



Public Hearing - February 21, 2017
Energy and Technology Committee

Testimony Submitted by DEEP Commissioner Robert J. Klee, and Katie Dykes, Chair, Public Utility Regulatory Authority

HB 7036 – AN ACT PROMOTING THE USE OF FUEL CELLS FOR ELECTRIC SYSTEM DISTRIBUTION BENEFITS AND RELIABILITY

Thank you for the opportunity to present testimony regarding HB 7036, An Act Promoting the Use of Fuel Cells for Electric System Distribution Benefits and Reliability. The Department of Energy and Environmental Protection (DEEP) and the Public Utilities Regulatory Authority (PURA) strongly support H.B. 7036. This bill would provide an important mechanism to expand current grid modernization initiatives under Section 103 of June Special Session Public Act 15-5, *An Act Implementing Provisions of the State Budget for the Biennium Ending June 30, 2017, Concerning General Government, Education, Health and Human Services and Bonds of the State*.

HB 7036 recognizes the important benefits fuel cells can provide to the electric distribution system as baseload distributed generation. Such benefits include harmonizing load, providing voltage support, and deferring the need for costly distribution system upgrades in the future. This bill would authorize the electric distribution companies to submit a plan to procure up to 10 MW of fuel cells through either utility ownership, power purchase agreements, or direct incentives, subject to review and approval by PURA. PURA is in the best position to identify areas of system need along the distribution system that would benefit from these distributed resources.

Fuel cells can complement the grid-side system enhancements demonstration projects recently approved by DEEP, allowing the electric distribution companies to pilot projects that can demonstrate how distributed energy resources can be reliably and cost-effectively integrated into the electric distribution system. For example, DEEP approved a pilot for both electric distribution companies to provide hosting capacity maps for customers to see areas along the distribution grid that would benefit from distributed energy resources, which helps in siting clean energy resources along the distribution grid. These demonstration projects can help target the best suited areas along the distribution system¹ for any fuel cells selected as a result of this proposal.

Thank you for the opportunity to provide written testimony. If you should require any additional information, please contact Lee Sawyer, DEEP's Legislative Liaison, at (860) 424-3332 or Lee.Sawyer@ct.gov, or Nick Neeley, PURA's Legislative Liaison, at (860) 827-2625 or Nicholas.Neeley@ct.gov.

¹ The estimated above market cost for this program is \$4 million per year for electric ratepayers. The total above market ratepayer cost over the program lifetime is estimated to be \$80 million, which results in a bill impact to the average residential customer of \$1.70 per year.