



General Assembly

February Session, 2022

***Raised Bill No. 5327***

LCO No. 2559



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

***AN ACT CONCERNING ENERGY STORAGE SYSTEMS AND  
ELECTRIC DISTRIBUTION SYSTEM RELIABILITY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 16-244e of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective October*  
3 *1, 2022*):

4 (c) (1) The Public Utilities Regulatory Authority may authorize an  
5 electric distribution company to recover its prudently incurred costs  
6 and investments, which shall be determined by the authority in a  
7 contested case, for any energy storage system such electric distribution  
8 company builds, owns or operates to enhance distribution reliability  
9 through a fully reconciling component of electric rates for all customers  
10 of electric distribution companies, until the electric distribution  
11 company's next rate case, at which time such costs and investments shall  
12 be recoverable through base distribution rates consistent with the  
13 principles set forth in sections 16-19 and 16-19e.

14 (2) Prior to building any energy storage system, an electric  
15 distribution company may obtain preauthorization from the authority

16 on the proposed system, which shall be conducted as a contested case  
17 proceeding, and shall be completed not later than one hundred eighty  
18 days after the submission of an application to the authority. In  
19 reviewing the prudence of costs of a proposed system, the authority  
20 shall evaluate: (A) The estimated cost of the proposed system, less the  
21 projected revenues from the system; and (B) the value to customers of  
22 any proposed system connected to the distribution system in front of  
23 the meter, taking into consideration the proposed energy storage  
24 system's potential as an infrastructure alternative that would avoid or  
25 defer investment in traditional electric distribution system capacity  
26 upgrades.

27 (3) For any completed energy storage system, the company shall  
28 maximize the value from the system's participation in wholesale  
29 electricity, capacity or other markets, as applicable, while maintaining  
30 distribution system reliability. Any net revenues from such  
31 participation shall be credited to ratepayers to offset the cost of the  
32 completed system.

33 Sec. 2. (NEW) (*Effective from passage*) (a) The Public Utilities  
34 Regulatory Authority shall direct each electric distribution company, as  
35 defined in section 16-1 of the general statutes, to submit on or before  
36 January 1, 2023, a proposal or proposals to the authority for a pilot  
37 program for the company to build, own and operate energy storage  
38 systems, as defined in section 16-1 of the general statutes, for the  
39 purpose of demonstrating and investigating how energy storage  
40 systems can improve resiliency of critical infrastructure and improve  
41 reliability of the electric distribution system.

42 (b) The authority shall approve or modify a proposal if it concludes  
43 that investment in such energy storage systems is reasonable, prudent  
44 and provides value to ratepayers.

45 (c) An electric distribution company may recover its prudently  
46 incurred costs made pursuant to this section through a fully reconciling  
47 component of electric rates for all customers until the electric

48 distribution company's next rate case, at which time such costs and  
49 investments shall be recoverable through base distribution rates  
50 consistent with the principles set forth in sections 16-19 and 16-19e of  
51 the general statutes.

52 (d) The provisions of this section shall not be construed to impose any  
53 limitations or caps upon section 16-244e of the general statutes, as  
54 amended by this act.

55 Sec. 3. (NEW) (*Effective from passage*) (a) On or before January 1, 2023,  
56 the Division of Emergency Management and Homeland Security shall  
57 develop an annex to the division's comprehensive plan for the civil  
58 preparedness of the state to be used in disaster or emergency  
59 preparedness. The division, in coordination with the electric  
60 distribution companies, shall develop for inclusion in such annex to the  
61 state civil preparedness plan provisions to provide emergency or  
62 backup power to restore or continue the operation of critical  
63 infrastructure facilities following a disaster or other emergency,  
64 whether arising from severe weather, natural disaster, technological  
65 hazard, man-made disaster, civil emergency aspects of resource  
66 shortages, insurgency or enemy attack.

67 (b) As used in this section, "critical infrastructure facilities" includes  
68 (1) critical water system infrastructure, and (2) buildings for essential  
69 services, such as a building or portion of a building used or intended to  
70 be used as a fire station, police station, emergency first aid station,  
71 emergency operations center, emergency communications dispatch  
72 center, air traffic control facility, hospital, hospice or nursing home.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	16-244e(c)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

***Statement of Purpose:***

To: (1) Regulate electric distribution companies' use of energy storage systems; (2) permit the preauthorization of energy storage systems that enhance reliability; (3) create a pilot program to demonstrate how energy storage systems can increase the resiliency of critical infrastructure; and (4) require the Division of Emergency Management and Homeland Security and electric distribution companies to make plans to maintain reliable emergency or backup power for critical infrastructure.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*