

**Proposed Substitute
Bill No. 952**

LCO No. 5440

AN ACT CONCERNING ENERGY STORAGE.

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. (NEW) (Effective July 1, 2021) On or before January 15, 2022,
102 and annually thereafter, each municipal utility, as defined in section 12-
103 265 of the general statutes, shall report, in accordance with section 11-4a
104 of the general statutes, on the quantifiable progress of its carbon
105 reduction to the Department of Energy and Environmental Protection.
106 Such report shall be in a manner prescribed by the department to
107 determine such municipal utility's contribution toward the state's
108 emission reduction requirements pursuant to section 22a-200a of the
109 general statutes.

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>	New section