



# Senate

General Assembly

**File No. 445**

January Session, 2017

Substitute Senate Bill No. 999

*Senate, April 5, 2017*

The Committee on Environment reported through SEN. KENNEDY of the 12th Dist. and SEN. MINER of the 30th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT ESTABLISHING A PILOT PROGRAM FOR THE  
HARNESSING OF COW POWER IN THE STATE OF CONNECTICUT.***

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

1 Section 1. (NEW) (*Effective from passage*) (a) Not later than July 1,  
2 2018, the Commissioner of Energy and Environmental Protection shall  
3 establish a pilot program to provide an energy incentive for three dairy  
4 farms in the state to install and operate anaerobic digesters as a  
5 manure and nutrient management tool at such farm. Such pilot  
6 program shall enable each anaerobic digester project described in this  
7 section to host virtual net metering, as defined in section 16-244u of the  
8 general statutes, including, but not limited to, the crediting of  
9 beneficial accounts, as provided in said section. Each such project shall:  
10 (1) Be located on a farm in the state, (2) compliment such farm's  
11 nutrient management plan, as certified by the Department of  
12 Agriculture, (3) not be larger than five hundred kilowatts in size, and  
13 (4) utilize not less than eighty-five per cent animal manure in such  
14 anaerobic digester.

15 (b) Not later than July 1, 2019, the commissioner shall report, in  
16 accordance with the provisions of section 11-4a of the general statutes,  
17 to the joint standing committee of the General Assembly having  
18 cognizance of matters relating to the environment on the status of such  
19 pilot program and any recommendations for expansion or  
20 modification of such pilot program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

**ENV**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$
Department of Energy and Environmental Protection	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** See Below

**Explanation**

The bill requires the Department of Energy and Environmental Protection (DEEP) to establish a pilot program for three dairy farms to install and operate anaerobic digesters by July 1, 2018, enabling virtual net metering (VNM). It also provides for financing incentives to participating dairy farms, but does not specify how these would be paid.

As the bill is unclear regarding funding sources for the financial incentives, the bill may result in costs to DEEP for this purpose.

To the extent the incentives are financed by ratepayers, the bill would result in costs to the state and municipalities.

Lastly, to the extent incentives are financed directly by agricultural producers, in the form of United States Department of Agriculture (USDA) grants or loans, there is no fiscal impact to the state or municipalities.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to the source of financing incentives.

**OLR Bill Analysis****sSB 999****AN ACT ESTABLISHING A PILOT PROGRAM FOR THE HARNESSING OF COW POWER IN THE STATE OF CONNECTICUT.****SUMMARY**

This bill requires the energy and environmental protection commissioner, by July 1, 2018, to establish a pilot program for three Connecticut dairy farms to install and operate anaerobic digesters as a manure and nutrient management tool. The program must enable each anaerobic digester to host virtual net metering (see BACKGROUND).

Existing law, unchanged by the bill, caps the amount of agricultural virtual net metering credits each electric distribution company (i.e., Eversource and United Illuminating) may approve (CGS § 16-244u(e)). Virtual net metering is only available to the extent the company has not assigned its available credits to other projects.

The bill requires the commissioner, by July 1, 2019, to report to the Environment Committee on the pilot program's status and on any recommendations for expanding or modifying the program.

EFFECTIVE DATE: Upon passage

**ANAEROBIC DIGESTER PROJECTS**

The bill requires each anaerobic digester project under the pilot program to:

1. be on a Connecticut farm;
2. complement the farm's nutrient management plan, as certified by the Department of Agriculture;

3. be up to 500 kilowatts in size; and
4. use at least 85% animal manure.

## **BACKGROUND**

### ***Anaerobic Digesters***

Anaerobic digesters convert manure or other organic products into methane, the principal component of natural gas. Methane can be used for electricity generation, among other things.

### ***Virtual Net Metering***

The virtual net metering law allows municipal, state, and agricultural electric customers that install certain renewable generation systems (“hosts”) to (1) receive a billing credit for excess power their system generates and (2) share this credit with certain other accounts (“beneficial accounts”). An agricultural host may (1) own, lease, or enter into a long-term contract for an agricultural virtual net metering facility and (2) have up to 10 beneficial accounts (CGS § 16-244u).

## **COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 30 Nay 0 (03/22/2017)