



**House Bill No. 6853**

**Public Act No. 23-157**

***AN ACT CONCERNING FUNDING FOR MICROGRIDS, RESILIENCE  
AND STATE AGENCY BUILDING DECARBONIZATION PROJECTS.***

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

Section 1. Section 16-243y of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2023*):

(a) As used in this section:

(1) ["Municipality" has the same meaning as provided in section 7-233b] "Regional councils of governments" means a regional council of governments organized under the provisions of sections 4-124i to 4-124p, inclusive;

(2) "Critical facility" means any hospital, police station, fire station, water treatment plant, sewage treatment plant, public shelter, correctional facility or production and transmission facility of a television or radio station, whether broadcast, cable or satellite, licensed by the Federal Communications Commission, any commercial area of a municipality, a municipal center, as identified by the chief elected official of any municipality, or any other facility or area identified by the Department of Energy and Environmental Protection as critical;

(3) "Distributed energy generation" means the generation of

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electricity from a unit with a rating of not more than sixty-five megawatts on the premises of a retail end user within the transmission and distribution system;

(4) "Electric distribution company" and "participating municipal electric utility" have the same meanings as provided in section 16-1;

(5) "Microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid and that connects and disconnects from such grid to enable it to operate in both grid-connected or island mode;

(6) "Resilience" means the ability to prepare for and adapt to changing conditions and withstand and recover rapidly from deliberate attacks, accidents or naturally occurring threats or incidents, including, but not limited to, threats or incidents associated with the impacts of climate change; and

(7) "Vulnerable communities" means populations that may be disproportionately impacted by the effects of climate change, including, but not limited to, low and moderate income communities, environmental justice communities pursuant to section 22a-20a, communities eligible for community reinvestment pursuant to section 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et seq., as amended from time to time, populations with increased risk and limited means to adapt to the effects of climate change, or as further defined by the Department of Energy and Environmental Protection in consultation with community representatives.

(b) The Department of Energy and Environmental Protection shall establish a microgrid and resilience grant and loan pilot program to support local distributed energy generation for critical facilities or resilience projects. The department shall develop and issue a request for

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proposals from [municipalities] eligible recipients that shall include, but need not be limited to, any local or regional governmental entity, municipal corporation, regional council of governments, public authority, state and federally recognized tribe, electric distribution [companies] company, participating municipal electric [utilities] utility, energy improvement [districts,] district and nonprofit, academic and private [entities] entity seeking to develop microgrid distributed energy generation, or to repurpose existing distributed energy generation for use with microgrids, to support critical facilities or to develop resilience projects. Any [entity eligible to submit a proposal pursuant to this section] such eligible recipient may collaborate with any other such [entity] eligible recipient in submitting such proposal. The department may use any bond funds authorized in support of microgrids or resilience to: (1) Provide grants or loans to eligible recipients, and (2) hire a technical consultant to support the implementation of this section. [using any bond funds authorized in support of microgrids or resilience.]

(c) The department [shall] may award grants or loans under the microgrid and resilience grant and loan pilot program to any number of eligible recipients. The department shall prioritize proposals that benefit vulnerable communities. [To the extent possible, the amount of loans and grants awarded under the program shall be evenly distributed between small, medium and large municipalities.] Such grants and loans may provide: (1) Assistance with community planning that includes, but is not limited to, microgrid or resilience project feasibility, including benefit-cost analyses, (2) assistance to recipients for the cost of design, engineering services and interconnection infrastructure for any such microgrid or resilience project, (3) matching funds or low interest loans for an energy storage system or systems, as defined in section 16-1, or distributed energy generation projects first placed in service on or after July 1, 2016, provided such generation is derived from a Class I renewable energy source, as defined in section 16-1, or a Class III energy

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source, as defined in section 16-1, for any such microgrid or resilience project, and (4) nonfederal cost share for grant or loan applications for projects or programs that include microgrids or resilience. The department may establish any financing mechanism to provide or leverage additional funding to support the development of interconnection infrastructure, distributed energy generation, microgrids and resilience projects.

(d) Not later than January first, annually, for a period of five years after receiving a grant or loan under the microgrid and resilience grant and loan pilot program, the recipient of such grant or loan shall submit a report to the Public Utilities Regulatory Authority, the Office of Consumer Counsel and the Department of Energy and Environmental Protection and, in accordance with section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and energy. Such report shall include information concerning the status of such recipient's microgrid or resilience project.

[(e) The Department of Energy and Environmental Protection, in consultation with the Connecticut Academy of Science and Engineering, shall study the methods of providing reliable electric services to critical facilities, taking into consideration the location of such critical facilities. Such study shall evaluate the costs and benefits of such methods, including, but not limited to, the use of microgrids, undergrounding and portable turbine generation, and shall make recommendations identifying the most cost-effective and reliable of such methods. Not later than January 1, 2013, the department shall submit the findings of such study, in accordance with section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to energy and technology.]

Sec. 2. (NEW) (*Effective from passage*) Any state agency, as defined in section 1-79 of the general statutes, may participate in a building

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decarbonization project for a building or facility that is owned or leased by the state, provided such state agency occupies such building or facility. A state agency that seeks to participate in a building decarbonization project shall submit a request to the Department of Energy and Environmental Protection for review of the project. The Department of Energy and Environmental Protection, in consultation with the Department of Administrative Services, may review and recommend approval of the project. Upon receipt of the department's recommended approval, a state agency shall submit a request to participate in the building decarbonization project, with supporting documentation, including the recommended approval of the Department of Energy and Environmental Protection, to the Office of Policy and Management for review and final approval. The Office of Policy and Management may only approve a project if such project can be sustained by the operating budget for the relevant state agency, based on the operating budget for the fiscal year in which the state agency files such request. For purposes of this section, "building decarbonization project" means a project that implements energy efficiency measures, reduces energy usage or decarbonizes the energy use of a building or facility that is offered by an electric distribution company or gas company through the Conservation and Load Management Plan approved pursuant to section 16-245m of the general statutes, or successor programs, or offered by the Connecticut Green Bank, including participation in associated financing mechanisms offered by such companies or the Connecticut Green Bank.

Approved June 26, 2023