



General Assembly

January Session, 2023

Raised Bill No. 6853

LCO No. 5283



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING FUNDING FOR MICROGRIDS AND RESILIENCE PROJECTS.

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

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 Section 16-243y of the general statutes is repealed and the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

3 (a) As used in this section:

4 (1) ["Municipality" has the same meaning as provided in section 7-
5 233b] "Regional councils of governments" means a regional council of
6 governments organized under the provisions of sections 4-124i to 4-
7 124p, inclusive;

8 (2) "Critical facility" means any hospital, police station, fire station,
9 water treatment plant, sewage treatment plant, public shelter,
10 correctional facility or production and transmission facility of a
11 television or radio station, whether broadcast, cable or satellite,
12 licensed by the Federal Communications Commission, any commercial
13 area of a municipality, a municipal center, as identified by the chief
14 elected official of any municipality, or any other facility or area

15 identified by the Department of Energy and Environmental Protection
16 as critical;

17 (3) "Distributed energy generation" means the generation of
18 electricity from a unit with a rating of not more than sixty-five
19 megawatts on the premises of a retail end user within the transmission
20 and distribution system;

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

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

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

33 (7) "Vulnerable communities" means populations that may be
34 disproportionately impacted by the effects of climate change,
35 including, but not limited to, low and moderate income communities,
36 environmental justice communities pursuant to section 22a-20a,
37 communities eligible for community reinvestment pursuant to section
38 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et
39 seq., as amended from time to time, populations with increased risk
40 and limited means to adapt to the effects of climate change, or as
41 further defined by the Department of Energy and Environmental
42 Protection in consultation with community representatives.

43 (b) The Department of Energy and Environmental Protection shall
44 establish a microgrid and resilience grant and loan pilot program to
45 support local distributed energy generation for critical facilities or

46 resilience projects. The department shall develop and issue a request
47 for proposals from [municipalities] eligible recipients that shall
48 include, but need not be limited to, any local or regional governmental
49 entity, municipal corporation, regional council of governments, public
50 authority, state and federally recognized tribe, state agency, electric
51 distribution [companies] company, participating municipal electric
52 [utilities] utility, energy improvement [districts] district, and nonprofit,
53 academic and private [entities] entity seeking to develop microgrid
54 distributed energy generation, or to repurpose existing distributed
55 energy generation for use with microgrids, to support critical facilities
56 or to develop resilience projects. Any entity eligible to submit a
57 proposal pursuant to this section may collaborate with any other such
58 entity in submitting such proposal. The department may use any bond
59 funds authorized in support of microgrids or resilience to: (1) Provide
60 grants or loans to eligible recipients, (2) hire a technical consultant to
61 support the implementation of this section, [using any bond funds
62 authorized in support of microgrids or resilience] (3) undertake any of
63 the activities described in subsection (c) of this section, and (4)
64 administer the microgrid and resilience grant and loan pilot program,
65 provided not more than four per cent of such authorized funds shall be
66 used for such administration. The Department of Energy and
67 Environmental Protection shall not constitute an eligible recipient for
68 purposes of this section.

69 (c) The department shall award grants or loans under the microgrid
70 and resilience grant and loan pilot program to any number of eligible
71 recipients. The department shall prioritize proposals that benefit
72 vulnerable communities. [To the extent possible, the amount of loans
73 and grants awarded under the program shall be evenly distributed
74 between small, medium and large municipalities.] Such grants and
75 loans may provide: (1) Assistance with community planning that
76 includes, but is not limited to, microgrid or resilience project
77 feasibility, including benefit-cost analyses, (2) assistance to recipients
78 for the cost of design, engineering services and interconnection
79 infrastructure for any such microgrid or resilience project, (3) matching

80 funds or low interest loans for an energy storage system or systems, as
81 defined in section 16-1, or distributed energy generation projects first
82 placed in service on or after July 1, 2016, provided such generation is
83 derived from a Class I renewable energy source, as defined in section
84 16-1, or a Class III energy source, as defined in section 16-1, for any
85 such microgrid or resilience project, and (4) nonfederal cost share for
86 grant or loan applications for projects or programs that include
87 microgrids or resilience. The department may establish any financing
88 mechanism to provide or leverage additional funding to support the
89 development of interconnection infrastructure, distributed energy
90 generation, microgrids and resilience projects.

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

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

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2023</i>	16-243y
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ET *Joint Favorable*