



OLR RESEARCH REPORT

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GENERATORS AT GAS STATIONS

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You asked (1) if there have been legislative proposals in Connecticut or other states to require gas stations to have electric generators and (2) how the recent Connecticut legislation regarding microgrids and critical facilities relates to this issue.

SUMMARY

A Connecticut legislator raised the idea of requiring generators at gas stations in 2011, but did not propose a bill.

Florida and Louisiana appear to be the only states that require motor fuel facilities, including certain gas stations, to be able to switch to an alternative energy source during a power outage. They do not actually require the stations to have generators on-site.

In New Jersey, one pending bill would require that generators be installed at gas stations, while another would impose requirements similar to the Florida and Louisiana laws. In New York, a bill similar to these laws has been recently proposed; it would also provide financial incentives for stations that voluntarily install generators. A 2011 California bill would have provided financial incentives for stations that installed generators, but it was not adopted.

[PA 12-148](#) establishes a program to fund micro-grids to support onsite electricity generation for critical facilities. Gas stations are not specifically included in the list of critical facilities, but might qualify. The program does not fund generators themselves, but could be used to pay for engineering and related costs in connection with them.

LEGISLATIVE PROPOSALS IN CONNECTICUT

Following Storm Irene and October Nor'easter in 2011, Rep. Bruce ("Zeke") Zalaski proposed that gas stations and senior housing developments be required to install backup power generators to prepare for future outages (see http://www.housedems.ct.gov/zalaski/pr081_2011.asp). However, no legislation was introduced.

LEGISLATION IN OTHER STATES

Enacted

As described in OLR Report [2011-R-0389](#), Florida and Louisiana appear to be the only states that require fueling facilities, including certain gas stations, to be able to switch to an alternative energy source during a power outage. They do not actually require the stations to have generators on-site. A Washington law that provided excise tax credits for alternative power generation devices for stations expired in 2011.

Florida law (Fla. Stat. § 526.143) requires motor fuel (1) service stations near interstate highways or evacuation routes, (2) terminals, and (3) wholesalers to have transfer switches and appropriate wiring to transfer the electrical load from a utility to an alternate generated power source in the event of a power failure. It requires corporations or entities with at least 10 service stations in a county to have access to at least one portable generator.

Like Florida, Louisiana law (La. Rev. Stat. § 2195.12) requires certain service stations to be wired with a transfer switch and capable of switching to an alternate generated power source in the event of a power outage. But Louisiana's law applies only to new or completely rebuilt service stations in the southern portion of the state.

Proposed

California. In 2011, California considered, but did not adopt, a bill ([AB 1339](#)) to grant a tax credit of up to \$2,500 to a station that bought and installed an emergency standby generator.

New Jersey. In 2012, legislation ([A 1280](#)) was introduced in New Jersey to require that each newly constructed or substantially renovated gasoline station for which a certificate of occupancy is issued on or after the bill's effective date, and all gasoline stations no later than three years after the effective date of the bill, be pre-wired with an appropriate transfer switch and maintain at the station an alternative power generation device capable of operating all fuel pumps, dispensing equipment, life-safety systems, and payment acceptance equipment.

For newly constructed or substantially renovated stations, the bill provides that local building inspectors verify the installation and operational capability of the transfer switch and alternative power generation device in the normal inspection process before issuing a certificate of occupancy. For existing stations, (1) the installation and operability of the transfer switch and alternative power generation device would have to be checked by a local building inspector and (2) verification of the inspection submitted to the county emergency management coordinator.

Also in New Jersey this session, [S 210/A 400](#) would require each newly constructed or substantially renovated gas station for which a certificate of occupancy is issued on or after September 1, 2006, and all stations having eight or more pumps that are within five miles of an interstate highway or a state or federally-designated evacuation route be (1) pre-wired with an appropriate transfer switch and (1) capable of operating all fuel pumps, dispensing equipment, life-safety systems, and payment acceptance equipment using an alternate generated power source.

No action has been taken on these bills to date.

New York. In November 2012, Senator David Carlucci announced that he would introduce legislation based on the Florida and Louisiana laws that would require:

1. each newly constructed or substantially renovated gas station given a certificate of occupancy on or after July 1, 2013, be capable of operating all fuel pumps, dispensing equipment, life safety systems, and payment acceptance equipment using an alternative generated power source;
2. each station located within one half mile of an interstate highway or a state or federally designated evacuation route be capable of operating this equipment using such power sources; and

3. these stations have a power transfer switch installed by an electrical contractor.

The legislation would also offer financial incentives to station operators who are not required to purchase generators in the form of a tax credit of 50% of the expense to buy and install a generator, up to \$2,500.

MICROGRID LEGISLATION

[PA 12-148](#) establishes a pilot program to fund micro-grids for onsite electricity generation for critical facilities. Under the act, a “microgrid” is a group of interconnected electricity users and generators that (1) is within clearly defined boundaries that acts as a single controllable entity in respect to the larger electrical grid and (2) can operate as either a part of the larger grid or independent of it, in “island mode.”

Under the act, the Department of Energy and Environmental Protection (DEEP) must establish a microgrid grant and loan pilot program to support up to 65 megawatts of onsite electricity generation (the amount of power needed to serve approximately 50,000 homes) at critical facilities. Under the act, these facilities include hospitals, police and fire stations, water and sewage treatment plants, municipal commercial areas, or other facilities identified by DEEP. While gas stations are not specifically labeled “critical facilities,” those located in commercial areas might be eligible for the program and DEEP could identify gas stations as being critical facilities.

The pilot program is open to, among others, municipalities, electric companies, and private entities that propose supporting micro-grids by developing energy generation or converting existing renewable generation for micro-grid use.

The program can issue grants and loans, which can only be used for the costs of microgrid design, engineering services, and interconnection infrastructure. [PA 12-189](#) authorizes up to \$25 million in bonds for the program. [PA 12-148](#) also allows DEEP to establish a financing mechanism to leverage additional funding that could be used for purposes other than microgrid interconnection infrastructure (e.g., generating devices).

DEEP is developing the program and has further information about it on its website,
<http://www.ct.gov/deep/cwp/view.asp?a=4120&Q=508780>.

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