



General Assembly

February Session, 2022

***Raised Bill No. 5118***

LCO No. 1165



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

***AN ACT CONCERNING WASTE MANAGEMENT AND ANAEROBIC DIGESTION.***

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

1 Section 1. Subsection (a) of section 16-245a of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective October*  
3 *1, 2022*):

4 (a) Subject to any modifications required by the Public Utilities  
5 Regulatory Authority for retiring renewable energy certificates on  
6 behalf of all electric ratepayers pursuant to subsection (h) of this section  
7 and sections 16a-3f, 16a-3g, 16a-3h, 16a-3i, 16a-3j, 16a-3m and 16a-3n, an  
8 electric supplier and an electric distribution company providing  
9 standard service or supplier of last resort service, pursuant to section 16-  
10 244c, shall demonstrate:

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

15 Class I or Class II renewable energy sources;

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

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

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

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

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

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

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

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

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

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

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

71 (13) On and after January 1, 2018, not less than seventeen per cent of  
72 the total output or services of any such supplier or distribution company  
73 shall be generated from Class I renewable energy sources and an  
74 additional four per cent of the total output or services shall be from Class  
75 I or Class II renewable energy sources;

76 (14) On and after January 1, 2019, not less than nineteen and one-half

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

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

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

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

100 (18) On and after January 1, 2023, not less than twenty-six per cent of  
101 the total output or services of any such supplier or distribution company  
102 shall be generated from Class I renewable energy sources and an  
103 additional four per cent of the total output or services shall be from  
104 [Class I or] Class II renewable energy sources;

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

108 an additional four per cent of the total output or services shall be from  
109 [Class I or] Class II renewable energy sources;

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

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

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

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

130 (24) On and after January 1, 2029, not less than thirty-eight per cent  
131 of the total output or services of any such supplier or distribution  
132 company shall be generated from Class I renewable energy sources and  
133 an additional four per cent of the total output or services shall be from  
134 [Class I or] Class II renewable energy sources;

135 (25) On and after January 1, 2030, not less than forty per cent of the  
136 total output or services of any such supplier or distribution company  
137 shall be generated from Class I renewable energy sources and an  
138 additional four per cent of the total output or services shall be from

139 [Class I or] Class II renewable energy sources.

140 Sec. 2. Subdivision (1) of subsection (h) of section 16-244c of the  
141 general statutes is repealed and the following is substituted in lieu  
142 thereof (*Effective October 1, 2022*):

143 (h) (1) Notwithstanding the provisions of subsection (b) of this  
144 section regarding an alternative standard service option, an electric  
145 distribution company providing standard service, supplier of last resort  
146 service or back-up electric generation service in accordance with this  
147 section shall contract with its wholesale suppliers to comply with the  
148 renewable portfolio standards. The Public Utilities Regulatory  
149 Authority shall annually conduct an uncontested proceeding in order to  
150 determine whether the electric distribution company's wholesale  
151 suppliers met the renewable portfolio standards during the preceding  
152 year. On or before December 31, 2013, the authority shall issue a decision  
153 on any such proceeding for calendar years up to and including 2012, for  
154 which a decision has not already been issued. Not later than December  
155 31, 2014, and annually thereafter, the authority shall, following such  
156 proceeding, issue a decision as to whether the electric distribution  
157 company's wholesale suppliers met the renewable portfolio standards  
158 during the preceding year. An electric distribution company shall  
159 include a provision in its contract with each wholesale supplier that  
160 requires the wholesale supplier to pay the electric distribution company  
161 an amount of: (A) For calendar years up to and including calendar year  
162 2017, five and one-half cents per kilowatt hour if the wholesale supplier  
163 fails to comply with the renewable portfolio standards during the  
164 subject annual period, (B) for calendar years commencing on January 1,  
165 2018, up to and including the calendar year commencing on January 1,  
166 2020, five and one-half cents per kilowatt hour if the wholesale supplier  
167 fails to comply with the renewable portfolio standards during the  
168 subject annual period for Class I renewable energy sources, and two and  
169 one-half cents per kilowatt hour if the wholesale supplier fails to comply  
170 with the renewable portfolio standards during the subject annual period  
171 for Class II renewable energy sources, and (C) for calendar years

172 commencing on and after January 1, 2021, four cents per kilowatt hour  
173 if the wholesale supplier fails to comply with the renewable portfolio  
174 standards during the subject annual period for Class I renewable energy  
175 sources, and two and one-half cents per kilowatt hour if the wholesale  
176 supplier fails to comply with the renewable portfolio standards during  
177 the subject annual period for Class II renewable energy sources. The  
178 electric distribution company shall promptly transfer any payment  
179 received from the wholesale supplier for the failure to meet the  
180 renewable portfolio standards to the Clean Energy Fund for the  
181 development of Class I renewable energy sources, provided, on and  
182 after June 5, 2013, any such payment shall be refunded to ratepayers by  
183 using such payment to offset the costs to all customers of electric  
184 distribution companies of the costs of contracts and tariffs entered into  
185 pursuant to sections 16-244r, 16-244t and 16-244z, except that, on or after  
186 January 1, 2023, any such payment that is attributable to a failure to  
187 comply with the Class II renewable portfolio standards shall be  
188 deposited in the sustainable materials management account established  
189 pursuant to section 5 of this act. Any excess amount remaining from  
190 such payment shall be applied to reduce the costs of contracts entered  
191 into pursuant to subdivision (2) of this subsection, and if any excess  
192 amount remains, such amount shall be applied to reduce costs collected  
193 through nonbypassable, federally mandated congestion charges, as  
194 defined in section 16-1.

195       Sec. 3. Subsection (k) of section 16-245 of the 2022 supplement to the  
196 general statutes is repealed and the following is substituted in lieu  
197 thereof (*Effective October 1, 2022*):

198       (k) Any licensee who fails to comply with a license condition or who  
199 violates any provision of this section, except for the renewable portfolio  
200 standards contained in subsection (g) of this section, shall be subject to  
201 civil penalties by the Public Utilities Regulatory Authority in accordance  
202 with section 16-41, including direction that a portion of the civil penalty  
203 be paid to a nonprofit agency engaged in energy assistance programs  
204 named by the authority in its decision or notice of violation, the

205 suspension or revocation of such license and a prohibition on accepting  
206 new customers following a hearing that is conducted as a contested case  
207 in accordance with chapter 54. Notwithstanding the provisions of  
208 subsection (b) of section 16-244c regarding an alternative transitional  
209 standard offer option or an alternative standard service option, the  
210 authority shall require a payment by a licensee that fails to comply with  
211 the renewable portfolio standards in accordance with subdivision (4) of  
212 subsection (g) of this section in the amount of: (1) For calendar years up  
213 to and including calendar year 2017, five and one-half cents per kilowatt  
214 hour, (2) for calendar years commencing on January 1, 2018, and up to  
215 and including the calendar year commencing on January 1, 2020, five  
216 and one-half cents per kilowatt hour if the licensee fails to comply with  
217 the renewable portfolio standards during the subject annual period for  
218 Class I renewable energy sources, and two and one-half cents per  
219 kilowatt hour if the licensee fails to comply with the renewable portfolio  
220 standards during the subject annual period for Class II renewable  
221 energy sources, and (3) for calendar years commencing on and after  
222 January 1, 2021, four cents per kilowatt hour if the licensee fails to  
223 comply with the renewable portfolio standards during the subject  
224 annual period for Class I renewable energy sources, and two and one-  
225 half cents per kilowatt hour if the licensee fails to comply with the  
226 renewable portfolio standards during the subject annual period for  
227 Class II renewable energy sources. On or before December 31, 2013, the  
228 authority shall issue a decision, following an uncontested proceeding,  
229 on whether any licensee has failed to comply with the renewable  
230 portfolio standards for calendar years up to and including 2012, for  
231 which a decision has not already been issued. On and after June 5, 2013,  
232 the Public Utilities Regulatory Authority shall annually conduct an  
233 uncontested proceeding in order to determine whether any licensee has  
234 failed to comply with the renewable portfolio standards during the  
235 preceding year. Not later than December 31, 2014, and annually  
236 thereafter, the authority shall, following such proceeding, issue a  
237 decision as to whether the licensee has failed to comply with the  
238 renewable portfolio standards during the preceding year. The authority  
239 shall allocate such payment to the Clean Energy Fund for the



240 development of Class I renewable energy sources, provided, on and  
 241 after June 5, 2013, any such payment shall be refunded to ratepayers by  
 242 using such payment to offset the costs to all customers of electric  
 243 distribution companies of the costs of contracts and tariffs entered into  
 244 pursuant to sections 16-244r, 16-244t and section 16-244z, except that, on  
 245 and after January 1, 2023, any such payment that is attributable to a  
 246 failure to comply with the Class II renewable portfolio standards shall  
 247 be deposited in the sustainable materials management account  
 248 established pursuant to section 5 of this act. Any excess amount  
 249 remaining from such payment shall be applied to reduce the costs of  
 250 contracts entered into pursuant to subdivision (2) of subsection (j) of  
 251 section 16-244c, and if any excess amount remains, such amount shall be  
 252 applied to reduce costs collected through nonbypassable, federally  
 253 mandated congestion charges, as defined in section 16-1.

254 Sec. 4. Subsection (a) of section 16a-3i of the general statutes is  
 255 repealed and the following is substituted in lieu thereof (*Effective October*  
 256 *1, 2022*):

257 (a) During the calendar year commencing January 1, 2014, and  
 258 continuing each calendar year thereafter, if alternative compliance  
 259 payments pursuant to subsection [(j)] (h) of section 16-244c or subsection  
 260 (k) of section 16-245 are made for failure to meet the renewable portfolio  
 261 standards, there shall be a presumption for the calendar year the  
 262 alternative compliance payments are made that there is an insufficient  
 263 supply of Class I renewable energy sources, as defined in section 16-1,  
 264 for electric suppliers or electric distribution companies to comply with  
 265 the requirements of section 16-245a.

266 Sec. 5. (NEW) (*Effective October 1, 2022*) (a) There is established an  
 267 account to be known as the sustainable materials management account  
 268 which shall be a separate, nonlapsing account within the General Fund. The  
 269 account shall contain moneys collected by the alternative compliance payment  
 270 for Class II renewable portfolio standards pursuant to subsection (h) of section  
 271 16-244c of the general statutes, as amended by this act, and subsection (k) of  
 272 section 16-245 of the general statutes, as amended by this act. The

273 Commissioner of Energy and Environmental Protection shall expend moneys  
274 from the account for the purposes of the program established under this  
275 section.

276 (b) On and after January 1, 2023, the Commissioner of Energy and  
277 Environmental Protection shall establish and administer a sustainable  
278 materials management program to support solid waste reduction in the state  
279 through the provision of funding from the sustainable materials management  
280 account for purposes, including, but not limited to, grants, revolving loans,  
281 technical assistance, consulting services and waste characterization studies, to  
282 support programs and projects implemented by entities, including, but not  
283 limited to, municipalities, nonprofits and regional waste authorities. Such  
284 programs and projects shall promote affordable, sustainable and self-sufficient  
285 management of waste within the state by reducing solid waste generation or  
286 diverting solid waste from disposal, consistent with the state-wide solid waste  
287 management plan established pursuant to section 22a-228 of the general  
288 statutes.

289 (c) Not later than January 1, 2024, and annually thereafter, the Department  
290 of Energy and Environmental Protection shall submit a report, in accordance  
291 with the provisions of section 11-4a of the general statutes, to the joint standing  
292 committees of the General Assembly having cognizance of matters relating to  
293 the environment and energy and technology detailing the expenditures of any  
294 funds disbursed from the sustainable materials management account  
295 established in subsection (a) of this section and the outcomes associated with  
296 such expenditures.

297 Sec. 6. (NEW) (*Effective October 1, 2022*) (a) The Commissioner of Energy and  
298 Environmental Protection, in consultation with the Office of Consumer  
299 Counsel and the Attorney General, may solicit proposals for the supply of  
300 biogas for injection into the natural gas distribution systems in the state, in one  
301 solicitation or multiple solicitations, from anaerobic digestion facilities that  
302 have obtained a permit pursuant to section 22a-208a of the general statutes and  
303 produce biogas derived from the decomposition of farm-generated organic  
304 waste or source-separated organic material. The commissioner may select  
305 proposals from such anaerobic digestion facilities that produce biogas from  
306 not more than three hundred thousand tons of organic waste annually.

307 (b) In making any selection of such proposals, the commissioner shall

308 consider factors, including, but not limited to, (1) whether the proposal is in  
309 the best interest of natural gas ratepayers, (2) whether the proposal promotes  
310 the policy goals outlined in the state-wide solid waste management plan  
311 developed pursuant to section 22a-241a of the general statutes, (3) any positive  
312 impacts on the state's economic development, including any positive impacts  
313 on the state's agricultural industry, (4) whether the proposal is consistent with  
314 the requirements to reduce greenhouse gas emissions in accordance with  
315 section 22a-200a of the general statutes, (5) the characteristics of a relevant  
316 facility that produces renewable natural gas, including, but not limited to,  
317 whether the proposed gas conditioning system or systems and the biogas  
318 complies with the interconnection standards developed in accordance with  
319 section 18 of public act 19-35, and (6) whether the proposal promotes natural  
320 gas distribution system benefits.

321 (c) The commissioner may direct the gas companies, as defined in section  
322 16-1 of the general statutes, to enter into gas purchase agreements with biogas  
323 suppliers selected pursuant to this section for biogas and associated attributes  
324 for periods of not more than twenty years on behalf of all customers of gas  
325 companies in the state.

326 (d) Any gas purchase agreement entered into pursuant to this section shall  
327 be subject to review and approval by the Public Utilities Regulatory Authority,  
328 which review shall be completed not later than one hundred twenty days after  
329 the date on which such agreement is filed with the authority. The authority  
330 shall review and approve such agreements if they meet the criteria in the  
331 request for proposals issued pursuant to subsection (a) of this section and are  
332 in the best interest of ratepayers.

333 (e) (1) The reasonable costs incurred by the gas companies in negotiating  
334 and executing such gas purchase agreements and the net costs for the supply  
335 of biogas under any such gas purchase agreement shall be recovered from all  
336 customers of such company through the purchased gas adjustment clause in  
337 section 16-19b of the general statutes. Any net revenues from the sale of  
338 products purchased in accordance with any such agreements entered into  
339 pursuant to this section shall be credited to customers through the same fully  
340 reconciling rate component for all customers of the contracting gas company.  
341 Any such net costs or net revenues, as applicable, of any such agreements shall  
342 be apportioned in proportion to the revenues of each contracting gas company  
343 as reported to the authority pursuant to section 16-49 of the general statutes

344 for the most recent fiscal year.

345 (2) A gas company shall recover the costs incurred by such gas company  
346 related to constructing, operating and maintaining infrastructure arising from  
347 such gas purchase agreement from the biogas supplier through a contribution  
348 in aid of construction or other provision of the gas purchase agreement. Any  
349 incurred costs not to be recovered from the biogas supplier shall be identified  
350 and approved by the authority at the time the authority approves any gas  
351 purchase agreement. Such prudently incurred costs shall be recovered in any  
352 existing rate tracking mechanism for the recovery of natural gas infrastructure  
353 investments, or if no mechanism currently exists, a newly established rate  
354 tracking mechanism established by the authority.

355 (f) A gas company can elect to either (1) use any renewable natural gas  
356 procured pursuant to this section to meet the needs of its customers, or (2) sell  
357 any such renewable natural gas into applicable markets or through bilateral  
358 contracts with third parties with the net benefits or costs thereof reflected in  
359 the purchased gas adjustment clause in section 16-19b of the general statutes.

360 (g) The commissioner may retain consultants to assist in implementing the  
361 provisions of this section, including, but not limited to, the evaluation of  
362 proposals submitted pursuant to this section. All reasonable costs associated  
363 with the commissioner's solicitation and review of proposals pursuant to this  
364 section shall be recoverable through the same fully reconciling rate component  
365 for all customers of the gas companies. Such costs shall be recoverable even if  
366 the commissioner does not select any proposals pursuant to any solicitation  
367 issued pursuant to this section.

368 (h) (1) Any dispute arising from a contract that is approved by the authority  
369 pursuant to this section shall be brought to the authority. A party may petition  
370 the authority for a declaratory ruling or make an application for review  
371 pursuant to this subsection. Notwithstanding subsection (a) of section 4-176 of  
372 the general statutes, the authority may not on its own motion initiate a  
373 proceeding to review a contract entered into pursuant to this subsection.

374 (2) The authority shall review such contract claims brought pursuant to  
375 subdivision (1) of this subsection. The authority shall decide such contract  
376 claims by issuing a declaratory ruling or a final decision in a contested case  
377 proceeding, including ordering legal and equitable contract remedies. Any

378 party to the contract shall have the right to appeal to the superior court from  
379 any such declaratory ruling or final decision adjudicating such contract claims  
380 pursuant to this subsection.

|                                                                               |                        |               |
|-------------------------------------------------------------------------------|------------------------|---------------|
| This act shall take effect as follows and shall amend the following sections: |                        |               |
| Section 1                                                                     | <i>October 1, 2022</i> | 16-245a(a)    |
| Sec. 2                                                                        | <i>October 1, 2022</i> | 16-244c(h)(1) |
| Sec. 3                                                                        | <i>October 1, 2022</i> | 16-245(k)     |
| Sec. 4                                                                        | <i>October 1, 2022</i> | 16a-3i(a)     |
| Sec. 5                                                                        | <i>October 1, 2022</i> | New section   |
| Sec. 6                                                                        | <i>October 1, 2022</i> | New section   |

***ET***      *Joint Favorable*