

# Finance, Revenue and Bonding Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-7265

AN ACT ESTABLISHING A WORKING GROUP TO EXAMINE THE

**Title:** IMPLEMENTATION OF A UNIFORM ENERGY STORAGE CAPACITY TAX.

**Vote Date:** 4/24/2025

**Vote Action:** Joint Favorable

**PH Date:** 4/2/2025

**File No.:** 889

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### SPONSORS OF BILL:

Finance, Revenue, & Bonding Committee

### REASONS FOR BILL:

The purpose of this bill is to create a working group that will study the implementation of a possibly more uniformed energy storage capacity tax. This study could further help to improve energy efficiency throughout the state and create more energy sustainability. By focusing on a more streamlined approach to this issue, this bill aims to search for a fairer framework that could encourage investment in more efficient energy storage technology.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

### NATURE AND SOURCES OF SUPPORT:

#### **Francis Pullaro, President, RENEW Northeast, Inc.**

Francis submits testimony in support of the bill, believing that an energy storage project can provide numerous economic benefits including a new tax revenue stream. Francis believes this to be a high priority for the organization, RENEW as their goal is to help in moving Connecticut towards appropriate property taxes for solar and energy storage projects.

#### **Julian Boggs, Key Capture Energy:**

Julian submits testimony in support of the bill. Because she's an energy storage developer, owner and operator based in Albany, NY, Julian holds much knowledge within this field and explains how urgent it is to support battery energy storage, electric reliability, integrate renewal energy and prevent electricity price increases. Julian goes on to explain how utility-

scale battery energy storage will benefit all Connecticut electric customers. Connecting directly to the grid, these utility-scale battery energy storage systems function like traditional utility infrastructure.

**Sean Burke, BlueWave Energy:**

Sean submits testimony in support explaining the urgency and need for energy Sean does however, request amending the bill to establish a uniform capacity tax for energy storage this year rather than just creating a group to study this concept.

**Brendan Sharkey, Representative, VFS Energy Services:**

Brendan submits testimony in support of the bill, sharing that Connecticut has been the epicenter of the fuel cell industry beginning with United Technologies in the late 1900 and early 2000. Connecticut has become a home-grown industry to fuel cells that provide enormous economic benefits. Fuel cells designation as a Class 1 renewable energy source can participate in various renewal energy incentive program and is exempt from local property taxes, a principle upheld by the Supreme Court last year. Tax exemption for the sale of fuel cell is a longer-term solution but the industry would benefit from an affirmation that in all cases, fuel cells are and have always been machines used in manufacturing and eligible for sales tax exemption. Alleviating short-term concerns on this issue will continue Connecticut's encouragement of the fuel cell industry.

**Jessica Robertson, Director of Policy and Business Development, New Leaf Energy:**

Jessica shares her support of a uniform capacity tax for both storage and solar be it is important for Connecticut because of the following...

1. It makes electricity more affordable.
2. It can reduce air pollution caused by fossil fuel peaker plants.
3. It makes the grid more flexible and reliable.
4. It provides economic opportunity.

**Mike Trahan, Executive Director, Connecticut Solar & Storage Association:**

Endorses the plan to establish a working group and offer our batter storage experts as members of the working group.

**Rosie Rangel, Senior Citizen:**

Believes this bill is a great idea, she shares her feelings on her positive feelings and thanks the committee for creating the group.

**Laura Coriell, Director, Market Development, Lightshift Energy:**

As an energy storage developer throughout the East coast, Laura shares how the organization, LightSift Energy are dedicated to fostering partnerships with municipality utilities and cooperatives. They focus on community-centered energy storage and are developing 50MW+ of projects around the state that deliver cost savings, enhanced resilience, and reduced reliance on fossil fuels. And by implementing a statewide capacity tax, this fosters a stable and consistent investment for the environment.

**Oliwia D. Krupinska, Policy and Regulatory Analyst, Alliance for Climate Transition:**

Oliwia shares how ACT supports creating a Uniform Capacity Tax for solar systems and energy storage systems, she believes this will provide Connecticut with a more predictable tax structure for larger-scale solar and energy storage projects. By creating UTC's balances,

she believes the need for municipal revenue with other priorities gives developers consistency and predictability.

**NATURE AND SOURCES OF OPPOSITION:**

**Betsy Gara, Executive Director, Connecticut Council of Small Towns:**

Betsy submits testimony in opposition, sharing that the working group needs to include a municipal representative. This is because of the potential impact on local property tax revenues. She shares how towns rely on predictable revenues to develop their budgets and deliver local services due to inflation and the increase in personnel costs.

**Reported by: Pam Bianca**

**Date: 5/5/25**