

# Energy and Technology Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-1171

**Title:** AN ACT CONCERNING PETROLEUM STORAGE LEVELS.

**Vote Date:** 3/14/2023

**Vote Action:** Joint Favorable

**PH Date:** 3/7/2023

**File No.:**

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## **SPONSORS OF BILL:**

## **REASONS FOR THE BILL:**

Connecticut needs to expand its electricity infrastructure to satisfy its future energy demands while ensuring it has adequate resources to meet the state's energy needs during periods of increased electricity usage. Connecticut must ensure that it has the energy resources available during times of increased usage, like the winter months when electric and heating utilities are vital to the state's residents. Further investigation into the development, procurement, and employment of energy assets in the state will help the state meet its energy goals. In addition, this bill will require the DEEP Commissioner to conduct a study regarding the state's adoption of hedging strategies to mitigate the risk of a petroleum shortage.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

Commissioner Katie Dykes, CT DEEP – Supports the bill's intention to require DEEP to conduct a report of petroleum products as an essential component of the state's energy planning and emergency preparedness efforts. DEEP notes that, although this winter was relatively mild, the state ought to prepare for increased energy demands, particularly heating oil, to meet the needs of Connecticut's residents, commercial sector, and industries during cold spells. A study including data, price, and inventory transparency could inform future policy decisions.

DEEP also recommends that the bill language be revised to authorize DEEP to require any petroleum storage terminal or pipeline owner to report capacity when fuel inventories in the regions fall below the most recent five-year average. In addition, DEEP would establish a reporting process – which includes exceptions under Conn. Gen. Stat. § 1-210(b)(5)(A) – to require wholesalers and distributors to report on fuel inventories available in the system to

address supply interruptions or shortages in order to support Connecticut's energy planning and emergency preparedness efforts as outlined by its Energy Emergency Plan.

**NATURE AND SOURCE OF SUPPORT:**

Christian Herb, President, CT Energy Marketers Assoc. (CEMA) – Supports the bill's intention. This bill would take steps to prevent petroleum shortages and ensure that the state has adequate supply of petroleum for heating and electricity. Still, CEMA suggests that the bill include language to require businesses selling petroleum products in Connecticut to participate in the study on account of their knowledge and experience with the petroleum market.

**NATURE AND SOURCE OF OPPOSITION:**

Anne Schmidt, Group Leader, Citizens Climate Education – Opposes the bill because it conflicts with Connecticut's concurrent efforts to reduce the use of fossil fuels such as petroleum and natural gas, including the increase of petroleum reserves in the state that comes at a cost to taxpayers, take time away from alternative energy efforts, and have environmental as well as human health impacts, especially in environmental justice communities. The state should instead invest in increasing renewable energy systems such as solar, wind, geo-exchange, and battery technology.

**Reported by: Irene Santiago & Robert Downes**

**Date: 3/14/23**