



General Assembly

February Session, 2022

Raised Bill No. 90

LCO No. 1114



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:

(ET)

**AN ACT CONCERNING CONSULTANT AND PROCUREMENT
AUTHORITY FOR THE DEPARTMENT OF ENERGY AND
ENVIRONMENTAL PROTECTION.**

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

1 Section 1. Section 16-243dd of the 2022 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2022*):

4 (a) The Commissioner of Energy and Environmental Protection, in
5 consultation with the procurement manager identified in subsection (l)
6 of section 16-2 and the Office of Consumer Counsel, may issue requests
7 for proposals for energy storage projects connected at the transmission
8 or distribution level, including stand-alone energy storage projects and
9 energy storage projects paired with Class I renewable energy sources or
10 hydropower facilities that have a nameplate capacity rating of not more
11 than one hundred megawatts, that would achieve the goals in section
12 16-243cc in combination with programs established by the Public
13 Utilities Regulatory Authority. If the Commissioner of Energy and
14 Environmental Protection determines that procuring energy storage is

15 cost effective, the commissioner shall proceed with the selection of
16 proposals. In making this determination, the commissioner shall
17 publish and make available for public comment a cost-effectiveness test
18 that considers each applicable benefit provided by energy storage.

19 (b) In making any selection of such proposals, the commissioner shall
20 consider factors, including, but not limited to, (1) whether the proposal
21 is in the best interest of ratepayers, including, but not limited to, the
22 delivered price of such sources, (2) whether the proposal promotes
23 electric distribution system reliability, including during winter peak
24 demand, (3) any positive impacts on the state's economic development,
25 (4) whether the proposal is consistent with the requirements to reduce
26 greenhouse gas emissions in accordance with section 22a-200a, and (5)
27 whether the proposal is consistent with the policy goals outlined in the
28 Comprehensive Energy Strategy adopted pursuant to section 16a-3d, as
29 amended by this act, and the Integrated Resources Plan adopted
30 pursuant to section 16a-3a. In considering whether a proposal has any
31 positive impacts on the state's economic development, the
32 Commissioner of Energy and Environmental Protection shall consult
33 with the Commissioner of Economic and Community Development.

34 (c) The commissioner may direct the electric distribution companies
35 to enter into power purchase agreements for energy, capacity, any
36 transmission associated with such energy, or environmental attributes,
37 or any combination thereof, associated with proposals selected pursuant
38 to this section, for periods of not more than twenty years on behalf of all
39 customers of the state's electric distribution companies. Certificates
40 issued by the New England Power Pool Generation Information System
41 for any Class I renewable energy procured by an electric distribution
42 company pursuant to this section may be: (1) Sold into the New England
43 Power Pool Generation Information System renewable energy credit
44 market to be used by any electric supplier or electric distribution
45 company to meet the requirements of section 16-245a, provided the
46 revenues from such sale are credited to electric distribution company
47 customers as described in this section; or (2) retained by the electric
48 distribution company to meet the requirements of section 16-245a. In

49 considering whether to sell or retain such certificates, the company shall
50 select the option that is in the best interest of such company's ratepayers.

51 [(c)] (d) Any agreement entered into pursuant to this section shall be
52 subject to review and approval by the Public Utilities Regulatory
53 Authority, which review shall be completed not later than one hundred
54 twenty days after the date on which such agreement is filed with the
55 authority. The authority shall approve any such agreement if it is cost
56 effective and in the best interest of electric ratepayers. The net costs of
57 any such agreement, including costs incurred by the electric distribution
58 companies under the agreement and reasonable costs incurred by the
59 electric distribution companies in connection with the agreement, shall
60 be recovered through a fully reconciling component of electric rates for
61 all customers of electric distribution companies. Any net revenues from
62 the sale of products purchased in accordance with long-term contracts
63 entered into pursuant to this section shall be credited to customers
64 through the same fully reconciling rate component for all customers of
65 the contracting electric distribution company.

66 (e) The commissioner may hire consultants with expertise in
67 quantitative modeling of electric and gas markets to assist in
68 implementing this section, including, but not limited to, the evaluation
69 of proposals submitted pursuant to this section. All reasonable costs
70 associated with the commissioner's solicitation and review of proposals
71 pursuant to this section shall be recoverable through the same fully
72 reconciling rate component for all customers of the electric distribution
73 companies.

74 Sec. 2. Section 16a-3d of the 2022 supplement to the general statutes
75 is repealed and the following is substituted in lieu thereof (*Effective July*
76 *1, 2022*):

77 (a) On or before October 1, 2020, and every four years thereafter, the
78 Commissioner of Energy and Environmental Protection shall prepare a
79 Comprehensive Energy Strategy. Said strategy shall reflect the
80 legislative findings and policy stated in section 16a-35k, provide any

81 analysis and recommendations necessary to guide the state's energy
82 policy to meet greenhouse gas emission reduction requirements, as
83 established in section 22a-200a, in the most cost-effective manner and
84 incorporate (1) an assessment and plan for all energy needs in the state,
85 including, but not limited to, electricity, heating, cooling, and
86 transportation, (2) the findings of the Integrated Resources Plan, (3) the
87 findings of the plan for energy efficiency adopted pursuant to section
88 16-245m, (4) the findings of the plan for renewable energy adopted
89 pursuant to section 16-245n, and (5) the Energy Assurance Plan
90 developed for the state of Connecticut pursuant to the American
91 Recovery and Reinvestment Act of 2009, P.L. 111-5, or any successor
92 Energy Assurance Plan developed within a reasonable time prior to the
93 preparation of any Comprehensive Energy Strategy. Said strategy shall
94 further include, but not be limited to, (A) an assessment of current
95 energy supplies, demand and costs, (B) identification and evaluation of
96 the factors likely to affect future energy supplies, demand and costs, (C)
97 a statement of progress made toward achieving the goals and milestones
98 set in the preceding Comprehensive Energy Strategy, (D) a statement of
99 energy policies and long-range energy planning objectives and
100 strategies appropriate to achieve, the state's greenhouse gas reduction
101 goals established in section 22a-200a, a sound economy, the least-cost
102 mix of energy supply sources to meet said goals and measures that
103 reduce demand for energy, giving due regard to such factors as
104 consumer price impacts, security and diversity of fuel supplies and
105 energy generating methods, protection of public health and safety,
106 environmental goals and standards, conservation of energy and energy
107 resources and the ability of the state to compete economically, (E)
108 recommendations for administrative and legislative actions to
109 implement such policies, objectives and strategies, (F) an assessment of
110 the potential costs savings and benefits to ratepayers, including, but not
111 limited to, carbon dioxide emissions reductions or voluntary joint
112 ventures to repower some or all of the state's coal-fired and oil-fired
113 generation facilities built before 1990, (G) the benefits, costs, obstacles
114 and solutions related to the expansion and use and availability of
115 natural gas in Connecticut, and (H) a strategy for ensuring the state's

116 energy efficiency goals are met.

117 (b) In adopting the Comprehensive Energy Strategy, the
118 Commissioner of Energy and Environmental Protection shall conduct a
119 proceeding that shall not be considered a contested case under chapter
120 54, but shall include not less than one public meeting and one technical
121 meeting at which technical personnel shall be available to answer
122 questions. Such meetings shall be transcribed and posted on the
123 department's Internet web site. Said commissioner shall give not less
124 than fifteen days' notice of such proceeding by electronic publication on
125 the department's Internet web site. Not later than fifteen days prior to
126 any such public meeting and not less than thirty days prior to any such
127 technical meeting, the commissioner shall publish notice of either such
128 meeting and post the text of the proposed Comprehensive Energy
129 Strategy on the department's Internet web site. Notice of such public
130 meeting or technical meeting may also be published in one or more
131 newspapers having state-wide circulation if deemed necessary by the
132 commissioner. Such notice shall state the date, time, and place of the
133 meeting, the subject matter of the meeting, the manner and time period
134 during which comments may be submitted to said commissioner, the
135 statutory authority for the proposed strategy and the location where a
136 copy of the proposed strategy may be obtained or examined in addition
137 to posting the proposed strategy on the department's Internet web site.
138 Said commissioner shall provide a time period of not less than sixty days
139 from the date the notice is published on the department's Internet web
140 site for public review and comment. During such time period, any
141 person may provide comments concerning the proposed strategy to said
142 commissioner. Said commissioner shall consider fully all written and
143 oral comments concerning the proposed strategy after all public
144 meetings and technical meetings and before approving the final
145 strategy. Said commissioner shall (1) notify by electronic mail each
146 person who requests such notice, and (2) post on the department's
147 Internet web site the electronic text of the final strategy and a report
148 summarizing all public comments and the changes made to the final
149 strategy in response to such comments and the reasons therefor. The

150 Public Utilities Regulatory Authority shall comment on the strategy's
151 impact on natural gas and electric rates.

152 (c) The Commissioner of Energy and Environmental Protection shall
153 submit the final Comprehensive Energy Strategy electronically to the
154 joint standing committees of the General Assembly having cognizance
155 of matters relating to energy and the environment.

156 (d) The Commissioner of Energy and Environmental Protection may
157 modify the Comprehensive Energy Strategy in accordance with the
158 procedures outlined in subsections (b) and (c) of this section.

159 (e) For the Comprehensive Energy Strategy next approved after
160 October 1, 2021, and every Comprehensive Energy Strategy prepared
161 thereafter, the Commissioner of Energy and Environmental Protection
162 shall consider (1) the reductions in greenhouse gas emissions resulting
163 from low-carbon fuel blends used in home heating oil on a life-cycle
164 basis, (2) possible contributions to the state's greenhouse gas emissions
165 mandated levels, pursuant to section 22a-200a, in connection with the
166 reduction of greenhouse gas emissions on a life-cycle basis, (3) the
167 ability of a thermal portfolio standard to further reductions in
168 greenhouse gas emissions on a life-cycle basis, and (4) the relative value
169 of the reductions in greenhouse gas emissions on a life-cycle basis
170 achieved by biodiesel and other low-carbon fuel blends used currently
171 in the state compared with the value of future projected greenhouse gas
172 emissions reductions achieved by the retail heating oil industry on a life-
173 cycle basis five, ten, and twenty years into the future using the
174 Department of Energy and Environmental Protections'
175 contemporaneous projection of renewable energy utilized.

176 (f) In the performance of its duties pursuant to this section, the
177 Department of Energy and Environmental Protection may retain
178 consultants to assist its staff by providing expertise in areas in which
179 staff expertise does not currently exist or when necessary to supplement
180 existing staff expertise. All reasonable costs associated with said
181 consultants and the department's development of the Comprehensive

182 Energy Strategy shall be recoverable through the assessment authorized
183 pursuant to section 16-49.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2022</i>	16-243dd
Sec. 2	<i>July 1, 2022</i>	16a-3d

Statement of Purpose:

To give the Department of Energy and Environmental Protection the authority to utilize the services of consultants and to direct the electric distribution companies to enter into certain power purchase agreements.

[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.]