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:

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

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

Sec. 2. (NEW) (Effective October 1, 2020) (a) On or before January 1, 2021, the Public Utilities Regulatory Authority shall initiate a proceeding to develop and implement a program or programs, and
associated funding mechanisms, for electric energy storage resources
cconnected to the electric distribution system. The authority shall
establish a program or programs for the residential class of electric
customers. The authority may establish a program or programs for
commercial and industrial classes of electric customers. The authority
shall solicit input from the Department of Energy and Environmental
Protection, the Connecticut Green Bank, the electric distribution
companies and the Office of Consumer Counsel in developing such
programs.

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

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

(d) The authority may select the Connecticut Green Bank, the
Department of Energy and Environmental Protection, the electric
distribution companies, a third party it deems appropriate, or any
combination thereof, to implement a program or programs for electric
energy storage resources connected to the electric distribution system, as directed by the Public Utilities Regulatory Authority.

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

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

(c) Any agreement entered into pursuant to this section shall be subject to review and approval by the Public Utilities Regulatory Authority, which review shall be completed not later than one hundred twenty days after the date on which such agreement is filed with the authority. The authority shall approve any such agreement if it is cost
effective and in the best interest of electric ratepayers. The net costs of any such agreement, including costs incurred by the electric distribution companies under the agreement and reasonable costs incurred by the electric distribution companies in connection with the agreement, shall be recovered through a fully reconciling component of electric rates for all customers of electric distribution companies. Any net revenues from the sale of products purchased in accordance with long-term contracts entered into pursuant to this section shall be credited to customers through the same fully reconciling rate component for all customers of the contracting electric distribution company.

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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.]