

OFFICE OF FISCAL ANALYSIS

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sHB-7017

AN ACT CONCERNING GRID-ENHANCING TECHNOLOGIES.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes various procedural changes that apply to electric distribution companies (EDCs) and incumbent transmission owners regarding grid-enhancing technologies. These changes do not result in a cost to the Public Utilities Regulatory Authority (PURA) or to the Department of Energy and Environmental Protection (DEEP) as they have the staff and expertise necessary to address the changes.

Rate Payer Impact

Generally, grid enhancing technologies reduce costs to rate payers. Grid enhancing technologies can reduce utility capital investment and reduce distribution system costs, which can be reflected as savings to rate payers. Additionally, grid enhancing technologies lower energy costs and improve the benefits of updating and investing in various capital projects by EDCs.

The bill expands instances when DEEP, PURA, and the Office of Consumer Counsel (OCC) may retain consultants for various proceedings or negotiations, and caps expenses at \$2.5 million per calendar year. Consultant fees are borne by the regulated companies affected by the proceeding, which are transferred to rate payers as increased costs.

Primary Analyst: SB
Contributing Analyst(s):
Reviewer: PR

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It is anticipated, that approved projects for grid enhancing technologies, would yield savings to rate payers that would outweigh any additional consulting or capital costs¹. However, the extent of the savings would be dependent upon the specific project and various EDC decisions, that are outside the immediate scope of the bill.

The Out Years

State Impact: None

Municipal Impact: None

¹ PURA's Decision dated November 9, 2022, Docket No. 17-12-03RE07