periods, with consideration of projected electric customer acceptance and usage of such rates, and (B) the appropriate phase-in period over which time electric customers may adjust to seasonal rates without experiencing a sudden, significant increase in electricity prices.

(3) Any application submitted pursuant to subsection (a) of this section shall propose to establish (A) such time-varying rates through an approved revenue recovery mechanism for transmission and distribution rates, and (B) a revenue reconciliation mechanism whereby any revenue undercollected or overcollected through such time-varying rates is recovered or refunded, as appropriate, through a subsequent billing reconciliation adjustment.

(4) Time-varying rates submitted pursuant to subsection (a) of this

section shall be designed as default rates, with consideration for principles of gradualism and customer acceptance and established exceptions as deemed appropriate by the authority, including, but not limited to, for medically protected and financial hardship customers, and provided the application (A) proposes a comprehensive customer education program that meets the requirements of section 21 of this act; (B) provides for a clearly defined opt-out process concerning such rates; and (C) gives due consideration to the interaction of any time-varying rate design with existing and foreseeable low-income rates and programs.

(c) The authority shall hold a hearing that shall be conducted as a contested case, in accordance with the provisions of chapter 54, to approve, reject or modify applications submitted pursuant to subsection (a) **[**or (b)**]** of this section. No application for **[**time-of-use**]** time-varying rates shall be approved by the authority unless (1) such rates reasonably reflect the cost of service during their respective **[**time-of-use**]** time-varying periods, **[**and**]** (2) the costs associated with implementation, the impact on customers and benefits to the utility system justify implementation of such rates, and (3) such rates are expected to alter patterns of customer consumption of electricity without undue adverse effect on the customer.

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

Sec. 21. (NEW) (*Effective October 1, 2025*) (a) Each electric distribution company, as defined in section 16-1 of the general statutes, as amended by this act, shall, in consultation with the Office of Consumer Counsel and the Commissioner of Energy and Environmental Protection, design a comprehensive customer education and engagement program for the purpose of informing electric distribution customers of the benefits of

time-varying rates and encouraging such customers to utilize such rates and any available technology that enables the realization of customer cost savings on such time-varying rates. The customer education and engagement program design shall include (1) approved methods of customer outreach, education and engagement activities, including strategies to maximize customer cost savings, (2) objective performance standards regarding the program's implementation, and (3) mandatory reporting requirements for electric distribution companies concerning such companies' compliance with the program requirements, including the submission of documentation and data as required by the Public Utilities Regulatory Authority.

(b) In any rate case initiated on or after July 1, 2025, an electric distribution company shall submit as part of its rate amendment application a detailed proposal, or an update to a proposal previously approved pursuant to this subsection, to develop the program required under subsection (a) of this section for review and approval by the authority. Upon approval by the authority, the program shall be administered by the electric distribution companies.

Sec. 22. Section 16-32e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

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

(b) Not later than July 1, 2012, and every two years thereafter, each

public service company, as defined in section 16-1, as amended by this act, each telecommunications company, as defined in section 16-1, as amended by this act, that installs, maintains, operates or controls poles, wires, conduits or other fixtures under or over any public highway for the provision of telecommunications service authorized by section 16-247c, each voice over Internet protocol service provider, as defined in section 28-30b, and each municipal utility furnishing electric, gas or water service shall file with the Public Utilities Regulatory Authority, the Department of Emergency Services and Public Protection and each municipality located within the service area of the public service company, telecommunications company, voice over Internet protocol service provider or municipal utility an updated plan for restoring service which is interrupted as a result of an emergency, except no such plan shall be required of a public service company or municipal utility that submits a water supply plan pursuant to section 25-32d. Plans filed by public service companies and municipal utilities furnishing water shall be prepared in accordance with the memorandum of understanding entered into pursuant to section 4-67e.

(c) (1) Each electric distribution company required to file a plan for restoring service pursuant to subsection (b) of this section shall establish an emergency service restoration planning committee. Not less than fifty per cent of the members of such committee shall be line and restoration crew members employed by such company. The balance of the members appointed to such committee shall be appointed by such company. Each such emergency service restoration planning committee shall also meet not later than sixty days after the occurrence of any emergency that results in a service interruption to thirty per cent or more of the customers of such company to review and provide feedback on the application of the plan and incorporate such feedback into plans for future emergencies.

(2) If line and restoration crew members employed by such company

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

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

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

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

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

**[**(c)**]** (e) At the discretion of the Commissioner of Emergency Services and Public Protection or after an emergency or major disaster is declared in the state by the Governor under the laws of this state or by the President of the United States under federal law, each telephone company, certified telecommunications provider, holder of a certificate of video franchise authority or holder of a certificate of cable franchise authority, as those terms are defined in section 16-1, as amended by this act, with more than twenty-five thousand subscribers, shall provide a representative to staff the emergency operations center of an affected electric distribution company, as defined in section 16-1, as amended by this act, as needed to ensure communication and coordination during emergency response and restoration efforts.

Sec. 23. Section 16-32*l* of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) For the purposes of this section:

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

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

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

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

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

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

(e) No electric distribution company shall require any line and restoration crew member to work in unsafe conditions to avoid providing credits to customer accounts pursuant to subsection (b) of this section or for any other reason. No line or restoration crew member employed by such company may be disciplined, terminated, have wages withheld or otherwise be punished solely on the basis that such employee caused the company to fail to restore a distribution system outage within the ninety-six-hour period specified in subsection (b) of this section.

**[**(e)**]** (f) On or before January 1, 2021, the Public Utilities Regulatory

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

Sec. 24. Section 16-32m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) For the purposes of this section:

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

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

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

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

more than ninety-six consecutive hours in duration after the occurrence of an emergency.

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

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

(e) No electric distribution company shall require any line and restoration crew member to work in unsafe conditions to avoid providing credits to customer accounts pursuant to subsection (b) of this section or for any other reason. No line or restoration crew member employed by such company may be disciplined, terminated, have wages withheld or otherwise be punished solely on the basis that such employee caused the company to fail to restore a distribution system outage within the ninety-six-hour period specified in subsection (b) of this section.

**[**(e)**]** (f) On or before January 1, 2021, the Public Utilities Regulatory Authority shall initiate a proceeding to consider the implementation of the compensation reimbursement and waiver provisions of this section and establish circumstances, standards and methodologies applicable to each electric distribution company and necessary to implement the

provisions of this section, including any modifications to the ninety-six-consecutive-hour standard in subsection (b) of this section. The authority shall issue a final decision in such proceeding on or before July 1, 2021.

Sec. 25. (NEW) (*Effective October 1, 2025*) (a) As used in this section and section 26 of this act:

(1) "Advanced conductor" means any conductor material, design or technology that (A) improves the electrical performance of electrical conductors in comparison to traditional aluminum-conductor steel-reinforced cable, and (B) optimizes attributes such as current-carrying capacity, thermal performance, weight, sag, durability, corrosion resistance and efficiency, using materials such as high-conductivity alloys and conductor designs such as trapezoidal designs;

(2) "Advanced power flow control" means any hardware or software technologies used to push or pull electric power in a manner that balances electric lines that are either exceeding capacity or are underutilized within the distribution or transmission system;

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

(4) "Dynamic line rating" means any hardware or software technologies used to update the calculated thermal limits of existing distribution or transmission lines in the state based on real-time and forecasted weather conditions;

(5) "Electric distribution company" and "regional independent system operator" have the same meanings as provided in section 16-1 of the general statutes, as amended by this act;

(6) "Grid-enhancing technology" means any hardware or software technology that increases the capacity of, or enables enhanced or more

efficient performance from, the electric distribution or transmission system in the state, including, but not limited to, dynamic line rating, advanced power flow control, topology optimization and energy storage when used as a distribution or transmission resource;

(7) "Transmission owner" means any person or entity that owns, operates and maintains, or seeks to construct, an electric transmission facility in the state and that is not an electric distribution company;

(8) "Materially modify" means any construction activity relating to a facility described in subdivision (1) or (4) of subsection (a) of section 16-50i of the general statutes with an estimated cost of not less than twenty-five million dollars. "Materially modify" does not include construction activities related to an emergency condition that causes a disruption of power or other unplanned loss of an essential transmission asset function that requires immediate rectification;

(9) "Nontransmission alternative" means an electric grid investment or project that uses nontraditional transmission and distribution solutions, including, but not limited to, distributed generation, energy storage, energy efficiency demand response and grid software and controls, to defer or replace the need for specific equipment upgrades, such as transmission and distribution lines or transformers, by reducing electric load at a substation or circuit level; and

(10) "Topology optimization" means any hardware or software technology that identifies reconfigurations of the distribution or transmission grid in the state to enable the routing of power flows around congested or overloaded elements of the electric grid.

(b) (1) Any electric distribution company or transmission owner that seeks to construct or materially modify any facility described in subdivision (1) or (4) of subsection (a) of section 16-50i of the general statutes shall, in addition to the primary proposed project for such

construction or material modification, develop at least one project alternative to such construction or modification that (A) utilizes an advanced conductor unless the primary proposed project incorporates an advanced conductor, and (B) utilizes grid-enhancing technology or nontransmission alternative technology, applicable in whole or in part, to such construction or material modification.

(2) Such company or owner shall submit each project alternative required under subdivision (1) of this subsection with any application or petition submitted by such company or owner to the Connecticut Siting Council concerning such construction or material modification. If any such project alternative is not preferred by such company or owner, such company or owner shall provide a detailed, written explanation comparing the cost-effectiveness and appropriateness of the project alternative with such project preferred by such company or owner and submit such explanation with such application.

(3) If any project alternative submitted pursuant to this subsection proposes to utilize any advanced conductor, grid-enhancing technology or nontransmission alternative, and such project alternative (A) is not less cost effective than the project preferred by such company or owner, (B) provides the same or increased electric system reliability benefits to solve the identified need in comparison to such preferred project, and (C) has similar environmental and community impacts as such preferred project, as determined by the Connecticut Siting Council, the council shall give preference to such project alternative when determining whether to approve such preferred project or project alternative.

(4) An electric distribution company may seek a waiver of the requirements of subdivision (1) of subsection (b) of this section, in whole or in part, if (A) the use of advanced conductors, grid-enhancing technologies or nontransmission alternative technologies in a project to construct or materially modify any facility described in subdivision (1)

or (4) of subsection (a) of section 16-50i of the general statutes is impossible or impracticable to solve an identified need, (B) such proposed project is subject to a regional transmission planning or review process approved by the Federal Energy Regulatory Commission that adequately considers the implementation of such conductors or technologies, or (C) a project has been evaluated by the commissioner and the Office of Consumer Counsel pursuant to subsection (d) of this section. To obtain such waiver, such company shall submit a waiver application to the commissioner in a form and manner prescribed by the commissioner. Such waiver application shall specify the conditions that satisfy the requirements of subparagraph (A), (B) or (C) of this subdivision. The commissioner, after consultation with the Office of Consumer Counsel, may waive the requirement to submit such alternative or alternatives pursuant to subdivision (1) of subsection (b) of this section to the Connecticut Siting Council. The commissioner shall accept or deny a waiver application submitted pursuant to this subdivision not more than sixty days after receipt. Any such application not accepted or rejected by the commissioner within said sixty-day period shall be deemed granted.

(5) An electric distribution company may request, and the commissioner may grant, a revocable general waiver of the requirements of this subsection for any projects subject to a regional transmission planning or review process approved by the Federal Energy Regulatory Commission that adequately considers advanced conductors, grid-enhancing technologies or nontransmission alternative technologies. The commissioner shall accept or deny a waiver application submitted pursuant to this subdivision not more than sixty days after receipt.

(c) Each electric distribution company and transmission owner shall include in the annual report required by subsection (a) of section 16-50r of the general statutes: (1) A schedule of any planned construction or

material modification of any facility described in subdivision (1) or (4) of subsection (a) of section 16-50i of the general statutes for the next ten years, including a description, as appropriate for the project's current development stage, and, to the extent available, of the need for and scope of the project, cost estimates, whether and how any advanced conductor, grid-enhancing technologies or nontransmission alternative technologies may be considered to address the identified need, and any other information reasonably requested by the commissioner or the Office of Consumer Counsel that pertains to the projects identified in the annual report, (2) data concerning any construction or material modification of any facility described in subdivision (1) or (4) of subsection (a) of section 16-50i of the general statutes placed in service by such company in the year preceding such report, including both final costs, to the extent available, and estimated costs of the project at each relevant design stage, (3) the original estimated in-service date of the facility, and (4) any other information reasonably requested by the commissioner or the Office of Consumer Counsel pertaining to projects disclosed in such report. For the first filing after the effective date of this section, each electric distribution company shall provide the information required by subdivision (2) of this subsection for any facility placed into service by such company or owner on or after January 1, 2022. To the extent any such information is unavailable, the electric distribution company shall notify the commissioner and the Office of Consumer Counsel and attempt to reach a resolution acceptable to each party concerning the request for information.

(d) (1) Not more than one hundred eighty days after any annual filing required pursuant to subsection (c) of this section, the commissioner, in consultation with the Office of Consumer Counsel, shall determine and notify an electric distribution company whether any facility listed for construction or material modification requires further evaluation, considering factors including, but not limited to, (A) whether the proposed facility is subject to a transmission planning or review process

of the regional independent system operator or a substantially similar process, (B) the age or condition of the underlying facility, (C) the scope and estimated cost of the proposed project, (D) whether the proposed project is responsive to needs identified through proactive transmission planning by the regional independent system operator, and (E) whether and how advanced conductors, grid-enhancing technologies and nontransmission alternatives: (i) Are proposed to be utilized in the proposed project, (ii) can reduce environmental or aesthetic impacts, and (iii) can feasibly solve the underlying need identified by the electric distribution company in part or in whole. Prior to determining that a project to construct or materially modify a facility requires further evaluation pursuant to this subdivision, the commissioner and Office of Consumer Counsel shall provide the electric distribution company with the opportunity to provide evidence that such project requires no further evaluation pursuant to this subdivision.

(2) If an evaluation is conducted pursuant to subdivision (1) of this subsection, upon notice to the electric distribution company, the commissioner and the Office of Consumer Counsel shall evaluate a proposed project based upon factors including: (A) The reasonableness of the need identified by the electric distribution company justifying the proposed facility; (B) the reasonableness of the proposed scope of the project, including the timing of the proposed investments; (C) whether the electric distribution company's proposed solution is the most cost-effective solution to the identified need or whether alternative solutions, including advanced conductors, grid-enhancing technologies or nontransmission alternatives, exist that could more cost-effectively provide the same or increased electric system reliability benefits to resolve the identified need in whole or in part; (D) the costs of the proposed project and any potential alternatives identified as part of the evaluation; (E) whether cost-effective opportunities exist for the proposed project to be modified to account for future demand growth or other variables that could mitigate the need for the electric

distribution company to conduct construction activities on the same facility prior to the end of the useful life; and (F) any other factors that the commissioner or the Office of Consumer Counsel reasonably determine are necessary to evaluate for a specific project.

(3) Not less than twice per year, the commissioner and the Office of Consumer Counsel shall meet with each electric distribution company to discuss and receive input on any facilities that are currently under evaluation pursuant to this section.

(4) (A) The commissioner and the Office of Consumer Counsel shall jointly prepare a report detailing the factors for evaluation listed in subdivision (2) of this subsection.

(B) Any evaluation by the department or the Office of Consumer Counsel and any draft report resulting from that evaluation must be completed and shared with the electric distribution companies not later than ninety days prior to an electric distribution company's filing of an application or petition before the Connecticut Siting Council; provided, however, that the electric distribution company informs the department and the Office of Consumer Counsel of the anticipated filing date not less than twelve months in advance of such filing date.

(C) The commissioner shall file any final report developed pursuant to this subsection in the relevant proceeding of the Connecticut Siting Council concerning the proposed project. The Connecticut Siting Council shall give appropriate consideration to such report in making its determination on the proposed project.

(5) An electric distribution company may request, and the commissioner may grant, a revocable general waiver of the requirements of this subsection for any projects subject to a regional transmission planning or review process approved by the Federal Energy Regulatory Commission. The commissioner shall accept or deny

a waiver application submitted pursuant to this subdivision not more than sixty days after receipt.

(e) Each electric distribution company or transmission owner shall provide data, communications and information requested by the commissioner or the Office of Consumer Counsel in connection with any evaluation pursuant to this section, subject to enforcement under section 22a-6 of the general statutes. Responses to any such requests shall be shared with both the department and the Office of Consumer Counsel.

(f) Beginning on January 1, 2027, and every five years thereafter, each electric distribution company and transmission owner shall file a report concerning their compliance with the provisions of this section with the Public Utilities Regulatory Authority. The authority shall transmit a copy of each such report to the regional independent system operator, as defined in section 16-1 of the general statutes, as amended by this act, and, in accordance with the provisions of section 11-4a of the general statutes, the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology.

(g) Any proprietary commercial or proprietary financial information of an electric distribution company or transmission owner provided pursuant to this section shall be confidential and protected by the commissioner and the Office of Consumer Counsel and be exempt from public disclosure pursuant to subsection (b) of section 1-210 of the general statutes.

Sec. 26. (NEW) (*Effective October 1, 2025*) In any base rate or capital improvement proceeding before the Public Utilities Regulatory Authority, an electric distribution company shall submit a report to the authority that analyzes the cost-effectiveness of, and projected timetables for, deploying grid-enhancing technologies, advanced conductors, energy storage or other non-wire alternatives relevant to

such company's operations or capital investments. Such report may include, but need not be limited to, proposed performance incentive mechanisms for the cost-effective deployment of such technologies, conductors or storage. The authority may approve the deployment of such technologies, conductors or storage, with or without performance incentive mechanisms, if the authority deems such technologies, conductors or storage are cost effective.

Sec. 27. Subsection (c) of section 16-18a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(c) The Department of Energy and Environmental Protection, **[**in consultation with**]** the Public Utilities Regulatory Authority and the Office of Consumer Counsel **[**,**]** may, respectively, retain consultants to assist **[**its**]** the staff of the department, authority or office by providing expertise in areas in which staff expertise does not currently exist or to supplement staff expertise for any proceeding before or in any negotiation with the Federal Energy Regulatory Commission, the United States Department of Energy, the United States Nuclear Regulatory Commission, the United States Securities and Exchange Commission, the Federal Trade Commission, the Federal Communications Commission or the United States Department of Justice. **[**The Public Utilities Regulatory Authority, in consultation with the Office of Consumer Counsel, may retain consultants to assist its staff by providing expertise in areas in which staff expertise does not currently exist or to supplement staff expertise for any proceeding before or in any negotiation with the Federal Communications Commission.**]** All reasonable and proper expenses of any such consultants shall be borne by the public service companies, certified telecommunications providers, holders of a certificate of video franchise authority, electric suppliers or gas registrants affected by the decisions of such proceeding and shall be paid at such times and in such manner

as the authority directs, provided such expenses (1) shall be apportioned in proportion to the revenues of each affected entity as reported to the authority pursuant to section 16-49 for the most recent fiscal year, and (2) shall not exceed two and one-half million dollars per calendar year, including any appeals thereof, unless the authority finds good cause for exceeding the limit. The authority shall recognize all such expenses as proper business expenses of the affected entities for ratemaking purposes pursuant to section 16-19e, if applicable.

Sec. 28. (NEW) (*Effective from passage*) (a) For the purposes of this section, "electric distribution company" and "regional independent system operator" have the same meanings as provided in section 16-1 of the general statutes, as amended by this act.

(b) On and after the effective date of this section, no electric distribution company shall own or control transmission facilities, as defined in subdivision (1) or (4) of subsection (a) of section 16-50i of the general statutes and located in the state unless such company participates in the regional independent system operator.

Sec. 29. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

(1) "Meeting" means any committee, user group, task force or other part of the regional transmission organization in which votes are taken;

(2) "Recorded vote" means a vote that is tabulated, either individually or as part of a sector, for any purpose at a meeting, regardless of (A) whether the vote represents a final position of any person casting the vote, or (B) the decision–making authority of those voting; and

(3) "Electric distribution company" and "regional independent system operator" have the same meanings as provided in section 16-1 of the general statutes, as amended by this act.

(b) (1) On or before February first annually, each electric distribution

company shall submit to the Public Utilities Regulatory Authority a report on each recorded vote cast by the electric distribution company or, subject to subdivision (2) of this subsection, a corporate affiliate of the electric distribution company located in the state at a meeting of the regional independent system operator during the preceding calendar year.

(2) The report shall include (A) all recorded votes cast by the electric distribution company, regardless of whether the vote is otherwise disclosed, (B) all recorded votes cast by a corporate affiliate of the electric distribution company if such company itself did not vote on the matter, and (C) a brief description explaining how each vote cast by the electric distribution company or its corporate affiliate is in the interest of the public, as determined by the electric distribution company.

Sec. 30. Subsection (e) of section 16a-3m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

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

be for a period of not less than three years and not more than ten years, or the contract term selected by at least one other state entering into an agreement pursuant to this subsection if such term is in the best interest of the ratepayers, and (C) any agreement entered into pursuant to this subdivision with Class I renewable energy sources, as defined in section 16-1, as amended by this act, and energy storage systems shall be for a period of not more than twenty years.

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

(3) (A) Any agreement entered into pursuant to subdivision (2) of this subsection shall be subject to review and approval by the Public Utilities Regulatory Authority. The electric distribution company shall file an application for the approval of any such agreement with the authority. The authority's review shall commence upon the filing of the signed power purchase agreement with the authority. The authority shall approve agreements that it determines **[**(A)**]** (i) provide for the delivery of adequate and reliable products and services, for which there is a clear public need, at a just and reasonable price, **[**(B)**]** (ii) are prudent and cost effective, and **[**(C)**]** (iii) that the respondent to the solicitation has the technical, financial and managerial capabilities to perform pursuant to such agreement. For any eligible nuclear power generating facility selected in any solicitation described in subsection (g) of this section, the authority shall require any such agreement to be conditioned upon the approval of such a power purchase agreement or other agreement for energy, capacity and any environmental attributes, or any combination thereof, with such eligible nuclear power generating facility, in at least two other states, by the applicable officials of such states or by electric

utilities or other entities designated by the applicable officials of such states. The authority shall issue a decision not later than one hundred eighty days after such filing. If the authority does not issue a decision within one hundred eighty days after such filing, the agreement shall be deemed approved.

(B) Notwithstanding any provision of the general statutes or the procurement plan adopted pursuant to section 16-244m, as amended by this act, an electric distribution company may, in consultation with the procurement manager of the Public Utilities Regulatory Authority and the Office of Consumer Counsel, elect to use, for a duration of time established in consultation with the procurement manager, any portion of the energy, capacity and other products, or any combination thereof that such company purchases from an eligible nuclear power generating facility pursuant to an agreement entered into pursuant to this subsection for the provision of standard service by such company if such company, in consultation with the procurement manager and the Office of Consumer Counsel, concludes such usage is in the best interest of standard service customers. An electric distribution company that elects to use such energy, capacity or products in the provision of standard service shall seek approval from the Public Utilities Regulatory Authority to incorporate any such agreement into standard service. The authority may establish reporting standards related to any determination of whether the use of such agreements is in the best interest of standard service customers.

(C) An electric distribution company that elects to use such energy, capacity or products in the provision of standard service shall, in consultation with the authority and the Office of Consumer Counsel, specify the (i) quantity of energy, capacity and any other products such company shall use to serve standard service customers, (ii) duration of such usage, and (iii) price for such energy, capacity and any other products that will be recovered through generation service charges

pursuant to section 16-244c.

(D) If any energy, capacity or other products purchased by such company under any such agreement are used to serve standard service customers, the cost of such energy, capacity or other products shall be recovered through generation service charges pursuant to section 16-244c. Any certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy source procured by an electric distribution company pursuant to this section that are not used to serve standard service customers shall be disposed of pursuant to the procedures established pursuant to subsection (g) of section 16-245a, as amended by this act.

(E) (i) The **[**net**]** remaining costs of any such agreement, including costs incurred by the electric distribution company under the agreement and reasonable costs incurred by the electric distribution company in connection with the agreement, net of all revenues from any sale of energy, capacity or other products purchased under such agreement, including, but not limited to, any revenues recovered pursuant to subparagraph (D) of this subdivision, shall be recovered on a timely basis through a nonbypassable fully reconciling component of electric rates for all customers of the electric distribution company, **[**. Any**]** and (ii) any net revenues from the sale of products purchased in accordance with long-term contracts entered into pursuant to this subsection, or pursuant to any other provision of the general statutes, that are not associated with the provision of standard service, shall be credited to customers through the same nonbypassable fully reconciling rate component for all customers of the contracting electric distribution company.

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

Sec. 31. Section 16-244m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) (1) On or before January 1, 2012, and annually thereafter, the procurement manager of the Public Utilities Regulatory Authority, in consultation with each electric distribution company, the Consumer Counsel, the Commissioner of Energy and Environmental Protection, and others at the procurement manager's discretion, including, but not limited to, **[**the Commissioner of Energy and Environmental Protection,**]** a municipal energy cooperative established pursuant to chapter 101a, other than entities, individuals and companies or their affiliates potentially involved in bidding on standard service, shall develop a plan for the procurement of electric generation services and related wholesale electricity market products **[**that will enable each electric distribution company to manage a portfolio of contracts to reduce the average cost of standard service while maintaining standard service cost volatility within reasonable levels. Each Procurement Plan**]** with the goal of reducing the average cost of standard service for standard service customers while minimizing the cost volatility in the procurement of such services or products. The procurement plan (A) shall provide for the option of competitive solicitation for load-following electric service, **[**and may**]** (B) shall include a provision **[**for the use of**]** requiring each electric distribution company, individually or jointly, to develop and maintain the ability to engage in dynamic market purchases for not less than twenty-five per cent of the standard service load in a flexible manner designed to allow such company to purchase energy products during periods of lower energy cost, subject to a risk mitigation provision pursuant to subdivision (1) of subsection (b) of this section, based on the active monitoring of day-ahead and real-time energy markets, (C) may include any other contracts, including, but not limited to, contracts for generation or other electricity market products and financial contracts, **[**and**]** (D) may provide for the use of varying lengths of contracts, and (E) may include the use of energy, capacity or

other electric products approved in section 16a-3m, as amended by this act. If such plan includes the purchase of full requirements contracts, it shall include an explanation of why such purchases are in the best interests of standard service customers. For the purposes of this section, "dynamic market purchases" means the purchase of energy, capacity or other market products necessary to serve standard service electric load using market purchases in the regional independent system operator markets, financial contracts or other variable procurement techniques.

(2) **[**All reasonable costs associated with the development of the Procurement Plan by the authority shall be recoverable through the assessment in section 16-49. All electric distribution companies' reasonable costs associated with the development of the Procurement Plan shall be recoverable through a reconciling bypassable component of the electric rates as determined by the authority.**]** On or before February 15, 2026, in consultation with the electric distribution companies, the Consumer Counsel and the Commissioner of Energy and Environmental Protection, the procurement manager shall submit to the authority a proposed amendment of such procurement plan for approval or modification. Such proposed amendment shall (A) include, but not be limited to, modifications regarding the potential use of (i) multiple competitive solicitations each year for the procurement of energy at intervals identified in the procurement plan, or as determined from time to time by the procurement manager to serve the best interests of the ratepayers, provided such determination is in accordance with the applicable provisions of the procurement plan, (ii) contracts with durations not exceeding three years for the procurement of energy, and (iii) fixed-price energy supply contracts in addition to full requirements contracts, (B) establish guidelines for each electric distribution company concerning the implementation of the procurement plan, including (i) the requirement that each such company develop and maintain the capacity to engage in dynamic market purchases, and (ii) direction to each electric distribution company regarding the circumstances under

which dynamic market purchases could be exercised, including a requirement that the ability to pursue the procurement methodologies as described in subdivision (1) of this subsection incrementally increase or decrease over time based on any demonstrated benefit to ratepayers, and (C) include a risk mitigation provision pursuant to subdivision (1) of subsection (b) of this section. The authority shall initiate an uncontested proceeding to review and modify or approve the amendment to the procurement plan submitted pursuant to this subdivision.

(3) If the procurement manager determines that an interim amendment to, or a temporary nonconformity with, the procurement plan may substantially further the goal of effectively procuring standard service while minimizing standard service cost volatility in relation to a specific procurement, the procurement manager shall adopt a waiver from the procurement plan applicable exclusively to such procurement. Upon the adoption of such waiver, the procurement manager shall immediately file notice of such interim amendment or nonconformity and the adoption of such waiver with the authority. Upon receipt of such notice from the procurement manager, the authority shall provide notice of the proposed waiver to the Office of Consumer Counsel, the Commissioner of Energy and Environmental Protection and the electric distribution companies. Upon receipt of such notice from the authority, the counsel, commissioner or any such company may submit comments concerning such waiver to the authority not later than two business days after the receipt of such notice. Such waiver shall be deemed adopted by the authority if the authority takes no action on such waiver not later than three business days after the comment period concerning such waiver for the counsel, commissioner and companies has expired.

(b) (1) In addition to the requirements of subsection (a) of this section, the procurement plan shall include a risk mitigation provision that defines the acceptable parameters for such dynamic market purchases,

including guidelines for the use of financial contracts. Each electric distribution company shall comply with the provisions of the procurement plan, including any amendments to such plan or waivers of provisions of such plan adopted by the authority. Any review concerning the prudence of an electric distribution company's dynamic market purchases shall be conducted by the authority in a contested proceeding and shall be limited to an evaluation of such company's adherence to the dynamic market purchase requirements of the procurement plan.

(2) Costs incurred under this section shall be recovered as follows:

(A) All reasonable costs associated with the development and implementation of the procurement plan by the authority shall be recoverable through the assessment imposed pursuant to section 16-49.

(B) All reasonable and prudent operating costs incurred by an electric distribution company in the development and implementation of the procurement plan shall be recoverable on a timely basis through a reconciling bypassable component of the electric rates as determined by the authority, including incremental staffing and financial systems providing the functional capacity and expertise to support dynamic market purchases.

(C) All costs associated with the purchase of the actual net costs of procuring and providing standard service pursuant to this section shall be recovered in electric rates on a timely basis in accordance with section 16-244c.

(c) The procurement plan shall identify the method that shall be used by an electric distribution company to develop the proxy price for that portion of standard service procured through dynamic market purchases. Each electric distribution company shall pay for the costs of such dynamic market purchases in accordance with the terms of the

applicable contracts. The actual costs of dynamic market purchases shall be reconciled to the proxy price for such costs, and the actual net cost of such dynamic market purchases shall be recovered in electric rates on a timely basis in accordance with section 16-244c.

**[**(b)**]** (d) The procurement manager shall, not less than **[**quarterly**]** annually, prepare a written report on the implementation of the **[**Procurement Plan**]** procurement plan. If the procurement manager finds that an **[**interim**]** amendment to the **[**annual plan might**]** plan may substantially further the goals **[**of reducing the cost or cost volatility of**]** to effectively procure standard service, generally, while minimizing the cost volatility in such procurement, the procurement manager may petition the Public Utilities Regulatory Authority for such an **[**interim**]** amendment. The **[**Public Utilities Regulatory Authority**]** authority shall provide notice of the proposed amendment to the Office of Consumer Counsel, the Commissioner of Energy and Environmental Protection and the electric distribution companies. The Office of Consumer Counsel, the Commissioner of Energy and Environmental Protection and the electric distribution companies shall have **[**two**]** fourteen business days from the date of such notice to request an uncontested proceeding and a technical meeting of the **[**Public Utilities Regulatory Authority**]** authority regarding the proposed amendment, **[**which**]** and the authority shall hold such proceeding and meeting, **[**shall occur**]** if requested. **[**The Public Utilities Regulatory Authority**]** After such proceeding and meeting, if requested, the authority may approve, modify or deny the proposed amendment. **[**, with such approval, modification or denial following the technical meeting if one is requested. The Public Utilities Regulatory Authority's**]** The authority's ruling on the proposed amendment shall occur **[**within three business**]** not later than ninety days after the technical meeting, if **[**one**]** such meeting is requested, or **[**within three business**]** not later than one hundred twenty days **[**of**]** after the expiration of the time for requesting a technical meeting if no technical meeting is requested. The **[**Public

Utilities Regulatory Authority**]** authority may maintain the confidentiality of the technical meeting to the full extent allowed by law.

**[**(c)**]** (e) The costs of procurement for standard service shall be borne solely by the standard service customers.

**[**(d)**]** (f) (1) The Public Utilities Regulatory Authority **[**shall conduct**]** may initiate an uncontested proceeding to amend the procurement plan from time to time. **[**approve, with any amendments it determines necessary, the Procurement Plan submitted pursuant to subsection (a) of this section.**]**

(2) **[**The**]** Not later than April 1, 2026, and annually thereafter, the Public Utilities Regulatory Authority shall submit a report, **[**annually**]** in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the **[**Procurement Plan**]** procurement plan and its implementation. Any such report may be submitted **[**electronically**]** in conjunction with the report of the authority required pursuant to section 16-245x.

Sec. 32. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

(1) "Gas company", "electric distribution company" and "participating municipal electric utility" have the same meanings as provided in section 16-1 of the general statutes, as amended by this act;

(2) "Regional council of governments" means a regional council of governments organized under the provisions of sections 4-124i to 4-124p, inclusive, of the general statutes;

(3) "Thermal energy" means heating, or heating and cooling, derived from (A) sources that do not emit greenhouse gases, or (B) geothermal energy; and

(4) "Thermal energy network" means all real estate, fixtures and personal property operated, owned and used or to be used for, or in connection with or to facilitate, a utility-scale distribution infrastructure project that supplies thermal energy in the form of piped noncombustible fluids used for transferring heat into and out of buildings for any type of heating and cooling process, including, but not limited to, comfort heating and cooling, domestic hot water and refrigeration.

(b) The Commissioner of Energy and Environmental Protection shall, within available appropriations, establish a thermal energy network grant and loan program to support the development of thermal energy network projects on the customer's side of the meter. The commissioner shall develop and issue a request for proposals from eligible recipients that shall include, but need not be limited to, any local or regional governmental entity, municipal corporation, regional council of governments, public authority, state and federally recognized tribe, electric distribution company, gas company, participating municipal electric utility, energy improvement district and nonprofit, academic and private entity seeking to develop a thermal energy network. Any such eligible recipient may collaborate with any other such eligible recipient in submitting such proposal.

(c) The commissioner may award grants or loans under the thermal energy network grant and loan program to any number of eligible recipients. Such grants and loans may provide: (1) Assistance with community planning that includes, but is not limited to, thermal energy network project feasibility, including benefit-cost analyses, (2) assistance to recipients for the cost of design, engineering services and infrastructure for any such thermal energy network project, or (3) nonfederal cost share for grant or loan applications for projects or programs that include thermal energy networks. The commissioner may establish any financing mechanism to provide or leverage

additional funding to support the development of thermal energy network projects. To be eligible for the award of a grant or loan under this section, an eligible recipient shall demonstrate, to the satisfaction of the commissioner, that such recipient has adopted wage standards conforming with the requirements of section 31-53 of the general statutes.

(d) Not later than January first, annually, for a period of three years after receiving a grant or loan under the thermal energy network grant and loan program, the recipient of such grant or loan shall submit a report to the Public Utilities Regulatory Authority, the Office of Consumer Counsel and the Commissioner of Energy and Environmental Protection and, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology. Such report shall include information concerning the status of such recipient's thermal energy network project.

Sec. 33. Section 22a-136 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

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

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

(1) The Commissioner of Energy and Environmental Protection finds

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

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

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

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

codified in Title X, Parts 20, 30, 40, 50, 52, 53, 70 and 72 of the Code of Federal Regulations, as amended from time to time; and (3) any other federal or state statute, rule or regulation governing the permitting, licensing, construction, operation or decommissioning of such facility.

Sec. 34. (NEW) (*Effective July 1, 2025*) (a) As used in this section, (1) "eligible recipient" means (A) a regional governmental entity, municipality, regional council of governments, public authority, state or federally recognized tribe or municipal electric utility or cooperative with a demonstrated interest in hosting advanced nuclear reactors, as determined by the Commissioner of Energy and Environmental Protection, (B) a private entity partnering or interested in partnering with said entities for the development of advanced nuclear reactors, or (C) an institution of higher education in the state; and (2) "advanced nuclear reactor" has the same meaning as provided in 42 USC 16271, as amended from time to time.

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

(1) Environmental and technical studies required for early site permitting for advanced nuclear reactors;

(2) Local and regional infrastructure assessments to support the development of advanced nuclear reactors;

(3) Community engagement and planning initiatives related to hosting advanced nuclear reactors; and

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

(c) The commissioner may use bond funds authorized in support of

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

(d) For the purposes described in subsection (e) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five million dollars.

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

(f) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with section 3-20 of the general statutes and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to this section shall

be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 35. Subsection (a) of section 16a-102 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) The Commissioner of Energy and Environmental Protection shall coordinate all atomic development activities in the state. Said commissioner or **[**his**]** the commissioner's designee shall (1) advise the Governor with respect to atomic industrial development within the state; (2) act as coordinator of the development and regulatory activities of the state relating to the industrial and commercial uses of atomic energy; (3) act as the Governor's designee in matters relating to atomic energy, including participation in the activities of any committee formed by the New England states to represent their interests in such matters and also cooperation with other states and with the government of the United States; (4) coordinate the studies, recommendations and proposals of the several departments and agencies of the state required by section 16a-103 with each other and also with the programs and activities of the development commission; and (5) act as a point of contact for public and private stakeholders to assist in compliance with federal, state and local requirements relevant to atomic development, including, but not limited to, siting considerations and permitting requirements. The commissioner shall consult with and review regulations and procedures of the agencies of the state with respect to the regulation of sources of radiation to assure consistency and to prevent unnecessary duplication, inconsistencies or gaps in regulatory

requirements.

Sec. 36. Subdivision (20) of subsection (a) of section 16-1 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(20) "Class I renewable energy source" means (A) electricity derived from (i) solar power, (ii) wind power, (iii) a fuel cell, (iv) geothermal, (v) **[**landfill methane gas,**]** anaerobic digestion or other biogas derived from biological sources, (vi) thermal electric direct energy conversion from a certified Class I renewable energy source, (vii) ocean thermal power, (viii) wave or tidal power, (ix) low emission advanced renewable energy conversion technologies, including, but not limited to, zero emission low grade heat power generation systems based on organic oil free rankine, kalina or other similar nonsteam cycles that use waste heat from an industrial or commercial process that does not generate electricity, (x) (I) a run-of-the-river hydropower facility that began operation after July 1, 2003, has a generating capacity of not more than sixty megawatts, is not based on a new dam or a dam identified by the Commissioner of Energy and Environmental Protection as a candidate for removal, and meets applicable state and federal requirements, including state dam safety requirements and applicable site-specific standards for water quality and fish passage, or (II) a run-of-the-river hydropower facility that received a new license after January 1, 2018, under the Federal Energy Regulatory Commission rules pursuant to 18 CFR 16, as amended from time to time, is not based on a new dam or a dam identified by the Commissioner of Energy and Environmental Protection as a candidate for removal, and meets applicable state and federal requirements, including state dam safety requirements and applicable site-specific standards for water quality and fish passage, (xi) a biomass facility, provided such facility has executed an agreement to provide energy to an electric distribution company prior to the effective date of this section, that (I) uses sustainable biomass fuel and has an

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

Sec. 37. Section 16-245a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) Subject to any modifications required by the Public Utilities Regulatory Authority for retiring renewable energy certificates on behalf of all electric ratepayers pursuant to subsection (h) of this section and sections 16a-3f, 16a-3g, as amended by this act, 16a-3h, as amended by this act, 16a-3i, as amended by this act, 16a-3j, 16a-3m, as amended by this act, **[**and**]** 16a-3n, as amended by this act, and 16a-3p, as amended by this act, an electric supplier and an electric distribution company providing standard service or supplier of last resort service, pursuant to section 16-244c, shall demonstrate:

(1) On and after January 1, 2006, that not less than two per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from

Class I or Class II renewable energy sources;

(2) On and after January 1, 2007, not less than three and one-half per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(3) On and after January 1, 2008, not less than five per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(4) On and after January 1, 2009, not less than six per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(5) On and after January 1, 2010, not less than seven per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(6) On and after January 1, 2011, not less than eight per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(7) On and after January 1, 2012, not less than nine per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional

three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(8) On and after January 1, 2013, not less than ten per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(9) On and after January 1, 2014, not less than eleven per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(10) On and after January 1, 2015, not less than twelve and one-half per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(11) On and after January 1, 2016, not less than fourteen per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(12) On and after January 1, 2017, not less than fifteen and one-half per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional three per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(13) On and after January 1, 2018, not less than seventeen per cent of the total output or services of any such supplier or distribution company

shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(14) On and after January 1, 2019, not less than nineteen and one-half per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(15) On and after January 1, 2020, not less than twenty-one per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources, except that for any electric supplier that has entered into or renewed a retail electric supply contract on or before May 24, 2018, on and after January 1, 2020, not less than twenty per cent of the total output or services of any such electric supplier shall be generated from Class I renewable energy sources;

(16) On and after January 1, 2021, not less than twenty-two and one-half per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(17) On and after January 1, 2022, not less than twenty-four per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class I or Class II renewable energy sources;

(18) On and after January 1, 2023, not less than twenty-six per cent of the total output or services of any such supplier or distribution company

shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources;

(19) On and after January 1, 2024, not less than twenty-eight per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources;

(20) On and after January 1, 2025, not less than thirty per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources;

(21) On and after January 1, 2026, not less than **[**thirty-two**]** twenty-five per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources;

(22) On and after January 1, 2027, not less than **[**thirty-four**]** twenty-six per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources;

(23) On and after January 1, 2028, not less than **[**thirty-six**]** twenty-seven per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources;

(24) On and after January 1, 2029, not less than **[**thirty-eight**]** twenty-

eight per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources;

(25) On and after January 1, 2030, not less than **[**forty**]** twenty-nine per cent of the total output or services of any such supplier or distribution company shall be generated from Class I renewable energy sources and an additional four per cent of the total output or services shall be from Class II renewable energy sources.

(b) (1) An electric supplier or electric distribution company may satisfy the requirements of this section (A) by purchasing certificates issued by the New England Power Pool Generation Information System, provided the certificates are for (i) energy produced by a generating unit using Class I or Class II renewable energy sources and the generating unit is located in the jurisdiction of the regional independent system operator, or (ii) energy imported into the control area of the regional independent system operator pursuant to New England Power Pool Generation Information System Rule 2.7(c), as in effect on January 1, 2006; (B) for those renewable energy certificates under contract to serve end use customers in the state on or before October 1, 2006, by participating in a renewable energy trading program within said jurisdictions as approved by the Public Utilities Regulatory Authority; or (C) by purchasing eligible renewable electricity and associated attributes from residential customers who are net producers. (2) Not more than two and one-half per cent of the total output or services of an electric supplier or electric distribution company shall be generated from Class I renewable energy sources eligible as described in subparagraph (A)(x)(II) of subdivision (20) of subsection (a) of section 16-1, as amended by this act.

(c) Any supplier who provides electric generation services solely from a Class II renewable energy source shall not be required to comply

with the provisions of this section.

(d) An electric supplier or an electric distribution company shall base its demonstration of generation sources, as required under subsection (a) of this section on historical data, which may consist of data filed with the regional independent system operator.

(e) The authority shall adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this section.

(f) Notwithstanding the provisions of this section and section 16-244c, for periods beginning on and after January 1, 2008, each electric distribution company may procure renewable energy certificates from Class I, Class II and Class III renewable energy sources through long-term contracting mechanisms. The electric distribution companies may enter into long-term contracts for not more than fifteen years to procure such renewable energy certificates. The electric distribution companies shall use any renewable energy certificates obtained pursuant to this section to meet their standard service and supplier of last resort renewable portfolio standard requirements.

**[**(g) On or before January 1, 2014, the Commissioner of Energy and Environmental Protection shall, in developing or modifying an Integrated Resources Plan in accordance with sections 16a-3a and 16a-3e, establish a schedule to commence on January 1, 2015, for assigning a gradually reduced renewable energy credit value to all biomass or landfill methane gas facilities that qualify as a Class I renewable energy source pursuant to section 16-1, provided this subsection shall not apply to anaerobic digestion or other biogas facilities, and further provided any reduced renewable energy credit value established pursuant to this section shall not apply to any biomass or landfill methane gas facility that has entered into a power purchase agreement (1) with an electric supplier or electric distribution company in the state of Connecticut on or before June 5, 2013, or (2) executed in accordance with section 16a-3f

or 16a-3h. The Commissioner of Energy and Environmental Protection may review the schedule established pursuant to this subsection in preparation of each subsequent Integrated Resources Plan developed pursuant to section 16a-3a and make any necessary changes thereto to ensure that the rate of reductions in renewable energy credit value for biomass or landfill methane gas facilities is appropriate given the availability of other Class I renewable energy sources.**]**

**[**(h)**]** (g) The authority, in consultation with the Commissioner of Energy and Environmental Protection and the Office of Consumer Counsel, shall initiate a proceeding to establish procedures for the disposition of renewable energy certificates purchased pursuant to **[**section**]** sections 16-244z, as amended by this act, 16a-3f, 16a-3g, as amended by this act, 16a-3h, as amended by this act, 16a-3i, as amended by this act, 16a-3j, 16a-3m, as amended by this act, 16a-3n, as amended by this act, and 16a-3p, as amended by this act, which may include procedures for selling renewable energy certificates **[**consistent with section 16-244z or, if renewable energy certificates procured pursuant to section 16-244z are retired and never used for compliance in any other jurisdiction, reductions to**]** or to retire such certificates on behalf of all ratepayers and reduce the percentage of the total output or services of an electric supplier or an electric distribution company generated from Class I renewable energy sources required pursuant to subsection (a) of this section. Any such reduction shall be based on the energy production that the authority forecasts will be procured. **[**pursuant to subsections (a) and (b) of section 16-244z.**]** The authority shall determine any such reduction of an annual renewable portfolio standard not later than one year prior to the effective date of such annual renewable portfolio standard. An electric distribution company shall not be responsible for any administrative or other costs or expenses associated with any difference between the number of renewable energy certificates planned to be retired pursuant to the authority's reduction and the actual number of renewable energy certificates retired.

Sec. 38. Section 16a-3g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

On or after July 1, 2013, the Commissioner of Energy and Environmental Protection, in consultation with the procurement manager identified in subsection (l) of section 16-2, as amended by this act, the Office of Consumer Counsel and the Attorney General, may, in coordination with other states in the region of the regional independent system operator, as defined in section 16-1, as amended by this act, or on the commissioner's own, solicit proposals, in one solicitation or multiple solicitations, from providers of Class I renewable energy sources, as defined in section 16-1, as amended by this act, or verifiable large-scale hydropower, as defined in section 16-1, as amended by this act. If the commissioner finds such proposals to be in the interest of ratepayers, including, but not limited to, the delivered price of such sources, and consistent with the requirements to reduce greenhouse gas emissions in accordance with section 22a-200a, and in accordance with the policy goals outlined in the Comprehensive Energy Strategy, adopted pursuant to section 16a-3d, and section 129 of public act 11-80, including, but not limited to, base load capacity, peak load shaving and promotion of wind, solar and other renewable and low carbon energy technologies, the commissioner may select proposals from such resources to meet up to five per cent of the load distributed by the state's electric distribution companies. The commissioner may on behalf of all customers of electric distribution companies, direct the electric distribution companies to enter into power purchase agreements for energy, capacity and any environmental attributes, or any combination thereof, for periods of not more than (1) fifteen years, if any such agreement is with a provider of verifiable large-scale hydropower, or (2) twenty years, if any such agreement is with a provider of a Class I renewable energy source. **[**Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy sources procured under this section shall be sold in the New

England Power Pool Generation Information System renewable energy credit market to be used by any electric supplier or electric distribution company to meet the requirements of section 16-245a.**]** Any such agreement shall be subject to review and approval by the Public Utilities Regulatory Authority, which review shall (A) include a public hearing, and (B) be completed not later than sixty days after the date on which such agreement is filed with the authority. The net costs of any such agreement, including costs incurred by the electric distribution companies under the agreement and reasonable costs incurred by the electric distribution companies in connection with the agreement, shall be recovered through a fully reconciling component of electric rates for all customers of electric distribution companies. Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy source procured by an electric distribution company pursuant to this section shall be disposed of pursuant to the procedures established pursuant to subsection (g) of section 16-245a, as amended by this act.

Sec. 39. Section 16a-3h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

On or after October 1, 2013, the Commissioner of Energy and Environmental Protection, in consultation with the procurement manager identified in subsection (l) of section 16-2, as amended by this act, the Office of Consumer Counsel and the Attorney General, may solicit proposals, in one solicitation or multiple solicitations, from providers of the following resources or any combination of the following resources: Run-of-the-river hydropower, landfill methane gas, biomass, fuel cell, offshore wind or anaerobic digestion, provided such source meets the definition of a Class I renewable energy source pursuant to section 16-1, as amended by this act, or energy storage systems. In making any selection of such proposals, the commissioner shall consider factors, including, but not limited to (1) whether the

proposal is in the interest of ratepayers, including, but not limited to, the delivered price of such sources, (2) the emissions profile of a relevant facility, (3) any investments made by a relevant facility to improve the emissions profile of such facility, (4) the length of time a relevant facility has received renewable energy credits, (5) any positive impacts on the state's economic development, (6) whether the proposal is consistent with requirements to reduce greenhouse gas emissions in accordance with section 22a-200a, including, but not limited to, the development of combined heat and power systems, (7) whether the proposal is consistent with the policy goals outlined in the Comprehensive Energy Strategy adopted pursuant to section 16a-3d, (8) whether the proposal promotes electric distribution system reliability and other electric distribution system benefits, including, but not limited to, microgrids, (9) whether the proposal promotes the policy goals outlined in the state-wide solid waste management plan developed pursuant to section 22a-241a, and (10) the positive reuse of sites with limited development opportunities, including, but not limited to, brownfields or landfills, as identified by the commissioner in any solicitation issued pursuant to this section. The commissioner may select proposals from such resources to meet up to six per cent of the load distributed by the state's electric distribution companies, provided the commissioner shall not select proposals for more than three per cent of the load distributed by the state's electric distribution companies from offshore wind resources. The commissioner may direct the electric distribution companies to enter into power purchase agreements for energy, capacity and environmental attributes, or any combination thereof, for periods of not more than twenty years on behalf of all customers of the state's electric distribution companies. **[**Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy sources procured under this section may be: (A) Sold in the New England Power Pool Generation Information System renewable energy credit market to be used by any electric supplier or electric distribution company to meet the requirements of section 16-245a, provided the

revenues from such sale are credited to all customers of the contracting electric distribution company; or (B) retained by the electric distribution company to meet the requirements of section 16-245a. In considering whether to sell or retain such certificates, the company shall select the option that is in the best interest of such company's ratepayers.**]** Any such agreement shall be subject to review and approval by the Public Utilities Regulatory Authority, which review shall be completed not later than sixty days after the date on which such agreement is filed with the authority. The net costs of any such agreement, including costs incurred by the electric distribution companies under the agreement and reasonable costs incurred by the electric distribution companies in connection with the agreement, shall be recovered through a fully reconciling component of electric rates for all customers of electric distribution companies. All reasonable costs incurred by the Department of Energy and Environmental Protection associated with the commissioner's solicitation and review of proposals pursuant to this section shall be recoverable through the nonbypassable federally mandated congestion charges, as defined in section 16-1, as amended by this act. Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy source procured by an electric distribution company pursuant to this section shall be disposed of pursuant to the procedures established pursuant to subsection (g) of section 16-245a, as amended by this act.

Sec. 40. Subsection (d) of section 16a-3i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(d) In the event there is such a presumption pursuant to subsection (a) of this section and the commissioner finds a material shortage of Class I renewable energy sources pursuant to subsection (b) of this section, and in addition to determining the adequacy pursuant to subsection (c) of this section, the commissioner shall, in consultation

with the procurement manager identified in subsection (l) of section 16-2, as amended by this act, the Office of Consumer Counsel and the Attorney General, solicit proposals from providers of Class I renewable energy sources, as defined in section 16-1, as amended by this act, operational as of the date that such solicitation is issued. If the commissioner, in consultation with the procurement manager identified in subsection (l) of section 16-2, as amended by this act, finds such proposals to be in the interest of ratepayers including, but not limited to, the delivered price of such sources, and consistent with the requirements to reduce greenhouse gas emissions in accordance with section 22a-200a, and in accordance with the policy goals outlined in the Comprehensive Energy Strategy, adopted pursuant to section 16a-3d, the commissioner, in consultation with the procurement manager identified in subsection (l) of section 16-2, as amended by this act, may select proposals from such sources to meet up to the amount necessary to ensure an adequate incremental supply of Class I renewable energy sources to rectify any projected shortage of Class I renewable energy supply identified pursuant to subsection (c) of this section. The commissioner shall direct the electric distribution companies to enter into power purchase agreements for energy, capacity and environmental attributes, or any combination thereof, from such selected proposals for periods of not more than ten years. **[**Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy sources procured under this section shall be sold in the New England Power Pool Generation Information System renewable energy credit market to be used by any electric supplier or electric distribution company to meet the requirements of section 16-245a.**]** Any such agreement shall be subject to review and approval by the Public Utilities Regulatory Authority, which review shall commence upon the filing of the signed power purchase agreement with the authority. The authority shall issue a decision on such agreement not later than thirty days after such filing. In the event the authority does not issue a decision within thirty days after such

agreement is filed with the authority, the agreement shall be deemed approved. The net costs of any such agreement, including costs incurred by the electric distribution companies under the agreement and reasonable costs incurred by the electric distribution companies in connection with the agreement, shall be recovered through a fully reconciling component of electric rates for all customers of electric distribution companies. Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy source procured by an electric distribution company pursuant to this section shall be disposed of pursuant to the procedures established pursuant to subsection (g) of section 16-245a, as amended by this act.

Sec. 41. Subsection (c) of section 16a-3n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(c) The commissioner may direct the electric distribution companies to enter into power purchase agreements for energy, capacity, any transmission associated with such energy derived from offshore wind facilities that are Class I renewable energy sources as defined in section 16-1, as amended by this act, and environmental attributes, or any combination thereof, for periods of not more than twenty years on behalf of all customers of the state's electric distribution companies, except the commissioner may direct such companies to enter into such agreements for periods greater than twenty years and not more than thirty years if the commissioner conducts the solicitation pursuant to subsection (a) of this section in coordination with one or more states and, in response to such coordinated solicitation, the applicable officials of any such state select a proposal for energy, capacity and any environmental attributes, or any combination thereof, from such facilities for a period that is greater than twenty years and not more than thirty years. Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy

sources procured by an electric distribution company pursuant to this section **[**may be: (1) Sold into the New England Power Pool Generation Information System renewable energy credit market to be used by any electric supplier or electric distribution company to meet the requirements of section 16-245a, provided the revenues from such sale are credited to electric distribution company customers as described in this section; or (2) retained by the electric distribution company to meet the requirements of section 16-245a. In considering whether to sell or retain such certificates, the company shall select the option that is in the best interest of such company's ratepayers**]** shall be disposed of pursuant to the procedures established pursuant to subsection (g) of section 16-245a, as amended by this act.

Sec. 42. Subsection (c) of section 16a-3p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(c) Certificates issued by the New England Power Pool Generation Information System procured by an electric distribution company pursuant to this section **[**may be: (1) Sold into the New England Power Pool Generation Information System renewable energy credit market to be used by any electric supplier or electric distribution company to meet the requirements of section 16-245a, provided the revenues from such sale are credited to electric distribution company customers as described in this section; or (2) retained by the electric distribution company to meet the requirements of section 16-245a. In considering whether to sell or retain such certificates, the company shall select the option that is in the best interest of such company's ratepayers**]** shall be disposed of pursuant to the procedures established pursuant to subsection (g) of section 16-245a, as amended by this act.

Sec. 43. Subsection (j) of section 16a-3a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(j) For the Integrated Resources Plan next approved after January 1, **[**2019**]** 2025, the department shall **[**determine (1)**]** establish targets for the quantity of energy the Commissioner of Energy and Environmental Protection may seek in any solicitation or solicitations of proposals **[**initiated on or after January 1, 2020, pursuant to section 16a-3n, provided the quantity of energy sought in any such solicitations in the aggregate shall be from resources that have a total nameplate capacity rating of not more than two thousand megawatts in the aggregate, less any energy purchased pursuant to section 16a-3n on or before December 31, 2019; and (2) the timing and schedule of any solicitation or solicitations of proposals initiated on or after January 1, 2020, pursuant to section 16a-3n, provided such schedule shall provide for the solicitation of resources with a nameplate capacity rating of two thousand megawatts in the aggregate, less any energy purchased pursuant to section 16a-3n on or before December 31, 2019, by December 31, 2030**]** pursuant to sections 16a-3f, 16a-3g, as amended by this act, 16a-3h, as amended by this act, 16a-3i, as amended by this act, 16a-3j, 16a-3m, as amended by this act, 16a-3n, as amended by this act, and 16a-3p, as amended by this act, and a proposed schedule for such solicitations for new zero-carbon Class I renewable energy resources necessary to achieve a target of an additional seven per cent of the total load served by the electric distribution companies in the aggregate by 2030 in addition to the requirements established pursuant to section 16-245a, as amended by this act. Such **[**determinations**]** targets shall be based on factors including, but not limited to, electricity system needs identified by the Integrated Resources Plan, including, but not limited to, capacity, winter reliability, progress in meeting the goals in the Global Warming Solutions Act pursuant to section 22a-200a, the priorities of the Comprehensive Energy Strategy adopted pursuant to section 16a-3d, positive impacts on the state's economic development, opportunities to coordinate procurement with other states, forecasted trends in technology costs and impacts on the state's ratepayers.

Sec. 44. Section 16a-3u of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) For the purposes of this section:

(1) "Existing biomass power purchase agreement" means a power purchase agreement that: (A) (i) Was entered into by a biomass facility **[**that is a Class I renewable energy source**]** that uses sustainable biomass fuel and has an average emission rate of less than or equal to .075 pounds of nitrogen oxides per million BTU of heat input for the previous calendar quarter, or energy derived from a biomass facility with a capacity of less than five hundred kilowatts that began construction before July 1, 2003, with an electric distribution company in the state on or before June 5, 2013, or (ii) was executed in accordance with a solicitation pursuant to section 16a-3f or 16a-3h, as amended by this act; and (B) was in effect as of January 1, 2024.

(2) "Eligible biomass facility" means a biomass facility that **[**is a Class I renewable energy source**]** uses sustainable biomass fuel and has an average emission rate of less than or equal to .075 pounds of nitrogen oxides per million BTU of heat input for the previous calendar quarter, or energy derived from a biomass facility with a capacity of less than five hundred kilowatts that began construction before July 1, 2003, and that has entered into one or more existing biomass power purchase agreements.

(3) "Additional biomass power purchase agreement" means a biomass power purchase agreement that is entered into by an eligible biomass facility and an electric distribution company pursuant to subdivision (b) of this section, for **[**the fraction of**]** such facility's energy, capacity and environmental attributes, **[**of an eligible biomass facility that was contracted for under an existing biomass power purchase agreement between such biomass facility and such electric distribution company**]** or any combination of such energy and attributes.

(4) **[**"Class I renewable energy source", "electric distribution company"**]** "Electric distribution company" and "electric supplier" have the same meanings as provided in section 16-1, as amended by this act.

(b) Not later than September 1, 2025, the Commissioner of Energy and Environmental Protection shall initiate a proceeding to solicit proposals, in consultation with the procurement manager identified in subsection (l) of section 16-2, as amended by this act, and the Office of Consumer Counsel, in one solicitation or multiple solicitations, for energy and environmental attributes from eligible biomass facilities. The Commissioner of Energy and Environmental Protection may direct any electric distribution company to enter into one or more additional biomass power purchase agreements with any eligible biomass facility, provided any such agreement considers the costs to operate such facility, is in the best interest of ratepayers and supports the state's solid waste management plan pursuant to section 22a-228. Any such additional power purchase agreement shall **[**be for**]** begin upon the termination of the applicable existing biomass power purchase agreements, and shall not exceed a period of ten years. **[**Certificates issued by the New England Power Pool Generation Information System for any Class I renewable energy sources procured by an electric distribution company pursuant to this section may be: (1) Sold into the New England Power Pool Generation Information System renewable energy credit market to be used by any electric supplier or electric distribution company to meet the requirements of section 16-245a, provided the revenues from such sale are credited to all customers of the contracting electric distribution company; or (2) retained by such electric distribution company to meet the requirements of section 16-245a. In considering whether to sell or retain such certificates, the company shall select the option that is in the best interest of such company's ratepayers.**]**

(c) Any additional biomass power purchase agreement entered into

pursuant to subsection (b) of this section shall be subject to review and approval by the Public Utilities Regulatory Authority. Such electric distribution company shall file an application for the approval of any such additional biomass power purchase agreement with the authority. The authority shall issue a decision not later than one hundred eighty days after any such filing. If the authority does not issue a decision within one hundred eighty days after such filing, such additional biomass power purchase agreement shall be deemed approved.

(d) The net costs of any such agreement, including costs incurred by the electric distribution companies under the agreement and reasonable costs incurred by any electric distribution company in connection with the agreement, shall be recovered through a fully reconciling component of electric rates for all customers of such electric distribution company.

Sec. 45. (NEW) (*Effective October 1, 2025*) (a) The Commissioner of Energy and Environmental Protection shall establish an electric active demand and gas demand response pilot program to reduce electric and gas demand and improve electric and gas grid resiliency and reliability in the state. For a period of two years commencing from October 1, 2025, the commissioner may, in coordination with other states in the control area of the regional independent system operator, as defined in section 16-1 of the general statutes, as amended by this act, or on behalf of the state alone, issue multiple solicitations for contracts from providers of resources described in subsection (b) of this section.

(b) The commissioner shall seek proposals for active electric demand response, or active or passive gas demand response measures pursuant to the pilot program. Each electric distribution company or gas company, as defined in section 16-1 of the general statutes, as amended by this act, shall, in consultation with the Energy Conservation Management Board established pursuant to section 16-245m of the general statutes, as amended by this act, assess whether the submission

of a proposal for active and passive demand response measures, as applicable, is feasible pursuant to any solicitation issued pursuant to this subsection, provided such proposal only includes demand reductions that are in addition to existing and projected demand reductions obtained through the conservation and load management programs. If the commissioner finds proposals received pursuant to this section to be in the best interest of electric or gas ratepayers, as applicable, the commissioner may, on behalf of the customers of electric distribution companies or gas companies, direct the electric distribution companies or gas companies to enter into contracts for active or passive demand response measures that result in electric or gas savings, provided the benefits of such contracts to customers of electric distribution companies or gas companies outweigh the costs to such companies' customers. Any proposals selected pursuant this section shall not, in the aggregate, exceed ten per cent of the load distributed by the state's electric distribution or gas companies in the aggregate.

(c) Any agreement entered into pursuant to this section shall be subject to review and approval by the Public Utilities Regulatory Authority. The electric distribution company or gas company, as applicable, shall file an application for the approval of any such agreement with the authority. The authority shall approve such agreement if it is cost effective and in the best interest of electric or gas ratepayers. The authority shall issue a decision not later than ninety days after such filing. If the authority does not issue a decision within ninety days after such filing, the agreement shall be deemed approved. The net costs of any such agreement, including reasonable costs incurred by the gas company under the agreement, shall be recovered on a timely basis through the conservation adjustment mechanism established pursuant to section 16-245m of the general statutes, as amended by this act, and reasonable costs incurred by the electric distribution company under the agreement shall be recovered on a timely basis through the nonbypassable federally mandated congestion

charge, as defined in subsection (a) of section 16-1 of the general statutes, as amended by this act.

(d) The commissioner may hire consultants with expertise in quantitative modeling of electric or gas markets, and physical electric or gas system modeling, as applicable, to assist in implementing this section, including, but not limited to, the evaluation of proposals submitted pursuant to this section. All reasonable costs, not exceeding one million five hundred thousand dollars, associated with the commissioner's solicitation and review of proposals pursuant to this section shall be recoverable through the conservation adjustment mechanism established pursuant to section 16-245m of the general statutes, as amended by this act, for gas companies or the nonbypassable federally mandated congestion charge, as defined in section 16-1 of the general statutes, as amended by this act, for electric distribution companies. Such costs shall be recoverable even if the commissioner does not select any proposals pursuant to solicitations issued pursuant to this section.

(e) On or before January 1, 2028, the commissioner shall conduct an evaluation of the electric and gas demand response pilot program. Such evaluation shall address the overall effectiveness of the pilot program in benefiting electric and gas ratepayers in the state. The commissioner shall submit, in accordance with the provisions of section 11-4a of the general statutes, such evaluation and any recommendations for legislation to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology.

Sec. 46. Subdivision (1) of subsection (d) of section 16-245m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(d) (1) Not later than November 1, 2012, and every three years thereafter, electric distribution companies, as defined in section 16-1, as

amended by this act, in coordination with the gas companies, as defined in section 16-1, as amended by this act, shall submit to the Energy Conservation Management Board a combined electric and gas Conservation and Load Management Plan, in accordance with the provisions of this section, to implement cost-effective energy conservation programs, demand management and market transformation initiatives. All supply and conservation and load management options shall be evaluated and selected within an integrated supply and demand planning framework. Services provided under the plan shall be available to all customers of electric distribution companies and gas companies, provided a customer of an electric distribution company may not be denied such services based on the fuel such customer uses to heat such customer's home. The Energy Conservation Management Board shall advise and assist the electric distribution companies and gas companies in the development of such plan. The Energy Conservation Management Board shall approve the plan before transmitting it to the Commissioner of Energy and Environmental Protection for approval. The commissioner shall, in an uncontested proceeding during which the commissioner may hold a public meeting, approve, modify or reject said plan prepared pursuant to this subsection. Following approval by the commissioner, the board shall assist the companies in implementing the plan and collaborate with the Connecticut Green Bank to further the goals of the plan. Said plan shall include a detailed budget sufficient to fund all energy efficiency that is cost-effective or lower cost than acquisition of equivalent supply, and shall be reviewed and approved by the commissioner. The Public Utilities Regulatory Authority shall, not later than sixty days after the plan is approved by the commissioner, ensure that the balance of revenues required to fund such plan is provided through fully reconciling conservation adjustment mechanisms. Electric distribution companies shall collect a conservation adjustment mechanism that ensures the plan is fully funded by collecting an amount that is not more than the sum of six mills per kilowatt hour of

electricity sold to each end use customer of an electric distribution company during the three years of any Conservation and Load Management Plan. The authority shall ensure that the revenues required to fund such plan with regard to gas companies are provided through a fully reconciling conservation adjustment mechanism for each gas company of not more than the equivalent of four and six-tenth cents per hundred cubic feet during the three years of any Conservation and Load Management Plan, provided such companies may exceed the equivalent of four and six-tenth cents per hundred cubic feet to fund the net costs of any agreement approved pursuant to section 45 of this act. Said plan shall include steps that would be needed to achieve the goal of weatherization of eighty per cent of the state's residential units by 2030, and steps to reduce energy consumption by 1.6 million MMBtu, or the equivalent megawatts of electricity, as defined in subdivision (4) of section 22a-197, annually each year for calendar years commencing on and after January 1, 2020, up to and including calendar year 2025. Each program contained in the plan shall be reviewed by such companies and accepted, modified or rejected by the Energy Conservation Management Board prior to submission to the commissioner for approval. The Energy Conservation Management Board shall, as part of its review, examine opportunities to offer joint programs providing similar efficiency measures that save more than one fuel resource or otherwise to coordinate programs targeted at saving more than one fuel resource. Any costs for joint programs shall be allocated equitably among the conservation programs. The Energy Conservation Management Board shall give preference to projects that maximize the reduction of federally mandated congestion charges.

Sec. 47. Subsection (i) of section 16a-3j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(i) Certificates issued by the New England Power Pool Generation

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

Sec. 48. Subdivision (3) of subsection (a) of section 16a-3n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(3) In any solicitation initiated pursuant to this section on or after July 1, 2024, the Commissioner of Energy and Environmental Protection shall include requirements for contract commitments in selected bids that require bidders selected pursuant to subsection (b) of this section, including any providers of associated transmission, when employing or contracting with fishermen for support services such as scouting for fishing gear or serving as a safety vessel in a construction zone, for any project selected by the state or in proportion to the state share of any project selected by multiple states or other entities, to use best efforts to award such contracts or employment to state commercial fishing licensees, all other factors being equal. Such requirements shall include: (A) The maintenance of records that document the use of such best efforts and the filing of a monthly report with the Department of Economic and Community Development that describes such best efforts, on a form prescribed by said department; and (B) a provision

that any fishermen that such providers employ or contract with to provide support services shall: (i) Meet training and certification standards described in the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, as amended from time to time; and (ii) prior to providing any such support services, undergo inspection in accordance with the International Marine Contractors Association's marine inspection for small workboats inspection document. The Coast Guard or any inspector accredited through the accredited vessel inspector program operated by the Marine Surveying Academy of the International Institute of Marine Surveying or the United States National Association of Marine Surveyors may conduct such an inspection.

Sec. 49. Section 16-2 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) There shall continue to be a Public Utilities Regulatory Authority within the Department of Energy and Environmental Protection for administrative purposes only, which shall consist of five electors of this state, appointed by the Governor with the advice and consent of both houses of the General Assembly. Not more than three **[**members of said authority**]** utility commissioners in office at any one time shall be members of any one political party. The Governor shall appoint five members to the authority. The procedure prescribed in section 4-7 shall apply to such appointments, except that the Governor shall submit each nomination on or before May first, and both houses shall confirm or reject it before adjournment sine die. **[**Any utility commissioner appointed by the Governor and confirmed by both chambers of the General Assembly between February 1, 2019, and June 1, 2019, shall serve a term expiring on March 1, 2024. Any utility commissioner appointed by the Governor and confirmed by both houses of the General Assembly between February 1, 2018, and June 1, 2018, shall serve a term expiring on March 1, 2022. Between July 1, 2019, and May

1, 2020, the Governor shall appoint three utility commissioners, provided one such commissioner shall serve a term expiring on March 1, 2021, and two such commissioners shall serve terms expiring on March 1, 2023.**]** Any utility commissioner appointed on or after **[**May 1, 2020**]** January 1, 2025, shall serve a term **[**of four years**]** beginning on the date such utility commissioner is appointed and qualified and continuing for four years from the July first immediately following the date of appointment by the Governor, and may continue in office until a successor is appointed and qualified. The utility commissioners shall be sworn to the faithful performance of their duties. The chairperson serves as the chief executive of the authority for administrative purposes.

(b) Not later than June 30, 2023, and between June first and June thirtieth in each odd-numbered year thereafter, the Governor shall select the chairperson of the authority from among the utility commissioners. The chairperson shall serve a two-year term starting on July first of the same year. Each June, the utility commissioners shall choose, from among said commissioners, a vice-chairperson, who shall serve for a one-year term starting on July first of the same year. The vice-chairperson shall perform the duties of the chairperson in his or her absence.

(c) Any matter coming before the authority may be assigned by the chairperson to a panel of three or more utility commissioners, except that proceedings to amend rates conducted pursuant to section 16-19, as amended by this act, shall consist of all the appointed and qualifying utility commissioners. If a panel consists of three utility commissioners, not more than two members of the panel shall be members of any one political party. Except as otherwise provided by statute or regulation, the panel shall determine whether a public hearing shall be held on the matter, and may designate one or more of its members to conduct such hearing or may assign a hearing officer to ascertain the facts and report

thereon to the panel. The decision of the panel, if unanimous, shall be the decision of the authority. If the decision of the panel is not unanimous, the matter shall be approved by a majority vote of the utility commissioners. The votes of each utility commissioner on any decision shall be reduced to writing, recorded in the minutes of the session at which such vote was taken and posted on the Internet web site of the authority within forty-eight hours of such vote.

(d) The utility commissioners of the Public Utilities Regulatory Authority shall serve full time and shall file a statement of financial interests with the Office of State Ethics in accordance with section 1-83. Each utility commissioner shall receive annually a salary equal to that established for management pay plan salary group seventy-five by the Commissioner of Administrative Services, except that the chairperson shall receive annually a salary equal to that established for management pay plan salary group seventy-seven.

(e) To **[**insure**]** ensure the highest standard of public utility regulation, on and after October 1, 2007, any newly appointed utility commissioner of the authority shall have education or training and three or more years of experience in one or more of the following fields: Economics, engineering, law, accounting, finance, utility regulation, public or government administration, consumer advocacy, business management, and environmental management. On and after July 1, 1997, at least three of these fields shall be represented on the authority by individual utility commissioners at all times. Any time a utility commissioner is newly appointed, at least one of the utility commissioners shall have experience in utility customer advocacy.

(f) (1) The chairperson of the authority **[**, with the approval of the Commissioner of Energy and Environmental Protection,**]** shall prescribe the duties of the staff **[**assigned to**]** of the authority **[**in order to (A) conduct comprehensive planning with respect to the functions of the authority; (B) cause the administrative organization of the authority to

be examined with a view to promoting economy and efficiency; and (C)**]** and organize the authority into such divisions, bureaus or other units as necessary for the efficient conduct of the business of the authority. **[**and may from time to time make recommendations to the Commissioner of Energy and Environmental Protection regarding staff and resources.**]**

(2) The chairperson of the Public Utilities Regulatory Authority **[**, in order to implement the comprehensive planning and organizational structure established pursuant to subdivision (1) of this subsection,**]** shall: (A) **[**coordinate**]** Coordinate the activities of the authority and prescribe the duties of the staff **[**assigned to**]** of the authority, including, but not limited to, assigning staff to fulfill the duties of the procurement manager where required pursuant to titles 16 and 16a; (B) for any proceeding on a proposed rate amendment in which staff of the authority are to be made a party pursuant to section 16-19j, determine which staff shall appear and participate in the proceedings and which shall serve the **[**members of the authority**]** utility commissioners; (C) enter into such contractual agreements, in accordance with established procedures, as may be necessary for the discharge of the authority's duties; (D) subject to the provisions of section 4-32, and unless otherwise provided by law, receive any money, revenue or services from the federal government, corporations, associations or individuals, including payments from the sale of printed matter or any other material or services; **[**and**]** (E) require the staff of the authority to have expertise in public utility engineering and accounting, finance, economics, computers and rate design; and (F) ensure that utility commissioners who choose to write a concurring or dissenting opinion are provided staff to assist in writing such opinion.

(g) No utility commissioner **[**of the Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority**]** or employee of the authority shall have any interest, financial or otherwise, direct or

indirect, or engage in any business, employment, transaction or professional activity, or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties or employment in the public interest and of his or her responsibilities as prescribed in the laws of this state, as defined in section 1-85, concerning any matter within the jurisdiction of the authority; provided, no such substantial conflict shall be deemed to exist solely by virtue of the fact that a utility commissioner of the authority or employee of the department assigned to work with the authority, or any business in which such a person has an interest, receives utility service from one or more Connecticut utilities under the normal rates and conditions of service.

(h) No utility commissioner **[**of the Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority, during such assignment,**]** or employee of the authority shall accept other employment which will either impair his or her independence of judgment as to his or her official duties or employment. **[**or**]** No current or former utility commissioner or employee of the authority shall accept other employment that would require him or her, or induce him or her, to disclose confidential information acquired by him or her in the course of and by reason of his or her official duties.

(i) No utility commissioner **[**of the Public Utilities Regulatory Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority, during such assignment,**]** or employee of the authority shall wilfully and knowingly disclose, for pecuniary gain, to any other person, confidential information acquired by him or her in the course of and by reason of his or her official duties or employment or use any such information for the purpose of pecuniary gain.

(j) No utility commissioner **[**of the Public Utilities Regulatory

Authority or employee of the Department of Energy and Environmental Protection assigned to work with the authority, during such assignment,**]** or employee of the authority shall agree to accept, or be in partnership or association with any person, or a member of a professional corporation or in membership with any union or professional association which partnership, association, professional corporation, union or professional association agrees to accept any employment, fee or other thing of value, or portion thereof, in consideration of his or her appearing, agreeing to appear, or taking any other action on behalf of another person before the authority, the Connecticut Siting Council, the Office of Policy and Management or the Commissioner of Energy and Environmental Protection.

(k) **[**No**]** On and after July 1, 2025, no utility commissioner **[**of the Public Utilities Regulatory Authority**]** shall, for a period of one year following the termination of his or her service as a utility commissioner, accept employment: (1) By a public service company or by any person, firm or corporation engaged in lobbying activities or legal representation with regard to governmental regulation of public service companies; (2) by a certified telecommunications provider or by any person, firm or corporation engaged in lobbying activities or legal representation with regard to governmental regulation of persons, firms or corporations so certified; **[**or**]** (3) by an electric supplier or by any person, firm or corporation engaged in lobbying activities or legal representation with regard to governmental regulation of electric suppliers; or (4) by any related entity, as defined in section 12-218c, of any entity described in subdivisions (1) to (3), inclusive, of this subsection, for any purpose described in subdivisions (1) to (3), inclusive, of this subsection. No such utility commissioner **[**who is also an attorney**]** shall in any capacity, appear or participate in any matter, or accept any compensation regarding a matter, before the authority, for a period of one year following the termination of his or her service as a utility commissioner.

(l) The chairperson of the authority shall assign authority staff to fulfill the duties of procurement manager where required pursuant to this title and title 16a.

(m) Notwithstanding any provision of the general statutes, the decisions of the Public Utilities Regulatory Authority, including, but not limited to, decisions relating to rate amendments arising from the Comprehensive Energy Strategy, the Integrated Resources Plan, the Conservation and Load Management Plan and policies established by the Department of Energy and Environmental Protection, shall be guided by said strategy and plans and such policies.

(n) Two or more utility commissioners serving on a panel established pursuant to subsection (c) of this section may confer or communicate regarding the matter before such panel. Any such conference or communication that does not occur before the public at a hearing or proceeding shall not constitute a meeting as defined in section 1-200.

Sec. 50. Section 16-2a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) There shall be an independent Office of Consumer Counsel, within the Department of Energy and Environmental Protection, for administrative purposes only, to act as the advocate for consumer interests in all matters which may affect **[**Connecticut**]** consumers in the state with respect to public service companies, electric suppliers and certified telecommunications providers, including, but not limited to, rates and related issues, ratepayer-funded programs and matters concerning the reliability, maintenance, operations, infrastructure and quality of service of such companies, suppliers and providers. The Office of Consumer Counsel is authorized to appear in and participate in any regulatory or judicial proceedings, federal or state, in which such interests of **[**Connecticut**]** consumers in the state may be involved, or in which matters affecting utility services rendered or to be rendered in

this state may be involved. The Office of Consumer Counsel shall be a party to each contested case before the Public Utilities Regulatory Authority and shall participate in **[**such proceedings**]** any such contested case to the extent **[**it**]** the Office of Consumer Counsel deems necessary. **[**Said**]** The Office of Consumer Counsel may appeal from a decision, order or authorization in any such state regulatory proceeding **[**notwithstanding its failure to appear or participate in said**]** regardless of whether the Office of Consumer Counsel appeared or participated in such proceeding.

(b) Except as prohibited by the provisions of section 4-181, the Office of Consumer Counsel shall have access to the records of the Public Utilities Regulatory Authority and shall be entitled to call upon the assistance of the authority's and the **[**department's**]** Department of Energy and Environmental Protection's experts, and shall have the benefit of all other facilities or information of the authority or the department in carrying out the duties of the Office of Consumer Counsel, except for such internal documents, information or data **[**as**]** that are not available to parties to the authority's proceedings. The department shall provide such space as necessary within the department's quarters for the operation of the Office of Consumer Counsel, and the department shall be empowered to set regulations providing for adequate compensation for the provision of such office space.

(c) There **[**shall be**]** is established an Office of State Broadband within the Office of Consumer Counsel. The Office of State Broadband shall work to facilitate the availability of broadband access to every **[**state citizen**]** resident of the state and to increase access to and the adoption of ultra-high-speed gigabit capable broadband networks. The Office of Consumer Counsel may work in collaboration with public and nonprofit entities and state agencies, and may provide advisory assistance to municipalities, local authorities and private corporations

for the purpose of maximizing opportunities for the expansion of broadband access in the state and fostering innovative approaches to broadband in the state, including the procurement of grants for such purpose. The Office of State Broadband shall include a Broadband Policy Coordinator and such other staff as the Consumer Counsel deems necessary to perform the duties of the Office of State Broadband.

(d) The Office of Consumer Counsel shall be under the direction of **[**a**]** the Consumer Counsel, who shall be appointed by the Governor with the advice and consent of either house of the General Assembly. The Consumer Counsel shall be an elector of this state and shall have demonstrated a strong commitment and involvement in efforts to safeguard the rights of the public. The Consumer Counsel shall serve for a term of five years unless removed pursuant to section 16-5. The salary of the Consumer Counsel shall be equal to that established for management pay plan salary group seventy-one by the Commissioner of Administrative Services. No Consumer Counsel shall, for a period of one year following the termination of service as Consumer Counsel, accept employment by a public service company, a certified telecommunications provider or an electric supplier. No Consumer Counsel who is also an attorney shall, in any capacity, appear or participate in any matter, or accept any compensation regarding a matter, before the Public Utilities Regulatory Authority, for a period of one year following the termination of service as Consumer Counsel.

(e) The Consumer Counsel shall hire such staff as necessary to perform the duties of **[**said**]** the Office of Consumer Counsel and may **[**employ**]** retain from time to time outside consultants knowledgeable in **[**the utility regulation field**]** utilities regulation, including, but not limited to, economists, capital cost experts, **[**and**]** rate design experts and engineers. The salaries and qualifications of the **[**individuals**]** staff so hired shall be determined by the Commissioner of Administrative Services pursuant to section 4-40.

(f) Nothing in this section shall be construed to prevent any party interested in such proceeding or action from appearing in person or from being represented by counsel therein.

(g) As used in this section, "consumer" means any person **[**, city, borough or town**]** or municipality, as defined in section 7-148, that receives service from any public service company, electric supplier or from any certified telecommunications provider in this state whether or not such person **[**, city, borough or town**]** or municipality is financially responsible for such service.

(h) The Office of Consumer Counsel shall not be required to post a bond as a condition to presenting an appeal from any state regulatory decision, order or authorization.

(i) The expenses of the Office of Consumer Counsel shall be assessed in accordance with the provisions of section 16-49.

(j) Any proprietary commercial and proprietary financial information of a holding company or subsidiary provided to the Office of Consumer Counsel pursuant to subsection (c) of section 16-8c, as amended by this act, shall be confidential and protected by the Office of Consumer Counsel, in accordance with the provisions of chapter 14. No employee of the Office of Consumer Counsel shall wilfully and knowingly disclose, for pecuniary gain, to any other person, confidential information acquired by such employee in the course of and by reason of such employee's official duties or employment or use any such information for the purpose of pecuniary gain.

Sec. 51. Subsection (d) of section 16-19b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(d) The Public Utilities Regulatory Authority shall adjust the retail rate charged by each electric distribution company for electric

transmission services periodically to recover all transmission costs prudently incurred by each electric distribution company. The Public Utilities Regulatory Authority, after notice and hearing, shall design the retail transmission rate to provide for recovery of all Federal Energy Regulatory Commission approved transmission costs, rates, tariffs and charges and of other transmission costs prudently incurred by an electric distribution company in accordance with section 16-19e. Notwithstanding the provisions of section 16-19, as amended by this act, the authority shall adjust the retail transmission rate in accordance with the provisions of subsections (e) and (h) of this section and to fund costs associated with retaining consultants for the Department of Energy and Environmental Protection and the Office of Consumer Counsel to enable said department and said office to participate in proceedings of the Connecticut Siting Council, and evaluations and analysis conducted pursuant to section 25 of this act. A transmission rate adjustment clause approved pursuant to this section shall apply to all electric distribution companies similarly affected by transmission costs. The Public Utilities Regulatory Authority's authority to review the prudence of costs shall not apply to any matter over which any agency, department or instrumentality of the federal government has exclusive jurisdiction, or has jurisdiction concurrent with that of the state and has exercised such jurisdiction to the exclusion of regulation of such matter by the state.

Sec. 52. Subsection (c) of section 16-8c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(c) **[**Proprietary**]** Any proprietary commercial and proprietary financial information of a holding company or subsidiary provided pursuant to this section shall (1) be confidential and protected by the authority, subject to the provisions of section 4-177, and (2) be provided to the Office of Consumer Counsel.

Sec. 53. Section 16-6b of the general statutes is repealed and the

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

The Public Utilities Regulatory Authority may, in accordance with chapter 54, adopt such regulations with respect to: (1) Rates and charges, services, accounting practices, safety and the conduct of operations generally of public service companies subject to its jurisdiction as it deems reasonable and necessary; (2) services, accounting practices, safety and the conduct of operations generally of electric suppliers subject to its jurisdiction as it deems reasonable and necessary; and (3) standards for systems utilizing cogeneration technology and renewable fuel resources. **[**, in accordance with the Department of Energy and Environmental Protection's policies.**]**

Sec. 54. Subsection (b) of section 16-19 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) **[**If**]** (1) Except as provided in subdivision (2) of this section, if the authority has not made **[**its**]** a finding **[**respecting**]** with respect to an amendment of any (A) electric distribution or gas company rate within three hundred fifty days from the proposed effective date of such amendment thereof, or **[**if the authority has not made its finding respecting an amendment of any**]** (B) public service company rate, except an electric distribution or a gas company rate, within two hundred seventy days from the proposed effective date of such amendment thereof, and if the company files assurance satisfactory to the authority, such amendment **[**may**]** shall become effective, pending the authority's finding with respect to such amendment. **[**upon the filing by the company with the authority of assurance satisfactory to the authority, which**]** Such assurance may include a bond with surety **[**,**]** of the company's ability and willingness to refund to its customers with interest such amounts as the company may collect from **[**them in excess of**]** such customers exceeding the rates fixed by the authority in **[**its**]** the authority's finding or fixed at the conclusion of any appeal taken as a

result of a finding by the authority.

(2) Notwithstanding any provision of this section, the authority may extend the time described in subparagraphs (A) and (B) of subdivision (1) of this subsection to make a finding concerning a rate amendment application if such application is filed by a public service company having more than seventy-five thousand customers not later than sixty days after the filing of a rate amendment application by another public service company having more than seventy-five thousand customers. The extension of such time to make a finding by the authority pursuant to this subdivision shall not exceed ninety days.

Sec. 55. Subsection (a) of section 16-243ee of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) On or before January 1, 2022, the Public Utilities Regulatory Authority shall initiate a proceeding to develop and implement one or more programs, and associated funding mechanisms, for electric energy storage resources connected to the electric distribution system. The authority shall establish (1) one or more programs for the residential class of electric customers, and (2) one or more programs for commercial and industrial classes of electric customers. **[**, and (3) a program for energy storage systems connected to the distribution system in front of the meter and not located at a customer premises.**]** The authority shall solicit input from the Department of Energy and Environmental Protection, the Connecticut Green Bank, the electric distribution companies and the Office of Consumer Counsel in developing such programs.

Sec. 56. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this section, "system load factor" means the average load in megawatts on an electric distribution company's system divided by the peak load in megawatts on such system.

(b) To reduce structural inefficiencies in the electric transmission and distribution systems in the state and improve the affordability of electricity for ratepayers, it shall be the goal of the state to maximize the efficiency and utilization of such systems and to ensure that any programs funded by ratepayers are cost-effective and focused on affordability, reliability and decarbonization. To achieve the goals set forth in this section, the state shall seek to (1) improve electric system utilization by improving the system load factor, (2) analyze customer usage patterns and the efficacy of investments in electrification projects and grid-scale electricity storage projects, (3) develop and implement policies and incentives to encourage the dispatch of energy generated by distributed solar photovoltaic systems installed behind customer electric meters, and (4) study and report on methods to promote business growth in the state through electric load growing energy policies. The implementation of such goals shall be consistent with the emission reduction goals set forth in section 22a-200a of the general statutes.

(c) The Public Utilities Regulatory Authority, through programs administered by the authority and the regulation of electric distribution companies in the state, may establish specific goals and metrics aligned with the electric system efficiency goal specified in subsection (b) of this section. Programs administered by the authority to meet such goal may include, but need not be limited to, incentives for the dispatch of energy generated by distributed solar photovoltaic systems installed behind customer electric meters for the purpose of increasing the system load factor. For any program implemented under this section, the benefits to ratepayers shall exceed the costs to ratepayers.

(d) The Commissioner of Energy and Environmental Protection may establish specific goals and metrics aligned with the electric system efficiency goal specified in subsection (b) of this section through the approval of the Integrated Resources Plan pursuant to section 16a-3a of

the general statutes, as amended by this act, and may establish programs, within available appropriations and authority, to promote load factor growth. Such programs may include, but need not be limited to, investments in electrification projects and grid-scale electricity storage projects. For any program implemented under this section, the benefits to ratepayers shall exceed the costs to ratepayers.

(e) The commissioner shall allocate staff within the energy bureau of the Department of Energy and Environmental Protection for the purpose of (1) analyzing customer usage patterns and the efficacy of investments in electrification projects and grid-scale electricity storage projects, (2) studying and reporting on methods to promote business growth in the state through electric load growing energy policies, and (3) long-term planning concerning the development of a more efficient, cost-effective electric system that actively aligns procurement, grid operations and customer usage behavior to reduce ratepayer costs and improve electric system efficiency.

(f) Not later than April 1, 2026, and annually thereafter through April 1, 2041, the Commissioner of Energy and Environmental Protection, in coordination with the Public Utilities Regulatory Authority, shall report on (1) the annual load factor and daily load factors for the prior calendar year for each electric distribution company, (2) any policies and strategies adopted through an authority proceeding to promote the achievement of the system efficiency goal established in subsection (b) of this section, including the costs and benefits of any program implemented pursuant to this section, and (3) any cost-effective policies or programs the legislature may adopt to promote the achievement of such system efficiency goal. The commissioner may consult with, and request data from, the electric distribution companies to assist in the preparation of such report. The commissioner shall submit such report, in accordance with the provisions of section 11-4a of the general statutes to the joint standing committee of the General Assembly having

cognizance of matters related to energy and technology.

Sec. 57. (NEW) (*Effective July 1, 2026*) (a) As used in this section:

(1) "Solar photovoltaic system" means equipment and devices (A) that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect, (B) that have a nameplate capacity greater than one megawatt of electricity and such nameplate capacity exceeds the load for the location where such generation is located, and (C) for which the owner of such equipment and devices receives, on or after July 1, 2026, permission to operate from an electric distribution company, as defined in section 16-1 of the general statutes, as amended by this act, or a municipal utility furnishing electricity;

(2) "Municipality" means any town, city, consolidated town and city or consolidated town and borough; and

(3) "Uniform solar capacity tax year" means the annual accounting period used to calculate the tax under this section, consisting of a twelve-month period commencing on July first and ending the following June thirtieth.

(b) (1) Except as provided in subdivision (3) of this subsection and subsection (h) of this section, for uniform solar capacity tax years commencing on and after July 1, 2026, each person that owns a solar photovoltaic system in the state for generation or displacement of energy shall pay an annual tax for a period of twenty solar capacity tax years to the department of finance of each municipality in which the system or any part thereof is located, or, if the municipality does not have a department of finance, to the tax collector for such municipality. For any solar photovoltaic system that receives permission to operate in the uniform solar capacity tax year commencing on and after July 1, 2026, the tax shall be, for the duration of the twenty-year period such tax is imposed, the product of ten thousand dollars multiplied by the

number of megawatts, and any fractional portion thereof, of nameplate capacity for each such system. If a solar photovoltaic system has multiple owners, each owner shall be jointly and severally liable for the tax owed pursuant to this section.

(2) Each person that owns a solar photovoltaic system in the state that receives, on or after July 1, 2026, permission to operate shall notify, not later than seven days after the date of such receipt, the department of finance of each municipality in which the system or any part thereof is located or, if the municipality does not have a department of finance, the tax collector for such municipality, of the effective date of such permission to operate.

(3) The tax imposed under this section shall not apply to solar photovoltaic systems in the state that (A) are located on (i) state-owned land, (ii) brownfields, as defined in section 32-760 of the general statutes, (iii) landfills, (iv) residential, commercial or industrial rooftops, or (v) solar canopies, as defined in section 8-2q of the general statutes, or (B) are part of a microgrid serving a critical facility, as those terms are defined in section 16-243y of the general statutes.

(c) The Office of Policy and Management shall develop a form to be submitted with the tax due under this section. Not later than July 31, 2026, the department of finance in each municipality, or, for any municipality that does not have a department of finance, the tax collector of such municipality, shall furnish such form upon request. The tax imposed under this section shall be due and payable on the due date or due dates of such return, as determined by the department of finance or tax collector, as applicable. The department of finance or tax collector, as applicable, may require a single annual payment of the tax imposed under this section or may require semiannual or quarterly installments of such payment. Such tax shall be due and collectible as other property taxes and subject to the same liens and processes of collection.

(d) The revenues generated by the tax imposed under this section shall become part of the general revenue of the municipality in which the tax is paid.

(e) If a solar photovoltaic system is located in more than one municipality, the tax shall be allocated between or among the municipalities in proportion to the nameplate capacity of the solar photovoltaic system located in each municipality.

(f) Whenever the tax imposed under this section is not paid when due to the department of finance or tax collector, as applicable, in a municipality, interest at the rate of one and one-half per cent per month or fraction thereof shall accrue on such tax from the due date of such tax until the date of payment.

(g) Any person claiming to be aggrieved by the action of a department of finance or tax collector under this section may appeal the tax to the superior court for the judicial district in which the municipality is located. Any person appealing the tax that pays a portion of such tax during the pendency of such appeal and indicates that such portion is paid "under protest" shall not be liable for any interest on the tax, provided such person pays not less than seventy-five per cent of the amount of the tax assessed by the municipality during the time limits prescribed by the department of finance or tax collector, as applicable, in such municipality in accordance with this section.

(h) (1) Any municipality acting through its board of selectmen, town council, court of common council or other legislative body shall have the power to enter into an agreement to freeze or stabilize the tax imposed under this section for any owner of a solar photovoltaic system located in such municipality, as provided in this subsection.

(2) With respect to any photovoltaic system located in more than one municipality, such agreement shall only pertain to the tax that is

allocated, in accordance with the provisions of subsection (e) of this section, to the municipality that enters into such agreement.

(i) For purposes of calculating the nameplate capacity of a solar photovoltaic system, the following shall be deemed to be part of the same solar photovoltaic system: (1) All equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect that are located on the same parcel; (2) all equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect that are located on land that the current owner of any part of such land subdivided into multiple parcels but was part of the same parcel prior to such subdivision; and (3) all equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect that are located on adjoining parcels. Nothing in this subsection shall be construed to limit tax liability or the definitions in subsection (a) of this section.

Sec. 58. Subdivision (57) of section 12-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(57) (A) (i) Any Class I renewable energy source, as defined in section 16-1, as amended by this act, or hydropower facility described in subdivision (21) of subsection (a) of section 16-1, installed for the generation of electricity where such electricity is intended for private residential use or on a farm, as defined in subsection (q) of section 1-1, provided (I) such installation occurs on or after October 1, 2007, (II) the estimated annual production of such source or facility does not exceed the estimated annual load for the location where such source or facility is located, where such load and production are estimated as of the date of installation of the source or facility as indicated in the written application filed pursuant to subparagraph **[**(E)**]** (G) of this subdivision, and (III) such installation is for a single family dwelling, a multifamily

dwelling consisting of two to four units or a farm; (ii) any passive or active solar water or space heating system; or (iii) any geothermal energy resource. In the case of clause (i) of this subparagraph, the utilization of or participation in any net metering or tariff policy or program implemented by the state or ownership of such source or facility by a party other than the owner of the real property upon which such source or facility is installed shall not disqualify such source or facility from exemption pursuant to this section. In the case of clause (ii) or (iii) of this subparagraph, such exemption shall apply only to the amount by which the assessed valuation of the real property equipped with such system or resource exceeds the assessed valuation of such real property equipped with the conventional portion of the system or resource;

(B) For assessment years commencing on and after October 1, 2013, any Class I renewable energy source, as defined in section 16-1, as amended by this act, hydropower facility described in subdivision (21) of subsection (a) of section 16-1, or solar thermal or geothermal renewable energy source, installed for generation or displacement of energy, provided (i) such installation occurs on or after January 1, 2010, (ii) such installation is for commercial or industrial purposes, (iii) the nameplate capacity of such source or facility does not exceed the load for the location where such generation or displacement is located, and (iv) such source or facility is located in a distressed municipality, as defined in section 32-9p, with a population between one hundred twenty-five thousand and one hundred thirty-five thousand;

(C) For assessment years commencing on and after October 1, 2013, any municipality may, upon approval by its legislative body or in any town in which the legislative body is a town meeting, by the board of selectmen, abate up to one hundred per cent of property tax for any Class I renewable energy source, as defined in section 16-1, as amended by this act, hydropower facility described in subdivision (21) of

subsection (a) of section 16-1, or solar thermal or geothermal renewable energy source, installed for generation or displacement of energy, provided (i) such installation occurs between January 1, 2010, and December 31, 2013, (ii) such installation is for commercial or industrial purposes, (iii) the nameplate capacity of such source or facility does not exceed the load for the location where such generation or displacement is located, and (iv) such source or facility is not located in a municipality described in subparagraph (B) of this subdivision;

(D) **[**For**]** Subject to the provisions of subparagraph (E) of this subdivision, for assessment years commencing on and after October 1, 2014, any (i) Class I renewable energy source, as defined in section 16-1, as amended by this act, other than a nuclear power generating facility, (ii) hydropower facility described in subdivision (21) of subsection (a) of section 16-1, or (iii) solar thermal or geothermal renewable energy source, installed for generation or displacement of energy, provided (I) such installation occurs on or after January 1, 2014, (II) is for commercial or industrial purposes, (III) the nameplate capacity of such source or facility does not exceed the load for the location where such generation or displacement is located or the aggregated load of the beneficial accounts for any Class I renewable energy source participating in virtual net metering pursuant to section 16-244u, and (IV) in the case of clause (iii) of this subparagraph, such exemption shall apply only to the amount by which the assessed valuation of the real property equipped with such source exceeds the assessed valuation of such real property equipped with the conventional portion of the source;

(E) For assessment years commencing on and after October 1, 2025, the exemption provided for under subparagraph (D)(i) of this subdivision shall apply only to equipment and devices that have the primary purpose of generating electricity and shall not apply to any real property on which such equipment and devices are located or installed;

(F) For assessment years commencing on and after October 1, 2025,

any Class I renewable energy source consisting of equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect. The exemption under this subparagraph shall apply only to equipment and devices that have the primary purpose of generating electricity and shall not apply to any real property on which such equipment and devices are located or installed;

**[**(E)**]** (G) Any person claiming **[**the**]** an exemption provided in this subdivision for any assessment year shall, on or before the first day of November in such assessment year, file with the assessor or board of assessors in the town in which such hydropower facility, Class I renewable energy source, solar thermal or geothermal renewable energy source or passive or active solar water or space heating system or geothermal energy resource is located, a written application claiming such exemption. Such application shall be made on a form prepared for such purpose by the Secretary of the Office of Policy and Management, in consultation with the Connecticut Association of Assessing Officers and the Connecticut Green Bank established pursuant to section 16-245n, and shall include, but not be limited to, a statement of the estimated annual load and production of a source or facility described in clause (i) of subparagraph (A) of this subdivision as of the date of the installation of such source or facility. Said secretary shall make such application available to the public on the Internet web site of the Office of Policy and Management. Failure to file such application in the manner and form as provided by the secretary within the time limit prescribed shall constitute a waiver of the right to such exemption for such assessment year. Such application shall not be required for any assessment year following that for which the initial application is filed, provided if such hydropower facility, Class I renewable energy source, solar thermal or geothermal renewable energy source or passive or active solar water or space heating system or geothermal energy resource is altered in a manner **[**which**]** that would require a building permit, such alteration shall be deemed a waiver of the right to such

exemption until a new application, applicable with respect to such altered source, is filed and the right to such exemption is established as required initially. **[**In the event that**]** If a person owns more than one such source or facility in a municipality, such person may file a single application identifying each source or facility;

**[**(F)**]** (H) For assessment years commencing on and after October 1, 2015, any municipality may, by vote of its legislative body or, in a municipality where the legislative body is a town meeting, by vote of the board of selectmen, abate up to one hundred per cent of the property taxes due for any tax year, for not longer than the term of the power purchase agreement, with respect to any Class I renewable energy source, as defined in section 16-1, as amended by this act, that is the subject of such power purchase agreement approved by the Public Utilities Regulatory Authority pursuant to section 16a-3f;

Sec. 59. Section 7 of public act 24-38 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There is established a task force to examine and make recommendations concerning policy, regulations and legislation to improve disclosure requirements and consumer protection for consumers who purchase, lease or enter into power purchase agreements for solar photovoltaic systems. Such study shall include an examination of whether special protections are necessary for consumers who are low-income or senior citizens.

(b) The task force shall consist of the following members:

(1) The Commissioner of Energy and Environmental Protection, or the commissioner's designee;

(2) The chairperson of the Public Utilities Regulatory Authority, or the chairperson's designee;

(3) The Consumer Counsel, or the Consumer Counsel's designee;

(4) The Commissioner of Consumer Protection, or the commissioner's designee;

(5) The president of the Connecticut Green Bank, or the president's designee;

(6) Two appointed by the Governor, who shall be members of an association that represents retailers of solar photovoltaic systems in the state or retailers of solar photovoltaic systems in the state;

(7) Two appointed by the speaker of the House of Representatives, one of whom shall have experience representing **[**senior citizens in matters related to consumer protection or utilities**]** individuals in matters related to consumer protection;

(8) Two appointed by the president pro tempore of the Senate, one of whom shall have experience representing consumer groups, especially in underserved communities;

(9) One appointed by the majority leader of the House of Representatives;

(10) One appointed by the majority leader of the Senate;

(11) Two appointed by the minority leader of the House of Representatives; and

(12) Two appointed by the minority leader of the Senate.

(c) All initial appointments to the task force shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(d) The speaker of the House of Representatives and the president

pro tempore of the Senate shall select the chairperson of the task force from among the members of the task force. Such chairperson shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.

(e) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology shall serve as administrative staff of the task force.

(f) Not later than January 1, **[**2025**]** 2026, the task force shall submit a report on its findings and recommendations to the joint standing committees of the General Assembly having cognizance of matters relating to energy and technology and general law, in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report or January 1, **[**2025**]** 2026, whichever is later.

Governor's Action:
Approved July 1, 2025