



Substitute Senate Bill No. 952

Public Act No. 21-53

AN ACT CONCERNING ENERGY STORAGE.

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

Section 1. (NEW) (*Effective from passage*) 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, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the quantifiable progress of energy storage deployment against the following goals:

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

Sec. 2. (NEW) (*Effective July 1, 2021*) (a) On or before January 1, 2022, the Public Utilities Regulatory Authority shall initiate a proceeding to develop and implement one or more programs, and associated funding mechanisms, for electric energy storage resources connected to the electric distribution system. The authority shall establish (1) one or more programs for the residential class of electric customers, (2) one or more programs for commercial and industrial classes of electric customers,

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and (3) a program for energy storage systems connected to the distribution system in front of the meter and not located at a customer premises. 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, 2022, 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) In undertaking the proceeding described in subsection (a) of this section, the authority shall consider one or more 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, leveling out peaks in electricity use or that support the deployment of other distributed energy resources; (3) fostering the sustained, orderly development of a state-based electric energy storage industry; and (4) maximizing the value from the participation of energy storage systems in capacity markets. The authority shall include consideration of all energy storage configurations that are connected to the distribution system, including systems connected in front of the meter and not located at a customer premises. 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

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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 one or more programs for electric energy storage resources connected to the electric distribution system, as directed by the Public Utilities Regulatory Authority.

Sec. 3. (NEW) (*Effective July 1, 2021*) (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 issue requests for proposals for energy storage projects connected at the transmission or distribution level, including stand-alone energy storage projects and energy storage projects paired with Class I renewable energy sources or hydropower facilities that have a nameplate capacity rating of not more than one hundred megawatts, that would achieve the goals in section 1 of this act in combination with programs established by the Public Utilities Regulatory Authority. If the Commissioner of Energy and Environmental Protection determines that procuring energy storage is cost effective, the commissioner shall proceed with the selection of proposals. In making this determination, the commissioner shall publish and make available for public comment a cost-effectiveness test that considers each applicable benefit provided by energy storage.

(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

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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.

Approved June 16, 2021