



PA 23-157—HB 6853

Energy and Technology Committee

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

SUMMARY: This act expands eligibility to participate in the Microgrid and Resilience Grant and Loan Program (see BACKGROUND) and, unrelatedly, allows state agencies to participate in certain building decarbonization projects.

For the microgrid program, the act expands eligibility to at least include any local or regional governmental entity (rather than just municipalities), municipal corporation, regional council of government, public authority, or state and federally recognized tribe. By law, unchanged by the act, electric distribution companies (i.e., Eversource and United Illuminating); participating municipal electric utilities; energy improvement districts; and nonprofit, academic, and private entities are also eligible, and all eligible recipients may collaborate with each other to submit a proposal. The act also specifies that eligibility does not need to be limited to these entities.

The act allows the Department of Energy and Environmental Protection (DEEP), which administers the program, to award program grants or loans, rather than requiring it as under prior law. It also explicitly allows DEEP to use bond funds authorized to support microgrids or resilience to provide grants or loans to eligible recipients. The act eliminates (1) a requirement for DEEP to distribute program funds evenly between small, medium, and large municipalities to the extent possible and (2) an obsolete reporting requirement.

EFFECTIVE DATE: July 1, 2023, except the provision on decarbonization projects is effective upon passage.

DECARBONIZATION PROJECTS

The act allows any state agency (see BACKGROUND) to participate in a building decarbonization project for a state-owned or -leased building or facility that the agency occupies. Under the act, a “building decarbonization project” is a project that (1) implements energy efficiency measures, reduces energy usage, or decarbonizes the energy use of a building or facility and (2) is offered by (a) an electric distribution company or gas company through the state’s Conservation and Load Management Plan or (b) the Connecticut Green Bank, including participation in associated financing mechanisms offered by the companies or the Green Bank.

The act requires a state agency that wants to participate in a building decarbonization project to submit a request to DEEP, which, in consultation with the Department of Administrative Services, may review and recommend approval. Upon receiving the recommended approval, the agency must submit a request to participate in the project, with supporting documentation and the recommended

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approval, to the Office of Policy and Management (OPM) for review and final approval. Under the act, OPM may only approve a project if it can be sustained by the state agency's operating budget, based on the operating budget for the fiscal year in which the state agency files the request.

BACKGROUND

Microgrid and Resilience Grant and Loan Program

The Microgrid and Resilience Grant and Loan Program generally provides funding for entities to develop microgrid distributed energy generation, repurpose existing distributed energy generation to use with microgrids, support critical facilities, or develop resilience projects. Program funding may provide (1) assistance with community planning; (2) assistance for certain design, engineering, and interconnection infrastructure costs; (3) matching funds or low interest loans for certain energy storage systems or distributed energy projects; and (4) non-federal cost shares for funding applications for projects that include microgrids or resilience.

By law, a "microgrid" is a group of interconnected electricity users and generators that (1) is within clearly defined boundaries and acts as a single controllable entity with respect to the larger grid and (2) can operate as either a part of the grid or independent of it (e.g., a fuel cell that powers a hospital but can also power a nearby municipal center during a power outage).

State Agency

By law and under the act, a "state agency" is any office; department; board; council; commission; institution; constituent unit of the state higher education system; technical education and career school; or other agency in the executive, legislative, or judicial branch of state government.