



General Assembly

Substitute Bill No. 7087

January Session, 2025



AN ACT CONCERNING COMMUNITY SOLAR ENERGY GENERATING SYSTEMS.

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

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) As used in this section
2 and section 2 of this act:

3 (1) "Authority" means the Public Utilities Regulatory Authority;

4 (2) "Baseline annual usage" means (A) a subscriber's accumulated
5 electricity use in kilowatt-hours for the twelve months before the
6 subscriber's most recent subscription, or (B) for a subscriber that does
7 not have a record of twelve months of electricity use at the time of the
8 subscriber's most recent subscription, an estimate of the subscriber's
9 accumulated twelve months of electricity use in kilowatt-hours,
10 determined in a manner approved by the authority;

11 (3) "Community solar energy generating system" means a solar
12 photovoltaic system, with or without a connected energy storage
13 system, that (A) is located in the state or in the territory of the regional
14 independent system operator, as defined in section 16-1 of the general
15 statutes, (B) is connected to the electric meter of more than one
16 subscriber or is a separate facility with its own electric meter, (C) credits
17 such system's generated electricity, or the value of such system's

18 generated electricity, to the bills of the subscribers to such system
19 through virtual net energy metering, (D) has at least two subscribers, (E)
20 does not have any individual subscriber that constitutes more than sixty
21 per cent of such system's subscriptions, and (F) is owned by any person
22 or entity that is not an electric distribution company;

23 (4) "Electric distribution company" has the same meaning as
24 provided in section 16-1 of the general statutes;

25 (5) "Electric supplier" has the same meaning as provided in section
26 16-1 of the general statutes;

27 (6) "Program" means the community solar energy generating systems
28 pilot program;

29 (7) "Subscriber" means a retail customer of an electric distribution
30 company that (A) holds a subscription to a community solar energy
31 generating system, and (B) has identified one or more individual meters
32 or accounts to which the subscription shall be attributed;

33 (8) "Subscriber organization" means (A) a person that owns or
34 operates a community solar energy generating system, or (B) the
35 collective group of subscribers of a community solar energy generating
36 system;

37 (9) "Subscription" means the portion of the electricity generated by a
38 community solar energy generating system that is credited to a
39 subscriber;

40 (10) "Unsubscribed energy" means any community solar energy
41 generating system output in kilowatt-hours that is not allocated to any
42 subscriber; and

43 (11) "Virtual net energy metering" means the measurement of the
44 difference between the kilowatt-hours or value of electricity that is
45 supplied by an electric company and the kilowatt-hours or value of
46 electricity attributable to a subscription to a community solar energy
47 generating system that is fed back to the electric grid over a subscriber's

48 billing period.

49 (b) On or before December 1, 2025, the Public Utilities Regulatory
50 Authority shall initiate a proceeding to establish a community solar
51 energy generating systems pilot program. The program shall comply
52 with the following:

53 (1) All electric customer rate classes shall be eligible to participate in
54 the program;

55 (2) Subscribers receiving standard service, as described in section 16-
56 244c of the general statutes, and subscribers served by an electric
57 supplier may hold subscriptions to the same community solar energy
58 generating system;

59 (3) A subscriber organization shall (A) determine how to allocate
60 subscriptions to subscribers, and (B) notify each electric distribution
61 company or electricity supplier that provides services to its subscribers
62 about the regulations the authority adopts under subsection (c) of this
63 section;

64 (4) An electric distribution company shall use the tariff structure
65 adopted under subsection (c) of this section to provide each subscriber
66 with the credits calculated by a subscriber organization;

67 (5) A subscriber may not receive credit for virtual net energy
68 metering excess generation that exceeds two hundred per cent of the
69 subscriber's baseline annual usage;

70 (6) A subscriber organization may sell to an electric distribution
71 company any unsubscribed energy generated by a community solar
72 energy generating system under such company's process for purchasing
73 the output from qualifying facilities at the amount such energy would
74 cost to procure on the electric market in the state. A subscriber
75 organization may transfer any unsubscribed or overproduced energy
76 credits not sold to an electric distribution company to the Connecticut
77 Green Bank pursuant to the program established pursuant to section 2

78 of this act;

79 (7) An electric distribution company shall offer a subscriber
80 organization the option to utilize a consolidated billing mechanism
81 whereby the electric distribution company administers billing credits or
82 charges for subscribers concerning the operations of the community
83 solar energy generating system;

84 (8) An electric distribution company shall use energy generated from
85 a community solar energy generating system to offset purchases from
86 wholesale electricity suppliers for standard service;

87 (9) Any costs associated with small generator interconnection
88 standards approved or adopted by the authority shall be paid by the
89 subscriber organization;

90 (10) A subscriber organization may petition an electric distribution
91 company to coordinate the interconnection and commencement of
92 operations of a community solar energy generating system after the
93 authority adopts regulations required under subsection (c) of this
94 section;

95 (11) A subscriber organization may contract with a third party for the
96 financing, construction, ownership or operation of a community solar
97 energy generating system;

98 (12) A municipal electric utility or cooperative utility may participate
99 in such program; and

100 (13) The authority shall limit such program to a total nameplate
101 capacity rating of six hundred megawatts in the aggregate.

102 (c) Not later than February 1, 2026, the authority shall adopt
103 regulations, in accordance with the provisions of chapter 54 of the
104 general statutes, to implement the provisions of this section, including
105 regulations establishing (1) consumer protections for electric customers,
106 (2) a tariff structure for a subscriber organization or an electric
107 distribution company to provide a subscriber with the kilowatt-hours

108 or value of the subscriber's subscription at the retail rate for electricity
109 in the state, (3) a calculation for virtual net energy metering determined
110 by the authority, (4) a protocol for electric distribution companies,
111 electricity suppliers and subscriber organizations to communicate the
112 information necessary to calculate and provide monthly electric bill
113 credits and any yearly net excess generation payments required by this
114 section, and (5) a protocol for a subscriber organization to coordinate
115 with an electric distribution company for the interconnection of a
116 community solar energy generating system with the distribution grid
117 operated by such company and the commencement of operations of
118 such system.

119 (d) Any contract relating to a community solar energy generating
120 system or subscriber organization executed during the program shall
121 not be affected by the termination of such program.

122 (e) After such program terminates, (1) a subscriber organization may
123 continue the operation of a community solar energy generating system
124 that began operation during the program, including the creation and
125 trading of subscriptions, and (2) each electric distribution company shall
126 continue to facilitate the operation of a community solar energy
127 generating system that began operation during the program, in
128 accordance with the program requirements and regulations adopted by
129 the authority pursuant to this section.

130 (f) A subscriber organization may submit content to be posted on the
131 Internet web site of the Energy Conservation Management Board,
132 established pursuant to section 16-245m of the general statutes, to
133 inform customers of an electric distribution company of potential offers
134 and subscriptions provided by such organization, including offers or
135 subscriptions that may be used by such customers in combination with
136 electric supply offers from other sources. Each electric distribution
137 company shall place a message on each customer electric bill informing
138 such customer how to subscribe to a community solar energy generating
139 system and information concerning offers on the Energy Conservation
140 Management Board's Internet web site.

141 Sec. 2. (NEW) (*Effective October 1, 2025*) The Connecticut Green Bank,
142 created pursuant to section 16-245n of the general statutes, in
143 consultation with the Commissioner of Energy and Environmental
144 Protection, shall establish and administer a program to be known as the
145 "community solar energy credit sale program". Under such program, a
146 subscriber organization may transfer any unsubscribed or
147 overproduced energy credits held by such organization to the
148 Connecticut Green Bank for sale by the bank. Upon transfer, such
149 energy credits shall be owned by the bank until sold or otherwise
150 disposed of by the bank. The purchase price of such energy credits
151 received by the bank from a subscriber organization shall be determined
152 by the bank. Upon the sale of any such energy credit by the bank, the
153 purchase price of such energy credit, less a reasonable administrative
154 fee determined by the bank in consultation with the commissioner, shall
155 be remitted to the subscriber organization.

156 Sec. 3. (*Effective October 1, 2025*) (a) There is established a working
157 group to study the value and costs of the pilot program established
158 pursuant to section 1 of this act and make recommendations to the
159 Public Utilities Regulatory Authority on the advisability of establishing
160 a permanent program. Such working group shall consist of (1) the
161 chairperson of the Public Utilities Regulatory Authority, or the
162 chairperson's designee, (2) the Commissioner of Energy and
163 Environmental Protection, or the commissioner's designee, (3) the
164 Consumer Counsel, or the Consumer Counsel's designee, and (4) such
165 other persons as the chairperson of the Public Utilities Regulatory
166 Authority believes may serve to accomplish the purpose of the working
167 group.

168 (b) All initial appointments to the working group shall be made not
169 later than July 1, 2026. Any vacancy shall be filled by the chairperson of
170 the Public Utilities Regulatory Authority. The chairperson of the Public
171 Utilities Regulatory Authority shall serve as chairperson of the working
172 group and shall schedule the first meeting of the working group, which
173 shall be held not later than October 1, 2026.

174 (c) In conducting the study, the working group shall identify and
175 examine (1) a framework for valuation of the costs and benefits related
176 to community solar and virtual net energy metering, (2) the costs and
177 benefits of community solar energy generating systems to participating
178 subscribers and to nonsubscriber ratepayers, (3) an appropriate credit
179 mechanism and operational structure that allows a community
180 renewable solar energy generating system to minimize administrative
181 costs to an electric company, electric supplier or subscriber
182 organization, (4) the benefits to and the technical and cost impacts of
183 community solar programs and virtual net energy metering on an
184 electric company's distribution grid, (5) issues, benefits and concerns
185 related to the participation of electric companies, including investor-
186 owned utilities, in community solar programs and projects, including
187 owners and operators of the projects, (6) whether and how community
188 solar projects or virtual net energy metering have a substantially
189 different technical impact on the distribution system than traditional net
190 energy metering, (7) any impacts of the program on the standard offer
191 service procurement process, (8) community solar programs and cost-
192 benefit studies in other states, (9) whether and how community solar
193 programs can help reduce the cost of compliance with the renewable
194 energy portfolio standard, (10) how community solar energy generating
195 systems can impact locational marginal prices in the state, (11) the
196 impacts of the pilot program on energy costs, reliability and equitable
197 cost allocation for ratepayers, (12) how community solar project
198 developers can increase participation by low and moderate-income
199 retail electric customers in community solar projects, (13) the progress
200 of the community solar energy generating pilot program established
201 pursuant to section 1 of this act, in attracting low and moderate-income
202 retail electric customers, (14) whether community solar energy
203 generating systems are an overall net benefit in helping the state achieve
204 its distributed generation and renewable goals, and (15) any other
205 matters the working group considers relevant and appropriate.

206 (d) Not later than January 1, 2028, the chairperson of the Public
207 Utilities Regulatory Authority shall submit a report, in accordance with

208 the provisions of section 11-4a of the general statutes, to the joint
209 standing committee of the General Assembly having cognizance of
210 matters relating to energy and technology. Such report shall include an
211 analysis of the factors identified in subsection (c) of this section. The
212 working group shall terminate on the date that it submits such report or
213 January 1, 2028, whichever is later.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2025</i>	New section
Sec. 2	<i>October 1, 2025</i>	New section
Sec. 3	<i>October 1, 2025</i>	New section

Statement of Legislative Commissioners:

Section 1(a)(3)(E) was rewritten for clarity; in Section 1(b)(6), "by" was changed to "pursuant to" for accuracy; in Section 1(c)(1), "electric consumer protections" was changed to "consumer protections for electric customers" for clarity; in Section 3(c)(7), "identification of" was deleted and "of the program" was added after "impacts" for clarity and grammar; in Section 3(c)(8), "a review of" was deleted for grammar.

ET *Joint Favorable Subst.*