

State of Connecticut  
Regulation of  
**Public Utilities Regulatory Authority**  
Concerning  
**Licensing Electric Suppliers**

Sections 16-245-1 to 16-245-4, inclusive, and 16-245-6 of the Regulations of Connecticut State Agencies are amended to read as follows:

**Sec. 16-245-1. Definitions**

As used in sections 16-245-1 to 16-245a-2, inclusive, of the Regulations of Connecticut State Agencies:

(1) “Applicant” means any person, as defined in section 16-1 of the Connecticut General Statutes, who applies for a license to become an electric supplier in this state pursuant to section 16-245 of the Connecticut General Statutes, and any municipal electric utility that applies, pursuant to section 16-245c of the Connecticut General Statutes, for a license to provide electric generation services to end use customers outside of its service area using the transmission or distribution system or facilities of an electric distribution company, as defined in section 16-1 of the Connecticut General Statutes;[.]

(2) [“Class I Renewable Energy Source”] “Class I renewable energy source” means [“Class I Renewable Energy Source”] “Class I renewable energy source” as defined in section 16-1 of the Connecticut General Statutes;

(3) [“Class II Renewable Energy Source”] “Class II renewable energy source” means [“Class II Renewable Energy Source”] “Class II renewable energy source” as defined in section 16-1 of the Connecticut General Statutes;

(4) “Class III source” means “Class III source” as defined in section 16-1 of the Connecticut General Statutes;

[(4)] (5) [“Department”] “Authority” means the [Department of Public Utility Control] Public Utilities Regulatory Authority or its successor;

[(5)] (6) “Electric distribution company” means “electric distribution company” as defined in section 16-1 of the Connecticut General Statutes;

[(6)] (7) “Electric supplier” means “electric supplier” as defined in section 16-1 of the Connecticut General Statutes;

[(7)] (8) “ISO” means ISO – New England, Inc., and includes any successor organization thereto;

[(8)] (9) “Municipal electric utility” means a municipal electric utility established under chapter 101 of the Connecticut General Statutes or any other electric utility owned, leased, maintained, operated, managed, or controlled by any unit of local government under any general statute or any public or special act;

[(9)] (10) “NEPOOL” means the New England Power Pool and includes any successor organization thereto;

[(10)] (11) “NEPOOL GIS” means the generation information system and associated operating rules that govern the tracking of generation attributes, as approved by NEPOOL, and as amended from time to time;

[(11)] (12) “Participating municipal electric utility” means participating municipal electric utility as defined in section 16-1 of the Connecticut General Statutes;[ and]

[(12)] (13) “Security” means a bond, letter of credit, guarantee, or other appropriate financial instrument that is continuous from a creditworthy financial institution;[.]

(14) “Load” means number of megawatt hours served as indicated by the electric distribution company load settlement data or billing data, and shall not include line loss;

(15) “Generally available rate” means a generation rate that is offered to all customers taking service under a rate tariff or a rate that is offered to a class of residential or business customers. Rates that are offered through a supplier’s website or are included on the Rate Board are deemed to be generally available;

(16) “Offer” means the information provided to consumers for each product or record displayed on the Rate Board. This information includes, but is not limited to, the applicable EDC tariff and customer class, term in billing cycles, rate, cancellation fee, enrollment fee, restrictions, and other product specific information;

(17) “Rate Board database” means the database that stores the information for generally available rates and offers that are displayed on the Rate Board;

(18) “All-inclusive” includes all generation-related costs or charges, such that no other charges can be added;

(19) “Rate” means the all-inclusive cost per kWh for each generation offer;

(20) “Rate Board” means EnergizeCT.com or any other internet website managed by the Authority to better enable customers to compare pricing policies and charges among electric suppliers; and

(21) “Self-reporting” means the process followed by suppliers to upload and manage generally available generation offers to the Rate Board.

## **Sec. 16-245-2. Scope of license. Application filing requirements. Periodic review.**

(a) At the discretion of the [department] Authority, the scope of any license may be restricted to the provision of service to a geographic area, the provision of service to a particular type of customer, a method of operation (e.g., generator, broker, marketer), or the services it offers (e.g., energy services, backup services). The scope of a license may be restricted based on the [department’s] Authority’s assessment of the technical, managerial, [ and] or financial capability of the applicant, [ and] or the scope of service plan submitted by the applicant.

(b) Except as provided in subsection (e) of this section, an application for a license to become an electric supplier or participating municipal electric utility shall include a completed form prescribed by the [department]Authority and shall include the following items:

(1) An application fee in the amount of \$ [1,000] 2,500 or other amount updated by the Authority in its decisions, made payable to the Treasurer of the State of Connecticut;

(2) A scope of service plan which sets forth a description of the geographic area the applicant plans to serve, the type of customers to be served, a description of the applicant’s proposed operations (e.g., generator and supplier of electric generation services; broker or marketer and supplier of electric generation services; or aggregator and supplier of electric generation services), and the services it plans to offer (e.g., energy services, backup services);

(3) Documentation demonstrating the applicant’s technical, managerial, and financial capability to provide electric generation services;

(4) The applicant’s legal name, a description of the applicant’s form of ownership, and the name of the state or jurisdiction where the applicant is organized or formed;

(5) The applicant’s endorsed certificate of incorporation certified by the Connecticut Secretary of the State, a copy of the applicant’s certificate of existence, a copy of the applicant’s certificate of good standing, or other business registration on file with the Connecticut Secretary of the State; unless the applicant is a municipal electric utility, in which case the applicant shall include the municipality’s authorization to apply to become a participating municipal electric utility, which may include, but shall not be limited to, a resolution from its board of electrical commissioners, board of gas and electrical commissioners, or town council;

(6) The address of the applicant’s headquarters, the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated, and any bylaws and amendments thereto;

(7) The name, business address, and title of each officer and director, partner, or other similar officer, unless the applicant is a municipal electric utility, in which case the applicant shall include the name and business address of the manager, superintendent, or other designated person in charge of electric generation services, as defined in section 16-1 of the Connecticut General Statutes, and the name and business address of each member of its board of electrical commissioners or board of gas and electrical commissioners appointed pursuant to section 7-216 of the Connecticut General Statutes;

(8) The address of the applicant's principal office in this state, if any, or the address of the applicant's agent for service in this state. The application shall also include the name, address, telephone number, facsimile machine number, and e-mail address of the applicant's contact person for regulatory matters;

(9) Information about the applicant's corporate structure, including names and financial statements, as appropriate, concerning corporate affiliates. If the applicant is a holding company or the subsidiary of a holding company, a graphical depiction of the organization shall also be provided;

(10) A summary of any history of bankruptcy, dissolution, merger, or acquisition of the applicant in the two calendar years immediately preceding the application;

(11) An exhibit indicating whether the applicant or any of the applicant's corporate affiliates or officers have been or are currently under investigation, either in this state or in another state or jurisdiction for violation of any consumer protection law or regulation, and whether the applicant or any of the applicant's corporate affiliates or officers have been fined, sanctioned, ~~or~~ otherwise penalized, or entered into a settlement agreement for an alleged violation either in this state or in another state or jurisdiction for violation of any consumer protection law or regulation;

(12) The applicant's toll-free telephone number for customer service and address for customer complaints;

(13) A copy of the applicant's standard service ~~[contract]~~ contract(s) for both residential and business or commercial customers;

(14) Unless addressed in the applicant's standard service ~~[contract]~~ contract(s), the applicant's customer service plan, which shall consist of the applicant's customer security deposit procedures and requirements, customer complaint handling and dispute resolution procedures, customer termination procedures, customer rights and responsibilities, and customer information and disclosure procedures;

(15) The applicant's Federal Employer Identification Number;

(16) A declaration that the applicant agrees to cooperate with the ~~[department]~~ Authority, the ISO, the electric distribution companies, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of electric service in accordance with emergency plans and other procedures as may be determined appropriate by the ~~[department]~~ Authority;

(17) An attestation that the applicant will not release customer information to any person, as that term is defined in section 16-1 of the Connecticut General Statutes, unless the customer signs a release, the form for which shall be made available by the ~~[department]~~ Authority. For purposes of this subdivision, "customer information" means customer-specific information which the electric supplier acquired or developed in the course of providing electric generation services and includes, but is not limited to, information that relates to the quantity, time of use, type, and destination of electric service, information contained in electric service bills, and other data specific to an electric supplier customer;

(18) Documentation demonstrating that the applicant maintains security as required pursuant to section 16-245-4 of the Regulations of Connecticut State Agencies;

[(19)] If the applicant maintains security in an amount less than \$ 250,000 pursuant to section 16-245-4(a) of the Regulations of Connecticut State Agencies, a twelve month estimate of the applicant's gross receipts from the sale of electric generation services in Connecticut;

[(20)] (19) A twelve month estimate of the expected total electric ~~[generation load]~~ Load to be served in Connecticut by the applicant;

[(21)](20) If the applicant is a publicly owned company, a copy of the applicant's two most recent annual reports to stockholders, annual returns, or summary financial statements, including filings made with the securities and exchange commission such as 10-K or 10-Q and 8-K filings and audited financial statements; if the applicant is a privately owned company, a copy of the company's two most recent federal income tax returns;

[(22)] (21) Information regarding the status of the applicant's operations in other states, including investigations by regulatory agencies or attorneys general in other states, whether the investigations are current or settled, and if settled, the outcome, and any decisions or orders granting or denying the applicant authority to sell electricity in another state; [and]

[(23)](22) An affidavit certifying under penalty of false statement that all statements made in the application are true and complete;[.]and

(23) Any other information the Authority deems necessary.

(c) An application to expand the scope of an electric supplier's license shall include the information required in subsections (b)(2) and (b)(3), and subsections (b)(18) to (b)(23), inclusive.

(d) An applicant shall amend its application while the application is pending if substantial changes occur regarding the information provided in the application within ten days of any such change.

(e) Subsections (b)(6), (b)(9), (b)(10), and [(b)(21)](b)(20) of this section shall not apply to any applicant to become a participating municipal electric utility.

(f) [Any license to supply electricity in this state shall be subject to a periodic review which shall occur every five (5) years after the date on which the license was issued or was last reviewed. Not less than forty-five (45) days before the five year anniversary of the date on which the license was issued or was last reviewed,] Beginning on April 15, 2022, the Authority shall conduct biennial proceedings to review certain aspects of all electric supplier licenses. Not later than January 1 of each year of the biennial review, an electric supplier shall file with the [department] Authority a [review application]license review compliance filing, which shall include the following:

(1) A fee in the amount of \$ [(250)] 2,500 or other amount updated by the Authority in its decisions,made payable to the Treasurer of the State of Connecticut;[.]

(2) Information required in subsections (b)(6), (b)(9), (b)(10), (b)(12), and [(b)(21)](b)(20) of this section; and

(3) [An update of any information previously filed pursuant to subsection (b) of this section that has changed since the date on which the license was issued or was last reviewed.] Any other information the Authority deems necessary.

Not more than ninety days after receiving the license review compliance filing, the Authority shall notify the electric supplier whether or not the compliance filing is complete. The Authority shall respond to a license review compliance filing not more than ninety days after notifying the electric supplier the compliance filing is complete.

(g) An electric supplier shall:

(1) Maintain all records of customer complaints for a minimum of three (3) years from the date of complaint;

(2) Make customer complaint records available to the [department]Authority upon its request;

(3) Cooperate with the [department] Authority in its investigations of consumer complaints andcomply with any resulting orders; and

(4) Notify the [department] Authority within ten days of any changes to the regulatory contact information and customer service plan filed pursuant to subsections (b)(8) and (b)(14) of this section.

### **Sec. 16-245-3. Post-licensing requirements**

(a) In addition to the conditions described in subsection (g) of section 16-245 of the Connecticut General Statutes, it shall be a condition of continuing licensure for an electric supplier to provide:

(1) Any and all information requested by the [department] Authority for the purpose of compiling quarterly disclosure reports required pursuant to section 16-245p of the Connecticut General Statutes;

(2) Any and all information requested by the [department] Authority in its implementation of section 16-245x of the Connecticut General Statutes; [and]

(3) [Any and all information that the electric supplier is required to provide pursuant to section 16-245y(b) of the Connecticut General Statutes.] Accurate renewable portfolio standard compliance filings in the form prescribed by the Authority;

(4) All information regarding assignments of customers at least ten days prior to the assignment or within the timeframe indicated by statute;

(5) Not later than October 1 of each year, any and all information that the electric supplier is required to provide pursuant to section 16-245y(b) of the Connecticut General Statutes; and

(6) Responses to customer inquiries or complaints provided by the Authority within five business days of receipt or within a time period prescribed by the Authority in a decision.

(b) Not less than twenty (20) days before an electric supplier executes its first contract for the sale of electric generation services to an end user, the electric supplier shall file with the [department] Authority an affidavit attesting to the electric supplier's capability to exchange data necessary for the establishment and maintenance of a customer's account with the electric distribution company or companies serving the area or areas the electric supplier intends to serve. The affidavit shall attest to the successful completion of a "test run" between the electric supplier's computer systems and the electric distribution company's or companies' computer systems. The electric supplier shall serve such affidavit on the electric distribution company or companies serving the area or areas the electric supplier intends to serve. For purposes of this subdivision, "test run" shall mean an exchange of data necessary to establish and maintain a customer's account, including, but not limited to, account administration, usage and billing, and payments and adjustments. The affidavit shall create a rebuttable presumption that the electric supplier is capable of electronically exchanging data necessary for the establishment and maintenance of a customer's account with the electric distribution company or companies serving the area or areas the electric supplier intends to serve.

(c) [Not later than October 15 of each year, an electric supplier shall submit to the department the following information:

(1) If the supplier has elected to maintain security based on a percentage of its gross receipts, the amount of the electric supplier's gross receipts from the sale of electric generation services in the previous twelve months;

(2) An estimate of the expected electric generation load to be served by the electric supplier in the next twelve months; and

(3) an affidavit attesting that the electric supplier is subject to chapters 208, 212, 212a and 219 of the Connecticut General Statutes, as applicable, and shall pay all taxes that it is subject to in this state.]

An electric supplier shall maintain its company website to include the following:

(1) The supplier's official name and trade name(s), if any;

(2) All PURA docket numbers and titles pertaining specifically to the supplier to show its regulatory history in Connecticut, including all licensing and review dockets and history of dockets of companies acquired through mergers or license transfers, and all PURA investigation dockets that have been concluded;

(3) Customer service contact information, including a phone number at which a live company representative (not an answering service) shall be available during normal business hours;

(4) PURA contact information;

(5) Information concerning all generally available offers, renewable products, and information about the source of renewable energy (e.g., RECs), standard contracts, and enrollment forms; and

(6) Any other information deemed necessary by the Authority.

(d) [For purposes of this subsection, "aggregated customer" shall mean a customer who is gathered by an electric aggregator, as defined in section 16-1 of the Connecticut General Statutes, for the purchase of electric generation services from an electric supplier. Not more than sixty days (60) after an aggregated customer contracts with an electric supplier, and not more than sixty days after



any renewal, extension or modification of such contract, the electric aggregator shall issue to the aggregated customer a notice containing the following information:

(1) The name, address and toll-free customer service telephone number of the electric supplier that provides electric generation services under its aggregation offer; and

(2) The rate for electric generation services stated in its aggregation offer, or a description of how electric generation services are charged to customers under its aggregation offer.]

All electric suppliers shall abide by the following when posting to the Rate Board:

(1) An electric supplier shall honor all generation rates the supplier has posted to the Rate Board;

(2) An electric supplier shall self-report all generally available generation offers to the Rate Board following a process established by the Authority;

(3) All generally available rates shall be all-inclusive rates;

(4) An electric supplier shall follow standardized language issued by the Authority when self-reporting;

(5) Rates that appear on a supplier's internet website shall be posted to the Rate Board, thereby aligning these resources;

(6) Rates entered into the Rate Board database cannot exceed five decimal places, e.g., \$0.00000, but will be displayed on the Rate Board in cents per kWh, rounded to two decimal places; and

(7) Each offer that is self-reported to the Rate Board database is considered a regulatory compliance filing.

(e) Regarding rates or offers posted to an electric supplier's website:

(1) All electric suppliers shall honor all rates or offers posted to their respective websites; and

(2) All rates or offers posted to an electric supplier's website including a claim of savings shall include a clear and conspicuous disclosure of how the savings will be calculated and what the supplier will do if the savings are not realized, together with any time or other limitations the supplier may impose.

(f) Not later than October 15 of each year, an electric supplier shall submit to the Authority the following information:

(1) An estimate of the expected electric Load to be served by the electric supplier in the next twelve months;

(2) An affidavit attesting that the electric supplier is subject to chapters 208, 212, 212a, and 219 of the Connecticut General Statutes, as applicable, and shall pay all taxes that it is subject to in this state;

(3) A form listing third party agents; and

(4) A form indicating company contact information, which shall be updated throughout the year within ten days of such contact information changing.

(g) For purposes of this subsection, "aggregated customer" shall mean a customer who is gathered by an electric aggregator, as defined in section 16-1 of the Connecticut General Statutes, for the purchase of electric generation services from an electric supplier. Not more than sixty days (60) after an aggregated customer contracts with an electric supplier, and not more than sixty days after any renewal, extension, or modification of such contract, the electric aggregator shall issue to the aggregated customer a notice containing the following information:

(1) The name, address, email address, and toll-free customer service telephone number of the electric supplier that provides electric generation services under its aggregation offer; and

(2) The rate for electric generation services stated in its aggregation offer, or a description of how electric generation services are charged to customers under its aggregation offer.

#### **Sec. 16-245-4. Security**

(a) An electric supplier shall maintain security in an amount that will ensure its financial responsibility, its renewable portfolio standards responsibility, and its supply of electricity to end use customers in accordance with contracts, agreements, or arrangements. [An electric supplier may elect

to maintain security in the amount of \$250,000 or five per cent of its estimated gross receipts for its first full year of operation.] Such security shall name the [department] Authority as obligee and shall not expire. [Failure to pay the full amount of taxes or assessments due, or failure to supply electricity or other services in accordance with contracts, agreements, or arrangements may cause payments to be made under the security.] An electric supplier shall maintain an amount of security based on its Load served in the previous calendar year as indicated by the electric distribution company filings in the annual renewable portfolio standards docket or other means indicated by the Authority, according to the following schedule:

Annual Load up to 100,000 MWh: \$250,000

Annual Load 100,001 MWh to 499,999 MWh: \$500,000

Annual Load 500,000 MWh to 1,000,000 MWh: \$1 million

Annual Load > 1,000,000 MWh: \$2 million

A supplier may elect to maintain continuous security in an amount greater than indicated in the schedule. Notwithstanding this schedule, the Authority has the discretion to increase an electric supplier's security as indicated by decision in the supplier's licensing docket to accommodate a supplier's renewable portfolio standards obligations in excess of 1,000,000 MWh.

(b) [Security based on an electric supplier's gross receipts shall be subject to annual adjustment. The department may require an increase in the amount of the security if the electric supplier's annual gross receipts increase more than ten percent from the gross receipts amount previously used by the department to determine the level of security required, except in no event shall the department require security in excess of \$250,000.] All suppliers shall submit necessary updates of security as a compliance filing in their most current licensing docket prior to April 15 of each calendar year. Said compliance filings shall include a cover letter that identifies the supplier's name, licensing docket number, and licensing docket title. The Authority shall update the schedule of security set forth in subsection (a) of this section as necessary and shall issue any updates in a decision. Any supplier serving in its first year licensed in Connecticut shall post the minimum security and shall adjust the security accordingly each subsequent year based on Load served in the previous year.

(c) [An electric supplier that petitions the department to expand the authority granted in its license shall maintain security in an amount that will ensure its financial responsibility and its supply of electricity to end use customers in accordance with contracts, agreements or arrangements, and may elect to maintain security in the amount of \$250,000 or five per cent of the electric supplier's estimated gross receipts for its first full year of expanded operation. The security shall be subject to annual adjustment by the department pursuant to subsection (b) of this section.] All suppliers shall submit a compliance filing as part of their annual renewable portfolio standards filings indicating if their security amount is correct or if new security is required as a result of the previous year's Load.

#### **Sec. 16-245-6. Enforcement**

In determining the appropriate sanction for violation of any licensing requirement, the [department] Authority shall consider the following:

- (1) The appropriateness of the sanction or fine to the size of the business of the person charged;
- (2) The gravity of the violation;
- (3) The number of past violations by the person charged;
- (4) The good faith effort to achieve compliance;
- (5) The proposed programs and procedures to ensure compliance in the future; and
- (6) Such other factors deemed appropriate and material to the particular circumstances of the violation.

**Statement of Purpose**

The purpose of the proposed regulations is to revise the Public Utilities Regulatory Authority's (PURA) existing regulations implementing Conn. Gen. Stat. § 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 amendments change the review cycle for electric supplier licenses from every 5 years to biennial. The proposed amendments raise the fee for applications to become a licensed electric supplier and the fee for the periodic reviews conducted by the Authority.

The proposed amendments require 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 in other states. After licensing, electric suppliers will be required to provide the Authority with responses to customer inquiries or complaints, and to provide specific information on their websites, including the supplier's official name and trade name(s), all PURA dockets specifically pertaining to the supplier, customer service contact information, PURA contact information, information concerning all generally available offers, renewable products, sources of renewable energy, standard contracts, enrollment forms, and any other information deemed necessary by the Authority. Electric suppliers will have to follow specific rules when posting to the Rate Board, including honoring all generation rates the supplier has posted to the Rate Board, self-reporting all generally available generation offers, ensuring generally available rates are all-inclusive, and cross-posting rates that appear on the supplier's own website. Electric suppliers will also have to follow specific rules when posting rates to their own website. These amendments will ensure the public is receiving all pertinent information to make decisions regarding electric suppliers.

The proposed amendments change and generally increase security requirements according to a new schedule. The proposed amendments link the security to a supplier's renewable portfolio standards responsibilities. The Authority will have the discretion to amend the schedule and to additionally increase security if an electric supplier's renewable portfolio standards obligations exceed 1,000,000 MWh.

The proposed regulations will amend sections 16-245-1 to 16-245-4, inclusive, and 16-245-6 of the Regulations of Connecticut State Agencies.