



General Assembly

**Substitute Bill No. 952**

January Session, 2021



**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) In undertaking the proceeding described in subsection (a) of this  
30 section, the authority shall consider one or more programs and rate  
31 designs to incentivize the deployment of electric energy storage  
32 technologies connected to the electric distribution system that most  
33 effectively leverage the value of such technologies to achieve objectives  
34 including, but not limited to, (1) providing positive net present value to  
35 all ratepayers, or a subset of ratepayers paying for the benefits that  
36 accrue to that subset of ratepayers; (2) providing multiple types of  
37 benefits to the electric grid, including, but not limited to, customer, local,  
38 or community resilience, ancillary services, leveling out peaks in  
39 electricity use or that support the deployment of other distributed  
40 energy resources; (3) fostering the sustained, orderly development of a  
41 state-based electric energy storage industry; and (4) maximizing the  
42 value from the participation of energy storage systems in capacity  
43 markets. The authority shall include consideration of all energy storage  
44 configurations that are connected to the distribution system, including  
45 systems connected in front of the meter and not located at a customer  
46 premises. The authority shall also consider programs and rate designs  
47 to incentivize uses of electric energy storage technologies connected to  
48 the electric distribution system that avoid or defer investment in  
49 traditional electric distribution system capacity upgrades.

50 (d) The authority may select the Connecticut Green Bank, the

51 Department of Energy and Environmental Protection, the electric  
52 distribution companies, a third party it deems appropriate or any  
53 combination thereof, to implement one or more programs for electric  
54 energy storage resources connected to the electric distribution system,  
55 as directed by the Public Utilities Regulatory Authority.

56 Sec. 3. (NEW) (*Effective July 1, 2021*) (a) The Commissioner of Energy  
57 and Environmental Protection, in consultation with the procurement  
58 manager identified in subsection (l) of section 16-2 of the general  
59 statutes and the Office of Consumer Counsel, may issue requests for  
60 proposals for energy storage projects connected at the transmission or  
61 distribution level, including stand-alone energy storage projects and  
62 energy storage projects paired with Class I renewable energy sources,  
63 that would achieve the goals in section 1 of this act in combination with  
64 programs established by the Public Utilities Regulatory Authority. If the  
65 Commissioner of Energy and Environmental Protection determines that  
66 procuring energy storage is cost effective, the commissioner shall  
67 proceed with the selection of proposals. In making this determination,  
68 the commissioner shall publish and make available for public comment  
69 a cost-effectiveness test that considers each applicable benefit provided  
70 by energy storage.

71 (b) In making any selection of such proposals, the commissioner shall  
72 consider factors, including, but not limited to, (1) whether the proposal  
73 is in the best interest of ratepayers, including, but not limited to, the  
74 delivered price of such sources, (2) whether the proposal promotes  
75 electric distribution system reliability, including during winter peak  
76 demand, (3) any positive impacts on the state's economic development,  
77 (4) whether the proposal is consistent with the requirements to reduce  
78 greenhouse gas emissions in accordance with section 22a-200a of the  
79 general statutes, and (5) whether the proposal is consistent with the  
80 policy goals outlined in the Comprehensive Energy Strategy adopted  
81 pursuant to section 16a-3d of the general statutes and the Integrated  
82 Resources Plan adopted pursuant to section 16a-3a of the general  
83 statutes. In considering whether a proposal has any positive impacts on

84 the state's economic development, the Commissioner of Energy and  
85 Environmental Protection shall consult with the Commissioner of  
86 Economic and Community Development.

87 (c) Any agreement entered into pursuant to this section shall be  
88 subject to review and approval by the Public Utilities Regulatory  
89 Authority, which review shall be completed not later than one hundred  
90 twenty days after the date on which such agreement is filed with the  
91 authority. The authority shall approve any such agreement if it is cost  
92 effective and in the best interest of electric ratepayers. The net costs of  
93 any such agreement, including costs incurred by the electric distribution  
94 companies under the agreement and reasonable costs incurred by the  
95 electric distribution companies in connection with the agreement, shall  
96 be recovered through a fully reconciling component of electric rates for  
97 all customers of electric distribution companies. Any net revenues from  
98 the sale of products purchased in accordance with long-term contracts  
99 entered into pursuant to this section shall be credited to customers  
100 through the same fully reconciling rate component for all customers of  
101 the contracting electric distribution company.

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

In Section 1(c), technical clarifying changes were made.

**ET**      *Joint Favorable Subst.*