

Energy and Technology Committee JOINT FAVORABLE REPORT

Bill No.: HB-6524

AN ACT CONCERNING THE SOLICITATION OF NEW FUEL CELL

Title: ELECTRICITY GENERATION PROJECTS.

Vote Date: 3/11/2021

Vote Action: Joint Favorable

PH Date: 3/4/2021

File No.:

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SPONSORS OF BILL:

Energy and Technology Committee

REASONS FOR BILL:

THIS BILL WOULD REQUIRE ELECTRIC DISTRIBUTION COMPANIES TO SOLICIT PROPOSALS TO ACQUIRE NEW FUEL CELL ELECTRICITY GENERATION PROJECTS

RESPONSE FROM ADMINISTRATION/AGENCY:

John Blair-Associate Counsel at the Connecticut Business & Industry Association

supports HB 6524 because it would create a competitive selection process for fuel cell projects that gives preference to fuel cell electricity generation projects manufactured in the state and sited on brownfields or landfills.

NATURE AND SOURCES OF SUPPORT:

Patrick McDonnell-Vice President of Regulatory Affairs for UIL Holdings Corporation

supports HB 6524 (**with modifications**) because it provides several additional opportunities for fuel cells to demonstrate the value they can provide to our communities

Fuelcell Energy supports HB 6524 because it directs the utilities to procure fuel cells to assist with reliability and resilience, it will also have direct economic benefits to the State of Connecticut at a critical time when the State is trying to recover from the impacts of the COVID-19 pandemic. Fuel cells pay state and local taxes, including sales taxes. Connecticut

fuel cell manufacturers also pay payroll taxes for their employees. Each MW of fuel cells procured in the State creates or retains 6.2 high-tech manufacturing jobs and 2 indirect industry jobs, creates approximately \$810,000 in state and local tax revenue, and adds to infrastructure investment and expansion

Jordan Garfinkle-Senior Policy Manager for New England for Bloom Energy generally supports HB 6524 but has concerns that the specific bid preferences included in the draft have the potential to undermine the objectives of the legislation.

David Giordano, Government Relations & Business Development Doosan Fuel Cell America, Inc. strongly supports the improvements made to existing law that allows electric distribution companies to procure fuel cell generating capacity that create grid resiliency, system improvements and other economic benefits.

The Connecticut Green Bank supports HB 6524 because it updates an underused solicitation statute to provide greater deployment opportunities for Connecticut's fuel cell manufacturing cluster, especially when deployed in combined heat and power applications, sited on a brownfield, or providing resiliency benefits to the community (e.g., microgrid)

Vincent Pace, Assistant General Counsel Eversource Energy proposes a limited clarifying change to confirm that if an EDC demonstrates program costs were prudently incurred – then an EDC “shall” (instead of “may”) obtain cost recovery.

Joel M. Rinebold Director of Energy Connecticut Center for Advanced Technology, Inc. supports HB 6524 because of approved it will provide the following benefits:

- Use of technology manufactured in the state that will provide significant jobs and revenues to Connecticut's economy
- Compliance to help meet the state goals for Class I renewable energy resources
- Siting of high capacity power equipment that provides increased availability and reliability
- Operation of equipment that provides high energy efficiency potentially with heat and power for end users
- Dispatch of power to support capacitance, voltage control, and maintenance of frequency on the grid and at end user facilities.

NATURE AND SOURCES OF OPPOSITION:

The Connecticut chapter of the Sierra Club opposes HB 6524 in its current form because the bill makes no distinction between the relative environmental impact of different types of fuel cells but rather treats them as a monolithic product without distinction.

Chris Phelps, State Director, Environment Connecticut opposes HB 6524 as written, particularly in that this bill has the potential to subsidize increased deployment of new fossil fuel electric generation in the form of fuel cells powered by high carbon-emitting fossil fuels. Such a policy runs directly counter to the policy goals of many of the other bills on your agenda, including SB 882. Environment Connecticut requests that HB 6524 be amended to require that the only fuel cell generation supported by the bill be powered by renewable resources, not fossil fuels

Reported by: Jason Snukis

Date: March 26, 2021