



# House of Representatives

General Assembly

**File No. 270**

January Session, 2021

Substitute House Bill No. 6527

*House of Representatives, April 6, 2021*

The Committee on Energy and Technology reported through REP. ARCONTI of the 109th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT INCREASING THE TOTAL OUTPUT OF CLASS III SOURCES.***

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

1 Section 1. Subsection (a) of section 16-243q of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
3 *2021*):

4 (a) On and after January 1, 2007, each electric distribution company  
5 providing standard service pursuant to section 16-244c and each electric  
6 supplier as defined in section 16-1 shall demonstrate to the satisfaction  
7 of the Public Utilities Regulatory Authority that not less than one per  
8 cent of the total output of such supplier or such standard service of an  
9 electric distribution company shall be obtained from Class III sources.  
10 On and after January 1, 2008, not less than two per cent of the total  
11 output of any such supplier or such standard service of an electric  
12 distribution company shall, on demonstration satisfactory to the Public  
13 Utilities Regulatory Authority, be obtained from Class III sources. On or  
14 after January 1, 2009, not less than three per cent of the total output of

15 any such supplier or such standard service of an electric distribution  
 16 company shall, on demonstration satisfactory to the Public Utilities  
 17 Regulatory Authority, be obtained from Class III sources. On and after  
 18 January 1, 2010, not less than four per cent of the total output of any such  
 19 supplier or such standard service of an electric distribution company  
 20 shall, on demonstration satisfactory to the Public Utilities Regulatory  
 21 Authority, be obtained from Class III sources. On and after January 1,  
 22 2022, until December 31, 2024, not less than five per cent of the total  
 23 output of any such supplier or such standard service of an electric  
 24 distribution company shall, on demonstration satisfactory to the Public  
 25 Utilities Regulatory Authority, be obtained from Class III sources.  
 26 Electric power obtained from customer-side distributed resources that  
 27 does not meet air and water quality standards of the Department of  
 28 Energy and Environmental Protection is not eligible for purposes of  
 29 meeting the percentage standards in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	16-243q(a)

**ET** Joint Favorable Subst.

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*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.*

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

There is no fiscal impact resulting from the bill, which increases the output of Class III energy sources to at least 5% of the total output by electric distribution companies between January 1, 2022 and December 31, 2024.

While the bill is not anticipated to have a fiscal impact, it may impact ratepayers to the extent that Class III energy sources are more costly to procure than traditional sources.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis**

**sHB 6527**

**AN ACT INCREASING THE TOTAL OUTPUT OF CLASS III SOURCES.**

**SUMMARY**

This bill temporarily increases, from 4% to 5%, the Class III procurement requirement under the state’s Renewable Portfolio Standard (RPS) law. The RPS generally requires the electric distribution companies (EDCs, i.e., Eversource and United Illuminating) and retail electric suppliers to obtain a portion of their power from certain energy resources categorized as Class I, II, and III. By law, Class III sources include electricity from certain combined heat and power systems, certain waste heat recovery systems, and conservation and load management programs, generally excluding those supported by ratepayers (CGS § 16-1(a)(38)).

From January 1, 2022, until December 31, 2024, the bill requires the EDCs and suppliers to obtain 5%, rather than 4%, of the power they provide to customers from Class III sources. (Presumably, the Class III requirement reverts to 4% after 2024, but it is unclear.)

EFFECTIVE DATE: July 1, 2021

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 18 Nay 8 (03/18/2021)