



General Assembly

January Session, 2021

Raised Bill No. 952

LCO No. 3926



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING CERTAIN SOLAR ENERGY PROJECTS.

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

1 Section 1. (NEW) (*Effective from passage*) On or before January 1, 2023,
2 and annually thereafter, the Department of Energy and Environmental
3 Protection and the Public Utilities Regulatory Authority shall report, in
4 accordance with section 11-4a of the general statutes, to the joint
5 standing committee of the General Assembly having cognizance of
6 matters relating to energy regarding the quantifiable progress of energy
7 storage deployment against the following goals:

- 8 (1) Three hundred megawatts by December 31, 2024;
9 (2) Six hundred fifty megawatts by December 31, 2027; and
10 (3) One thousand megawatts by December 31, 2030.

11 Sec. 2. (NEW) (*Effective July 1, 2021*) (a) On or before January 1, 2022,
12 the Public Utilities Regulatory Authority shall initiate a proceeding to
13 develop and implement one or more programs, and associated funding
14 mechanisms, for electric energy storage resources connected to the

15 electric distribution system. The authority shall establish (1) one or more
16 programs for the residential class of electric customers, (2) one or more
17 programs for commercial and industrial classes of electric customers,
18 and (3) a program for energy storage systems connected to the
19 distribution system in front of the meter and not located at a customer
20 premises. The authority shall solicit input from the Department of
21 Energy and Environmental Protection, the Connecticut Green Bank, the
22 electric distribution companies and the Office of Consumer Counsel in
23 developing such programs.

24 (b) On or before January 1, 2022, the authority shall report the status
25 of the proceeding described in subsection (a) of this section, in
26 accordance with the provisions of section 11-4a of the general statutes,
27 to the joint standing committee of the General Assembly having
28 cognizance of matters relating to energy.

29 (c) The authority shall consider one or more programs and rate
30 designs to incentivize the deployment of electric energy storage
31 technologies connected to the electric distribution system that most
32 effectively leverage the value of such technologies to achieve objectives
33 including, but not limited to, (1) providing positive net present value to
34 all ratepayers, or a subset of ratepayers paying for the benefits that
35 accrue to that subset of ratepayers; (2) providing multiple types of
36 benefits to the electric grid, including, but not limited to, customer, local,
37 or community resilience, ancillary services, leveling out peaks in
38 electricity use or that support the deployment of other distributed
39 energy resources; (3) fostering the sustained, orderly development of a
40 state-based electric energy storage industry; and (4) maximizing the
41 value from the participation of energy storage systems in capacity
42 markets. The authority shall include consideration of all energy storage
43 configurations that are connected to the distribution system, including
44 systems connected in front of the meter and not located at a customer
45 premises. The authority shall also consider programs and rate designs
46 to incentivize uses of electric energy storage technologies connected to
47 the electric distribution system that avoid or defer investment in
48 traditional electric distribution system capacity upgrades.

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

55 Sec. 3. (NEW) (*Effective July 1, 2021*) (a) The Commissioner of Energy
56 and Environmental Protection, in consultation with the procurement
57 manager identified in subsection (l) of section 16-2 of the general
58 statutes and the Office of Consumer Counsel, may issue requests for
59 proposals for energy storage projects connected at the transmission or
60 distribution level, including stand-alone energy storage projects and
61 energy storage projects paired with Class I renewable energy sources,
62 that would achieve the goals in section 1 of this act in combination with
63 programs established by the Public Utilities Regulatory Authority. If the
64 Commissioner of Energy and Environmental Protection determines that
65 procuring energy storage is cost effective, the commissioner shall
66 proceed with the selection of proposals. In making this determination,
67 the commissioner shall publish and make available for public comment
68 a cost-effectiveness test that considers each applicable benefit provided
69 by energy storage.

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

83 the state's economic development, the Commissioner of Energy and
84 Environmental Protection shall consult with the Commissioner of
85 Economic and Community Development.

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

101 Sec. 4. Subdivision (1) of subsection (e) of section 16-244u of the
102 general statutes is repealed and the following is substituted in lieu
103 thereof (*Effective July 1, 2021*):

104 (e) (1) On or before October 1, 2013, the Public Utilities Regulatory
105 Authority shall conduct a proceeding to develop the administrative
106 processes and program specifications, including, but not limited to, a
107 cap of [twenty] thirty million dollars per year apportioned to each
108 electric distribution company based on consumer load, for credits
109 provided to beneficial accounts pursuant to subsection (b) of this section
110 and payments made pursuant to subsection (c) of this section, provided
111 the municipal, state and agricultural customer hosts, each in the
112 aggregate, and the designated beneficial accounts of such customer
113 hosts, shall receive not more than forty per cent of the dollar amount
114 established pursuant to this subdivision. At least five million dollars per
115 year, of the thirty million dollars per year cap, shall be designated for

116 municipalities located in an alliance school district, as defined in section
117 10-262u.

118 Sec. 5. Section 16-244v of the general statutes is amended by adding
119 subsection (e) as follows (*Effective from passage*):

120 (NEW) (e) An electric distribution company may submit a proposal
121 to the Department of Energy and Environmental Protection to own one
122 or more solar power electrical generation facilities up to an aggregate of
123 one hundred fifty megawatts from July 1, 2021, to July 1, 2024. The
124 aggregate ownership for an electric distribution company pursuant to
125 this section shall not exceed such company's respective share for the
126 state's total distribution system load as of July 1, 2021. Each solar power
127 electrical generation facility shall be greater than one megawatt but not
128 more than the total number of megawatts allocated to the electric
129 distribution company under this subsection. At least fifty per cent of
130 such solar power electrical generation facilities shall be sited in
131 municipalities located in an alliance school district, as defined in section
132 10-262u. The department shall evaluate such proposals pursuant to
133 sections 16-19 and 16-19e and may approve one or more of such
134 proposals if it finds that the proposal serves the long-term interest of
135 ratepayers. Any such proposal approved by the department shall also
136 be subject to review and approval by the Public Utilities Regulatory
137 Authority.

138 (1) Notwithstanding the provisions in subsection (b) of this section,
139 the electric distribution company shall sell all power, capacity and
140 related products resulting from such solar power electrical generating
141 facilities (A) into applicable markets or through bilateral contracts with
142 third parties, and (B) in accordance with any applicable guidelines
143 established by the department, as approved or modified by the
144 authority, with the net proceeds of all such transactions being
145 recoverable from or credited to all customers of the electric distribution
146 company through a fully reconciling nonbypassable component of
147 electric rates for all customers of electric distribution companies.

148 (2) The Public Utilities Regulatory Authority may authorize an
149 electric distribution company to recover its prudently incurred costs
150 and investments for any solar power electrical generation facility, as
151 described in this subsection, such electric distribution company builds,
152 owns or operates through a fully reconciling component of electric rates
153 for all customers of electric distribution companies, until the electric
154 distribution company's next rate case, at which time such costs and
155 investments shall be recoverable through base distribution rates
156 consistent with the principles set forth in sections 16-19 and 16-19e.

157 Sec. 6. (NEW) (*Effective July 1, 2021*) On or before January 15, 2022,
158 and annually thereafter, each municipal utility, as defined in section 12-
159 265 of the general statutes, shall report, in accordance with section 11-4a
160 of the general statutes, on the quantifiable progress of its carbon
161 reduction to the Department of Energy and Environmental Protection.
162 Such report shall be in a manner prescribed by the department to
163 determine such municipal utility's contribution toward the state's
164 emission reduction requirements pursuant to section 22a-200a of the
165 general statutes.

166 Sec. 7. (NEW) (*Effective July 1, 2021*) On or before January 15, 2022, the
167 Department of Energy and Environmental Protection shall submit a
168 report, in accordance with section 11-4a of the general statutes, to the
169 joint standing committee of the General Assembly having cognizance of
170 matters relating to energy on recommendations (1) to spread the cost of
171 large-scaled power purchase agreements to municipal utilities, as
172 defined in section 12-265 of the general statutes, and (2) to impose the
173 systems benefits charge, pursuant to section 16-245l of the general
174 statutes, against municipal utilities.

175 Sec. 8. (NEW) (*Effective July 1, 2021*) On or before January 1, 2022, the
176 Public Utilities Regulatory Authority shall submit a report, in
177 accordance with section 11-4a of the general statutes, to the joint
178 standing committee of the General Assembly having cognizance of
179 matters relating to energy relating to the development and
180 implementation of one program to consolidate all existing solar energy

181 programs within the state.

182 Sec. 9. (NEW) (*Effective July 1, 2021*) On or before August 1, 2021, the
 183 Public Utilities Regulatory Authority shall initiate a proceeding to
 184 investigate renewable energy certificate programs with a reverse
 185 auction process for residential, commercial, industrial and utility solar
 186 energy development. On or before January 1, 2022, the authority shall
 187 submit a report to joint standing committee of the General Assembly
 188 having cognizance of matters relating to energy detailing the authority's
 189 suggestions to accomplish each renewable energy certificate program.

190 Sec. 10. (NEW) (*Effective July 1, 2021*) Notwithstanding any provision
 191 of the general statutes, on or before January 1, 2022, the Department of
 192 Energy and Environmental Protection shall create an expedited
 193 permitting process for solar energy systems sited on farmland.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2021</i>	New section
Sec. 3	<i>July 1, 2021</i>	New section
Sec. 4	<i>July 1, 2021</i>	16-244u(e)(1)
Sec. 5	<i>from passage</i>	16-244v
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>July 1, 2021</i>	New section
Sec. 8	<i>July 1, 2021</i>	New section
Sec. 9	<i>July 1, 2021</i>	New section
Sec. 10	<i>July 1, 2021</i>	New section

Statement of Purpose:

To (1) create solar energy storage goals, (2) increase the virtual net metering cap, (3) permit ownership of solar power generation facilities by electric distribution companies, and (4) direct the Department of Energy and Environmental Protection and the Public Utilities Regulatory Authority to investigate solar energy development programs.

[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.]

