Raised H.B. 5227 – An Act Concerning Distributed Energy Resources System Improvements

Thank you for the opportunity to present testimony regarding *An Act Concerning Distributed Energy Resources System Improvements, H.B. 5227*. The Public Utilities Regulatory Authority (PURA, or the Authority) appreciates the opportunity to offer testimony on this matter; although the Authority respectfully *opposes* this proposal as currently drafted. With the adoption of suggestion modifications included in this testimony, the Authority would welcome the opportunity to support the measure.

Grid-side System Enhancements, Section 1

The process for final approval of selected grid-side system enhancements in Section 1 (b) requires further clarification. PURA is statutorily mandated to regulate the state’s electric distribution companies (EDCs) pursuant to Connecticut General Statutes 16-11, 16-19, 16-19e, and 16-244i, among others. As such, it has been the practice of the General Assembly to require final approval from PURA for any contract or project involving the EDCs. The underlying statute of this Section, passed as part of Public Act 15-5, originally reflected this practice. While the proposed language in H.B. 5227 provides the Department of Energy and Environmental Protection (DEEP) and PURA procedural flexibility to evaluate grid-side enhancement projects jointly or concurrently, the final decision maker regarding a proposal received pursuant to this statute is ambiguous.

PURA appreciates the new procedural flexibility contemplated by the proposed language, as it may provide stakeholders with a more efficient and expedited process than the two-step DEEP-PURA approval process originally outlined in Public Act 15-5. PURA respectfully observes, however, that the removal of the original statutory language in Section 1 (b) requiring final approval from PURA introduces new and additional uncertainty around which agency has final approval should a concurrent proceeding occur and whether the two-step DEEP-PURA approval process is still applicable in lieu of a concurrent or joint proceeding.

In the drafting this agency bill, DEEP consulted PURA to determine mutually agreeable language. The language that DEEP and PURA agreed upon included the original language in Section 1 (b) requiring final approval from PURA. As such, PURA respectfully requests that the original statutory language related to PURA’s final approval in Section 1 (b) be reinstated to provide clarity to DEEP and PURA on this matter and to give both agencies the flexibility to use the two-step DEEP-PURA process in addition to concurrent
or joint proceedings. PURA could support Section 1 of this agency bill if the below red, bolded, underlined changes were made:

(b) ....
The department and authority may perform the evaluation jointly or concurrently at the discretion of the chairperson of the authority and the commissioner of the department. Any such proposal [that is approved by the department shall be subject to review and approval by the Public Utilities Regulatory Authority, and] shall be approved by the authority if the authority concludes that investment in such grid-side system enhancement is reasonable, prudent and provides value to ratepayers.

(B) For any concurrent evaluation performed pursuant to this section, the department and authority shall each conduct a proceeding and may develop one administrative evidentiary record. The department and authority shall each issue their own independent decision or determination in their respective concurrent proceedings. The department may be a party or participant in the authority’s concurrent proceeding.

Renewable Natural Gas, Section 2

PURA does not support the language as drafted in Section 2 of H.B. 5227 with respect to utility cost recovery provisions and PURA’s standard of review; however, language included in a separate bill entitled An Act Concerning Natural Gas Infrastructure largely resolves the Authority’s concerns on this matter. Thus, should Section 2 of H.B. 5227 remain, PURA respectfully requests the opportunity to modify the cost recovery and standard of review sections to mirror the language reflected in An Act Concerning Natural Gas Infrastructure.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact Taren O’Connor at 860-827-2689 or taren.oconnor@ct.gov.