



Acts Affecting Energy and Utilities

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Notice to Readers

This report provides summaries of new laws (public acts and a resolution) significantly affecting energy and utilities enacted during the 2019 regular session. OLR's other Acts Affecting reports, including Acts Affecting Environment, are, or will soon be, available on OLR's website:

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Each summary indicates the public act (PA) or resolution number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden. Complete summaries of public acts are, or soon will be, available on OLR's website:

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Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <https://www.cga.ct.gov>.

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Cable and Telecommunications

Public, Educational, and Governmental Programming and Education Technology Investment Account (PEGPETIA)

Under a new law, the comptroller must transfer, by June 30, 2020, \$7 million from the General Fund to PEGPETIA for FY 20. Beginning in FY 22, the new law also eliminates the requirement that \$3.5 million be transferred to the General Fund each year from PEGPETIA. Generally, the account provides grants for community access programming and education technology initiatives. It is funded by a 0.25% gross earnings tax on cable-TV, satellite-TV, and certified video service providers ([PA 19-117](#), §§ 350 & 370, effective July 1, 2019).

5G Wireless Facilities

A new law establishes the Council on 5G Technology and tasks it with (1) reviewing requests from wireless carriers and other entities to place personal wireless service facilities and small wireless facilities on certain state-owned real property and (2) determining which state-owned properties may be made available for these facilities. If the council approves a request, it must submit the approved request to the applicable state agency, which then must execute a telecommunications license agreement with the approved carrier or entity.

The new law exempts from the council's jurisdiction properties owned by the Department of Energy and Environmental Protection (DEEP) and certain properties owned by the Department of Transportation (DOT). It establishes separate processes for wireless carriers and other entities to request to site their wireless facilities on these properties. It also requires the Office of Policy and Management (OPM) to jointly develop, with certain other state agencies, the licensing agreements, forms, and fee structures for placing the wireless facilities on state-owned property ([PA 19-163](#), effective July 1, 2019).

Clean and Renewable Energy Programs

Anaerobic Digestion at Animal Feeding Operations

A new law exempts certain anaerobic digestion facilities from DEEP solid waste facility permit requirements. In order to qualify for the exemption, the facility must, among other things, (1) be collocated with an animal feeding operation (i.e., a lot or facility where animals are stabled or confined and fed or maintained), (2) use feed stock that meets certain requirements, and (3) beneficially use any discharge that is not an energy end product. Animal feeding operations with an exempt facility must submit certain information annually to DEEP. If DEEP determines that a facility operating without a permit is not meeting certain requirements, the facility's operators must apply

for a DEEP permit. The act also allows the DEEP commissioner, in consultation with other state agencies, to conduct solicitations and direct the electric distribution companies (i.e., Eversource and United Illuminating) to enter into power purchase agreements for up to 10 megawatts of energy derived from anaerobic digestion. The act requires solicitation bidders to submit at least one proposal for facilities that are animal feeding operations and located on land used for farming ([PA 19-35](#), §§ 15-17, effective upon passage).

Biogas Interconnection Standard

A new law requires the Public Utilities Regulatory Authority (PURA) to initiate a docket (i.e., proceeding), by October 1, 2019, to define and adopt a gas quality interconnection standard for biogas derived from the decomposition of farm-generated organic waste or source separated organic material that has been processed through gas conditioning systems to remove impurities (e.g., carbon dioxide and hydrogen sulfide). The act requires the standard to (1) make the biogas of a quality suitable for interconnection to the state's natural gas distribution system and (2) include cleanliness standards and a process by which biogas producers may request and be approved for interconnection to the state's natural gas distribution system. PURA's final decision in the docket is due September 1, 2021 ([PA 19-35](#), § 18, effective upon passage).

Land Inventory to Site Renewable Facilities

A new law requires the DOT to submit an inventory of DOT-owned land suitable to site Class I renewable energy sources (e.g., wind and solar) to DEEP. DEEP must conduct a technical, legal, and financial analysis of the land considering various factors. The act also allows DEEP to give preference to projects sited on land the department deems suitable for Class I siting that were included in the inventory in solicitations it issues for renewable energy procurements ([PA 19-35](#), § 8, effective upon passage).

Offshore Wind Energy Procurement

This year, the legislature took a significant step towards increasing the state's use of wind energy by establishing a process to solicit proposals from developers of offshore wind power facilities. More specifically, a new law requires the DEEP commissioner, within 14 days after the law becomes effective, to initiate a solicitation for offshore wind projects that have a total nameplate (i.e., generating) capacity of up to 2,000 megawatts in the aggregate.

In developing the solicitation, the commissioner must require any selected proposals to include contractual commitments to (1) pay at least the prevailing wage to construction workers on the project and (2) engage in good faith negotiations over a project labor agreement. In addition, the

responding bidders must include an environmental and fisheries mitigation plan for their facilities' construction and operation.

If the commissioner determines that a responding proposal meets certain criteria, such as being in ratepayers' best interests, the new law allows her to direct the electric distribution companies (EDCs) to enter into up to 20-year power purchase agreements (PPAs) with the projects. The EDCs must recover their net costs for the PPAs from electric ratepayers ([PA 19-71](#), effective upon passage).

Renewable Programs and Tariffs

Last year, the legislature passed [PA 18-50](#), which established a process to transition from traditional net metering (where customers are compensated for renewable generation at the retail electricity rate) to new tariffs (detailed PURA-determined rate rules and schedules).

This year, a new law makes changes to the process and tariffs required under PA 18-50, including (1) delaying certain deadlines, (2) allowing for a longer netting period to measure energy used by the customer or sold to the grid, and (3) requiring PURA to study the value of distributed energy resources and incorporate their findings into the new tariffs. The new law also extends certain renewable programs that otherwise would have expired during this transition, namely, the low- and zero-emissions renewable energy credit program (LREC/ZREC) and the Green Bank's Residential Solar Incentive Program ([PA 19-35](#), §§ 1-6, effective upon passage).

Thermal Energy Portfolio Standard

By law, DEEP must develop an Integrated Resource Plan (IRP) every two years by reviewing the state's energy capacity and future needs and developing a plan for procuring various energy resources. A new law specifies that the next IRP is due January 1, 2020. The act also requires the next plan to include recommendations for, rather than consider, creation of a portfolio standard for thermal energy ([PA 19-35](#), §§ 9 & 10, effective upon passage).

Virtual Net Metering Expansion

Under existing law, net metering allows an electric company customer who owns a renewable energy resource to earn billing credits from that company when the customer generates more power than he or she uses (essentially "running the meter backwards"). Virtual net metering allows the customer to share these credits to lower the electricity bills of other "beneficial accounts" the customer designates. A new law increases the cap on virtual net metering from \$10 million to \$20 million ([PA 19-35](#), § 7, effective upon passage).

Energy Efficiency

Residential Heating Loan Program Extension

A new law extends, for five more years, the duration of the EnergizeCT Heating Loan Program, which provides financing for furnace and boiler replacements and purchases of new or leased residential propane fuel tanks. Under prior law, the program would have expired at the end of the sixth year (2019). Under the act it will expire at the end of its eleventh year (2024) ([PA 19-35](#), § 14, effective upon passage).

State-Funded Construction Project Standards

By law, DEEP regulations must establish energy efficiency standards for certain state-funded construction projects. Under prior law, these standards were based on the U.S. Environmental Protection Agency's national energy performance rating system. A new law instead requires DEEP to establish standards based on a nationally recognized model for sustainable construction codes that promotes construction of high performance green buildings designed to reduce emissions, conserve water, and provide enhanced resilience to natural and other hazards. DEEP must establish the new regulations by January 1, 2020 ([PA 19-35](#), § 11, effective upon passage).

Hydrogen and Electric Vehicles

Parking in Electric Vehicle Charging Stations

Existing law prohibits non-electric vehicles from parking in parking spots equipped with electric vehicle charging stations. This session, the legislature imposed an infraction penalty on those who violate this prohibition ([PA 19-161](#), § 9, effective October 1, 2019).

Rebate Program

A new law establishes the Connecticut Hydrogen and Electric Automobile Purchase Rebate program (based on the existing pilot program) to provide rebates of at least \$3 million annually to state residents for the purchase or lease of new or used hydrogen or electric vehicles. It also establishes a General Fund account for the program with a revenue stream generated by increasing and broadening the application of the greenhouse gas reduction fee. Additionally, the act creates standards and requires agency studies to assist the state with increasing the number of zero-emission vehicles in its fleet ([PA 19-117](#), §§ 93-95, effective October 1, 2019, except that the greenhouse gas reduction fee changes are effective January 1, 2020).

Utility Regulation

DEEP Consultants

This year, the legislature expanded DEEP's ability to retain consultants for certain state and federal proceedings (1) to assist department staff during PURA proceedings as allowed for PURA and the Office of Consumer Counsel and (2) for Federal Communications Commission proceedings as allowed for DEEP and PURA for other federal agency proceedings ([PA 19-35](#), § 12, effective October 1, 2019).

PURA Commissioners

A new law increases the number of the PURA commissioners from three to five. Since the term of one of the current PURA commissioners expires on June 30, 2019, the new law requires the governor to appoint three new commissioners to PURA between July 1, 2019, and May 1, 2020. The governor must make the appointments with the legislature's advice and consent ([PA 19-117](#), § 80, effective July 1, 2019).

PURA Procurement Manager

A new law removes a requirement for PURA to employ a procurement manager who (1) oversees procuring electricity for standard service (the electricity provided to customers who choose not to buy their power from a retail electric supplier) and (2) has experience in energy markets and procuring energy on a commercial scale. It instead allows PURA's chairperson to assign PURA staff to fulfill the procurement manager's statutory duties ([PA 19-117](#), § 79, effective July 1, 2019).

Utility Ownership of Energy Storage

Existing law prohibits electric distribution companies (EDCs, i.e., Eversource and United Illuminating) from owning or operating generation assets, with certain exceptions. Under a new law enacted this year, this prohibition does not apply to EDCs building, owning, or operating energy storage systems (e.g., battery storage). The act allows PURA to authorize the EDCs to recover prudently incurred costs and investments for any energy storage system it builds, owns, or operates ([PA 19-35](#), § 13, effective upon passage).

Water and Sewer

DPH Grants for Water Systems

A new law allows public water system utilities regulated by PURA to receive grants from the Department of Public Health's (DPH) Public Water System Improvement Program. Prior law limited program eligibility to municipal water companies and nonprofit non-community water systems (i.e.,

facilities served by their own water supply). Among other conditions, a water system may receive a program grant only if it is used for an eligible drinking water project approved for financial assistance under DPH's Drinking Water State Revolving Fund (DWSRF) Program ([PA 19-194](#), § 1, effective October 1, 2019).

DPH Loans for Water Projects

By law, DPH awards DWSRF program loans equal to 100% of eligible project costs to eligible drinking water projects, based on a priority list for funding it establishes and maintains. A new law expands the list of emergencies for which DPH may disregard the priority list to include an unanticipated infrastructure failure, water contamination, or a water shortage that requires an eligible project to be immediately undertaken in order to protect the public's health and safety ([PA 19-118](#), § 2, effective July 1, 2019).

Safe Drinking Water Primacy Assessment

A new law requires water companies that own community or non-transient, non-community water systems to annually pay DPH a safe drinking water primary enforcement authority ("primacy") assessment in FYs 19 to 21. (Existing law similarly requires such companies to do so for FY 19.) The assessment's purpose is to support DPH's ability to maintain primacy under the federal Safe Drinking Water Act. Water companies that own community water systems may recover the assessment from customers ([PA 19-117](#), § 75, effective upon passage).

State Water Plan

The legislature adopted a resolution ([HJR 171](#)) approving the state water plan. (As required by law, the state's Water Planning Council developed the plan to help manage the state's water resources. The plan was submitted to the legislature for consideration in the 2018 and 2019 legislative sessions, which included a hearing before the Environment, Energy and Technology, Planning and Development, and Public Health committees in 2018.) The legislature also passed a law specifying that if the water plan conflicts with any state law, the law controls ([PA 19-194](#), §3, effective upon passage).

Water System Operator Certification Examinations

A new law requires DPH to amend its regulations to include standards and procedures for it to approve third-parties to administer certification exams to operators of water treatment plants, water distribution systems, and small water systems. The regulations must also include standards and procedures for DPH to approve study courses and course providers related to these operators,

as well as those who test backflow prevention devices and perform cross-connection surveys ([PA 19-194](#), § 2, effective October 1, 2019).

Workforce Initiatives

Green Jobs Career Ladder

A new law requires the Office of Workforce Competitiveness, in consultation with several other entities, to establish a “career ladder” for jobs in the green technology industry that generally lists careers at each industry level, relevant educational programs offered in Connecticut, and industry jobs available in the state. The Office of Higher Education and the Department of Labor must post the career ladder on their respective websites by July 1, 2020 ([PA 19-35](#), §§ 19 & 20, effective July 1, 2019).

Utilities’ Workforce Needs

A new law requires each technical education and career school principal to meet with representatives from electric, gas, water, and wastewater utilities and from state colleges and universities offering public utility management courses to assess the utilities’ workforce needs and modify the curriculum accordingly ([PA 19-150](#), effective October 1, 2019).

Miscellaneous

Electric Generating Facility Property Assessments

By law, any municipality may treat a power plant that completes construction after July 1, 1998, as though it were located in an enterprise zone and fix the full amount of either the property tax or assessment on the plant's real and personal property.

A new law allows municipalities to extend such tax benefits to existing power plants that completed construction before July 1, 1998, if a new plant is built on the same site and construction is completed after July 1, 2019. The taxes or assessments set by the municipality must approximate the combined plant’s projected tax liability based on a reasonable estimate of its fair market value that the municipality determined using its best efforts ([PA 19-81](#), effective from passage, and applicable to assessment years commencing on and after October 1, 2018).

Statewide Ban on Fracking, Natural Gas, or Oil Waste

A new law, with a limited exception for research, permanently bans accepting, receiving, collecting, storing, treating, transferring, selling, acquiring, handling, applying, processing, and disposing of hydraulic fracturing (“fracking”) waste, natural gas waste, or oil waste in Connecticut. It also bans

the sale, offer, barter, manufacture, distribution, and use of anti-icing, de-icing, pre-wetting, or dust suppression products derived from or containing such waste. It requires anyone exploring for oil or gas to register with DEEP ([PA 19-112](#), effective upon passage).