



General Assembly

January Session, 2021

Raised Bill No. 6524

LCO No. 3840



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

***AN ACT CONCERNING THE SOLICITATION OF NEW FUEL CELL
ELECTRICITY GENERATION PROJECTS.***

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

1 Section 1. Section 16-244y of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2021*):

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

16 own and operate new fuel cell generation, or (3) proposals to provide
17 financial incentives for the installation of combined heat and power
18 systems powered by fuel cells, provided any such incentives shall be
19 consistent with the Comprehensive Energy Strategy pursuant to section
20 16a-3d. The facilities acquired, built pursuant to said power purchase
21 agreements and that receive said financial incentives under this section
22 shall not exceed a total nameplate capacity rating of thirty megawatts in
23 the aggregate. Any proposal submitted by an electric distribution
24 company to build, own and operate a fuel cell shall include the electric
25 distribution company's full projected costs and shall demonstrate to the
26 authority that such facility is not supported in any form of cross
27 subsidization by affiliated entities. The authority shall evaluate any
28 proposal submitted pursuant to this section in a manner that is
29 consistent with the principles of sections 16-19 and 16-19e and may
30 approve one or more proposals if it finds that such proposal (A) was
31 developed in a manner that is consistent with the acquisition plan
32 approved by the authority, (B) serves the long-term interests of
33 ratepayers, and (C) cost-effectively avoids or defers distribution system
34 costs.]

35 (a) Each electric distribution company shall solicit proposals to
36 acquire new fuel cell electricity generation projects that began operation
37 on or after July 1, 2021. All such projects shall be selected utilizing a
38 competitive process that gives preference to fuel cell electricity
39 generation projects manufactured in the state and sited on brownfields,
40 as defined in section 32-760, or landfills. On or before January 1, 2022,
41 each electric distribution company shall submit the selected projects and
42 associated tariffs to the Public Utilities Regulatory Authority for
43 approval.

44 (b) On or before August 1, 2021, all electric distribution companies
45 shall jointly file with the authority for approval a proposed tariff for use
46 in the solicitation authorized in subsection (a) of this section. The
47 facilities acquired under this section shall not exceed a total nameplate
48 capacity rating of thirty megawatts in the aggregate apportioned among

49 each electric distribution company in proportion to distribution load.
50 Any proposed projects submitted by an electric distribution company
51 shall include the electric distribution company's full projected costs and
52 shall demonstrate to the authority that such facility is not supported in
53 any form of cross subsidization by affiliated entities, except that the
54 costs associated with those benefits which the authority determines that
55 a proposed fuel cell project confers on the natural gas system may be
56 recovered from all gas customers through the purchased gas adjustment
57 clause established pursuant to section 16-19b and such costs shall be
58 apportioned relative to the revenues of each gas company as reported
59 to the authority pursuant to section 16-49 for the most recent fiscal year.

60 (c) The authority may approve any such projects for the purpose of
61 (1) providing commercial or industrial electric or gas customers with on-
62 site generation that increases power quality or resilience, as defined in
63 section 16-243y, provides back-up power or reduces energy costs for
64 such customers, (2) providing emergency service facilities with back-up
65 power, or (3) enhancing distribution system reliability, including, but
66 not limited to, electric voltage or frequency improvements, support of
67 microgrids or other measures that support electric or gas system
68 resiliency. The authority shall evaluate any projects submitted pursuant
69 to this section in a manner that is consistent with the provisions of
70 sections 16-19 and 16-19e.

71 (d) The costs prudently incurred by an electric distribution company
72 under this section shall be recovered from all customers of the electric
73 distribution company through a fully reconciling component of electric
74 rates for all customers of the electric distribution company, until the
75 electric distribution company's next rate case, at which time any costs
76 and investments for new fuel cell generation owned by the electric
77 distribution company pursuant to [subdivision (1) of] this section [shall]
78 may be recoverable through base distribution rates, as determined by
79 the authority. Nothing in this section shall preclude the resale or other
80 disposition of any energy products, capacity and associated
81 environmental attributes purchased by the electric distribution

82 company, [provided the electric distribution company shall net the cost
83 of payments made to projects under any long-term contracts entered
84 into pursuant to subdivision (2) of this section against the proceeds of
85 the sale of any energy products, capacity and environmental attributes
86 and the difference thereof plus any net costs incurred pursuant to
87 subdivision (3) of this section shall be credited or charged to distribution
88 customers through a reconciling component of electric rates, as
89 determined by the authority, that is nonbypassable when switching
90 electric suppliers] if so ordered by the authority. The electric
91 distribution company may use any energy products, capacity and
92 environmental attributes produced by such facility to meet the needs of
93 customers served pursuant to section 16-244c, and as determined by the
94 authority. Notwithstanding the provisions of subdivision (1) of
95 subsection (h) of section 16-244c, certificates issued by the New England
96 Power Pool Generation Information System for any Class I renewable
97 energy source acquired pursuant to this section may be retained by the
98 electric distribution company to meet the requirements of section 16-
99 245a, and as determined by the authority.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	16-244y

ET *Joint Favorable*