



General Assembly

January Session, 2017

Governor's Bill No. 7036

LCO No. 3788



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:

REP. ARESIMOWICZ, 30th Dist.

REP. RITTER M., 1st Dist.

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

AN ACT PROMOTING THE USE OF FUEL CELLS FOR ELECTRIC DISTRIBUTION SYSTEM BENEFITS AND RELIABILITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2017*) An electric distribution
2 company may submit to the Public Utilities Regulatory Authority for
3 approval one or more plans to acquire new fuel cell electricity
4 generation that began operation on or after July 1, 2017. Any such plan
5 shall utilize a competitive process for the purpose of providing
6 distribution system benefits, including, but not limited to, avoiding or
7 deferring distribution capacity upgrades, and enhancing distribution
8 system reliability, including, but not limited to, voltage or frequency
9 improvements. Any such plan shall give preference to proposals that
10 make efficient use of existing sites and supply infrastructure. In the
11 event that the authority approves such plan, an electric distribution
12 company may submit to the authority (1) one or more proposals to
13 build, own and operate new fuel cell generation, (2) proposed power
14 purchase agreements negotiated with persons to build, own and

15 operate new fuel cell generation, or (3) proposals to provide financial
16 incentives for the installation of combined heat and power systems
17 powered by fuel cells, provided any such incentives shall be consistent
18 with the Comprehensive Energy Strategy pursuant to section 16a-3d of
19 the general statutes. The facilities acquired, built pursuant to said
20 power purchase agreements and that receive said financial incentives
21 under this section shall not exceed a total nameplate capacity rating of
22 ten megawatts in the aggregate. Any proposal submitted by an electric
23 distribution company to build, own and operate a fuel cell shall
24 include the electric distribution company's full projected costs and
25 shall demonstrate to the authority that such facility is not supported in
26 any form of cross subsidization by affiliated entities. The authority
27 shall evaluate any proposal submitted pursuant to this section in a
28 manner that is consistent with the principles of sections 16-19 and 16-
29 19e of the general statutes and may approve one or more proposals if it
30 finds that such proposal (A) was developed in a manner that is
31 consistent with the acquisition plan approved by the authority, (B)
32 serves the long-term interests of ratepayers, and (C) cost-effectively
33 avoids or defers distribution system costs. The costs incurred by an
34 electric distribution company under this section shall be recovered
35 from all customers of the contracting electric distribution company
36 through a fully reconciling component of electric rates for all
37 customers of electric distribution companies, until the electric
38 distribution company's next rate case, at which time such costs and
39 investments shall be recoverable through base distribution rates.
40 Nothing in this section shall preclude the resale or other disposition of
41 any energy products, capacity and associated environmental attributes
42 purchased by the electric distribution company, provided the electric
43 distribution company shall net the cost of payments made to projects
44 under any long-term contracts entered into pursuant to subdivision (2)
45 of this section against the proceeds of the sale of any energy products,
46 capacity and environmental attributes and the difference shall be
47 credited or charged to distribution customers through a reconciling
48 component of electric rates, as determined by the authority, that is

49 nonbypassable when switching electric suppliers. The electric
50 distribution company may use any energy products, capacity and
51 environmental attributes produced by such facility to meet the needs
52 of customers served pursuant to section 16-244c of the general statutes.
53 Notwithstanding the provisions of subdivision (1) of subsection (h) of
54 section 16-244c of the general statutes, certificates issued by the New
55 England Power Pool Generation Information System for any Class I
56 renewable energy source acquired pursuant to this section may be
57 retained by the electric distribution company to meet the requirements
58 of section 16-245a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2017	New section

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]