



States' Biofuels Statutes

STATE OF CONNECTICUT

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#). These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.

Current through the 2013 Legislative Session of the Connecticut General Assembly.

§ 16-245n. Clean Energy Finance and Investment Authority. Charge assessed against electric customers. Clean Energy Fund

(a) For purposes of this section, “clean energy” means solar photovoltaic energy, solar thermal, geothermal energy, wind, ocean thermal energy, wave or tidal energy, fuel cells, landfill gas, hydropower that meets the low-impact standards of the Low-Impact Hydropower Institute, hydrogen production and hydrogen conversion technologies, low emission advanced biomass conversion technologies, alternative fuels, used for electricity generation including ethanol, biodiesel or other fuel produced in Connecticut and derived from agricultural produce, food waste or waste vegetable oil, provided the Commissioner of Energy and Environmental Protection determines that such fuels provide net reductions in greenhouse gas emissions and fossil fuel consumption, usable electricity from combined heat and power systems with waste heat recovery systems, thermal storage systems, other energy resources and emerging technologies which have significant potential for commercialization and which do not involve the combustion of coal, petroleum or petroleum products, municipal solid waste or nuclear fission, financing of energy efficiency projects, projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure, any related storage, distribution, manufacturing technologies or facilities and any Class I renewable energy source, as defined in section 16-1.

(b) On and after July 1, 2004, the Public Utilities Regulatory Authority shall assess or cause to be assessed a charge of not less than one mill per kilowatt hour charged to each end use customer of electric services in this state which shall be deposited into the Clean Energy Fund established under subsection (c) of this section. Notwithstanding the provisions of this section, receipts from such charges shall be disbursed to the resources of the General Fund during the period from July 1, 2003, to June 30, 2005, unless the authority shall, on or before October 30, 2003, issue a financing order for each affected distribution company in accordance with sections 16-245e to 16-245k, inclusive, to sustain funding of renewable energy investment programs by substituting an equivalent amount, as determined by the authority in such financing order, of proceeds of rate reduction bonds for disbursement to the resources of the General Fund during the period from July 1, 2003, to June 30, 2005. The authority may authorize

in such financing order the issuance of rate reduction bonds that substitute for disbursement to the General Fund for receipts of both charges under this subsection and subsection (a) of section 16-245m and also may in its discretion authorize the issuance of rate reduction bonds under this subsection and subsection (a) of section 16-245m that relate to more than one electric distribution company. The authority shall, in such financing order or other appropriate order, offset any increase in the competitive transition assessment necessary to pay principal, premium, if any, interest and expenses of the issuance of such rate reduction bonds by making an equivalent reduction to the charges imposed under this subsection, provided any failure to offset all or any portion of such increase in the competitive transition assessment shall not affect the need to implement the full amount of such increase as required by this subsection and sections 16-245e to 16-245k, inclusive. Such financing order shall also provide if the rate reduction bonds are not issued, any unrecovered funds expended and committed by the electric distribution companies for renewable resource investment through deposits into the Clean Energy Fund, provided such expenditures were approved by the authority following August 20, 2003, and prior to the date of determination that the rate reduction bonds cannot be issued, shall be recovered by the companies from their respective competitive transition assessment or systems benefits charge, except that such expenditures shall not exceed one million dollars per month. All receipts from the remaining charges imposed under this subsection, after reduction of such charges to offset the increase in the competitive transition assessment as provided in this subsection, shall be disbursed to the Clean Energy Fund commencing as of July 1, 2003. Any increase in the competitive transition assessment or decrease in the renewable energy investment component of an electric distribution company's rates resulting from the issuance of or obligations under rate reduction bonds shall be included as rate adjustments on customer bills.

(c) There is hereby created a Clean Energy Fund which shall be within the Clean Energy Finance and Investment Authority. The fund may receive any amount required by law to be deposited into the fund and may receive any federal funds as may become available to the state for clean energy investments. Upon authorization of the Clean Energy Finance and Investment Authority established pursuant to subsection (d) of this section, any amount in said fund may be used for expenditures that promote investment in clean energy in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand for clean energy and deployment of clean energy sources that serve end use customers in this state and for the further purpose of supporting operational demonstration projects for advanced technologies that reduce energy use from traditional sources. Such expenditures may include, but not be limited to, providing low-cost financing and credit enhancement mechanisms for clean energy projects and technologies, reimbursement of the operating expenses, including administrative expenses incurred by the Clean Energy Finance and Investment Authority and Connecticut Innovations, Incorporated, and capital costs incurred by the Clean Energy Finance and Investment Authority in connection with the operation of the fund, the implementation of the plan developed pursuant to subsection (d) of this section or the other permitted activities of the Clean Energy Finance and Investment Authority, disbursements from the fund to develop and carry out the plan developed pursuant to subsection (d) of this section, grants, direct or equity investments, contracts or other actions which support research, development, manufacture, commercialization, deployment and installation of clean energy technologies, and actions which expand the expertise of individuals, businesses and lending institutions with regard to clean energy technologies.

(d) (1) (A) There is established the Clean Energy Finance and Investment Authority, which shall be

within Connecticut Innovations, Incorporated, for administrative purposes only. The Clean Energy Finance and Investment Authority is hereby established and created as a body politic and corporate, constituting a public instrumentality and political subdivision of the state of Connecticut established and created for the performance of an essential public and governmental function. The Clean Energy Finance and Investment Authority shall not be construed to be a department, institution or agency of the state.

(B) The Clean Energy Finance and Investment Authority shall (i) develop separate programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects and such others as the Clean Energy Finance and Investment Authority may determine; (ii) support financing or other expenditures that promote investment in clean energy sources in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of clean energy sources and related enterprises; and (iii) stimulate demand for clean energy and the deployment of clean energy sources within the state that serve end-use customers in the state.

(C) The Clean Energy Finance and Investment Authority shall constitute a successor agency to Connecticut Innovations, Incorporated for the purposes of administering the Clean Energy Fund in accordance with section 4-38d. The Clean Energy Finance and Investment Authority shall have all the privileges, immunities, tax exemptions and other exemptions of Connecticut Innovations, Incorporated with respect to said fund. The Clean Energy Finance and Investment Authority shall be subject to suit and liability solely from the assets, revenues and resources of said authority and without recourse to the general funds, revenues, resources or other assets of Connecticut Innovations, Incorporated. The Clean Energy Finance and Investment Authority may provide financial assistance in the form of grants, loans, loan guarantees or debt and equity investments, as approved in accordance with written procedures adopted pursuant to section 1-121. The Clean Energy Finance and Investment Authority may assume or take title to any real property, convey or dispose of its assets and pledge its revenues to secure any borrowing, convey or dispose of its assets and pledge its revenues to secure any borrowing, for the purpose of developing, acquiring, constructing, refinancing, rehabilitating or improving its assets or supporting its programs, provided each such borrowing or mortgage, unless otherwise provided by the board or said authority, shall be a special obligation of said authority, which obligation may be in the form of bonds, bond anticipation notes or other obligations which evidence an indebtedness to the extent permitted under this chapter to fund, refinance and refund the same and provide for the rights of holders thereof, and to secure the same by pledge of revenues, notes and mortgages of others, and which shall be payable solely from the assets, revenues and other resources of said authority and such bonds may be secured by a special capital reserve fund contributed to by the state. The Clean Energy Finance and Investment Authority shall have the purposes as provided by resolution of said authority's board of directors, which purposes shall be consistent with this section. No further action is required for the establishment of the Clean Energy Finance and Investment Authority, except the adoption of a resolution for said authority.

(2) (A) The Clean Energy Finance and Investment Authority may seek to qualify as a Community Development Financial Institution under Section 4702 of the United States Code. If approved as a Community Development Financial Institution, said authority would be treated as a qualified community development entity for purposes of Section 45D and Section 1400N(m) of the Internal Revenue Code.¹

(B) Before making any loan, loan guarantee, or such other form of financing support or risk management for a clean energy project, the Clean Energy Finance and Investment Authority shall develop standards to govern the administration of said authority through rules, policies and procedures that specify borrower eligibility, terms and conditions of support, and other relevant criteria, standards or procedures.

(C) Funding sources specifically authorized include, but are not limited to:

(i) Funds repurposed from existing programs providing financing support for clean energy projects, provided any transfer of funds from such existing programs shall be subject to approval by the General Assembly and shall be used for expenses of financing, grants and loans;

(ii) Any federal funds that can be used for the purposes specified in subsection (c) of this section;

(iii) Charitable gifts, grants, contributions as well as loans from individuals, corporations, university endowments and philanthropic foundations;

(iv) Earnings and interest derived from financing support activities for clean energy projects backed by the Clean Energy Finance and Investment Authority;

(v) If and to the extent that the Clean Energy Finance and Investment Authority qualifies as a Community Development Financial Institution under Section 4702 of the United States Code,² funding from the Community Development Financial Institution Fund administered by the United States Department of Treasury, as well as loans from and investments by depository institutions seeking to comply with their obligations under the United States Community Reinvestment Act of 1977;³ and

(vi) The Clean Energy Finance and Investment Authority may enter into contracts with private sources to raise capital. The average rate of return on such debt or equity shall be set by the board of directors of said authority.

(D) The Clean Energy Finance and Investment Authority may provide financing support under this subsection if said authority determines that the amount to be financed by said authority and other nonequity financing sources do not exceed eighty per cent of the cost to develop and deploy a clean energy project or up to one hundred per cent of the cost of financing an energy efficiency project.

(E) The Clean Energy Finance and Investment Authority may assess reasonable fees on its financing activities to cover its reasonable costs and expenses, as determined by the board.

(F) The Clean Energy Finance and Investment Authority shall make information regarding the rates, terms and conditions for all of its financing support transactions available to the public for inspection, including formal annual reviews by both a private auditor conducted pursuant to subdivision (2) of subsection (f) of this section and the Comptroller, and providing details to the public on the Internet, provided public disclosure shall be restricted for patentable ideas, trade secrets, proprietary or confidential commercial or financial information, disclosure of which may cause commercial harm to a nongovernmental recipient of such financing support and for other information exempt from public

records disclosure pursuant to section 1-210.

(3) No director, officer, employee or agent of the Clean Energy Finance and Investment Authority, while acting within the scope of his or her authority, shall be subject to any personal liability resulting from exercising or carrying out any of the Clean Energy Finance and Investment Authority's purposes or powers.

(e) The powers of the Clean Energy Finance and Investment Authority shall be vested in and exercised by a board of directors, which shall consist of eleven voting and two nonvoting members each with knowledge and expertise in matters related to the purpose and activities of said authority appointed as follows: The Treasurer or the Treasurer's designee, the Commissioner of Energy and Environmental Protection or the commissioner's designee and the Commissioner of Economic and Community Development or the commissioner's designee, each serving ex officio, one member who shall represent a residential or low-income group appointed by the speaker of the House of Representatives for a term of four years, one member who shall have experience in investment fund management appointed by the minority leader of the House of Representatives for a term of three years, one member who shall represent an environmental organization appointed by the president pro tempore of the Senate for a term of four years, and one member who shall have experience in the finance or deployment of renewable energy appointed by the minority leader of the Senate for a term of four years. Thereafter, such members of the General Assembly shall appoint members of the board to succeed such appointees whose terms expire and each member so appointed shall hold office for a period of four years from the first day of July in the year of his or her appointment. The Governor shall appoint four members to the board as follows: Two for two years who shall have experience in the finance of renewable energy; one for four years who shall be a representative of a labor organization; and one who shall have experience in research and development or manufacturing of clean energy. Thereafter, the Governor shall appoint members of the board to succeed such appointees whose terms expire and each member so appointed shall hold office for a period of four years from the first day of July in the year of his or her appointment. The president of the Clean Energy Finance and Investment Authority shall be elected by the members of the board. The president of the Clean Energy Finance and Investment Authority and a member of the board of Connecticut Innovations, Incorporated, appointed by the chairperson of the corporation shall serve on the board in an ex-officio, nonvoting capacity. The Governor shall appoint the chairperson of the board. The board shall elect from its members a vice chairperson and such other officers as it deems necessary and shall adopt such bylaws and procedures it deems necessary to carry out its functions. The board may establish committees and subcommittees as necessary to conduct its business.

(f) (1) The board shall issue annually a report to the Department of Energy and Environmental Protection reviewing the activities of the Clean Energy Finance and Investment Authority in detail and shall provide a copy of such report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce. The report shall include a description of the programs and activities undertaken during the reporting period jointly or in collaboration with the Energy Conservation and Load Management Funds established pursuant to section 16-245m.

(2) The Clean Energy Fund shall be audited annually. Such audits shall be conducted with generally accepted auditing standards by independent certified public accountants certified by the State Board of

Accountancy. Such accountants may be the accountants for the Clean Energy Finance and Investment Authority.

(3) Any entity that receives financing for a clean energy project from the fund shall provide the board an annual statement, certified as correct by the chief financial officer of the recipient of such financing, setting forth all sources and uses of funds in such detail as may be required by the authority of such project. The Clean Energy Finance and Investment Authority shall maintain any such audits for not less than five years. Residential projects for buildings with one to four dwelling units are exempt from this and any other annual auditing requirements, except that residential projects may be required to grant their utility companies' permission to release their usage data to the Clean Energy Finance and Investment Authority.

(g) There shall be a joint committee of the Energy Conservation Management Board and the Clean Energy Finance and Investment Authority board of directors, as provided in subdivision (2) of subsection (d) of section 16-245m.

Credits: (1998, P.A. 98-28, § 44, eff. July 1, 1998; 2003, P.A. 03-135, §§ 10, 11, eff. July 1, 2003; 2003, June 30 Sp.Sess., P.A. 03-6, § 50, eff. Aug. 20, 2003; 2005, June Sp.Sess., P.A. 05-1, § 6, eff. July 21, 2005; 2007, P.A. 07-242, §§ 15, 120, eff. June 4, 2007; 2007, P.A. 07-152, § 1; 2011, P.A. 11-51, § 134(b), eff. July 1, 2011; 2011, P.A. 11-80, §§ 1, 99, eff. July 1, 2011; 2012, June 12 Sp.Sess., P.A. 12-2, § 158, eff. June 15, 2012.)