PA 25-173—sSB 4
Energy and Technology Committee
Finance, Revenue and Bonding Committee
Appropriations Committee

AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND ACCOUNTABILITY

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§ 59 — SOLAR CONSUMER PROTECTION TASK FORCE

Extends the taskforce's reporting deadline by one year and broadens qualifications for one appointee

SUMMARY: This act makes wide-ranging changes in laws affecting electric rates, utility regulation, and related state agencies, as described in the section-by-section analysis below.
EFFECTIVE DATE: Various, see below.

§ 1 — BONDING FOR HARDSHIP PROTECTION MEASURES

Authorizes up to $250 million in GO bonds for FYs 26 & 27 to reduce costs of hardship protection measures charged to EDC customers as system benefits charges

The act authorizes up to $250 million in new general obligation (GO) bonds ($125 million each in FYs 26 and 27) for the Office of Policy and Management (OPM). OPM must use bond proceeds to reduce the cost of hardship protection measures charged to electric distribution company (EDC) customers under the systems benefits charge on their bills. OPM must reduce these costs to the average annual cost for years 2016 through 2020 (pre-COVID-19 pandemic years). (Hardship protection measures include shut-off protections and payment programs, among other things.) The bonds are subject to standard issuance procedures and have a maximum term of 20 years.
EFFECTIVE DATE: July 1, 2025

§ 2 — BONDING FOR ELECTRIC VEHICLE CHARGING PROGRAM

Authorizes up to a total of $50 million in GO bonds for FYs 26 & 27 for the EV charging program

The act authorizes up to $30 million for FY 26 and $20 million for FY 27 in new GO bonds for OPM to fund the electric vehicle (EV) charging program, described below. The bonds are subject to standard issuance procedures and have a maximum term of 20 years.
EFFECTIVE DATE: July 1, 2025

§ 3 — EV CHARGING PROGRAM COST LIMITS

Caps PURA EV charging program expenses at $20 million per year and limits eligibility for residential incentives to customers living in concentrated poverty census tracts or in households with incomes up to 300% of FPL

Starting January 1, 2026, the act requires the Public Utilities Regulatory Authority (PURA) to limit expenses to $20 million per year for EV charging stations and customer wiring upgrades in any light-duty EV charging program established in a PURA proceeding. (PURA established an EV charging program in 2021 (Docket 17-12-03RE04).)

The act requires PURA to further limit expenses for EV charging stations and customer wiring upgrades by limiting eligibility for incentives under residential single-family customer programs to residents who (1) live in a concentrated poverty census tract (a U.S. census tract where at least 30% of households have incomes below the federal poverty level (FPL)) or (2) have incomes at or below 300% of FPL. In 2025, for a household of three, the FPL is $26,650 and 300% of FPL is $79,950.
EFFECTIVE DATE: October 1, 2025

§§ 4 & 5 — SHUT-OFF PROTECTIONS EVALUATION AND NOTICE

Requires PURA to evaluate the winter shut-off moratoria and medical protections; expands the notice telephone companies and telecommunications providers must send before giving customer information to credit agencies

PURA Shut-Off Moratorium Evaluation

The act requires PURA to evaluate (1) the length of winter shut-off moratoria and (2) criteria and standards for termination and disconnection protections for medically protected gas and EDC customers. PURA must open an uncontested proceeding or amend the notice of an active proceeding by July 1, 2025, to do so. By law, from November 1 to May 1, the winter shut-off moratorium generally prohibits EDCs, electric suppliers, gas companies, and municipal utilities from terminating service in hardship cases where the customer lacks the financial resources to pay the entire account. Certain other protections apply to customers who are seriously ill or for whom shutoffs would result in life threatening situations.

The act requires the evaluation to address at least the following:

1. definitions of "serious illness or life-threatening medical condition," including whether and how mental health conditions should be included (in consultation with the probate court administrator), and recommendations for revisions considering ratepayer costs and similar jurisdictions' laws;
2. current protections for customers with a serious illness or life-threatening medical condition, including recommendations on capping their duration and standards to condition eligibility for them on a customer's ability to pay;
3. additional shut-off notice requirements;
4. current procedures, practices, and relevant processes to verify hardship status and medical protections;
5. the impact of limits on medically protected customers' service terminations and disconnections on all other ratepayers;
6. a requirement for a medical protection customer to enroll in a payment plan; and
7. standards to ensure that electric or gas companies have in good faith attempted to secure payment from medically protected customers by reasonable means other than terminations, and that adequate notice is given to the customer before termination.

The act requires the PURA chairperson to report a summary of the proceeding's results and any recommendations evaluated in the proceeding to the Energy and Technology Committee by March 16, 2026.

Telephone and Telecommunications Notices on Debt Collection

Under certain circumstances, existing law allows telephone companies and certified telecommunications providers to submit information to credit rating agencies about a customer's nonpayment. Companies must notify the customer by first class mail at least 30 days before submitting the information to a credit rating agency. The act requires the notice to also state that the company supplies payment information to debt collection agencies, as authorized by law.

EFFECTIVE DATE: Upon passage, except the provision on the notice for telephone and telecommunications customers is effective October 1, 2025.

§ 6 — PURA STUDY OF RENEWABLE TARIFFS

Expands the scope of the study PURA must do on renewable energy tariff programs and delays the reporting requirement

An existing law requires the PURA chairperson to study renewable energy tariff programs, including examining potential processes to avoid stranded projects and potential successor programs. As part of this study, the act requires her to also examine:

1. a framework to encourage the aggregation of distributed energy resources that can respond and provide grid and retail market services;
2. different compensation structures to encourage deployment in areas where the grid is underutilized;
3. how nonparticipating electric customers may be impacted by renewable energy tariff programs;
4. strategies to minimize unintentionally duplicative incentives or subsidies between participating and nonparticipating electric customers; and
5. the costs and benefits of the renewable energy tariff programs and methods to maximize benefits to nonparticipating customers (e.g., reducing electric system distribution congestion).

The chairperson must submit the study's results, including any recommendations, to the Energy and Technology Committee. The act delays the reporting deadline from January 15, 2026, to March 1, 2026.
EFFECTIVE DATE: Upon passage

§§ 7 & 8 — LOW-INCOME DISCOUNT RATE: COST CONTAINMENT & STUDY

Requires PURA to (1) implement certain cost containment measures when setting low-income rates and (2) submit a report on the effectiveness of low-income rates and these measures

Cost Containment

The act establishes cost containment measures that PURA must implement when setting low-income rates in certain rate cases and other proceedings. These measures include:

1. a usage cap for customers receiving a low-income discount rate (based on monthly kilowatt hours for EDC customers, monthly centum cubic feet for gas company customers, and gallons for water company customers);
2. a PURA review that is triggered if an EDC's, gas company's, or water company's total costs to fund the low-income rate exceed a certain percentage of its annual billed total revenues; and
3. a recertification process to confirm, at least every 12 months, income eligibility and appropriate tier placement.

Under the act, these cost containment measures must be applied to low-income rates set in (1) rate cases or other proceedings initiated on or after October 1, 2025, and (2) pending cases for which a final decision has not been issued by November 1, 2025.

PURA Report on Low-Income Rates and Containment Measures

The act requires the PURA chairperson to report on low-income rates implemented from January 1, 2024, to December 31, 2028. The report must include a review of the low-income rate program, including the (1) program's effectiveness in reducing uncollectibles and encouraging bill payments and (2) effectiveness of the cost-containment measures described above. The chairperson must submit the report to the Energy and Technology Committee by November 15, 2029.
EFFECTIVE DATE: July 1, 2025, except the provision requiring the report is effective upon passage.

§ 9 — RENEWABLE ENERGY TARIFFS

Limits NRES, RRES, and SCEF programs to zero-emissions projects and requires PURA to add a nonbypassable charge of at least 3.25 cents to the RRES tariff

The act makes (1) Class I low-emissions projects (e.g., fuel cells) and anaerobic digestion facilities ineligible for the Non-Residential Renewable Energy Solutions (NRES) program and (2) conforming changes, such as eliminating the 10 megawatt (MW) cap on procurements for these projects under NRES.

It similarly requires that eligible Residential Renewable Energy Solutions (RRES) projects and, starting after January 1, 2026, eligible Shared Clean Energy Facility (SCEF) projects, emit no pollutants.

For rates offered on and after January 1, 2026, the act requires PURA to (1) establish a nonbypassable charge of at least 3.25 cents as part of the RRES netting tariff and (2) adjust the offered buy-all tariff rates so they are substantially similar. (Broadly, the netting incentive structure generally compensates customers through on-bill credits, at rates that may fluctuate, for energy they generate but do not use. Under the buy-all structure, the EDCs purchase all energy a project generates at a locked-in rate for 20 years.)
EFFECTIVE DATE: October 1, 2025

§§ 10-16 — SECURITIZATION OF FINANCED UTILITY SERVICES

Authorizes securitization for "financed utility services," capped at $2.2 billion in the aggregate and secured by the competitive transition assessment charge

The act authorizes the issuance of bonds backed by EDC revenues, using a process called securitization, to pay for certain costs ("financed utility services"). The bonds are issued through the state but are not state bond obligations. The law initially authorized securitization under the 1998 restructuring law that required electric utilities to divest their generation. Under that law, securitization allowed electric companies to recover their stranded costs associated with restructuring. It allowed for the issuance of "rate reduction bonds," backed by a charge on ratepayer bills (the competitive transition assessment (CTA)).

Under the act, the issuance of rate reduction bonds for financed utility services must follow procedures similar to those applied to the issuance of rate reduction

bonds to pay off the utilities' stranded costs. The act also makes minor, technical, and conforming changes, including eliminating deadlines set for previous securitization authorizations.

Financed Utility Services

Under the act, "financed utility services" are certain costs determined by PURA under principles set in laws on rate determinations. Specifically, "financed utility services" include:

1. costs an EDC prudently and efficiently incurred between January 1, 2018, through January 1, 2025, to prepare for and restore power to customers after storms;
2. costs an EDC prudently and efficiently incurs, or reasonably expects to incur, after January 1, 2025, for any accelerated initial procurement, installation, and operational deployment of advanced metering infrastructure (AMI) to replace existing traditional non-interval metering infrastructure used by its customers (including any reasonable fees, expenses, and transaction costs related to issuing, servicing, retiring, or refinancing rate reduction bonds);
3. the unrecovered balance, including stranded costs, of legacy infrastructure being replaced as part of AMI deployment; and
4. any reasonable fees, expenses, and transaction costs incurred in connection with issuing, servicing, retiring, or refinancing rate reduction bonds issued to finance these costs.

Under the act, AMI is an integrated system of metering equipment, two-way communications networks, and information management systems (e.g., billing and customer information systems) an EDC uses to collect and transmit interval or real-time data on a customer's energy consumption. The AMI costs eligible for inclusion as financed utility services include capital expenses and one-time non-capital operating expenses to encourage customers to adopt AMI (e.g., information, customer education, or licenses, fees, training, and other necessary costs).

PURA Determination and Financing Order

The act allows PURA to determine, at its sole discretion, that issuing rate reduction bonds is in ratepayers' best interests. PURA may do so in response to a petition from an EDC or on its own motion.

The act also allows EDCs to petition PURA for a financing order for financed utility services that PURA has determined, in a separate proceeding, are appropriate for cost recovery under certain statutory rate-making standards. PURA must (1) respond to the EDC's petition within 120 days after receiving it and (2) hold a contested case hearing to determine the portion of financed utility services that may be included in this funding and constitute transition property (see below).

The act requires the financing entity (the state, acting through the state treasurer, any entity it authorizes, or any entity PURA authorizes under a financing order) to issue rate reduction bonds when PURA issues a financing order that specifies the

appropriate amount, rates, and terms of the rate reduction bond issuance. The act limits the aggregate principal amount of rate reduction bonds to $2.2 billion.

The act allows PURA to issue financing orders to provide, recover, finance, or refinance financed utility services. Under prior law, with one exception, PURA could only adopt a financing order if an EDC applied for one. The act allows PURA to adopt a financing order on its own motion. Under existing law, the financing order only takes effect after the EDC files with PURA its written consent to all the financing order's terms and conditions.

CTA Determination

The act requires rate reduction bond costs (including all principal, interest, premium, costs, and arrearages) to be recovered through the CTA, subject to a reconciliation process. Specifically, once rate reduction bonds are issued to recover any financed utility services, PURA must periodically adjust the CTA to allow recovery of bond costs, including a reconciliation of the actual revenues from the CTA to the actual costs of the bonds.

The act generally requires excess amounts generated by the bonds to be returned to ratepayers under certain circumstances. More specifically, if the proceeds used to purchase transition property (i.e. the CTA) for rate reduction bonds to deploy AMI exceed amounts the EDCs prudently and efficiently incurred to deploy AMI, as determined by PURA under certain rate-making standards, then the total costs of rate reduction bonds resulting from the excess amount must be returned to ratepayers, with interest, in a way PURA determines (e.g., by proportionately decreasing another nonbypassable rate EDCs charge or through the revenue decoupling mechanism line item). The act prohibits decreasing the CTA in connection with this reconciliation.

The act also requires the net benefits of accumulated deferred income taxes for amounts recovered through rate reduction bonds for financed utility services to be credited to EDC customers by reducing the amount of bonds that would otherwise be issued by the net present value of the related tax cash flows, using a discount rate equal to the bonds' expected interest rate.

The act requires PURA, upon an EDC's application, to identify and calculate financed utility services that may be collected through the CTA. PURA must assess and impose the CTA on all EDC customers and hold a contested case hearing to determine the CTA amount.

Under the act, PURA must set the CTA in an amount sufficient to pay for:

1. rate reduction bond principal, interest, and any credit enhancement or premium when they are due;
2. all reasonable and necessary financing expenses; and
3. EDC-financed utility services that are not funded with rate reduction bond proceeds.

The act requires the CTA to be charged to all customers until the (1) rate reduction bonds are paid in full, including all principal, interest, premium, costs, and arrearages on the bonds, and (2) EDC fully recovers financed utility services that are not funded with bond proceeds. The act allows PURA, through a financing

order, to distinguish on customers' bills between financed utility services rates and charges and those associated with previous securitization authorizations, to facilitate successful sale and issuance of rate reduction bonds.

Transition Property and CTA Adjustments

By law, the right to receive the CTA proceeds used to cover costs eligible for securitization is called "transition property," which belongs to the EDC. Under the act, transition property for financed utility services vests solely in the applicable EDC immediately upon the property's creation (generally when the financing order takes effect).

Existing law makes financing orders and the CTA irrevocable. The act additionally specifies that transition property is irrevocable and prohibits PURA from (1) revaluing or revising the financed utility services for ratemaking purposes or costs to provide, recover, finance or refinance these services or (2) determining that the CTA is unjust or unreasonable or otherwise reducing its value.

The act requires PURA to approve CTA adjustments as needed to ensure timely recovery of financed utility services and related costs. The financing order must include a procedure for PURA to determine, at least annually, whether a CTA adjustment is needed and, if so, for it to be approved within 90 days (or less if the financing order requires it) after the adjustment is filed.

Rate Reduction Bonds and State Pledge

Rate reduction bonds are bonds, notes, or other financial instruments secured by transition property. The act expands the type of costs rate reduction bond proceeds may cover to include financed utility services. By law, bond proceeds must be used for the purposes PURA approves in the financing order, including retiring or refinancing debt. Proceeds may not be used to buy generation assets, buy back stock, or pay operating costs (other than taxes on the proceeds). Prior law also prohibited using proceeds to pay dividends to shareholders. Under the act, this prohibition applies specifically to parent company shareholders. Existing law allows rate reduction bonds to be refunded by other rate reduction bonds.

The act also makes conforming changes, including eliminating requirements that rate reduction bonds mature by December 31, 2011, and that PURA's authority to issue them expire by December 31, 2008.

By law, the bonds and the financing order are not state debt, and the bonds must say this on their face. They do not count toward the state's debt limits. They do not make the state or municipalities contingently liable.

By law, the state pledges with the bondholders and transition property owners that it will not alter the CTA, transition property, and financing orders, until its obligations have been met. The act extends this provision by similarly pledging that state agencies will not do so until the state's obligations have been met. By law, the parties involved in the securitization process are exempt from taxes on the relevant property or revenue, and for state income tax purposes, the bonds are treated as if a public body had issued them.

Subsequent Rate Determinations

Existing law prohibits PURA from including any rate reduction bonds as EDC debt in any way that would impact the company for rate-making purposes. The act also prohibits EDCs from including transition property when calculating any rate base.

EFFECTIVE DATE: July 1, 2025

§ 17 — PROGRAM ADMINISTRATION

Allows PURA to select third parties to administer clean energy or renewable energy programs it establishes in a proceeding

The act allows PURA to select the Green Bank, the Department of Energy and Environmental Protection (DEEP), an EDC, a third party that PURA deems appropriate, or any combination of these entities, to administer any ratepayer-funded clean energy or renewable energy program PURA establishes in a proceeding. Existing law similarly allows PURA to do this for NRES, RRES, SCEF, and EV charging programs (CGS § 16-244dd).

Any selection PURA makes under the act must be based on its analysis of evidence recorded in an uncontested proceeding that shows the selected entity's qualifications and experience administering the program or a comparable one, projected cost savings, potential administrative efficiencies, and the impact on customer experience.

EFFECTIVE DATE: October 1, 2025

§ 18 — PUBLIC BENEFITS CHARGE STUDY

Requires OCC to study public benefits line items and report to the Energy and Technology Committee by October 1, 2026

The act requires the Office of Consumer Counsel (OCC) to study line items under the combined public benefits charge on EDC customer bills. The office must conduct this study in consultation with PURA and the DEEP commissioner, and the study must examine the enabling authority to impose each line item and its purpose, costs, and benefits. OCC must report its findings to the Energy and Technology Committee by October 1, 2026.

EFFECTIVE DATE: Upon passage

§§ 19 & 20 — TIME-VARYING RATES

Establishes requirements for time-varying rates and requires EDCs to apply to PURA by October 1, 2027, to implement them

By October 1, 2027, the act requires (1) EDCs to apply to PURA to implement time-varying rates for residential, commercial, and industrial customers and (2)

PURA to open a docket to evaluate EDC applications to implement time-varying rates for residential and commercial customers. A time-varying rate is an electric rate designed to (1) reflect the utility's cost to provide electricity to the customer at different times and (2) create a price differential that incentivizes targeted electric load growth and system efficiency. Time-varying rates may include critical peak pricing, which is pricing for a period when system costs are highest or when the power grid is severely stressed and customers may pay higher prices as a result.

EDC Proposal Requirements

Under the act, any time-varying rate proposals an EDC submits for retail rate components must:

1. include fixed rates across 24-hour cycles within each season,
2. be based on projected seasonal demand and include on-peak rates, and
3. adequately incentivize cost-effective load shifting to off-peak periods by applying an appropriate price differential between on-peak and off-peak rates.

"On-peak" is a period likely to capture ISO-New England and electric distribution system peaks or to encourage the cost-effective shifting of load to maximize grid efficiency, as PURA determines. The act requires the rate design, including the difference between on-peak and off-peak prices, to be consistent with empirical research conducted by EDCs and other rate design experts.

Under the act, if an EDC's time-varying rate proposal includes a seasonal rate component, the EDC must submit the appropriate phase-in period for customers to adjust to seasonal rates without experiencing a sudden, significant increase in electricity prices. It must also submit any proposed differentiation of generation, transmission, and distribution energy and demand rates into summer and non-summer months. And if cost differences between those periods are substantial, it must also include winter and shoulder month periods, considering projected customer acceptance and use of the rates.

The act requires EDC time-varying rate applications to propose to establish the rates through an approved revenue recovery mechanism for transmission and distribution rates. They must also establish a revenue reconciliation mechanism to recover or refund any revenue under- or over-collected through a subsequent billing adjustment.

The act requires an EDC's proposed time-varying rates to be designed as default rates, considering gradualism and customer acceptance principles and established exceptions as PURA deems appropriate (e.g., for medically protected customers and hardship customers). EDC applications must:

1. propose a comprehensive customer education proposal (see § 21 below),
2. have a clearly defined opt-out process, and
3. give due consideration to how time-varying rate designs interact with existing and foreseeable low-income rates and programs.

PURA Responsibilities

The act requires PURA to evaluate whether it is appropriate to implement time-varying rates upon an EDC's application for one. Under the act, time-varying rates are deemed appropriate if they are in ratepayers' best interest. PURA must consider:

1. if the rate's benefits exceed the cost of implementing it, including any capital investments needed to implement the rate;
2. if the rate would encourage energy conservation or an electric utility to optimally and efficiently use facilities and resources;
3. equitable rates for electric consumers approved by PURA; and
4. any other considerations PURA deems appropriate.

The act allows PURA to implement time-varying rates after public notice and a hearing, which may be part of a rate case. It also requires PURA to hold a contested case hearing to approve, reject, or modify an EDC's application. The act allows PURA to approve time-varying rates only if:

1. they reasonably reflect the cost of service during their respective time-varying periods;
2. the associated costs, customer impacts, and benefits to the utility system justify them; and
3. they are expected to alter patterns of customer electricity consumption without undue adverse effect on the customer.

EFFECTIVE DATE: July 1, 2025

§ 21 — CUSTOMER EDUCATION AND ENGAGEMENT PROGRAM

Requires EDCs to design a customer education and engagement program on time-varying rates and implement it upon PURA's approval

The act requires each EDC to design a comprehensive customer education and engagement program to inform EDC customers about the benefits of time-varying rates and encourage them to use the rates and any available technology that enables customer cost savings when on time-varying rates. The EDCs must design their program in consultation with OCC and the DEEP commissioner. The program design must include:

1. approved customer outreach, education, and engagement methods, including strategies to maximize customer cost savings;
2. objective performance standards for program implementation; and
3. mandatory reporting requirements for EDCs on their compliance with program requirements, including submitting data and documentation as PURA requires.

The act requires an EDC, as part of any rate case started on or after July 1, 2025, to submit a detailed proposal (or an update to a previously submitted proposal) to develop the customer education and engagement program. The act requires EDCs to administer the program once PURA approves it.

EFFECTIVE DATE: October 1, 2025

§ 22 — EMERGENCY SERVICE RESTORATION PLANNING COMMITTEES

Requires EDCs to establish planning committees that include line and restoration crew members to review emergency service restoration plan implementation after large outages; expands the

types of emergencies covered by the plans to include wildfires; requires the plans to include measures to protect line and restoration crew member safety

Under existing law, EDCs and certain other public service companies must file biennial post-emergency service restoration plans with the Department of Emergency Services and Public Protection (DESPP), PURA, and municipalities in their service areas. The act expands what constitutes an emergency for which they must plan to include wildfires. It also requires EDCs to establish an emergency service restoration planning committee.

Separately, but relatedly, the act requires collective bargaining units and companies to jointly develop any training and skills job progression plans, or other comparable documents, if line and restoration crew members belong to a collective bargaining unit.

Committee Members and Procedures

Under the act, at least half of the emergency service restoration planning committee's members must be line and restoration crew member employees, selected through a process they determine or by their collective bargaining unit if they are members of one. The company appoints the other committee members. The committee must have two co-chairpersons, one who is a line or restoration crew employee elected by these committee members and one elected by the other committee members.

The act specifies that a majority of committee members constitute a quorum and a majority vote of members present at a meeting is required to make committee decisions. It requires the committee to make written summaries of each meeting and, upon request, give them to employees, DESPP, and PURA.

Plan Contents

Existing law specifies what measures must be included in the plan, including communication and coordination with state and local officials and participation in training exercises. The act requires the plan to also include (1) measures to protect the health and safety of line and restoration crews during an emergency and when restoring services (e.g., by providing appropriate personal protective equipment or measures required in a collective bargaining agreement or applicable health and safety policies) and (2) references to any applicable documents (e.g., collective bargaining agreements describing any applicable training and skills job progression plan).

If an emergency interrupts service to 30% or more of a company's customers, the act also requires the committee to meet within 60 days after the emergency to review how the plan was implemented and incorporate any feedback into the plan.

EFFECTIVE DATE: October 1, 2025

§§ 23 & 24 — EMERGENCY RESTORATION AND CREW MEMBER SAFETY

Prohibits EDCs from requiring line and restoration crew members to work in unsafe conditions and prohibits punishing an employee for causing the company to miss certain service restoration

deadlines after emergencies; expands the types of emergencies subject to these deadlines to include wildfires

Existing law (1) requires EDCs to make certain payments to residential customers for prolonged outages after an emergency (e.g., a storm, flood, or earthquake) and (2) prohibits them from recovering these costs through rates. Specifically, it requires EDCs to give a (1) $25 credit for each day an outage occurs for more than 96 consecutive hours after an emergency and (2) $250 payment for food or medication that spoils due to an outage lasting more than 96 consecutive hours after an emergency.

The act (1) expands the types of emergencies covered by these provisions to include wildfires and (2) prohibits EDCs from requiring line and restoration crew members to work in unsafe conditions to avoid making these credits and payments or for any other reason. The act prohibits EDCs from disciplining, terminating, or punishing them or withholding their wages solely on the basis that the employee caused the company to fail to restore a distribution system outage within 96 hours. EFFECTIVE DATE: October 1, 2025

§§ 25 & 26 — GRID ENHANCING TECHNOLOGIES (GETS)

Requires EDCs and transmission owners to include project alternatives in Siting Council proceedings for certain transmission projects; expands forecasted loads and resources reporting; allows DEEP and OCC to evaluate proposed projects; requires EDCs to report to PURA on deployment of GETs and other technologies in certain PURA proceedings

Project Alternatives

The act requires EDCs and transmission owners to develop and submit at least one project alternative to the Siting Council when seeking to construct or materially modify transmission lines, substations, and switchyards that are subject to the council's jurisdiction (see *Background — Siting Council Jurisdiction*). A material modification is one with an estimated cost of at least $25 million, excluding construction activities related to a disruptive emergency condition or other unplanned loss of an essential asset function that requires immediate rectification.

The project alternative must use (1) an advanced conductor (unless the primary proposed project incorporates one) and (2) grid-enhancing technology or nontransmission alternative technology. An "advanced conductor" is any conductor material, design, or technology that (1) improves electrical conductor performance compared to traditional aluminum-conductor steel-reinforced cable and (2) optimizes attributes (e.g., current carrying capacity, thermal performance, weight, sag, durability, corrosion resistance, and efficiency) using materials like high-conductivity alloys and conductor designs like trapezoidal designs.

"Grid-enhancing technology" (or GET) is any hardware or software that increases the electric distribution or transmission system's capacity, performance, or efficiency. GETs include at least the following technologies:

1. "dynamic line rating," which is any hardware or software used to update the calculated thermal limits of existing distribution or transmission lines based

on real-time and forecasted weather conditions;
2. "advanced power flow control," which is any hardware or software used to push or pull electric power in a way that balances electric lines that are either exceeding capacity or are underutilized;
3. "topology optimization," which is any hardware or software that identifies reconfigurations of the state's distribution or transmission grid to enable routing power flows around congested or overloaded electric grid elements; and
4. energy storage (e.g., a battery) when used as a distribution or transmission resource.

A "nontransmission alternative" is an electric grid investment or project that uses nontraditional transmission and distribution solutions to defer or replace the need for specific equipment upgrades by reducing electric load at a substation or circuit level (e.g., distributed generation, energy storage, energy efficiency demand response, and grid software controls).

If the EDC or transmission owner does not prefer the project alternative, the company must include with its Siting Council application a detailed explanation comparing the project alternative's cost-effectiveness and appropriateness with that of the company's preferred project.

The act requires the Siting Council to give preference to a project alternative if the council determines that it:

1. is at least as cost effective as the company's preferred project,
2. provides the same or increased electric system reliability benefits to solve the identified need compared to the preferred project, and
3. has similar environmental and community impacts as the preferred project.

Waivers From Project Alternative Requirements

The act allows EDCs to seek a full or partial waiver of the act's requirement to submit these project alternatives. EDCs are eligible for a waiver if:

1. using advanced conductors, GETs, or nontransmission alternatives is impossible or impracticable to solve an identified need;
2. the proposed project is subject to a regional transmission planning process approved by the Federal Energy Regulatory Commission (FERC) that adequately considers implementing these technologies; or
3. the DEEP commissioner and OCC have evaluated the project (see below).

To apply for a waiver, companies must apply to the DEEP commissioner as she prescribes. The waiver application must specify which of the above circumstances makes the company eligible for waiver. The act allows the DEEP commissioner, after consulting with OCC, to waive the requirement. The commissioner must accept or deny waiver applications within 60 days after receiving them or they are deemed approved.

The act also allows EDCs to request a revocable general waiver of the act's requirements on project alternatives for any projects subject to a FERC-approved regional transmission planning or review process that adequately considers advanced conductors, GETs, or nontransmission alternative technologies. DEEP

must accept or deny a wavier application within 60 days after receiving it.

Forecast of Loads and Resources Report

Existing law requires EDCs and transmission services providers (among others) to report a forecast of loads and resources to the Siting Council annually by March 1. The act requires EDCs and transmission owners to additionally include the following information in that report:

1. a schedule of any planned construction or material modification of certain facilities (transmission lines, substations, and switchyards under the council's jurisdiction) for the next 10 years, including a description and, if available, the need for and scope of the project, cost estimates, and how advanced conductors, GETs, and nontransmission alternatives may be considered to address the identified need;
2. data on the company's construction or material modification of these facilities in the previous year, including the project's final costs and estimated costs at each relevant design stage;
3. the facility's original estimated in-service date; and
4. any other information OCC or the DEEP commissioner reasonably request on projects disclosed in the report.

For the first report submitted after October 1, 2025, the act requires the data on construction or material modification of these facilities to cover any facility placed in service on or after January 1, 2022. If the information is unavailable, the EDC must notify the DEEP commissioner and OCC and reach a resolution acceptable to each party.

Project Evaluations

Under the act, within 180 days after any annual loads and resources report filing described above, the DEEP commissioner, in consultation with OCC, must determine whether any facility listed for construction or material modification requires further evaluation and notify the EDC. In making her determination, the commissioner must consider at least the following factors:

1. whether the proposed facility is subject to a regional independent system operator's (e.g., ISO-New England) transmission planning or review process or a substantially similar process;
2. the underlying facility's age or condition;
3. the proposed project's scope and estimated costs;
4. whether the proposed project responds to needs identified through the regional transmission system operator's proactive transmission planning; and
5. whether and how advanced conductors, GETs, and nontransmission alternatives are proposed to be used in the project, may reduce environmental or aesthetic impacts, and can feasibly solve the EDC's identified need partially or entirely.

Before determining that a project requires further evaluation, the DEEP

commissioner and OCC must give the EDC an opportunity to produce evidence that the project requires no further evaluation. If the commissioner and OCC conduct an evaluation, they must notify the EDC and evaluate the project based on the following factors:

1. the reasonableness of the (a) need the EDC identified to justify the proposed facility and (b) project's proposed scope, including the timing of proposed investments;
2. whether the EDC's proposed solution is the most cost-effective solution to the identified need or whether alternative solutions could more cost-effectively provide the same or increased reliability benefits to partially or fully resolve the identified need;
3. costs of the proposed project and potential alternatives identified as part of the evaluation;
4. whether the proposed project could be modified to account for variables (e.g., future demand growth) in a cost-effective way that could mitigate the need for construction activities on the same facility before the end of its useful life; and
5. any other factors the DEEP commissioner or OCC reasonably determine are necessary to evaluate a specific project.

The act requires each company to provide data, communications, and information the DEEP commissioner or OCC requests in connection with any evaluation, subject to DEEP's general enforcement powers. The act requires responses to be shared with both DEEP and OCC.

The act requires the DEEP commissioner and OCC to meet with each EDC at least twice per year to discuss and receive input on any facilities currently under evaluation. The commissioner and OCC must also jointly report annually on the evaluation factors described above. The act requires the DEEP commissioner and OCC to complete any evaluation and draft report on an evaluation and share them with the EDC within 90 days after the EDC files an application or petition with the Siting Council, so long as the EDC informs DEEP and OCC about the anticipated filing date at least 12 months in advance.

The act requires the DEEP commissioner to file any final report on a project evaluation in the relevant Siting Council proceeding. The council must give appropriate consideration to DEEP's report when making a determination on the proposed project.

Waivers for Project Evaluation Requirements

The act allows the EDCs to request a revocable general waiver of the act's project evaluation requirements from the DEEP commissioner for any projects subject to a FERC-approved regional transmission planning or review process. The act requires the DEEP commissioner to accept or deny a waiver application within 60 days after receiving it.

Compliance Report

The act requires EDCs and transmission owners to report to PURA every five

years, starting by January 1, 2027, on their compliance with the act's requirements on project alternatives and evaluations. PURA must send a copy of the report to the regional independent system operator and the Energy and Technology Committee.

Confidentiality and Freedom of Information Act Exemption

The act requires the DEEP commissioner and OCC to protect any proprietary commercial or financial information an EDC or transmission owner provides under the act's requirements on project alternatives and evaluations. It makes this information confidential and exempts it from public disclosure under the state's freedom of information laws.

EDC Report in PURA Proceedings

The act requires EDCs to submit a report to PURA in any base rate or capital improvement proceeding. The report must analyze the cost effectiveness of deploying advanced conductors, GETs, energy storage, or other non-wire alternatives relevant to the company's operations or capital investments, and have a projected timetable for deploying these technologies. The report may include proposed performance incentive mechanisms for cost-effective deployment of these technologies. The act allows PURA to approve deploying these technologies, with or without performance incentives, if PURA deems them cost effective.
EFFECTIVE DATE: October 1, 2025

Background — Siting Council Jurisdiction

By law, the Siting Council has jurisdiction over siting various types of facilities, including (1) electric transmission lines of at least 69 kilovolts and associated equipment and (2) any electric substation or switchyard designed to change or regulate voltage of at least 69 kilovolts to connect at least two electric circuits and other facilities that the council may prescribe by regulation (CGS § 16-50i(a)). The law excludes transmission line taps from the council's jurisdiction, which are electrical transmission lines that do not have a substantial adverse environmental effect as determined by the council (CGS § 16-50i(e)).

§ 27 — DEEP, PURA, AND OCC CONSULTANTS

Allows DEEP, PURA, and OCC to independently retain consultants for proceedings and negotiations with certain federal agencies

The act broadens authorizations for DEEP, PURA, and OCC to retain consultants. Prior law allowed (1) DEEP, in consultation with PURA and OCC, to retain consultants for proceedings or negotiations with various federal agencies and (2) PURA, in consultation with OCC, to retain consultants for proceedings or negotiations with the Federal Communications Commission (FCC).

The act instead (1) allows DEEP, PURA, and OCC to respectively retain consultants for proceedings or negotiations with various federal agencies and (2)

removes any requirement that they consult with each other to do so. The provision applies for proceedings and negotiations with the same federal agencies that DEEP could retain consultants for under prior law: FERC; U.S. Department of Energy; U.S. Nuclear Regulatory Commission; U.S. Securities and Exchange Commission; Federal Trade Commission; FCC; or U.S. Department of Justice.

Existing law requires the regulated companies affected by the proceeding (e.g., EDCs, telecommunication providers, and electric suppliers) to pay for the reasonable and proper expenses for consultants as determined by PURA. The law caps these expenses at $2.5 million per calendar year, unless PURA finds good cause to exceed the limit. PURA must recognize these expenses as proper business expenses for purposes of ratemaking.

EFFECTIVE DATE: October 1, 2025

§ 28 — ISO-NE PARTICIPATION

Requires EDCs that own or control certain transmission facilities in the state to be ISO-NE participants

The act prohibits EDCs from owning or controlling certain transmission facilities in the state unless the EDC participates in the regional independent system operator (ISO-NE). The act's prohibition applies to their ownership of certain transmission lines, electric substations, or switchyards. In practice, the state's EDCs are currently members of ISO-NE (see *Background — Incentive to Join a Transmission Organization*).

EFFECTIVE DATE: Upon passage

Background — Incentive to Join a Transmission Organization

As an incentive to join a transmission organization (such as ISO-NE), FERC allows utilities that join to charge higher rates in the form of an "adder." FERC Order No. 679, which authorizes this adder, explains that it is provided because membership in a transmission organization is generally voluntary. In states that require transmission owners be members, FERC has declined to allow the companies to charge a higher rate because their membership is not voluntary.

§ 29 — ISO-NE MEETING VOTES

Requires EDCs to annually report to PURA each recorded vote they and their corporate affiliates cast in ISO-NE meetings during the prior year

The act requires each EDC to annually submit a report, by February 1, to PURA on each recorded vote it, or a corporate affiliate, cast at an ISO-NE meeting during the prior calendar year. The EDCs must do so for votes tabulated (either individually or as part of a sector) for any purpose, regardless of the voter's decision-making authority or if a vote was the voter's final position. Meetings include any committee, user group, task force, or other part of ISO-NE where votes are taken.

The report must include (1) the EDC's recorded votes, even if not otherwise disclosed; (2) any recorded votes the EDC's corporate affiliate cast if the EDC itself did not vote on a matter; and (3) a brief explanation of how each vote cast was in the public's interest, as determined by the EDC.
EFFECTIVE DATE: October 1, 2025

§ 30 — ZERO-CARBON PROCUREMENTS AND STANDARD SERVICE

Allows EDCs to use nuclear energy or related products purchased under the prior zero-carbon procurement to provide standard service; creates an exception to the limit on the length of certain zero-carbon procurement contracts

The act allows EDCs to use energy or related products (or a combination of them) purchased from a nuclear power generation facility under the previous zero-carbon procurement to provide standard service. To do so, the EDC must consult with PURA's procurement manager and OCC and determine that it is in the best interest of standard service customers.

Existing law required DEEP and PURA to issue a solicitation for zero-carbon electricity-generating resources and to direct the EDCs to enter agreements with selected entities to purchase energy, capacity, and other environmental attributes (see *Background — Zero-Carbon Procurement*). Under the existing law, any agreements with a hydropower or a nuclear power generation facility must be for at least three, but not more than 10, years. The act additionally allows EDCs to enter these contracts for a term that at least one other state has entered into, if it is in the best interest of ratepayers.

Standard Service

By law, standard service is the energy supply sold to electric customers who do not choose to buy electricity through a third-party energy supplier (CGS § 16-244c). The EDCs buy electricity and other products to serve these customers through a process overseen by PURA's procurement manager, OCC, and other parties.

The act allows EDCs, in consultation with the procurement manager and OCC, to elect to use any portion of the energy, capacity, and other energy products the company purchases from a nuclear power generating facility through an agreement approved under the zero-carbon procurement (see *Background — Zero Carbon Procurement*).

EDCs that choose to do this must consult with PURA and OCC and specify:

1. the quantity of energy, capacity, or other energy products that the company will use for standard service;
2. the time period during which they will use it (EDCs must establish this in consultation with the procurement manager); and
3. the price for the energy, capacity, or other energy products recovered through the Generation Service Charge (which mainly covers energy supply costs for standard service).

Under the act, an EDC must seek PURA's approval to incorporate this energy or related product into standard service. If PURA approves the energy or products

for standard service, these costs must be recovered through the Generation Service Charge. The act authorizes PURA to establish reporting standards on any determination of whether using these agreements is in standard service customers' best interest.

The act also specifies that (1) PURA must dispose of any Class I renewable energy credits (RECs) not used to serve standard service customers under the act (see § 37 below) and (2) it does not amend or alter any agreements under the previous zero-carbon solicitation or other previous solicitations.

The act requires the agreement's remaining costs (presumably, those not associated with standard service) and net revenues to be recovered and credited in the same manner as prior law required for all agreement costs and revenues (i.e. recovered from or credited to customers through a nonbypassable fully reconciling rate component).

EFFECTIVE DATE: October 1, 2025

Background — Zero-Carbon Procurement (PA 17-3, June Special Session (JSS))

Among other things, PA 17-3, JSS, authorized DEEP and PURA to conduct a solicitation and procurement for bids from zero-carbon generation facilities. DEEP selected a bid for 9 million megawatt-hours from the Millstone Power Station, owned by Dominion Energy, and, after a renegotiation, PURA approved power purchase agreements (PPAs) between the EDCs and Dominion. Under the agreements, the EDCs must purchase 50% of Millstone's output over 10 years (2019-2029). A bid from Seabrook Station in New Hampshire was also selected, resulting in an 8-year contract (2022-2030). DEEP has also selected offshore wind and solar projects under this law.

§ 31 — STANDARD SERVICE PROCUREMENT

Requires EDCs to be able to procure at least 25% of standard service load through dynamic market purchases; requires PURA's procurement manager to submit a plan amendment by February 15, 2026; modifies procurement plan amendment approval processes

Existing law requires PURA's procurement manager to develop a plan annually to procure electric generation services and related wholesale market products. Prior law required the plan to enable EDCs to manage a portfolio of contracts to reduce costs while maintaining volatility within reasonable levels. The act instead requires the procurement manager to develop the plan with the goal of reducing the average cost of standard service for standard service customers while minimizing cost volatility.

The act allows, rather than requires, the procurement manager to consult with DEEP and OCC when developing the procurement plan. As under existing law, the procurement manager must also consult with each EDC.

Dynamic Market Requirements

Prior law required the procurement plan to provide for competitive solicitation

for load-following electric service. The act instead requires the plan to provide this as an option and requires EDCs, individually or jointly, to develop and maintain the ability to engage in dynamic market purchases for at least 25% of the standard service load in a flexible way. "Dynamic market purchases" include energy, capacity, or other market products needed to serve standard service load using market purchases in the ISO markets, financial contracts, or other variable procurement techniques.

The EDC's approach to dynamic market purchases must be designed to allow the company to buy energy products during lower cost periods, based on the day-ahead and real-time energy markets, subject to a risk mitigation provision (see below) that defines parameters for dynamic market purchases.

Under the act, the procurement plans must identify the method EDCs must use to develop the proxy price for the portion of the standard service procured through dynamic market purchases. It requires the actual cost of these purchases to be reconciled to the proxy prices and their actual net costs to be recovered in electric rates on a timely basis, as required under existing law. The act directs each EDC to pay for these dynamic market purchases in accordance with the applicable contract terms.

Under existing law and the act, the procurement plan may include other contracts (e.g., financial contracts) and allow contracts of various lengths. The act allows the plan to also include the use of energy, capacity, or other products approved under the zero-carbon procurement law (see § 30).

Proposed Procurement Plan Amendment in 2026

The act requires PURA's procurement manager, by February 15, 2026, to submit a proposed amendment to the procurement plan for PURA's approval or modification. The procurement manager must do so in consultation with the EDCs, OCC, and DEEP commissioner.

The proposed amendment must at least include modifications addressing the potential use of the following:

1. multiple competitive solicitations each year to procure energy at intervals the plan identifies or that the procurement manager determines, in accordance with the procurement plan, serve ratepayers' best interests;
2. contracts to procure energy with durations of up to three years; and
3. fixed-price energy supply contracts in addition to full requirements contracts.

Under existing law, unchanged by the act, if the procurement plan includes full requirements contracts, it must also include an explanation of why these purchases are in the standard service customers' best interests.

The act also requires the proposed plan amendment to set guidelines for each EDC on procurement plan implementation, including:

1. a requirement that each company develop and maintain the capacity to engage in dynamic market purchases,
2. directions on the circumstances under which dynamic market purchases could be exercised, and

3. a requirement that the ability to pursue procurement methods described above incrementally increase or decrease over time based on any demonstrated ratepayer benefits.

The proposed procurement plan amendment must also include a risk mitigation provision that defines the acceptable parameters for dynamic market purchases, including guidelines for using financial contracts.

PURA must review and modify or approve this amendment in an uncontested proceeding.

Waivers for Interim Amendments and Temporary Nonconformities

The act eliminates provisions in prior law that allowed the procurement manager to petition PURA for an interim amendment. Instead, if the procurement manager determines that an interim amendment to the procurement plan, or a temporary nonconformity with the plan, may substantially further the goal of effectively procuring standard service while minimizing standard service cost volatility for a specific procurement, the act requires him to adopt a waiver from the plan exclusively for that procurement. When the procurement manager adopts the waiver, he must immediately file notice about it and the interim amendment or nonconformity with PURA. PURA must then notify OCC, the DEEP commissioner, and the EDCs, who may submit comments on the waiver to PURA up to two business days after they receive the notice. PURA must act on the proposed waiver within three business days after the comment period expires or the waiver is deemed adopted.

Approval Process for Plan Amendments

Under prior law, PURA had to conduct a contested proceeding to approve, with any amendments it deemed necessary, the procurement plan. The act removes this process, leaving the law silent on an approval process for the annual plan. However, under the act, if the procurement manager finds that an amendment to the plan may substantially further the goals described above, he may petition PURA for an amendment. PURA must notify OCC, the DEEP commissioner, and the EDCs, who have 14 business days after the notice to request an uncontested proceeding and a technical meeting on the proposed amendment. PURA must hold a proceeding and a technical meeting if requested.

Under the act, PURA may approve, modify, or deny the proposed amendment. PURA's ruling must occur (1) within 90 days after the technical meeting, if one is requested, or (2) within 120 days after the deadline to request a technical meeting has expired.

The act also allows PURA to start an uncontested proceeding to amend the procurement plan from time to time.

Procurement Plan Compliance and Costs

The act requires each EDC to comply with the procurement plan and any plan

amendments or waivers PURA adopts. The act requires that any review PURA does of an EDC's dynamic market purchases be limited to an evaluation of whether they adhered to the procurement plan's dynamic market purchase requirements and be done through a contested proceeding.

Under the act, as under existing law, (1) all PURA's reasonable costs to develop and implement the procurement plan are recoverable through an assessment on companies it regulates and (2) an EDC's reasonable and prudent operating costs to develop and implement the procurement plan are recoverable through a reconciling bypassable electric rate component as PURA determines. The act specifies that EDC costs include incremental staffing and financial systems needed to support dynamic market purchases. Under the act, any costs associated with the actual net costs of procuring and providing standard service must be recovered through electric rates, as required under existing law, which requires recovery so long as the company mitigates the costs it incurs to procure electric generation services for customers that are no longer receiving standard service (CGS § 16-244c).

Reporting Requirements

Under existing law and under the act, PURA must annually report on the procurement plan and its implementation to the Energy and Technology Committee. The act requires PURA to submit the next report by April 1, 2026, and requires a similar report (by the procurement manager) be prepared annually rather than quarterly. It also allows this and subsequent reports to be submitted with the report on average total rates of each customer class, which PURA must annually submit to the committee under an existing law.

EFFECTIVE DATE: October 1, 2025

§ 32 — THERMAL ENERGY NETWORK GRANTS AND LOANS

Requires DEEP to establish a thermal energy network grant and loan program within available appropriations

The act requires the DEEP commissioner to establish a thermal energy network grant and loan program, within available appropriations, to support the development of thermal energy network projects on the customer's side of an electric meter.

Under the act, a "thermal energy network" is a utility-scale distribution infrastructure project that supplies thermal energy (heating, or heating and cooling, derived from geothermal sources or sources that do not emit greenhouse gases) as piped noncombustible fuels to transfer heat into and out of buildings for any heating and cooling process (e.g., comfort heating and cooling, domestic hot water, and refrigeration). Thermal energy networks include all real estate, fixtures, and personal property used for or connected with these projects.

The act requires the DEEP commissioner to issue a request for proposals from eligible recipients, which include at least the following entities seeking to develop a thermal energy network:

1. local or regional governmental entities, municipal corporations, regional

councils of governments, or public authorities;
2. state and federally recognized tribes;
3. EDCs, gas companies, or participating municipal electric utilities;
4. energy improvement districts; or
5. nonprofit, academic, and private entities.

The act allows the DEEP commissioner to award grants or loans under the program to any number of eligible recipients, who may collaborate on a proposal. The act requires eligible recipients to demonstrate to the commissioner that they have adopted prevailing wage standards.

Loans and grants may be used for:

1. help with community planning, including project feasibility and benefit-cost analyses;
2. help with design, engineering services, and infrastructure costs for any project; or
3. nonfederal cost share for grant or loan applications for thermal energy network projects or programs.

The act allows the commissioner to establish any financing mechanism to provide or leverage additional funding to support thermal energy network project development.

For a three-year period after receiving a grant or loan, recipients must annually report on the project's status to PURA, OCC, the DEEP commissioner, and the Energy and Technology Committee by January 1.

EFFECTIVE DATE: October 1, 2025

§§ 33 & 35 — NEW NUCLEAR CONSTRUCTION

Creates a second exception from the nuclear moratorium for advanced nuclear reactors that meet certain requirements and expands DEEP's duties related to atomic development activity

Nuclear Moratorium Exceptions

Prior law generally prohibited starting construction on a new nuclear facility unless the DEEP commissioner found that the federal government identified and approved a demonstrable technology or way to dispose of high-level nuclear waste, with an exception for construction at a nuclear power generating facility already operating in the state (i.e. Millstone Power Station in Waterford).

The act creates a second exemption from the moratorium for advanced nuclear reactor facilities. Under federal law, advanced nuclear reactors are:

1. nuclear fission reactors, including prototype plants, with significant improvements compared to reactors operating in 2020 (e.g., additional safety features, lower waste yields, and improved fuel and material performance);
2. fusion reactors; and
3. radioisotope power systems that generate energy using heat from radioactive decay.

To be eligible for the exemption, an advanced nuclear reactor facility must get consent, either by a referendum or a vote of the legislative body, from (1) the

municipality where the proposed facility would be sited and (2) any other municipality in the proposed facility's emergency planning zone, as the federal Nuclear Regulatory Commission (NRC) determines.

For both exceptions (construction at Millstone and advanced nuclear reactors), the act requires the entity proposing a new facility to get all permits, licenses, and permissions or approvals for the facility's construction, operation, and decommissioning funding required under any applicable federal laws, NRC regulations, and any other federal or state law, rule, or regulation on the facility's permitting, licensing, construction, operation, or decommissioning.

DEEP's Atomic Development Activity Coordination Duties

Existing law requires the DEEP commissioner to coordinate all atomic development activities in the state, including advising the governor and coordinating the state's development and regulatory activities on atomic energy's industrial and commercial uses, among other things. The act additionally requires the commissioner to be a point of contact for public and private stakeholders to help them comply with federal, state, and local requirements related to atomic development (e.g., siting considerations and permitting).

EFFECTIVE DATE: October 1, 2025

§ 34 — ADVANCED NUCLEAR REACTOR ENERGY SITE READINESS FUNDING PROGRAM

Requires DEEP to establish an advanced nuclear reactor site readiness funding program; authorizes up to $5 million in state bonds to fund it

The act requires the DEEP commissioner to establish a competitive advanced nuclear reactor site readiness funding program. It allows the commissioner to give "eligible recipients" grants or loans to support the following activities related to advanced nuclear reactor facilities:

1. environmental and technical studies required for early site permitting,
2. local and regional infrastructure assessments to support their development,
3. community engagement and planning initiatives for hosting facilities, and
4. other necessary expenses the commissioner identifies to advance site readiness.

Under the act, eligible recipients for the program's grants and loans are:

1. regional governmental entities, municipalities, regional councils of government, public authorities, state or federally recognized tribes, or municipal electric utilities or cooperatives with a demonstrated interest in hosting advanced nuclear reactors, as the commissioner determines;
2. private entities partnering with, or interested in partnering with, the entities described above to develop these facilities; and
3. higher education institutions in the state.

The act authorizes up to $5 million in state bonding for the commissioner to award the program's grants and loans. It also allows the commissioner to (1) use federal funds allocated to the state to support the program, (2) revise its program

criteria to be consistent with federal funding program criteria, and (3) use the funds to hire a technical consultant to implement the act's program provisions. The bonds are subject to standard issuance procedures and have a maximum term of 20 years.
EFFECTIVE DATE: July 1, 2025

§ 36 — CLASS I RENEWABLE ENERGY SOURCES

Removes landfill methane gas and certain biomass facilities from the Class I renewable energy sources definition

Under the act, landfill methane gas and certain biomass facilities are no longer Class I renewable energy sources. This means that RECs produced by these facilities may not be used to meet an EDC's or electric supplier's Class I renewable portfolio standard (RPS) requirements. This also generally makes them ineligible for benefits the law provides for Class I sources, such as (1) participation in certain power procurements DEEP administers, (2) certain property tax exemptions, and (3) an exemption from building permit fees in municipalities that opt to exempt them.

This change applies to electricity derived from:

1. landfill methane gas;
2. a biomass facility that uses sustainable biomass fuel and has an average emission rate of up to .075 pounds of nitrogen oxide per million British thermal units (BTU) of heat input for the previous calendar quarter; or
3. a biomass facility with a capacity of less than 500 kilowatts that began construction before July 1, 2003.

However, those biomass facilities that have executed an agreement to provide energy to an EDC before October 1, 2025, are exempt (meaning they continue to be Class I sources) for as long as the agreement is in effect.
EFFECTIVE DATE: October 1, 2025

§§ 37-42 & 47 — CLASS I RENEWABLE PORTFOLIO STANDARD

Reduces Class I RPS requirements in years 2026 to 2030; requires PURA to establish procedures to dispose of RECs purchased under renewable energy tariffs and various energy procurement solicitations

The state's RPS law requires EDCs and retail suppliers to procure an increasing portion of the power from certain renewable and other clean energy resources. Prior law required that at least 32% of the power come from Class I renewable energy sources in 2026, a percentage that increased by two points every year until it reached 40% in 2030. The act sets lower Class I RPS requirements for years 2026 to 2030, as shown in the table below.

Class I RPS Change

Year	Prior Law	Act

2026	32%	25%
2027	34	26
2028	36	27
2029	38	28
2030	40	29

Existing law authorizes DEEP to solicit proposals for various types of energy sources and direct EDCs to enter into contracts with selected bidders. The act requires PURA, in consultation with the DEEP commissioner and OCC, to start a proceeding to establish procedures to dispose of RECs purchased under these procurements, as well as those purchased under the renewable energy tariffs (i.e. RRES, NRES, and SCEF). These may include procedures to sell RECs or retire them on behalf of all ratepayers and reduce an EDC's or electric supplier's Class I RPS requirements. Any reduction must be based on PURA's forecast of procured energy production. PURA must determine any reduction to the annual RPS at least one year before the annual RPS requirement takes effect.

The act eliminates requirements concerning REC disposal for the following procurement authorizations, and instead requires Class I RECs be disposed of (i.e. sold or retired) according to PURA's procedures:

1. Class I renewable energy sources or large-scale hydropower (prior law required the RECs to be sold) (§ 38);
2. run-of-the-river hydropower, landfill methane gas, biomass, anaerobic digestion, fuel cell, and offshore wind Class I renewable energy sources or energy storage (prior law required EDCs, based on ratepayers' best interests, to either sell the RECs and credit revenue to customers or keep them) (§ 39);
3. Class I renewable energy resources procured in the event of a material shortage of Class I RECs (prior law required the RECs to be sold) (§ 40);
4. offshore wind (prior law required EDCs to either keep the RECs to meet RPS requirements or sell them with revenues credited to EDC customers) (§ 41);
5. anaerobic digestion (prior law required EDCs, based on ratepayers' best interests, to either sell the RECs and credit revenue to customers or keep them) (§ 42); and
6. demand response projects, Class I renewable resources, Class III sources, large-scale hydropower, or natural gas resources (prior law required EDCs, based on ratepayers' best interests, to either sell the RECs and credit revenue to customers or keep them) (§ 47).

The act also requires RECs from the zero-carbon procurement to be disposed of according to PURA's procedures (§ 30). The act similarly requires PURA to determine how RECs are disposed of for a procurement of Class I resources constructed on or after 2013. However, existing law requires these RECS to be sold in order to meet RPS requirements (CGS § 16a-3f).

The act eliminates requirements that PURA establish separate procedures to dispose of RECs purchased under renewable energy tariffs and instead subjects these RECs to the same procedures established by PURA in consultation with

DEEP and OCC, as described above (§ 9).
EFFECTIVE DATE: October 1, 2025

§ 43 — INTEGRATED RESOURCES PLAN AND RENEWABLE PROCUREMENTS

Requires DEEP to set targets and a schedule to procure new zero-carbon Class I renewable energy resources to meet 7% of the state's load in addition to RPS requirements

The act requires the DEEP commissioner to set (1) targets for energy procured under existing power procurement authorizations and (2) a proposed schedule for solicitations under these laws for new zero-carbon Class I renewable energy resources needed to achieve an additional 7% of total load served by EDCs in the aggregate by 2030, in addition to RPS requirements. The DEEP commissioner must do this in the next Integrated Resources Plan (IRP) approved after January 1, 2025. The target and schedule apply to solicitations under the following procurement authorizations:

1. Class I renewable energy resources to meet up to 4% of the state's load (CGS § 16a-3f);
2. Class I renewable energy resources or large-scale hydropower to meet up to 5% of the state's load (CGS § 16a-3g);
3. certain Class I renewable energy resources (e.g., qualifying run-of-the river hydropower, offshore wind, or anaerobic digestion) and energy storage for up to 6% of the state's load (CGS § 16a-3h);
4. Class I renewable energy resources procured in the event of a material shortage of Class I RECs (CGS § 16a-3i);
5. demand response resources, Class I and Class III resources, large-scale hydropower, and natural gas resources (CGS § 16a-3j);
6. zero-carbon electricity generating resources (CGS § 16a-3m);
7. offshore wind (CGS § 16a-3n); and
8. anaerobic digestion (CGS § 16a-3p).

In practice, DEEP has issued solicitations and directed EDCs to enter into agreements under these authorizations but retains authority to conduct additional solicitations to the extent procurements have not reached any limits imposed under each law.

Under the act, DEEP must base its targets on at least the following factors:

1. electric system needs identified by the IRP (e.g., capacity, winter reliability, and progress meeting greenhouse gas reduction goals);
2. the Comprehensive Energy Strategy priorities;
3. positive impacts on the state's economic development;
4. opportunities to coordinate procurement with other states;
5. forecasted trends in technology costs; and
6. impacts on the state's ratepayers.

EFFECTIVE DATE: October 1, 2025

§ 44 — BIOMASS POWER PURCHASE AGREEMENTS

Requires the DEEP commissioner to solicit proposals from certain biomass facilities by September 1, 2025

The act requires the DEEP commissioner, in consultation with OCC and PURA's procurement manager, to start a proceeding by September 1, 2025, to solicit proposals for energy, capacity, and environmental attributes from certain biomass facilities. To participate, a facility must be an eligible biomass facility and have entered into at least one existing biomass PPA, as described below.

Eligible biomass facilities are those that either (1) use sustainable biomass fuel and averaged no more than .075 pounds of nitrogen oxide emissions per million BTU of heat input during the previous quarter or (2) have a capacity of less than 500 kilowatts and their construction began before July 1, 2003 (i.e. facilities that qualified as Class I under prior law; see § 36).

An existing biomass PPA is one that was in effect for an eligible biomass facility on January 1, 2024, and was either (1) entered into with an EDC by June 5, 2013, or (2) executed under existing laws authorizing DEEP to solicit these resources.

The act allows the commissioner to conduct multiple solicitations and direct EDCs into one or more "additional biomass PPAs," which are PPAs entered into by an eligible biomass facility and an EDC for the facility's energy, capacity, and environmental attributes, in any combination. The PPA must consider the facility's operation costs, be in ratepayers' best interests, and support the state's solid waste management plan.

Prior law allowed DEEP to direct EDCs to enter into additional biomass PPAs but did not require her to conduct a solicitation. The act removes a provision requiring EDCs to sell or retain RECs, based on which option is in ratepayers' best interests.

Under both the act and existing law, additional biomass PPAs are subject to PURA's approval. Under prior law, these agreements were for 10 years. Under the act, they are for up to 10 years (i.e. agreements may be shorter in duration) and they begin when the applicable existing biomass PPA ends. EDCs must file an application for approval with PURA and PURA must issue a decision on the PPA within 180 days of receiving it or it is deemed approved.

Under existing law and the act, the agreement's net costs, including EDC costs under the agreement and reasonable costs they incur in connection with it must be recovered through a fully reconciling rate component for EDC customers.

EFFECTIVE DATE: July 1, 2025

§§ 45 & 46 — DEMAND RESPONSE PILOT PROGRAM

Requires DEEP to establish an electric active demand and gas demand response pilot program

The act requires the DEEP commissioner to establish an electric active demand and gas demand response pilot program to (1) reduce electric and gas demand and (2) improve electric and gas grid resiliency and reliability in the state. It allows the commissioner to issue multiple solicitations from providers of (1) active electric demand response measures and (2) active or passive gas demand response

measures. She may issue them for a two-year period, starting October 1, 2025, and in coordination with other New England states or on behalf of Connecticut alone.

The act requires each EDC or gas company, in consultation with the Energy Efficiency Board, to assess whether the submission of a proposal is feasible under a solicitation DEEP issues under the program. Demand reductions in proposals must be in addition to existing and projected demand reductions through the state's conservation and load management programs.

The DEEP commissioner may direct EDCs or gas companies to enter contracts for active or passive demand response measures if (1) she finds proposals to be in the ratepayers' best interests, (2) they result in electric or gas savings, and (3) the contracts' benefits to the customers outweigh the costs to them. The act limits the aggregate size of resources selected through the pilot program to 10% of the state's electric distribution or gas companies' load.

The act requires companies to file with PURA any agreements they enter for its review and approval. PURA must approve an agreement if it is cost effective and in ratepayers' best interests. PURA must issue a decision within 90 days after a company files an agreement with it or the agreement is deemed approved.

The act requires an agreement's net costs, including reasonable costs a gas company incurs under the agreement, to be recovered through the conservation adjustment mechanism for the state's conservation and load management programs (C&LM CAM). It requires EDCs to recover their reasonable costs incurred under the agreement through the nonbypassable federally mandated congestion charge (FMCC). By law, the C&LM CAM is capped at 4.6 cents per hundred cubic feet. The act allows companies to exceed this cap to fund the net costs of any agreement under the pilot program.

The act allows the DEEP commissioner to hire consultants with modeling expertise (quantitative modeling of gas and electric markets and physical electric or gas system modeling) to help implement the pilot program and evaluate proposals. It allows up to $1.5 million in reasonable costs associated with the DEEP commissioner's solicitation and review of proposals to be recovered through the C&LM CAM for gas companies and the FMCC for EDCs, even if the commissioner does not select any proposals.

The act requires the DEEP commissioner to evaluate the pilot program's effectiveness at benefitting ratepayers and submit the evaluation and any recommended legislation to the Energy and Technology Committee by January 1, 2028.

EFFECTIVE DATE: October 1, 2025

§ 48 — INSPECTING SUPPORT SERVICES FOR OFFSHORE WIND PROJECTS

Allows inspectors accredited by the United States National Association of Marine Surveyors to inspect fishermen providing support services for offshore wind projects selected under certain PPAs

Existing law authorizes DEEP to solicit proposals for up to 2,000 MW from offshore wind providers and transmission providers and direct the EDCs to enter

into PPAs with selected bidders. For solicitations on and after July 1, 2024, DEEP must include contract commitments requiring selected bidders to use their best efforts to award certain contracts or employment to state commercial fishing licensees. When these contracts are for support services (e.g., serving as a safety vessel in a construction zone), any selected fishermen must meet certain inspection requirements.

Under prior law only the Coast Guard or inspectors accredited through the International Institute of Marine Surveying's academy could do the inspections. The act allows inspectors accredited by the United States National Association of Marine Surveyors to do them as well.

EFFECTIVE DATE: October 1, 2025

§§ 49 & 53 — PURA

Principally makes PURA a part of DEEP for administrative purposes only and makes related changes; requires rate adjustments to come before all qualifying commissioners; and expands existing "revolving door" limitations on the employment commissioners may accept after leaving PURA

Under prior law, PURA was within DEEP. The act specifies PURA is a part of DEEP for administrative purposes only and makes the PURA chairperson PURA's chief executive for administrative purposes. It makes related minor and conforming changes, such as removing the requirement that PURA adopt its regulations in accordance with DEEP policies. By law, among other things, an agency assigned to a state department for "administrative purposes only" exercises its regulatory authority without the approval or control of the state department in which it is located (CGS § 4-38f).

As described below, the act additionally makes changes related to commissioner terms, decisions and panels, and employment restrictions.

PURA Commissioners

For commissioners appointed on or after January 1, 2025, the act specifies that their terms begin on the date they are appointed and qualified and continue for four years from the following July. (Terms were generally four years under prior law.) Additionally, commissioners may continue serving until a successor is appointed and qualified.

PURA Decisions and Panels

Under prior law, the PURA chairperson could assign any matter to a panel of three or more commissioners. The act creates an exception, requiring that rate adjustment proceedings be before all appointed and qualifying commissioners. Additionally, if the chairperson appoints a panel of three, no more than two commissioners may be from the same political party.

The act requires that each commissioner's vote on any decision be put into writing, recorded in the session minutes, and posted on PURA's website within 48

hours after the vote. If a commissioner chooses to write a concurring or dissenting opinion, the act requires the chairperson to make staff available to assist that commissioner.

Restrictions on PURA Commissioners and Employees

The act also expands "revolving door" provisions that prohibit former commissioners from accepting certain employment for one year after their service as a commissioner has ended. By law, they cannot accept employment from a public service company, telecommunications provider, an electric supplier, or any entity engaged in lobbying activities related to their regulation, during this period. Beginning July 1, 2025, the act adds that, for one year, former commissioners are also barred from accepting employment with (1) an entity that provides legal representation related to government regulation of these companies, providers, or suppliers or (2) any other entity related to them (meaning certain stockholders who own at least 50% of outstanding stock and their family members).

The act prohibits all former utility commissioners, for one year after their service has ended, from (1) appearing or participating in any matter before PURA or (2) accepting payment for a matter that is before PURA. Under prior law, this prohibition applied only to former commissioners who were also attorneys.

The act additionally prohibits former PURA commissioners and employees from accepting employment that would require them to disclose confidential information they acquired due to and during their official duties. (Existing law already prohibits current commissioners from doing so.)

The act retains other prohibitions in existing law on commissioner and employee conduct (e.g., disclosing confidential information for money) but applies them to PURA employees rather than DEEP employees assigned to work at PURA.
EFFECTIVE DATE: October 1, 2025

§§ 50-52 — OCC TRANSACTION INFORMATION AND CONSULTANTS

Requires proprietary information PURA receives from holding companies and their subsidiaries to be given to OCC; requires PURA to adjust retail transmission rates to fund DEEP and OCC consultants and evaluations under the act's GETs requirements

Proprietary Information

By law, PURA may order holding companies and their subsidiaries to produce documents related to the company's or subsidiary's transactions with a public service company and have those transactions audited. Under this law, the holding company's or subsidiary's proprietary commercial and proprietary financial information is confidential and protected by PURA. The act requires this information to also be given to OCC and requires OCC to keep it confidential and protect it, subject to the state's freedom of information laws. The act prohibits OCC employees from using any confidential information they receive due to their official OCC duties for financial gain, including willfully and knowingly disclosing it to another person.

Consultants and Evaluation Expenses

Existing law requires PURA to design an EDC's retail transmission rate to provide recovery for all FERC-approved transmission costs and hold hearings to determine whether these charges reflect actual prices. The act requires PURA to adjust the rates to fund (1) DEEP's and OCC's costs to retain consultants to enable them to participate in Siting Council proceedings and (2) evaluations and analyses conducted under the act's project alternative and evaluation requirements.

Additionally, existing law generally allows OCC to retain consultants knowledgeable in various fields, including economists, rate design experts, and capital cost experts. The act explicitly adds engineers to the types of consultants OCC may retain.

EFFECTIVE DATE: October 1, 2025

§ 54 — RATE CASE DEADLINES

Allows PURA to extend deadlines for rate amendment decisions for up to 90 days if two large utilities apply for rate amendments within a 60-day period

The act allows PURA to extend the statutory time limits for rate amendment decisions by up to 90 days when a larger regulated utility (with over 75,000 customers) files a rate amendment within 60 days after another larger regulated utility has filed one.

The law otherwise requires PURA to make a finding (1) for EDCs and gas companies, within 350 days from the proposed effective date and (2) for other regulated utilities, 270 days from the proposed effective date.

EFFECTIVE DATE: Upon passage

§ 55 — ELIMINATES PROGRAM FOR CERTAIN ENERGY STORAGE SYSTEMS

Eliminates a requirement that PURA initiate a proceeding to develop a program for front-of-the meter energy storage systems not located on a customer's premises

The act eliminates a requirement that PURA initiate a proceeding to develop and implement a program for front-of-the-meter energy storage systems not located at a customers' premises.

EFFECTIVE DATE: October 1, 2025

§ 56 — ELECTRIC SYSTEM EFFICIENCY GOAL

Establishes electric system efficiency as a state goal and allows DEEP and PURA to set metrics and implement programs towards the goal; requires DEEP to allocate staff for analyses related to the goal and report annually to the Energy and Technology Committee

The act establishes as goals of the state (1) maximizing the efficiency and use of the electric transmission and distribution systems and (2) ensuring that any

ratepayer-funded programs are cost-effective and focused on affordability, reliability, and decarbonization ("electric system efficiency goal"). To achieve these goals, the act requires the state to seek to:

1. improve electric system use by improving the system load factor, which is the average load divided by the peak load on an EDC's system, measured in megawatts;
2. analyze customer usage patterns and the efficacy of investments in electrification projects and grid-scale electricity storage projects;
3. develop and implement policies and incentives to encourage the dispatch of energy generated by behind-the-meter distributed solar facilities;
4. study and report on ways to promote business growth in the state through electric load growing energy policies; and
5. implement these goals in way that is consistent with the state's greenhouse gas reduction goals.

The act allows PURA to set specific goals and metrics aligned with the electric system efficiency goal through its programs and its regulation of EDCs. PURA programs to meet this goal may include incentives to dispatch behind-the-meter distributed solar energy to increase the system load factor.

The act similarly allows the DEEP commissioner to set specific goals and metrics aligned with the electric system efficiency goal through its IRP. DEEP may establish programs to promote load factor growth, within available appropriations and within its existing authority, including investments in electrification projects and grid-scale electricity storage projects.

The act requires programs DEEP and PURA implement to reach the electric system efficiency goal to have ratepayer benefits that exceed ratepayer costs.

The act requires the DEEP commissioner to allocate staff from the department's energy bureau to:

1. analyze customer usage patterns and the efficacy of investments in electrification projects and grid-scale electricity storage projects;
2. study and report on ways to promote business growth in the state through electric load growing energy policies; and
3. long-term planning on developing a more efficient, cost-effective electric system that actively aligns procurement, grid operations, and customer usage behavior to reduce ratepayer costs and improve electric system efficiency.

The act requires the DEEP commissioner, starting by April 1, 2026, and continuing until April 1, 2041, to report annually to the Energy and Technology Committee, on:

1. the annual and daily load factors for the previous calendar year for each EDC;
2. any policies and strategies adopted through an authority proceeding to achieve the system efficiency goal, including the costs and benefits of any program DEEP or PURA implemented to reach the goal; and
3. any cost-effective policies or programs the legislature may adopt to promote achieving the goal.

The act requires the DEEP commissioner to coordinate the report with PURA

and allows her to consult with EDCs and request data from them.
EFFECTIVE DATE: October 1, 2025

§ 57 — MUNICIPAL UNIFORM SOLAR CAPACITY TAX

Establishes a municipal uniform solar capacity tax of $10,000 per MW of nameplate capacity on solar photovoltaic systems over one MW in size, with specified exceptions

The act establishes a municipal uniform solar capacity tax of $10,000 per MW of nameplate capacity on certain solar photovoltaic systems in Connecticut that are over one MW in size and permitted to operate on or after July 1, 2026. Generally, the tax applies for 20 years, but municipalities may enter agreements to stabilize or freeze it. Among other things, the act designates revenue from the tax as municipal revenue and sets an appeal process.
EFFECTIVE DATE: July 1, 2026

Applicability

Under the act, the uniform solar capacity tax applies to owners of "solar photovoltaic systems," which are equipment and devices:

1. that primarily collect solar energy and generate electricity by photovoltaic effect;
2. that have a nameplate capacity over one MW that exceeds the load for the location where the equipment and devices are located; and
3. for which the owner receives permission to operate from an electric distribution company or a municipal electric utility on or after July 1, 2026.

The tax does not apply to systems that are located on the following:

1. state-owned land;
2. "brownfields" (i.e. abandoned or underutilized property where redevelopment, reuse, or expansion has not occurred due to the presence or potential presence of pollution in the buildings, soil, or groundwater that requires investigation or remediation before or in conjunction with the property's redevelopment, reuse, or expansion);
3. landfills;
4. residential, commercial, or industrial rooftops; or
5. "solar canopies" (i.e. outdoor, shade-providing structures, such as carports, that host solar photovoltaic panels above a parking or driving area, pedestrian walkway, courtyard, canal, or other used surface and are installed in a way that maintains the function of the underneath area).

Additionally, the tax also does not apply to systems that are part of a microgrid serving a critical facility. By law, and under the act, a "microgrid" is a group of interconnected electricity users and generators that (1) is within clearly defined boundaries and acts as a single controllable entity with respect to the larger grid and (2) can operate as part of the grid or independent of it. A "critical facility" includes:

1. hospitals,
2. police and fire stations,

3. water and sewage treatment plants,
4. public shelters,
5. correctional facilities,
6. certain television and radio production and transmission facilities,
7. commercial areas,
8. municipal centers identified by the municipality's chief elected official, and
9. any other facility or area identified by DEEP.

Notification to Municipality and Tax Payment

For each municipality in which a solar photovoltaic system (or any part of it) is located, the act requires the system's owners to notify the municipality's finance department, or, if none, the municipality's tax collector of the effective date of their permission to operate the system. They must do so within seven days after receiving permission. The act makes owners responsible for paying the system's tax to their respective finance departments and tax collectors. For systems with multiple owners, the act makes owners jointly and severally liable for the tax.

The act establishes a "uniform solar capacity tax year," from July 1 to June 30, as an accounting period to calculate the tax. For any system that receives permission to operate in uniform solar capacity tax years starting on or after July 1, 2026, the tax must be paid annually for a period of 20 uniform solar capacity tax years at a rate of $10,000 per MW of nameplate capacity, including any fractional portion.

Under the act, to calculate the nameplate capacity of a system, all equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect are considered part of the same system if they are (1) located on the same parcel, (2) located on land that was part of the same parcel before the current landowner subdivided it into multiple parcels, or (3) located on adjoining parcels. Under the act, this calculation method does not limit tax liability or the act's definitions related to the tax.

The act makes revenues from the tax general revenue for the municipality where it is paid. For systems located in more than one municipality, the act requires the tax to be allocated in proportion to the nameplate capacity of the system located in each municipality.

Additionally, the act requires OPM to develop a form to be submitted with the tax, and each municipality, through its finance department, or, if none, tax collector, must provide the form upon request by July 31, 2026. The act allows each municipal finance department and tax collector to require a single annual payment or semiannual or quarterly payments. It also makes the tax (1) due on the date or dates determined by the municipal finance department or tax collector and (2) due and collectible as other property taxes and subject to the same liens and collection processes.

Under the act, delinquent payments accrue interest at 1.5% per month or partial month, from the due date until paid.

Appeal Process

The act allows anyone aggrieved by a municipality's action related to the tax to appeal to the Superior Court for the judicial district in which the municipality is located. Under the act, anyone who appeals the tax is not liable for interest if he or she (1) pays a portion of the tax while the appeal is pending, (2) indicates that the payment is "under protest," and (3) pays at least 75% of the amount assessed by the municipality during the time limits the municipality sets for the payment.

Municipal Agreements to Stabilize or Freeze the Tax

The act authorizes a municipality, through its board of selectmen or other legislative body, to enter into an agreement to freeze or stabilize the tax imposed for any system in the municipality. If the system is located in more than one municipality, the agreement only applies to the portion of the tax allocated to the municipality that enters into the agreement.

§ 58 — PROPERTY TAX EXEMPTION FOR CLASS I RENEWABLE ENERGY SOURCES

Creates a new property tax exemption for certain solar-related Class I renewable energy sources; limits the new exemption and an existing exemption for specified commercial and industrial Class I renewable energy sources by explicitly excluding the real property where their equipment and devices are located

Starting with the 2025 assessment year, the act creates a property tax exemption for Class I renewable energy sources that consist of equipment and devices that primarily collect solar energy and generate energy by photovoltaic effect. The act limits this exemption by applying it only to equipment and devices with the primary purpose of generating electricity and not to any real property where the equipment or devices are located or installed.

Relatedly, the act applies this same limitation starting with the same assessment year to an existing property tax exemption for Class I renewable energy sources (other than nuclear power generating facilities) (1) installed on or after January 1, 2014; (2) for commercial or industrial purposes; and (3) with a nameplate capacity that does not exceed the location's load or, if the facility is participating in virtual net metering, the aggregated load of its beneficial accounts. (Prior law did not explicitly exclude the real property where these sources' equipment and devices are located or installed under the existing exemption.)

The act also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

§ 59 — SOLAR CONSUMER PROTECTION TASK FORCE

Extends the taskforce's reporting deadline by one year and broadens qualifications for one appointee

Existing law establishes a 17-member task force to examine and make recommendations to improve disclosure requirements and consumer protections for

consumers who purchase, lease, or enter into PPAs for solar facilities.

The act extends by one year (until January 1, 2026) the task force's deadline to report its findings and recommendations to the Energy and Technology and General Law committees. The task force terminates on this date or when it submits its report, whichever is later.

The act additionally broadens the qualifications for one appointee to the task force, requiring one of the House speaker's appointees to have experience representing individuals, rather than senior citizens specifically, in consumer protection matters.

EFFECTIVE DATE: Upon passage