



General Assembly

February Session, 2020

Raised Bill No. 5351

LCO No. 2144



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

**AN ACT CONCERNING CERTAIN PROGRAMS AND TO INCENTIVIZE
AND IMPLEMENT ELECTRIC ENERGY STORAGE RESOURCES.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) It shall be the policy of the
2 state to encourage the deployment of one thousand megawatts of
3 energy storage by December 31, 2030. The purpose of such policy is to
4 minimize electric distribution system costs, maintain electric grid
5 reliability and advance the requirements to reduce greenhouse gas
6 emissions pursuant to section 22a-200a of the general statutes.

7 (b) On or before January 1, 2023, and annually thereafter, the
8 Department of Energy and Environmental Protection and the Public
9 Utilities Regulatory Authority shall report, in accordance with section
10 11-4a of the general statutes, on the quantifiable progress towards the
11 stated policy pursuant to this section to the joint standing committee of
12 the General Assembly having cognizance of matters relating to energy.

13 Sec. 2. (NEW) (*Effective October 1, 2020*) (a) On or before January 1,
14 2021, the Public Utilities Regulatory Authority shall initiate a
15 proceeding to develop and implement a program or programs, and

16 associated funding mechanisms, for electric energy storage resources
17 connected to the electric distribution system. The authority shall
18 establish a program or programs for the residential class of electric
19 customers. The authority may establish a program or programs for
20 commercial and industrial classes of electric customers. The authority
21 shall solicit input from the Department of Energy and Environmental
22 Protection, the Connecticut Green Bank, the electric distribution
23 companies and the Office of Consumer Counsel in developing such
24 programs.

25 (b) On or before January 1, 2021, the authority shall report the status
26 of the proceeding described in subsection (a) of this section, in
27 accordance with the provisions of section 11-4a of the general statutes,
28 to the joint standing committee of the General Assembly having
29 cognizance of matters relating to energy.

30 (c) The authority shall consider a program or programs and rate
31 designs to incentivize the deployment of electric energy storage
32 technologies connected to the electric distribution system that most
33 effectively leverage the value of such technologies to achieve objectives
34 including, but not limited to, (1) providing positive net present value to
35 all ratepayers, or a subset of ratepayers paying for the benefits that
36 accrue to that subset of ratepayers; (2) providing multiple types of
37 benefits to the electric grid, including, but not limited to, customer, local,
38 or community resilience, ancillary services, peak shaving or that
39 support the deployment of other distributed energy resources; and (3)
40 fostering the sustained, orderly development of a state-based electric
41 energy storage industry. The authority shall also consider programs and
42 rate designs to incentivize uses of electric energy storage technologies
43 connected to the electric distribution system that avoid or defer
44 investment in traditional electric distribution system capacity upgrades.

45 (d) The authority may select the Connecticut Green Bank, the
46 Department of Energy and Environmental Protection, the electric
47 distribution companies, a third party it deems appropriate, or any
48 combination thereof, to implement a program or programs for electric

49 energy storage resources connected to the electric distribution system,
50 as directed by the Public Utilities Regulatory Authority.

51 Sec. 3. (NEW) (*Effective October 1, 2020*) (a) The Commissioner of
52 Energy and Environmental Protection, in consultation with the
53 procurement manager identified in subsection (l) of section 16-2 of the
54 general statutes and the Office of Consumer Counsel, may solicit
55 proposals, in one solicitation or multiple solicitations, for demonstration
56 projects that are collocated with electric energy storage derived from
57 Class I renewable energy sources, as defined in section 16-1 of the
58 general statutes. Any such solicitation or solicitations shall be for a
59 facility that has a nameplate capacity rating of more than two megawatts
60 and less than twenty megawatts.

61 (b) In making any selection of such proposals, the commissioner shall
62 consider factors, including, but not limited to, (1) whether the proposal
63 is in the best interest of ratepayers, including, but not limited to, the
64 delivered price of such sources, (2) whether the proposal promotes
65 electric distribution system reliability, including during winter peak
66 demand, (3) any positive impacts on the state's economic development,
67 (4) whether the proposal is consistent with the requirements to reduce
68 greenhouse gas emissions in accordance with section 22a-200a of the
69 general statutes, and (5) whether the proposal is consistent with the
70 policy goals outlined in the Comprehensive Energy Strategy adopted
71 pursuant to section 16a-3d of the general statutes and the Integrated
72 Resources Plan adopted pursuant to section 16a-3a of the general
73 statutes. In considering whether a proposal has any positive impacts on
74 the state's economic development, the Commissioner of Energy and
75 Environmental Protection shall consult with the Commissioner of
76 Economic and Community Development.

77 (c) Any agreement entered into pursuant to this section shall be
78 subject to review and approval by the Public Utilities Regulatory
79 Authority, which review shall be completed not later than one hundred
80 twenty days after the date on which such agreement is filed with the
81 authority. The authority shall approve any such agreement if it is cost

82 effective and in the best interest of electric ratepayers. The net costs of
83 any such agreement, including costs incurred by the electric distribution
84 companies under the agreement and reasonable costs incurred by the
85 electric distribution companies in connection with the agreement, shall
86 be recovered through a fully reconciling component of electric rates for
87 all customers of electric distribution companies. Any net revenues from
88 the sale of products purchased in accordance with long-term contracts
89 entered into pursuant to this section shall be credited to customers
90 through the same fully reconciling rate component for all customers of
91 the contracting electric distribution company.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2020</i>	New section
Sec. 3	<i>October 1, 2020</i>	New section

Statement of Purpose:

To (1) state the policy of the state to encourage the deployment of one thousand megawatts of electric energy storage by December 31, 2030, (2) initiate a program and associated funding for electric energy storage resources connected to the electric distribution system, and (3) permit the Commissioner of Energy and Environmental Protection to solicit proposals for demonstration projects that are collocated with electric energy storage derived from Class I renewable energy sources.

[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.]