

# Energy and Technology Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-7018

**Title:** AN ACT ESTABLISHING A TEST BED TECHNOLOGIES PROGRAM.

**Vote Date:** 3/13/2025

**Vote Action:** Joint Favorable Substitute

**PH Date:** 2/27/2025

**File No.:**

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### SPONSORS OF BILL:

The Energy and Technology Committee

### CO-SPONSORS OF BILL:

Representative Travis Simms, 140<sup>th</sup> Dist.

Representative James Sanchez, 6<sup>th</sup> Dist.

### REASONS FOR BILL:

This bill will act to facilitate the consideration of cost-saving technology by evaluating and testing the technologies at state agencies. This bill is important because it ensures the efficiency, effectiveness and security of government operations that use these technologies, which is essential to benefit citizens. This will optimize services, enhance transparency for citizens while also mitigating the risks that accompany the introduction of new technologies. This bill will also optimize service delivery to the citizens of Connecticut, which will also provide more data to state agencies so they may make more informed decisions based on verified evidence rather than engaging in guesswork.

### SUBSTITUTE LANGUAGE:

Specified that the advisory board would be within the Department of Economic and Community Development (DECD) instead of the Office of Policy and Management (OPM), added an appointment by the Department of Administrative Services (DAS) in consultation with the CEO nonprofit organization that operates an applied technology demonstration and training center. It specified that it would be required that businesses participating in a pilot program maintain certain patent or intellectual property documentation and be either a certified small contractor or minority business enterprise. The substitute language also modified the application process for businesses seeking to participate in a pilot program,

prohibited a business from participating in more than one pilot program, required independent consultants to review applications, and removed application fees.

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

**Ned Lamont, Governor of Connecticut:** Governor Ned Lamont opposes **HB-7018** because it is nearly identical to HB-5444 and Public Act 23-64, which was returned to the General Assembly from the Governor without his signature. This bill would establish an additional program to the already existing Connecticut Pilot Test Bed Program for the trial of “technologies, products, or processes.” The concerns of last year's bill remain in this bill. The already established program has operated with the Office of Policy Management (OPM) and the Department of Administrative Services (DAS) who work in cooperation with Connecticut Innovations, to launch seven pilots that innovate diversity in several ways. The bill offers no effective constrained or guidelines that will result in a positive economic impact to the state, through economic activity, improvement of state led operations, or job opportunities.

**Jeffrey R. Beckham, Secretary of the Office of Policy Management (OPM):** OPM opposes **HB-7018** as it is almost identical to HB-5444 and PA 23-64, which were vetoed by the Governor. The concerns that appeared in the Governor's veto of PA23-64 two years ago are still consistent with this legislation. This bill will undermine the future success of the current Connecticut Innovation Inc's (CII) program while also deterring competition which is the foundation for public procurement. The bill also will create significant mandates for DAS, OPM, and "each state agency". The bill would work to undermine and erode competitive procurement processes, allowing a pilot to be conducted for a product that already exists in the marketplace from any vendor. This bill communicates silence on any effective oversight and constraints for evaluating or administering any program.

**Michelle Gilman, Commissioner of the Department of Administrative Services (DAS):** DAS opposes **HB-7018** because of the concerns that were raised in HB-5444 and in the Governor's veto of HB-6496, the concerns remain for this bill as well. The proposed testbed program that is included in this bill will undermine the success of existing Connecticut Innovation Inc's (CII) programs. The bill will also deter competition which serves as the foundation for public procurement. This bill will create significant mandates for DAS. The bill would work to undermine and erode competitive procurement processes, allowing a pilot to be conducted for a product that already exists in the marketplace from any vendor. This bill communicates silence on any effective oversight and constraints for evaluating or administering any program.

**Daniel O'Keefe, Commissioner of the Department of Economic and Community Development (DECD) Chief Innovation Officer:** The DECD opposes **HB-7018** because this bill is almost identical to HB-5444 and HB-6496 which was vetoed and returned by the Governor to the General Assembly without his signature. There are concerns about potential undermining of the state procurement process and standards being created through this bill. There are also concerns of the significant administrative mandates that it would bring. C.G.S § 32-39e already provides piloting of such innovation within both an acceptable and successful framework. DECD recommends fostering innovation and operational efficiency in state government, as outlined by Governor Lamont's Senate Bill 1249 in Section two. Rather propose to develop a plan for an AI Regulatory Sandbox program which would send a clear

signal to the marketplace that Connecticut is open for business and is ready to ensure that core industries are in Connecticut.

## **NATURE AND SOURCES OF SUPPORT:**

### **Jack (Tato) Bigio, Co-Founder & Chief Growth & Sustainability Officer of UBQ**

**Materials:** UBQ Materials supports **HB-7018** because the passage of the bill would provide a fast-track pathway for entry into Connecticut. UBQ has explored opportunities and identified the Northeast region as the best location with the significant challenges and costs that accompany waste management and disposal, issues that UBQ can effectively support.

### **Cary Lynch, Climate and Energy Policy Manager of The Nature Conservancy in**

**Connecticut:** The Nature Conservancy in Connecticut supports **HB-7018** because they believe the bill will be beneficial for the adoption of new technologies in the energy sector which will help solve the problems that are currently affecting the Connecticut ratepayers. The Nature Conservancy hopes that the program proposed in the bill will work in conjunction with the Energy Efficiency & Renewable Energy Test Bed Program which is offered by the Department of Energy and Environmental Protection (DEEP). It will provide an opportunity for a technology product or process that promotes energy conservation of efficiency or renewable energy technology will be beneficial for the state.

**Robert M. Silverberg, Managing Partner at Morris London:** Morris London supports **HB-7018** because the bill is a symbol of the type of innovation that is necessary to reduce government operating costs. It will expand opportunities to be exposed to more cost reductive technologies. It will include all forms of engineering while also including an Employment Tax Credit for technology companies that went through the Test Bed program. The state would benefit from cost reductive technologies and benefit in that the technologies are manufactured in the state.

**Michael Vigeant, CEO of Great Blue Research Incorporation:** Great Blue Research, Inc. supports **HB-7018** because this bill will amend the Feasibility Assessment that will be able to ascertain viability of technology, product or process performing a successful pilot for an individual agency. The bill states that a proprietor of a technology when "applying for this program will have a Feasibility Assessment performed by an independent consulting or market research firm." Some additional language was suggested to be added is that the market research firm that is performing the assessment should be selected from a DAS Vendor list, and if no lists exist for Market Research then one should not be created.

## **NATURE AND SOURCES OF OPPOSITION:**

**Ed Hawthorne, President of the Connecticut AFL-CIO:** The Connecticut AFL-CIO opposes **HB-7018** because the test bed technologies advisory board that is made up of members appointed by the Governor, the Secretary of Office Policy Management (OPM), the State Treasurer and the State Comptroller would be independent from OPM and possibly any other executive branch entity. If this occurs the members will not be held to any standards of public transparency or accountability that others are subjected to. The bill will allow the state to procure technologies for pilot test programs without acting in compliance with state procurement laws. The bills content will exempt proprietary information derived from test programs from being released to the public, limiting transparency. The aim of this bill is to

identify operational cost saving, this would be completed better by OPM and the Department of Administrative Services. The bill would be more appropriately placed before the Government Administration and Elections Committee than the Energy and Technology Committee.

**Zak Leavy, Associate Political Director of AFSCME Council 4:** AFSCME Council 4 opposes **HB-7018** because the advisory board that would be created by this bill would operate outside of any government oversight which includes those from the private sector who contain limited to no knowledge of how government works. The advisory board seeming to mimic the DOGE concept the federal government is using. Without any government oversight there is potential for conflicts of interest. The bill allowing the procurement of technologies without following procurement laws opens the for corruption. This bill would also come at the expense of the workforce, corporation may use technologies more while services continue to decline, making it harder to have basic needs met.

**Logan J. Place, Attorney at the firm Livingston, Adler, Pulda, Meiklejohn & Kelly, and Co-coordinator for the State Employee Bargaining Agent Coalition (“SEBAC”):** SEBAC opposes **HB-7018** because states that new technologies or products won't adversely affect safety, must be operationally feasible, and not have detrimental effect on operations. This bill doesn't give frontline workers a voice, the individuals who know potential safety issues, who have a unique insight into the operation and services they provide. This means their input is essential to determine whether new technologies, products, or processes are operationally feasible. The proposed test pilot program will be recommended by an unelected committee who could be comprised of individuals of the private sector with no experience in State agency operations. Proposed joint favorable substitute language in Section 1.

**Reported by: Ciara Smith**

**Date: 03/25/2025**