



General Assembly

Amendment

February Session, 2022

LCO No. 4562



Offered by:

REP. ARCONTI, 109th Dist.

SEN. NEEDLEMAN, 33rd Dist.

REP. FERRARO C., 117th Dist.

To: House Bill No. 5327

File No. 330

Cal. No. 242

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (c) of section 16-244e of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective October*
5 *1, 2022*):

6 (c) (1) The Public Utilities Regulatory Authority [may] shall authorize
7 an electric distribution company to recover its prudently incurred costs
8 and investments, which shall be determined by the authority in a
9 contested case, for any energy storage system such electric distribution
10 company builds, owns or operates [through a fully reconciling
11 component of electric rates for all customers of electric distribution
12 companies, until] to enhance distribution reliability or resiliency at the
13 time of the electric distribution company's next rate case, at which time

14 such costs and investments shall be recoverable through base
15 distribution rates consistent with the principles set forth in sections 16-
16 19 and 16-19e.

17 (2) For any completed energy storage system, the company shall
18 maximize the value from the system's participation in wholesale
19 electricity, capacity or other markets, as applicable, while maintaining
20 distribution system reliability. Any net revenues from such
21 participation shall be credited to ratepayers to offset the cost of the
22 completed system in rates.

23 Sec. 2. (NEW) (*Effective from passage*) (a) The Public Utilities
24 Regulatory Authority shall direct each electric distribution company, as
25 defined in section 16-1 of the general statutes, to submit on or before
26 January 1, 2023, no more than three proposals to the authority for a pilot
27 program for the company to build, own and operate energy storage
28 systems, as defined in section 16-1 of the general statutes, for the
29 purpose of demonstrating and investigating how energy storage
30 systems can improve resiliency of critical infrastructure and improve
31 reliability of the electric distribution system.

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

35 (c) An electric distribution company may recover its prudently
36 incurred costs made pursuant to this section through a fully reconciling
37 component of electric rates for all customers until the electric
38 distribution company's next rate case, at which time such costs and
39 investments shall be recoverable through base distribution rates
40 consistent with the principles set forth in sections 16-19 and 16-19e of
41 the general statutes.

42 (d) For any completed energy storage system, the company shall
43 maximize the value from the system's participation in wholesale
44 electricity, capacity or other markets, as applicable, while maintaining
45 distribution system reliability. Any net revenues from such

46 participation shall be credited to ratepayers to offset the cost of the
47 completed system in rates.

48 (e) The provisions of this section shall not be construed to impose any
49 limitations or caps upon section 16-244e of the general statutes, as
50 amended by this act."

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