
OLR Bill Analysis

HB 6853 (as amended by House "A")*

AN ACT CONCERNING FUNDING FOR MICROGRIDS AND RESILIENCE PROJECTS.

SUMMARY

This bill expands eligibility to participate in the Microgrid and Resilience Grant and Loan Program (see BACKGROUND) and, unrelatedly, allows state agencies to participate in certain building decarbonization projects.

For the microgrid program, the bill extends eligibility to include any local or regional governmental entity (rather than just municipalities), municipal corporation, regional council of government, public authority, or state and federally recognized tribe. As under current law, electric distribution companies (i.e., Eversource and United Illuminating); participating municipal electric utilities; energy improvement districts; and nonprofit, academic, and private entities are also eligible, and all of the eligible recipients may collaborate with each other to submit a proposal.

The bill allows the Department of Energy and Environmental Protection (DEEP), which administers the program, to award program grants or loans, rather than requiring it, as under current law. It also eliminates (1) a requirement for DEEP to distribute program funds evenly between small, medium, and large municipalities to the extent possible and (2) an obsolete reporting requirement.

*House Amendment "A" (1) removes provisions that would have made state agencies eligible for the microgrid program and allowed DEEP to use up to four percent of the program's funds to administer it; (2) allows, rather than requires, DEEP to award microgrid program grants; and (3) adds the provision on decarbonization projects.

EFFECTIVE DATE: July 1, 2023, except the provision on decarbonization projects is effective upon passage.

DECARBONIZATION PROJECTS

The bill allows any state agency to participate in a building decarbonization project for a building or facility that is (1) owned or leased by the state and (2) occupied by the agency. Under the bill, a “state agency” is any office; department; board; council; commission; institution; constituent unit of the state higher education system; technical education and career school; or other agency in the executive, legislative, or judicial branch of state government. A “building decarbonization project” is a project that (1) implements energy efficiency measures, reduces energy usage, or decarbonizes the energy use of a building or facility and (2) is offered by (a) an electric distribution company or gas company through the state’s Conservation and Load Management Plan or (b) the Connecticut Green Bank, including associated financing mechanisms offered by the companies or the Green Bank.

The bill requires a state agency that wants to participate in a building decarbonization project to submit a request to DEEP, which, in consultation with the Department of Administrative Services, may review and recommend approval. Upon receiving the recommended approval, the agency must submit a request to participate in the project, with supporting documentation and the recommended approval, to the Office of Policy and Management (OPM) for review and final approval. Under the bill, OPM may only approve a project if it can be sustained by the state agency’s operating budget, based on the operating budget for the fiscal year in which the state agency files the request.

BACKGROUND

Microgrid and Resilience Grant and Loan Program

The Microgrid and Resilience Grant and Loan Program generally provides funding for entities to develop microgrid distributed energy generation, repurpose existing distributed energy generation to use with microgrids, support critical facilities, or develop resilience projects. Program funding may provide (1) assistance with community planning;

(2) assistance for certain design, engineering, and interconnection infrastructure costs; (3) matching funds or low interest loans for certain energy storage systems or distributed energy projects; and (4) non-federal cost shares for funding applications for projects that include microgrids or resilience.

By law, a “microgrid” is a group of interconnected electricity users and generators that (1) is within clearly defined boundaries and acts as a single controllable entity with respect to the larger grid and (2) can operate as either a part of the grid or independent of it (e.g., a fuel cell that powers a hospital but can also power a nearby municipal center during a power outage).

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 20 Nay 0 (03/14/2023)