

OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

HB-5337

AN ACT CONCERNING DISTRICT HEATING SYSTEM
INCENTIVES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Energy and Environmental Protection	CC&PUCF - Cost	177,290	127,290

Note: CC&PUCF=Consumer Counsel and Public Utility Control Fund

Municipal Impact: None

Explanation

The bill results in a cost to the Consumer Counsel and Public Utility Control Fund of \$177,290 in FY 27 and \$127,290 in FY 28, by requiring the Department of Energy and Environmental Protection (DEEP), to develop and implement an incentive program by July 1, 2027, for end use gas customers connected to a district heating system. The new incentive program would replace the existing program and update the methodology for calculating incentive payments.

The bill will result in a cost to DEEP associated with one additional Research Analyst position, with an annual salary of \$89,755 and associated fringe benefit costs of \$37,535. The new position will be responsible for cost-effectiveness testing and various approvals associated with the new program. Additionally, DEEP will require \$50,000 in FY 27, in consulting costs associated with the rollout of the new program.

The Out Years

Primary Analyst: SB
Contributing Analyst(s):
Reviewer: PR

4/1/26

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.