



General Assembly

February Session, 2024

**Raised Bill No. 5442**

LCO No. 2626



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

**AN ACT CONCERNING FEDERAL FUNDING FOR AND STATE  
TAXATION OF ENERGY STORAGE SYSTEMS.**

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

1 Section 1. Section 16-243ee of the general statutes is amended by  
2 adding subsection (e) as follows (*Effective from passage*):

3 (NEW) (e) The authority shall, in an annual proceeding making  
4 adjustments to the program for electric energy storage resources  
5 authorized pursuant to this section, expand incentives for electric  
6 energy storage resources by authorizing the use of any federal funds  
7 available under the Inflation Reduction Act of 2022, P.L. 117-169.

8 Sec. 2. (NEW) (*Effective from passage*) The Connecticut Green Bank or  
9 the Department of Energy and Environmental Protection may transfer  
10 funds from federal grants or other federal funding awarded to the  
11 Connecticut Green Bank or the department, as applicable, under the  
12 Inflation Reduction Act of 2022, P.L. 117-169, to electric distribution  
13 companies, as defined in section 16-1 of the general statutes, to the  
14 extent permitted by said federal act, for the purpose of expanding  
15 incentives for electric energy storage resources within the program

16 authorized by the Public Utilities Regulatory Authority pursuant to  
 17 section 16-243ee of the general statutes, as amended by this act.

18       Sec. 3. (*Effective from passage*) The Office of Policy and Management  
 19 shall study the feasibility and potential advantages of exempting some  
 20 or all energy storage systems in the state from the property tax and  
 21 implementing a uniform tax on the storage capacity of such systems.  
 22 Such report shall include, but need not be limited to: (1) A summary of  
 23 the current statutory framework for the application of personal and real  
 24 property taxes to commercial and residential energy storage systems; (2)  
 25 a review of how other states tax such systems; (3) an evaluation of  
 26 whether energy storage systems that provide system-wide benefits to  
 27 the electric distribution or transmission system (A) are adequately  
 28 incentivized, and (B) should be taxed differently from other such  
 29 systems; and (4) recommendations for legislation changes concerning  
 30 the taxation of energy storage systems. Not later than January 1, 2025,  
 31 the Office of Policy and Management shall submit such report to the  
 32 joint standing committee of the General Assembly having cognizance of  
 33 matters relating to energy and technology, in accordance with the  
 34 provisions of section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-243ee(e)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

**Statement of Purpose:**

To require the use of federal funds available under the Inflation Reduction Act to expand existing energy storage battery programs and to require the Office of Policy and Management to consider potential changes to how energy storage batteries are taxed.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*