

Energy and Technology Committee JOINT FAVORABLE REPORT

Bill No.: HB-5327

AN ACT CONCERNING ENERGY STORAGE SYSTEMS AND ELECTRIC

Title: DISTRIBUTION SYSTEM RELIABILITY.

Vote Date: 3/22/2022

Vote Action: Joint Favorable

PH Date: 3/8/2022

File No.:

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SPONSORS OF BILL:

Energy and Technology Committee

REASONS FOR BILL:

The bill aims to further develop how electric distribution companies must go about applying for and developing energy storage systems. This is done to ensure that the state's energy infrastructure is being properly supported and will continue to operate effectively during times of emergency.

RESPONSE FROM ADMINISTRATION/AGENCY:

Colemain, Claire - Interim Consumer Counsel - Office of Consumer Counsel:

- Opposes the bill, stating concerns over the lack of consideration of PURA dockets. Additionally, raises issues with the move to eliminate competition in front of meter storage system deployment.

Dykes, Katie - Commissioner - DEEP:

- Opposes the bill, stating that it is duplicative and would conflict with processes PURA is currently engaged in. DEEP specifically displays abject opposition to Section 1.

Gillett, Marrison - Chairman - PURA:

- Writes in opposition to the bill. Believes that subdivision (2) of subsection (c) of Section 1 should be taken out of the bill. Additionally, they offer modifications to Sections 2 and 3 of the bill, specifically concerning competition and recouping costs from ratepayers.

NATURE AND SOURCES OF SUPPORT:

Chatterjee, Diguanto - VP of System Planning - Eversource:

- Offers strong support for Sections 1 and 2 of the bill. States that these sections address the need to blunt the impact of energy emergencies in Connecticut. Additionally, supports adoption of new technology by distribution companies.

Frohling, Nathan - Director of External Affairs - The Nature Conservancy:

- Offers support for the bill. Specifically calls attention to sections allowing distribution companies the ability to purchase and deploy storage systems. Additionally, supports the creation of a more robust system for addressing power supply to critical infrastructure during times of emergency.

King, Rita - Senior Director for Smart Grids Innovation - UIL Holdings Corporation:

- Offers support for the bill, stating that it would advance Connecticut's energy agenda while also protecting consumers. Offer changes to language in Section 1 that they believe could restrict the "use cases and benefits" of storage technology.

Lodestar Energy LLC:

- Writes in support of the bill, specifically applauding provisions which require that system reliability be the purpose of storage technology ownerships, as well as provisions requiring that value is maximized by these systems. Proposes additional language additions, to the non by passable charge language currently found in the general statute, to prevent ratepayers from being billed for the costs of renewable energy incentives.

Phelps, Dereck - Director of Government Relations - FuelCell Energy, INC.:

- Writes in enthusiastic support of the bill. States that hydrogen is a growing resource that can assist the state in meeting its clean energy goals. Additionally, points out that the implementation of energy storage technology in the state will assist improvements to grid resiliency.

Sharkey, Brendan - Owner - Amerizone LLC:

- Writes in support of Section 1 of the bill, while opposing Sections 2 and 3. Supports placing "guardrails" on the ownership of storage technology by distribution companies. Opposes language that would conflict with efforts already being undertaken by PURA.

NATURE AND SOURCES OF OPPOSITION:

Greene, Len - Head of Government Affairs - FirstLight Power:

- Writes in opposition to the bill, specifically taking issue with provisions that would cause conflict with current PURA proceedings. Additionally, opposes the lack of competition that would occur as a result of the bill, stating that it would lead to higher costs for the ratepayer.

McDiarmid, Jeremy - VP, Policy and Government Affairs - NECEC:

- Raises concerns with the bill, stating that the expansion of authority would interfere with work that PURA is currently undertaking. Additionally, raises concerns with preauthorization for energy storage investments and with the ability of energy storage systems building that distribution companies will be given. Believe that a system where

competitive entities build these storage systems and then sell them to utility companies will result in fairer prices for ratepayers.

NEPGA:

- Writes in opposition to the bill, stating that it would move Connecticut backwards towards the noncompetitive electric industry model. Additionally, states that the committee should allow competitive wholesale markets to continue in the state.

Pullaro, Francis - Executive Director - RENEW Northeast:

- Writes in opposition to the bill, stating that insulation from competition is in opposition to Connecticut's pro-consumer electric restructuring law and is unnecessary. States that distribution companies should be able to continue using competitive affiliates should they wish to invest in storage technology, as that system has been successful in the past.

Reported by: Trenton Kapij

Date: 4/1/2022