



# Senate

General Assembly

**File No. 344**

February Session, 2022

Substitute Senate Bill No. 90

*Senate, April 6, 2022*

The Committee on Energy and Technology reported through SEN. NEEDLEMAN of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING 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2 statutes is repealed and the following is substituted in lieu thereof  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  
29 and the Integrated Resources Plan adopted pursuant to section 16a-3a.  
30 In considering whether a proposal has any positive impacts on the  
31 state's economic development, the Commissioner of Energy and  
32 Environmental Protection shall consult with the Commissioner of  
33 Economic and Community Development.

34 (c) The commissioner may direct the electric distribution companies  
35 to enter into agreements associated with proposals selected pursuant to  
36 this section, for periods of not more than twenty years on behalf of all  
37 customers of the state's electric distribution companies.

38 [(c)] (d) Any agreement entered into pursuant to this section shall be  
39 subject to review and approval by the Public Utilities Regulatory  
40 Authority, which review shall be completed not later than one hundred  
41 twenty days after the date on which such agreement is filed with the  
42 authority. The authority shall approve any such agreement if it is cost  
43 effective and in the best interest of electric ratepayers. The net costs of  
44 any such agreement, including costs incurred by the electric distribution  
45 companies under the agreement and reasonable costs incurred by the  
46 electric distribution companies in connection with the agreement, shall

47 be recovered through a fully reconciling component of electric rates for  
 48 all customers of electric distribution companies. Any net revenues from  
 49 the sale of products purchased in accordance with long-term contracts  
 50 entered into pursuant to this section shall be credited to customers  
 51 through the same fully reconciling rate component for all customers of  
 52 the contracting electric distribution company.

53 Sec. 2. (*Effective from passage*) On or before January 15, 2023, the  
 54 Department of Energy and Environmental Protection shall submit a  
 55 report, in accordance with the provisions of section 11-4a of the general  
 56 statutes, to the joint standing committee of the General Assembly  
 57 having cognizance of matters relating to energy. Such report shall  
 58 include the impact on the environment due to the process of acquiring  
 59 the component materials of battery-storage technology and the disposal  
 60 of such technology after its useful life.

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>from passage</i>	New section

**ET**            *Joint Favorable Subst.*

---

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

---

**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

The clarifying change in the bill has no fiscal impact.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****sSB 90*****AN ACT CONCERNING PROCUREMENT AUTHORITY FOR THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.*****SUMMARY**

Existing law allows the Department of Energy and Environmental Protection (DEEP) commissioner to solicit proposals for energy storage projects and authorizes electric distribution companies (EDCs, i.e., Eversource and United Illuminating) to recover from ratepayers any costs associated with an agreement entered into as a result of the solicitation. This bill explicitly authorizes the commissioner to direct the EDCs to enter into agreements associated with selected proposals for periods up to 20 years on behalf of EDC customers.

The bill also requires the DEEP commissioner to submit a report to the Energy and Technology Committee by January 15, 2023, on the environmental impacts of acquiring battery storage component materials and disposing of battery storage technology after its useful life.

EFFECTIVE DATE: July 1, 2022, except the reporting requirement is effective upon passage.

**BACKGROUND*****Storage Procurement***

By law, DEEP may issue requests for proposals (RFPs) for energy storage projects connected at the transmission or distribution level that would, when combined with other programs the Public Utilities Regulatory Authority (PURA) establishes, meet state law's energy storage goals. Projects may include stand-alone energy storage projects or projects paired with (1) Class I renewable energy sources (e.g., wind and solar) or (2) hydropower facilities with a nameplate capacity of up

to 100 megawatts. The DEEP commissioner must consider certain factors when selecting proposals, including whether a proposal is in ratepayers' best interest.

Any agreement entered into as a result of DEEP's selection is subject to PURA's review and approval. EDCs must recover an approved agreement's net costs and credit customers for any net revenues through a fully reconciling rate component on electric ratepayer bills (CGS § 16-243dd).

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 26 Nay 0 (03/22/2022)