



# STATE OF CONNECTICUT

## PUBLIC UTILITIES REGULATORY AUTHORITY

July 2, 2024

In reply, please refer to:

Docket No. 19-10-41

eRegulations System Tracking

Number: PR2020-007

The Honorable Lucy Dathan, Co-Chairperson  
The Honorable John A. Kissel, Co-Chairperson  
Legislative Regulation Review Committee  
State Capitol, Room 011  
Hartford, Connecticut 06106

Re: Docket No. 19-10-41 – Regulations for Electric Supplier Licensing  
LRRC Regulation No. 2024-8  
eRegulations Tracking No. PR2020-007

Dear Senator Kissel, Representative Dathan, and Members of the Committee:

Pursuant to General Statutes § 4-170, the Public Utilities Regulatory Authority (Authority or PURA) resubmits for the consideration and approval of the Legislative Regulation Review Committee (LRRC) the proposal to amend regulations concerning electric supplier licensing. This resubmission addresses substantive concerns and technical corrections identified by the Legislative Commissioners' Office in its memorandum dated April 23, 2024, as accepted by the LRRC at its April meeting. The attached document explains the Authority's response to those concerns and shows the language that was updated since the last submission to the LRRC. The Office of the Attorney General approved the updated version of the proposed regulation (Proposed Regulation) as legally sufficient on July 1, 2024.

As you may recall, the Proposed Regulation amends existing regulations that implement General Statutes § 16-245. The amendments update the regulations with the current name of the agency, Public Utilities Regulatory Authority, and revise regulations concerning the licensing of electric suppliers, post-licensing requirements, and security requirements. The substantive amendments are necessary and appropriate to address issues that the Authority has consistently encountered in its regulation of electric suppliers and to address changed circumstances that have arisen since the initial adoption of the regulations in 1999 and since the last amendments to the regulations in 2004 and 2005.

The Proposed Regulation changes the review cycle for electric supplier licenses from every five years to biennial. The Proposed Regulation also raises the fee for applications to become a licensed electric supplier and the fee for the periodic reviews conducted by the Authority.

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In addition, the Proposed Regulation requires electric suppliers to provide additional information to PURA and the public. For licensing, electric suppliers will be required to provide information on investigations by regulatory agencies and attorneys general in other states. After licensing, electric suppliers will be required to provide specific information on their websites, including the electric supplier's official name and trade name or names, all PURA dockets specifically pertaining to the electric supplier, customer service contact information, PURA contact information, and any other information deemed necessary by the Authority. These amendments will ensure the public is receiving all pertinent information to make decisions regarding electric suppliers.

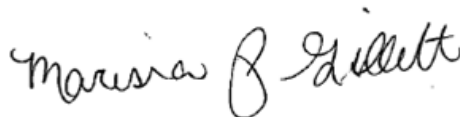
The Proposed Regulation also changes and generally increases security requirements according to a new schedule. The Authority will have the discretion to increase security if an electric supplier's forecast year load exceeds 1,500,000 megawatt-hours.

The Proposed Regulation will amend Conn. Agencies Regs. §§ 16-245-1 to 16-245-4, inclusive, and § 16-245-6.

Thank you for your attention to this matter. If you have any questions or require additional information, please contact Kathryn Keenan, Staff Attorney, at (860) 827-2823 or [kathryn.keenan@ct.gov](mailto:kathryn.keenan@ct.gov).

Sincerely,

PUBLIC UTILITIES REGULATORY AUTHORITY

A handwritten signature in black ink, appearing to read "Marissa P. Gillett".

Marissa P. Gillett, Chairman

Attachment

cc: Service list

## **ATTACHMENT**

### **Responses to the Legislative Commissioners' Office Report on LRRC Regulation No. 2024-8 eRegulations System Tracking No. PR2020-007**

#### **A. Substantive Concerns:**

1. Throughout the proposed regulation, it is unclear how certain terms and phrases used relate to defined terms. For example, on page 1, in section 16-245-1(10), both "generation rate" and "rate" are used. On page 2, in section 16-245-1(19), the definition of "Rate" refers to "each generation offer". However, it is unclear if the word "offer" in "each generation offer" has the same meaning as provided in section 16-245-1(17). Similarly, it is unclear if the references to "generally available generation offers" on page 2, in section 16-245-1(23) and on page 6, in section 16-245-3(d)(2), refer to generally available rates, as defined in section 16-245-1(10), or have a different meaning. These terms and definitions should be clarified. To the extent these terms refer to the same thing, one such term should be used.

To address this concern, the Public Utilities Regulatory Authority (Authority or PURA) removed the terms "Generally-available rate" and "Offer," and their corresponding definitions, from section 16-245-1. The Authority also removed any provisions in the Proposed Regulations that refer to such terms. For example, the Authority removed section 16-245-3(c)(5), which required an electric supplier to maintain its internet website to include the following: "Information concerning all generally available offers, renewable products, and information about the source of renewable energy (e.g., renewable energy certificates), standard contracts, and enrollment forms[.]"

2. On page 2, in section 16-245-1(17), the proposed regulation defines "Offer" to include "the applicable electric distribution company tariff and customer class, term in billing cycles, rate, cancellation fee, enrollment fee, restrictions, and other product-specific information". It is unclear what "applicable electric company tariff and customer class" refers to, particularly in the case of a product or customer class that does not correspond to an existing electric distribution company tariff. Further, it is unclear what information "cancellation fee" refers to given the prohibition on cancellation fees under section 16-245o(h)(7)(A) of the general statutes.

To address this concern, the Authority removed the term "Offer" and its corresponding definition from section 16-245-1.

3. On page 4, in section 16-245-2(f), the proposed regulation requires the Authority to review "certain aspects" of electric suppliers' licenses. The phrase "certain aspects" is ambiguous, and this provision should be clarified.

To address this concern, the Authority removed "certain aspects" and added language that requires PURA to conduct a biennial proceeding to review an electric supplier's license to ensure the electric supplier continues to have the technical, managerial and financial capability to provide electric generation services to customers, which is the standard for a license in General Statutes § 16-245(c). Accordingly, the first sentence in section 16-245-2(f)(1) now states: "Beginning on April 15, 2025, the Authority shall conduct biennial proceedings to review all electric supplier licenses to ensure electric suppliers continue to have the technical, managerial and financial capability to provide electric generation services to customers."

4. On page 4, in section 16-245-2(f), the proposed regulation requires the Authority to "respond to" a license review compliance filing not later than ninety days after the Authority notifies the electric supplier that the filing is complete. It is unclear if "respond to" means to make a decision to renew, revoke or suspend the electric supplier's license, or if it has some other meaning. This reference should be clarified.

To address this concern, the Authority removed this provision.

5. On page 5, in section 16-245-3(a)(5), the proposed regulation establishes a deadline of five business days for electric suppliers to respond to customer complaints provided by the Authority, but also allows the Authority to prescribe a different time period "in a decision". It is unclear under what circumstances the Authority would prescribe in a decision an alternate deadline to supersede the five-business-day deadline. This provision should be clarified to provide guidance regarding the criteria or other factors the Authority will consider in issuing such a decision.

To address this concern, the Authority removed this provision.

6. On page 7, in section 16-245-4(b), the proposed regulation permits the Authority to "update the schedule of security set forth in subsection (a) of this section as necessary and shall issue any updates in a decision." First, this provision is ambiguous, and examples of what would constitute "necessary" and under what circumstances an electric supplier would need to maintain a different amount of security should be added to resolve such ambiguity. Second, such a provision would seem to allow the Authority to modify the security set forth in the schedule under subsection (a) of said section without formally amending its regulations in

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accordance with the Uniform Administrative Procedure Act, which appears to be beyond the scope of the statutory authorization for such regulation.

To address this concern, the Authority removed this provision.

B. Technical Corrections:

1. Throughout the proposed regulation, page numbers should be inserted, for proper form.

The Authority made this change as requested.

2. On page 1, in section 16-245-1(1), "inclusive of" should be inserted after "means", for clarity, and "costs or" should be inserted after "no other", for consistency.

The Authority made these changes as requested.

3. On page 1, in section 16-245-1(10), in the second line, "customers. Rates" should be "customers, and includes rates", for proper form; in the third line, "included" should be "displayed", for consistency; and in the third and fourth lines, "are deemed to be generally available" should be deleted, for proper form.

The Authority removed the provision containing the technical corrections.

4. On page 2, in section 16-245-1(17), in the first line, "consumers" should be "customers", for consistency; and in the second line, "Board. This information includes" should be "Board, and includes", for proper form.

The Authority removed the provision containing the technical corrections.

5. On page 2, in section 16-245-1(23), in the first line, "followed by electric suppliers to upload to" should be "by which electric suppliers upload generally available generation offers to", for clarity.

The Authority removed the provision containing the technical correction.

6. On page 3, in section 16-245-2(b)(13), "or commercial" should be deleted, for consistency.

The Authority removed "business or commercial" and added "non-residential". Therefore, section 16-245-2(b)(13) now states: "A copy of the applicant's

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standard service contract or contracts for both residential and non-residential customers".

7. On page 3, in section 16-245-2(b)(17), in the fourth line, "practices, including" should be "practices. The form prescribed under this subsection shall provide a space in which the applicant shall include", for clarity.

The Authority made this change as requested.

8. On page 4, in section 16-245-2(b)(21), in the first line, "any" should be inserted after "including", in the second line, "the" should be "such" and, in the third line, "of such settlement" should be inserted after "outcome", for clarity.

The Authority made these changes as requested.

9. On page 4, in section 16-245-2(f), a subdivision "(1)" designator should be inserted before "Beginning on April 15", the existing "(1)", "(2)" and "(3)" designators should be "[(1)] (A)", "[(2)] (B)" and "[(3)] (C)", respectively, and a subdivision "(2)" designator should be inserted before "Not more than ninety days after", for proper form.

The Authority made these changes as requested.

10. On page 4, in section 16-245-2(f), in newly-designated subdivision (1), in the fifth line, "each year of the biennial review, an" should be "each year in which an electric supplier's biennial review is conducted, such [an]", for clarity.

The Authority made this change as requested.

11. On page 4, in section 16-245-2(f), in newly-designated subdivision (1)(A), an underlined comma should be inserted after "\$2,500", for consistency.

The Authority made this change as requested.

12. On page 4, in section 16-245-2(f), in newly-designated subdivision (2), in the second line "must" should be "is required to" in accordance with the committee's directive regarding mandates.

The Authority made this change as requested.

13. On page 5, in section 16-245-3(a)(3), in the third line "in section 16-245a-1" should be "pursuant to section 16-245a-1(a)", for accuracy.

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The Authority made this change as requested.

14. On page 5, in section 16-245-3(a)(5), "complaints provided by the Authority within five business days of" should be "complaints, provided to the electric supplier by the Authority, not later than five days after", for clarity.

The Authority removed the provision containing the technical correction.

15. On page 6, in section 16-245-3(c)(3), "(not an answering service)" should be "(i.e., not an answering service)", for consistency.

The Authority made this change as requested.

16. On page 6, in section 16-245-3(c)(5), in the first line, "offers, renewable" should be "offers and renewable" and, in the second line, "for any such renewable products" should be inserted before "(e.g., renewable energy certificates)", for clarity.

The Authority removed the provision containing the technical corrections.

17. On page 6, in section 16-245-3(d)(2), "following" should be "in accordance with", for clarity.

The Authority removed the provision containing the technical correction.

18. On page 6, in section 16-245-3(d)(4), "follow" should be "use" and "issued" should be "prescribed", for clarity.

The Authority removed the provision containing the technical corrections.

19. On page 6, in section 16-245-3(d)(6), "cannot" should be "shall not" and "will" should be "shall" in accordance with the committee's directive regarding mandates. Also, "places, e.g., \$0.00000," should be "places (e.g., \$0.00000),", for consistency.

The Authority removed the provision containing the technical corrections.

20. On page 6, in section 16-245-3(d)(7), in the first line, "Rate Board database is considered" should be "Rate Board shall be considered", for clarity and consistency.

The Authority removed the provision containing the technical correction.

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21. On page 6, in section 16-245-3(e)(2), "website including a claim of savings shall include a clear and conspicuous disclosure of how" should be "website that includes a claim of savings shall clearly and conspicuously disclose how", for clarity.

The Authority removed the provision containing the technical correction.

22. On page 6, in section 16-245-3(f), in the first line, "shall mean" should be "means", for proper form, and in the fourth line, "not more than sixty before after any" should be "not more than sixty days before any", for clarity.

The Authority made these changes as requested. The Authority redesignated section 16-245-3(f) as section 16-245-3(d) when the Authority removed sections 16-245-3(d) and (e).

23. On page 7, in section 16-245-4(a)(1)(A), "oblige" should be "obligee", to accurately reflect the text of the existing regulation.

The Authority made this change as requested.

24. On page 7, in section 16-245-4(a)(2), a subparagraph "(A)" designator should be inserted before "An electric supplier shall maintain", the currently-reflected "(A)", "(B)", "(C)" and "(D)" designators should be "(i)", "(ii)", "(iii)" and "(iv)", respectively, and a subparagraph "(B)" designator should be inserted before "An electric supplier may elect", for proper form.

The Authority made these changes as requested.

25. On page 7, in section 16-245-4(a)(2), in newly-designated subparagraph (A)(iii), "99,999 MWh" should be "999,999 MWh", for accuracy.

The Authority made this change as requested.

26. On page 7, in section 16-245-4(a)(2), in newly-designated subparagraph (B), in the second line, "schedule. Notwithstanding this schedule, the Authority has discretion" should be "schedule set forth in subparagraph (A) of this subdivision. Notwithstanding such schedule, the Authority shall have discretion" and, in the fourth line, an underlined comma should be inserted after "1,500,000 MWh", for clarity.

The Authority made these changes as requested.



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27. On page 7, in section 16-245-4(b), in the fifth line, "updates" should be "revisions", for consistency; and in the seventh line, "Said" should be "Such", for proper form.

The Authority made these changes as requested.

28. On page 7, in section 16-245-4(c), a space should be added between "(c)" and the opening bracket, to accurately reflect the text of the existing regulation.

The Authority made this change as requested.