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September 3, 2021

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, Fourth Floor
Boston, MA 02110

Re: Solar Massachusetts Renewable Target Program Revised Model Tariff – D.P.U. 20-145

Dear Secretary Marini:

On behalf of NSTAR Electric Company d/b/a Eversource Energy (“Company”), enclosed for filing are the Company’s responses to the Department of Public Utilities’ First Set of Information Requests to the Company.

Thank you for your attention to this matter. Please contact me if you have any questions regarding this filing.

Sincerely,



Matthew S. Stern, Esq.

Enclosures

cc: Krista Hawley, Hearing Officer
D.P.U. 20-145 Service List

Information Request DPU-ES-1-1

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 4-5; and the Company's response to Information Request CLC-ES-1-4. Please explain whether the Company will be responsible for paying any bad debt for Subscribers to the Eversource Community Solar Access Plan ("ECSAP") for non-payment of Alternative On-Bill Credits ("AOBCs"). In the Company's response, please detail whether the Company's ratepayers or shareholders will assume the responsibility to pay for the bad debt expense.

Response

In the ECSAP as proposed, Eversource will not charge Subscribers any fee to participate and receive on-bill savings from Alternative On-Bill Credits ("AOBCs") and therefore does not expect any bad debt to accrue related to AOBCs allocated to ESCAP subscribers. Under the simplified billing structure in the ECSAP, instead of transferring AOBCs wholly from Owner to Subscriber accounts the AOBCs are automatically apportioned at a pre-determined percentage between on-bill credits issued directly to low-income Subscriber accounts and a direct cash payment to Owners. This removes the need for Subscribers to make a separate payment to the CSS system Owner for a portion of the AOBCs value and inserts Eversource as the responsible party for Owner payments. As a result, Subscribers are not charged any subscription fee or other cost to participate in the ECSAP and they will receive the net benefit of the full AOBC value less the Owner payment. Because the Subscribers are not required to make any payments to participate in the program, there is no possibility for bad debt to accrue in the ECSAP.

NSTAR Electric Company d/b/a Eversource Energy
Department of Public Utilities

D.P.U. 20-145

Information Request: **DPU-ES-1-2**

September 3, 2021

Person Responsible: Andrew C. Belden

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Information Request DPU-ES-1-2

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 4-5; and the Company's response to Information Request CLC-ES-1-4. Please provide an estimate of bad debt expense for the ECSAP program (including the percentage of customers and a total amount) based on bad debt exposure to the Company's basic service offering. Provide supporting workpapers and calculations in the form of working Microsoft Excel spreadsheets with all cell references and formulae intact.

Response

As explained by Eversource's response to Information Request DPU-ES-1-1, there is no possibility for bad debt to accrue in the ECSAP because customers are not required to make any payments to participate in the program.

Information Request DPU-ES-1-3

Refer to Exhs. ES-ACB-IH-1 (Joint Direct Testimony), at 29-30; ES-ACB-IH-3. Please update Exh. ES-ACB-IH-3 (for the entire lifecycle of the ECSAP) to provide the following estimated implementation costs:

- (a) A breakdown of all ECSAP costs by (1) operating costs subcategories (internal labor, marketing, etc.); (2) capital costs by subcategories (IT Systems, Billing Systems, etc.); (3) Return on Equity; and (4) all other potential costs such as any incentive payments and a bad debt estimate.

Response

The operating costs in each of the subcategories in Exh. ES-ACB-IH-3, which include labor, other administrative expenses and program marketing, represent the operational costs for the full program lifecycle. The budget also includes a line item for customer enrollment costs that will be filed with the Department with Eversource's forthcoming customer enrollment proposal.

Eversource does not need to modify its billing systems to accommodate the ECSAP, therefore there will be no IT costs or associated return on equity costs.

Please see Exh. ES-ACB-IH-3 (Rev.) for the updates requested, which include estimates for the SMART Compensation associated with the program but notes that these are not new costs induced by the ECSAP. These costs are incurred by the SMART program generally, regardless of the establishment of the ECSAP, and would be recovered through the SMART program cost recovery mechanism under the existing program structure.

The only incremental costs associated with the ECSAP are labor and administrative costs.

	Time Allocation %	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Labor Cost																								
Renewables Team																								
Program Manager, Low Income Programs	50%	\$ 98,730	\$ 101,692	\$ 104,743	\$ 53,942	\$ 55,561	\$ 57,228	\$ 58,944	\$ 60,713	\$ 62,534	\$ 64,410	\$ 66,342	\$ 68,333	\$ 70,383	\$ 72,494	\$ 74,669	\$ 76,909	\$ 79,216	\$ 81,593	\$ 84,041	\$ 86,562	\$ 89,159	\$ 91,833	\$ 94,588
Customer Enrollment and Billing Analyst	100%	\$ 167,841	\$ 172,876	\$ 178,063	\$ 183,404	\$ 188,907	\$ 194,574	\$ 200,411	\$ 206,423	\$ 212,616	\$ 218,994	\$ 225,564	\$ 232,331	\$ 239,301	\$ 246,480	\$ 253,875	\$ 261,491	\$ 269,336	\$ 277,416	\$ 285,738	\$ 294,310	\$ 303,140	\$ 312,234	\$ 321,601
Labor Total		\$ 266,571	\$ 274,568	\$ 282,805	\$ 237,347	\$ 244,467	\$ 251,801	\$ 259,355	\$ 267,136	\$ 275,150	\$ 283,405	\$ 291,907	\$ 300,664	\$ 309,684	\$ 318,974	\$ 328,544	\$ 338,400	\$ 348,552	\$ 359,008	\$ 369,779	\$ 380,872	\$ 392,298	\$ 404,067	\$ 416,189
Other Administrative Expenses																								
Procurement Contractor		\$ 60,000	\$ 60,000	\$ 60,000																				
Total Labor & Administrative Cost		\$ 326,571	\$ 334,568	\$ 342,805	\$ 237,347	\$ 244,467	\$ 251,801	\$ 259,355	\$ 267,136	\$ 275,150	\$ 283,405	\$ 291,907	\$ 300,664	\$ 309,684	\$ 318,974	\$ 328,544	\$ 338,400	\$ 348,552	\$ 359,008	\$ 369,779	\$ 380,872	\$ 392,298	\$ 404,067	\$ 416,189
Program Marketing & Customer Enrollment																								
Modifications to Eversource.com website for program webpage		\$ 25,000																						
Costs Associated with Customer Enrollment		TBD																						
Program Marketing Total		\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ECSAP SMART Payments																								
Eastern Massachusetts		\$ 6,924,432	\$ 20,773,297	\$ 34,622,162	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 41,546,594	\$ 34,622,162	\$ 20,773,297	\$ 6,924,432
Western Massachusetts		\$ 1,585,610	\$ 4,756,831	\$ 7,928,052	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 9,513,663	\$ 7,928,052	\$ 4,756,831	\$ 1,585,610
Total Program Costs		\$ 8,510,043	\$ 25,530,129	\$ 42,550,214	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 51,060,257	\$ 42,550,214	\$ 25,530,129	\$ 8,510,043

Payroll Assumptions

Employee Title	# Employees	Salary (average)	GSC (General Service Company) Calculation	NP (Non Productive) Calculation	First Full Year Total Labor Cost
Program Manager, Low-Income Programs	50% Years 1-3, 25% thereafter	\$100,000	\$79,580	\$17,880	\$98,730
Customer Enrollment and Billing Analyst	100%	\$85,000	\$67,643	\$15,198	\$167,841

ECSAP SMART Payment Assumptions EMA	
Installed Capacity (MW ac)	186
Capacity Factor	16.9%
Estimated Annual Production (kWh)	275,361,840
Base Compensation Rate (\$/kWh)*	\$0.10657
LICSS Adder (\$/kWh)**	\$0.04431
Total Compensation Rate (\$/kWh)	\$0.15088
Total Annual ECSAP SMART Payments	\$41,546,594

ECSAP SMART Payment Assumptions WMA	
Installed Capacity (MW ac)	48
Capacity Factor	16.9%
Estimated Annual Production (kWh)	71,061,120
Base Compensation Rate (\$/kWh)*	\$0.08957
LICSS Adder (\$/kWh)**	\$0.04431
Total Compensation Rate (\$/kWh)	\$0.13388
Total Annual ECSAP SMART Payments	\$9,513,663

*Base Compensation Rates are based on the average SMART Base Compensation Rates for Blocks 10-15 for system sizes Greater than 1,000 kW AC to 5,000 kW AC

** LICSS Adder is based on the average SMART LICSS Adder for Tranches 2-6

****Lifecycle program costs assume 1/6 of total program capacity enters service in 2022, 2/6 in 2023, 2/6 in 2024 and 1/6 in 2025. SMART Payments continue for 20 years.

***** SMART Payment Assumptions are total compensation costs associated with the ECSAP. The compensation will be separated into cash payments to system Owners and on-bill credits provided to Subscribers, as determined by the Competitive Procurements.

NSTAR Electric Company d/b/a Eversource Energy
Department of Public Utilities

D.P.U. 20-145

Information Request: **DPU-ES-1-4**

September 3, 2021

Person Responsible: Andrew C. Belden

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Information Request DPU-ES-1-4

Refer the Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 4-5. Explain whether the Company will be proposing any incentive payment for its ECSAP.

Response

No, Eversource is not proposing any incentive payment for the ECSAP.

Information Request DPU-ES-1-5

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 14, 23-24. Please explain in detail whether the Company is considering using an online portal as part of the enrollment and customer management process. If not, explain how the Company plans to reach out, engage and manage customers/Subscribers to its ECSAP (i.e., manual processes, existing IT systems, etc.)

Response

Eversource is considering two approaches to customer enrollment in the ECSAP. One option is an ‘opt-in’ approach where Eversource would market the program to eligible Rate R-2 and R-4 customers in its Eastern and Western Massachusetts service territories. These customers would then sign up for an ECSAP subscription through online application portal. Eversource would maintain a running list of eligible applicants and enroll them as Subscribers when capacity was available. The customer enrollment and ongoing subscriber management would be a combination of manual processes and existing IT system functionality. The cost of the online application portal would be a new cost and included as a line item under “Costs Associated with Customer Enrollment” in a future filing of DPU 20-145 Exhibit ES-ACB-IH-3.

The second option for customer enrollment is an ‘opt-out’ model. In this model, Eversource would automatically enroll existing Rate R-2 and R-4 customers as Subscribers. Customers would not need to apply to the program to participate but would be notified by Eversource if they were selected as a Subscriber. At the point of selection, customers would have the option to ‘opt-out’ of the program, otherwise they would be enrolled by Eversource as an ECSAP subscriber. This enrollment approach would not require an online application portal. The customer enrollment and ongoing Subscriber management would be a combination of manual processes and existing IT system functionality.

Information Request DPU-ES-1-6

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 23-24. Please explain whether the Company may include additional costs to the ECSAP when it submits its customer enrollment proposal to the Department in Q4 2021. If so, please detail all potential costs that the Company may include in its customer enrollment proposal.

Response

Depending on the enrollment approach proposed by the Company, there may be additional costs submitted with the customer enrollment proposal. In either an opt-out or opt-in enrollment model, the Company anticipates providing both email and print mail notifications of enrollment to Subscribers. The printing and postage cost associated with print mail communications to Subscribers in the ECSAP would likely be no more than \$50,000. However, the ultimate cost of providing these communications to customers may change based on the number of customers enrolled in the program. These are the primary costs the Company will incur for the opt-out program model.

If the Company proposes an opt-in program model, the proposal will likely include additional costs for program marketing to solicit customer participation as well as a small cost to develop the customer online application portal. As noted in the Company's response to Information Request DPU-ES-1-5, ongoing customer management will be a combination of manual processes and existing IT functionality. The Company does not expect additional development costs associated with an on-line application portal to exceed \$25,000.

Information Request DPU-ES-1-7

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 16-22. Please explain whether the Company anticipates a minimum number of Owner eligible facilities will be required to participate and clear the RFP to offer the ECSAP.

Response

Eversource does not anticipate a minimum number of Owner eligible facilities will be needed to clear the RFP. Eversource will evaluate the RFP results based on whether the bids received provide a meaningful level of savings to a significant number of customers. If the bids received do not provide a meaningful level of savings, Eversource reserves the right to reject some or all the bids. Eversource also reserves the right to establish a floor price for the RFP but will determine whether a floor price is necessary after receiving the results of the first procurement. Eversource is still determining its threshold for a meaningful level of savings. The Company is distributing a low-income customer survey in September, which will inform that determination.

NSTAR Electric Company d/b/a Eversource Energy
Department of Public Utilities

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Information Request: **DPU-ES-1-8**

September 3, 2021

Person Responsible: Andrew C. Belden

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Information Request DPU-ES-1-8

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 23-25. Please explain whether a minimum number of Subscribers will need to enroll in the ECSAP.

Response

The program requires that enough customers are enrolled in the program to distribute all of the AOBCs allocated to the program, at the targeted savings level for each customer. Given the nature and structure of the program, Eversource does not foresee any challenges enrolling enough customers in the program. However, the only instance in which the Company may not have enough customers to enroll in the program would be if the Company used an opt-in approach for customer enrollment. If the Company were to struggle to enroll enough customers using an opt-in approach, it would switch to an opt-out approach.

NSTAR Electric Company d/b/a Eversource Energy
Department of Public Utilities

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Information Request: **DPU-ES-1-9**

September 3, 2021

Person Responsible: Andrew C. Belden

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Information Request DPU-ES-1-9

Refer to Exhs. ES-ACB-IH-1 (Joint Direct Testimony), at 4-5; ES-ACB-IH-2. Please explain in detail any factors that would prompt the Company to cancel or terminate the ECSAP.

Response

Eversource would only terminate the ECSAP under certain, unexpected circumstances such as: the Company receives no bids in its procurements; the bids received in the procurement do not provide meaningful savings to customers after two or more solicitations; or the generators procured through the ECSAP terminate service and can no longer generate AOBCs to provide to Subscribers.

NSTAR Electric Company d/b/a Eversource Energy
Department of Public Utilities
D.P.U. 20-145

Information Request: **DPU-ES-1-10**

September 3, 2021

Person Responsible: Andrew C. Belden

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Information Request DPU-ES-1-10

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 4-5, 13-14. Please confirm whether or not a Subscriber to the ECSAP will be considered a Basic Service Customer.

Response

Eversource will enroll Rate R-2 and Rate R-4 customers in the Company's service territories, regardless of their electric generation supplier.

Information Request DPU-ES-1-11

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 4-5. Please explain whether any of the Eversource operating companies has received regulatory approval to provide a CSS or LICSS in another state jurisdiction. If an Eversource operating company has received regulatory approval or filed testimony in support of a CSS or LICSS in another state jurisdiction, please provide a copy (pdf) of any regulatory orders and supporting testimony.

Response

Eversource has received approval from the Connecticut Public Utility Regulatory Authority (“PURA”) to operate the Shared Clean Energy Facility (“SCEF”) Program. The SCEF program is fundamentally similar to a Community Shared Solar program and the structure of the ECSAP. In the SCEF program Eversource procures 120MW of clean energy projects over 6 years, enrolls customers as Subscribers into the program and provides on-bill credits to participants for twenty years while making separate payments for energy and Renewable Energy Credits (“RECs”) to system Owners. Please see Attachment DPU-ES-1-11(a) for a copy of PURA’s final decision in the SCEF docket 19-07-01 and Attachment DPU-ES-1-11(b) for the Modified Program Requirements to this filing.



STATE OF CONNECTICUT

**PUBLIC UTILITIES REGULATORY AUTHORITY
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051**

**DOCKET NO. 19-07-01 REVIEW OF STATEWIDE SHARED CLEAN ENERGY
FACILITY PROGRAM REQUIREMENTS**

December 18, 2019

By the following Commissioners:

Marissa P. Gillett
John W. Betkoski, III
Michael A. Caron

DECISION

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DECISION

I. INTRODUCTION

A. SUMMARY

In this Decision, the Public Utilities Regulatory Authority (Authority or PURA) approves, with modifications, the Department of Energy and Environmental Protection's (DEEP) proposed Program Requirements for Connecticut's Shared Clean Energy Facility (SCEF) Program, submitted pursuant to Section 7(a)(1)(C) of Public Act 18-50, An Act Concerning Connecticut's Energy Future, codified as Section 16-244z(a)(1)(C) of the General Statutes of Connecticut (Conn. Gen. Stat.). The approved version of the SCEF Program Requirements are appended as the Modified SCEF Program Requirements in Exhibit B.

The Authority commends DEEP on the proposed SCEF Program Requirements and appreciates both DEEP and the electric distribution companies' (EDCs) robust participation in this proceeding, as well as all participants' commitment to the successful implementation of Conn. Gen. Stat. § 16-244z. Lastly, the Authority acknowledges and appreciates the expertise of both DEEP and the EDCs as leading authorities on renewable energy procurements and the design, implementation, and administration of renewable energy programs that utilize competitive solicitations.

B. BACKGROUND OF THE PROCEEDING

Conn. Gen. Stat. § 16-244z(a)(1)(C) requires DEEP to submit, on or before July 1, 2019, its SCEF Program Requirements and tariffs to the Authority for review and approval. Accordingly, on July 1, 2019, pursuant to Section 16-1-45 *et seq.* of the Regulations of Connecticut State Agencies, DEEP petitioned the Authority to initiate an uncontested proceeding to review and approve the proposed SCEF Program Requirements; in response, the Authority established the instant docket. Conn. Gen. Stat. § 16-244z(a)(1)(c) requires the Authority to approve or modify the proposed Program Requirements and tariff proposals on or before January 1, 2020.

C. CONDUCT OF THE PROCEEDING

By Notice of Proceeding dated July 11, 2019, pursuant to Conn. Gen. Stat. §§ 16-19, 16-19e and 16-244z, the Authority announced an uncontested proceeding to approve or modify DEEP's proposed SCEF Program Requirements.¹ In the Notice, the Authority indicated that it would not establish a working group as part of this docket to investigate consolidated billing, as requested by DEEP, due to the statutory deadline for its review. The Authority encouraged DEEP and interested stakeholders to work together to resolve consolidated billing issues and present their proposed plans to the Authority for approval or modification in a separate proceeding.

¹ A revised Notice of Proceeding was issued on August 22, 2019, to include a list of recognized Participants.

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By Notice of Technical Meetings dated September 5 2019, the Authority announced that technical meetings would be held on September 26, 2019, October 22, 2019, and October 29, 2019, at the offices of the Authority, 10 Franklin Square, New Britain, Connecticut. At the Technical Meetings, the Authority and case participants discussed and reviewed, among other things: the Program Requirements for the SCEF Program pursuant to Conn. Gen. Stat. § 16-244z(a)(1)(C) and implementation thereof; similar shared clean energy programs administered or proposed in other states, including Eversource Energy's (Eversource) proposed pilot in New Hampshire; the results of the Pilot Program administered under Conn. Gen. Stat. § 16-244x in Docket No. 17-06-28, Application to Approve the Selected Projects Under the Shared Clean Energy Facility Pilot Program; and how DEEP incorporated the results of the Pilot Program into the current submission.

D. PARTICIPANTS

A listing of all Participants to this proceeding is appended hereto as Exhibit A.

E. DEFINITIONS

The definitions that are applicable to both DEEP's proposed SCEF Program Requirements and the Modified SCEF Program Requirements approved in this Decision are appended hereto in the Modified SCEF Program Requirements in Exhibit B.

II. SCEF PROPOSALS

A. DEEP

1. Proposed Program Structure

Under DEEP's proposed SCEF Program Requirements, an EDC would purchase the Subscribed Energy, inclusive of both energy and associated renewable energy certificates (RECs), produced by a selected SCEF at the Purchase Price approved by the Authority for the SCEF. Program Requirements, p. 6, Section 3.1. The EDC would allocate the dollar value of that purchase as On-bill Credits to the Subscribers of the SCEF on a monthly basis through the Subscribers' electric bills with the EDC. Id. Concurrently, the EDC would purchase any Unsubscribed Energy, inclusive of both energy and associated RECs, produced by the Shared Clean Energy Facility at the Market Price. The EDC would remit payment for that purchase in accordance with the EDC's tariff. Id.

2. Subscriber and Subscriber Organization Requirements

DEEP proposed that each SCEF facility would have at least ten (10) Subscribers, be located within the same EDC territory as the individual billing meters of all of its Subscribers, and that Subscribers would be limited to the following customer classes:

- Low-income Customers (LMI);
- Moderate-income Customers;
- Small business Customers;

Docket No. 19-07-01

- State or municipal Customers;
- Commercial Customers; and
- Residential Customers, other than LMI Customers, who must either: (1) reside in a rental or leased property, or a property and does not control the property's roof, such as a multi-unit condominium; or (2) reside in their own property, but have written documentation from a rooftop solar installer that they are unable to install solar panels on their roof.

Program Requirements pp. 13-14, Section 6.1.

DEEP proposed that Subscribers would have only one Subscription to one facility, and may not subscribe for an amount that exceeds one hundred (100) percent of their historic average annual electric usage. Id. Per DEEP's proposal, a Subscriber would not receive, or seek to receive, any ratepayer-funded incentives or subsidies. Further, the DEEP proposal contemplated that a Subscriber would not have a Subscription in excess of forty (40) percent of the estimated annual output of the facility based on the historic average annual electric use of such Subscriber. Id.

Under the proposed DEEP Program Requirements, the Subscriber Organization would need to, on an annual basis, maintain Subscribed Energy for at least fifty (50) percent of the estimated annual output of its facility. Id. If a Subscriber Organization fell below such percentage of the estimated annual output, it would be required, pursuant to the proposed Program Requirements, to inform DEEP and the applicable EDC within thirty (30) days. Id. Additionally, the proposal contemplated that if the Subscriber Organization fails to maintain such percentage for twelve (12) consecutive months, it would be in default under the terms and conditions of the Tariff. Id.

In addition, DEEP proposed a requirement that at least ten (10) percent of the estimated annual output must be subscribed by Low-income Customers. Id. In addition, DEEP's proposal required an additional forty (40) percent of the estimated annual output of the facility's Subscribed Energy be subscribed by: LMI Customers; Customers who serve as landlords or entities responsible for an affordable housing facility, with subscriptions applicable only to such affordable housing facility; and/or Customers who qualify as Low-income Service Organizations. Id. Any output below the percentages established by DEEP would be treated as Unsubscribed Energy pursuant to DEEP's proposal. Id.

3. Subscription Method and Agreement

DEEP proposed that Subscriptions would require a financial payment by the Subscriber to the Subscriber Organization in the form of a one-time payment through a Fixed Purchase Arrangement or in the form of monthly payments for a specified number of years through a Monthly Payment Arrangement. Program Requirements, p. 14, Section 6.2.

DEEP indicated that the Subscriber Organization would enter into a Subscriber Agreement with each Subscriber or potential Subscriber for a Subscription to its facility. Program Requirements, pp.14-15, Section 6.3. The Subscriber Organization would include in its Bid, at a minimum, the material terms and conditions of its Subscriber

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Agreement(s), which must be consistent with the consumer protections set forth in Appendix A of the proposed Program Requirements. Id.

4. Subscribed/Unsubscribed Energy Purchases

Under the proposed DEEP Program Requirements, the EDC would purchase the Delivered Subscribed Energy, inclusive of Prepaid RECs, from a Selected Bidder's facility at the price(s) bid by the Bidder and approved by the Authority. Program Requirements p. 15, Section 7.3. The EDCs would be obligated to purchase the Delivered output from the facility if the Subscriber Organization were compliant with the terms of the Program. Id. The EDCs would own the RECs, energy, and all other Environmental Attributes after the output is Delivered, but the Subscriber Organization would own the capacity and may participate in the ISO-NE capacity market at its discretion.² Id.

The Unsubscribed Energy Delivered by the facility would be compensated at the Market Price. Program Requirements p. 16, Section 7.5. DEEP expressed that this pricing mechanism was intended to provide a clear incentive for Subscriber Organizations to maximize Subscriptions and minimize excess energy sold to the EDCs at above-market prices. Id.

B. EVERSOURCE MODEL

1. Program Structure

Under Eversource's framework proposal provided in response to EL-37, the SCEF project developer would finance and construct the project, providing the energy and the RECs to the EDC, receiving compensation directly from the EDC. Tr. 10/29/19, p. 265. The EDC would provide bill credits to Subscribers directly on their electric bill. Id.

2. Project Evaluation and Selection

Eversource stated it would conduct an annual procurement with projects based on 1) the lowest overall bid price; and 2) the amount of the total benefit provided to Subscribers. Tr. 10/26/19, p. 266. Eversource did not propose a specific formula to weight the two benefits.

3. Unsubscribed Energy and Oversubscription

Eversource testified that its framework proposal would eliminate the concerns expressed in relation to the proposed DEEP Program Requirements associated with unsubscribed energy. Tr. 10/29/19, p. 268. Under Eversource's framework proposal, if a Subscriber drops out of the program, the Subscriber's bill credits would be reallocated to another Subscriber in the program. Id. Eversource stated that there is a limited chance of oversubscription since only a savings portion of bill credits go to customers. Id.

4. Subscription Method

² The Subscribed Delivered output will be paid as on-bill credits, at the Purchase Price, delivered to Subscribers. Program Requirements, p. 15, Section 7.3.

Eversource's framework proposal mitigates the uncertainty associated with specific categories of customer acquisition for developers. Eversource stated that, based on its experience in Massachusetts, developers find identifying low-income customers challenging. Tr. 10/29/19, p. 263. Eversource testified that its framework proposal would simplify customer acquisition for developers because all qualified customers within a specific geographical area would be enrolled, albeit on an opt-out basis. Tr. 10/29/19, p. 267. The qualified Subscribers would automatically receive their bill credits along with a communication from Eversource informing them of the program and the steps to opt-out should the customer elect to do so. Id. Eversource's framework proposal allows for subscriptions to be appropriately-sized so as to provide a meaningful and significant bill credit to customers. Through its experience developing a SCEF program in New Hampshire, Eversource found the context for a meaningful and significant bill credit was between 5 and 20 dollars per month. However, Eversource stated that because the context is different in Connecticut, that a meaningful and significant bill credit should be reexamined with local advocates and state-specific parameters in mind. Id.

III. AUTHORITY ANALYSIS

A. SCOPE OF ANALYSIS

The analysis provided herein addresses the modifications made by the Authority to DEEP's proposed SCEF Program Requirements. The modifications are included in the Modified SCEF Program Requirements appended as Exhibit B.

B. PROGRAM OBJECTIVES

Based on a plain reading of Conn. Gen. Stat. § 16-244z(a)(6) and testimony from DEEP, the Authority interprets the primary legislative objectives of the SCEF program to be: (1) to annually and cost-effectively allocate up to 25 megawatts to SCEFs, as defined in Conn. Gen. Stat. § 16-244x;³ and (2) to provide savings to specific categories of customers, particularly customers with low- to moderate-income (LMI), low-income service organizations, and customers who reside in environmental justice communities. Tr. 9/26/19, pp. 7, 17-18. The Authority utilized the above objectives as its chief guidance in modifying the SCEF Program Requirements submitted by DEEP.

C. SOLAR INDUSTRY AND ADVOCATE CONCERNS

On August 22, 2019, the Authority took administrative notice, as Late Filed Exhibit No. 1, of several documents contained in the record of DEEP's proceeding regarding Public Act 18-50 Section 7(a)(1)(C) – Statewide Shared Clean Energy Facility Program. In reviewing these documents, the Authority understands that both representatives of the solar industry and environmental advocates expressed significant concerns that DEEP's SCEF Program Requirements had, "...too many barriers to success, including...expensive, burdensome, and unnecessary regulation." Sierra Club Written

³ Megawatts are in AC for all cases (MW_{AC}), see footnote number one and subsection 4.2 of the Modified SCEF Program Requirements.

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Comments, 6/3/19, p.1.⁴ During oral arguments, Solar Connecticut, Inc. reiterated this concern, stating that its members were skeptical that DEEP's proposed SCEF Program Requirements would lead to a successful SCEF program from the solar industry's perspective. Solar Connecticut, Inc. went on to say that its members are excited by the program outlined in Modified SCEF Program Requirements appended as Exhibit B. Tr. 12/12/19.

Based on the concerns raised by representatives of the solar industry, the Authority finds that a SCEF program that presents significant barriers to success for solar developers clearly does not achieve the intended objective in Section III.B., Program Objectives, to annually allocate up to 25 megawatts to eligible SCEFs.

Further, the Authority believes that successful and cost-effective distributed energy resource (DER) programs, including the SCEF Program, are vital to the State's ability to meet its policy objectives, as well as the objectives of PURA's Equitable Modern Grid framework, namely to: (1) support (or remove barriers to) the growth of Connecticut's green economy; (2) enable a cost-effective, economy-wide transition to a decarbonized future; (3) enhance customer access to a more resilient, reliable, and secure commodity; and (4) advance the ongoing energy affordability dialogue in the State, particularly in underserved communities.⁵ Based on these considerations, the Authority approves herein Modified SCEF Program Requirements that will allow for more eligible renewable resources to be able to compete and to participate in the SCEF program. Further, the Authority notes that it will continue to assess the success and cost-effectiveness of the State's DER programs moving forward, and will convene proceedings as appropriate to ensure the initiatives are being implemented consistent with the policy objectives of the State.

D. PURA AUTHORITY TO MODIFY OR APPROVE

The Authority finds that the arguments of U.S. Solar⁶ regarding the Authority's role in this docket are without merit. In its Written Exceptions, U.S. Solar argued that the Authority "overstepped its legislatively-mandated role and failed to show due deference owed to DEEP based on its experience and subject matter knowledge." Written Exceptions of U.S. Solar, p. 5.

Contrary to U.S. Solar's assertion, the plain and unambiguous language of Conn. Gen. Stat. § 16-244z(a)(1)(C) provides that the Authority may "approve or modify" DEEP's proposed SCEF requirements. As within its statutory mandate, the Authority approved a modified version of the proposed SCEF Program Requirements. The statute does not limit the amount of modification that may be made by the Authority.

⁴ See also, Pine Gate Renewables, 6/3/19, pp.1-2; TurningPoint Energy Written Comments, 6/3/19, p. 3; Vote Solar Written Comments, 6/3/19, p. 2; Independence Solar, 6/3/19, p.1; Connecticut Fund for the Environment Written Comments, 5/30/19, p.1; Arcadia Power, 5/24/19, p. 5.

⁵ See, Interim Decision in Docket No. 17-12-03, 10/2/19, [http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/98b91b64d734d3368525848700598fe1/\\$FILE/171203-100219%20InterimDecision.pdf](http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/98b91b64d734d3368525848700598fe1/$FILE/171203-100219%20InterimDecision.pdf).

⁶ U.S. Solar's 1.6 MW USS Shelton SCEF was selected in the SCEF Pilot program, see: https://www.ct.gov/deep/cwp/view.asp?a=4405&Q=600224&deepNav_GID=2121.

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The Authority respects DEEP's experience and subject matter knowledge on this subject, but notes that PURA also has experience and subject matter knowledge in the same regard, as well as in analogous utility transactions. It is within the Authority's statutory purview to draw upon its own knowledge when evaluating DEEP's proposal.

E. CONSUMER PROTECTION CONCERNS AND BARRIERS TO LOW-INCOME ADOPTION

Eversource detailed, both in its response to EL-37 and in its testimony on October 29, 2019, the barriers to low-income customer adoption of community solar programs in Massachusetts. Tr. 10/29/19, pp. 258-272. In particular, Eversource detailed the significant consumer protection issues associated with developers (referred to as Subscriber Organizations in Connecticut, as defined by Conn. Gen. Stat. § 16-244x), contracting directly with customers, especially low-income customers, based on its experience with the Massachusetts' community solar program. *Id.* at p. 262-63.

Separately, the Authority has substantial experience regulating retail suppliers whom contract directly with customers in Connecticut given PURA's licensing and other regulatory authority vis-à-vis retail suppliers. Consumer protection issues stemming from retail choice and retail suppliers in Connecticut have resulted in investigations and, in some cases, severe penalties in numerous dockets, including but not limited to recent Docket Nos. 06-12-07RE07, 13-07-17, and 10-06-18RE02. In fact, contemporaneous with the release of this Decision, the Authority is releasing a Decision pursuant to Conn. Gen. Stat. § 16-245o(m) prohibiting suppliers from contracting with hardship customers. See Decision dated December 18, 2019 in Docket No. 18-06-02. The relationship between customers and retail suppliers under retail choice is similar to the roles of Subscribers and Subscriber Organizations, respectively, in the SCEF Program Requirements submitted by DEEP.

Additionally, the economic incentive for Subscriber Organizations to maximize Subscriptions in the proposed SCEF Program Requirements creates concern for the Authority over the validity and eligibility of Subscriptions, particularly in the absence of robust oversight and Subscription auditing. DEEP sought to mitigate these concerns in its proposed SCEF Program Requirements through the inclusion of consumer protection provisions in Appendix A and through annual compliance filing requirements by Subscriber Organizations. Tr. 10/22/19, pp. 204-205. However, the proposed SCEF Program Requirements did not specify whether a full audit and/or verification of each Subscriber's eligibility would have been performed and, if so, by whom.

Based on the above, the Authority finds that the SCEF Program Requirements as submitted would likely be subject to the same consumer protection and other issues experienced in Massachusetts' community solar program and experienced through retail choice in Connecticut, despite significant efforts by DEEP to address these issues in the proposed Program Requirements. A SCEF program that is projected to encounter significant consumer protection issues among LMI customers does not achieve the intended objectives of the SCEF program discussed in Section III.B., Program Objectives, since it would undermine both the cost-effectiveness of the SCEF megawatt allocations and the savings provided to LMI customers.

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U.S. Solar notes in its Written Exceptions that there is no evidence of consumer protection issues with the pilot program. Written Exceptions of U.S. Solar, p. 6. This argument is deceptive. Only one of the three pilot SCEF facilities is operational, and it only recently began billing customers, after DEEP submitted its proposed SCEF Program Requirements. It would have been unprecedented to have significant consumer protection issues *prior* to a program's operation. Now that the pilot is operational, the Authority's Consumer Affairs Unit has received at least one complaint regarding the pilot program.

The Authority's experience indicates that customers contracting with a third party to receive SCEF program benefits creates an environment ripe for consumer protection issues, as Eversource noted was its experience in Massachusetts. Although DEEP included consumer protections in the proposed SCEF Program Requirements, the Authority's experience indicates that even the best-intentioned consumer protections often still fail to protect consumers. See e.g., Docket No. 06-12-07RE07, Decision dated July 31, 2019; Docket No. 13-07-17, Decision dated May 1, 2019; Docket No. 10-06-18RE02, Decision dated July 17, 2019.

1. Eversource's Framework Proposal

In its response to EL-37, Eversource submitted a framework proposal for alternative SCEF Program Requirements, based on Eversource's community solar pilot program submitted for approval to the New Hampshire Public Utilities Commission on February 13, 2019, and submitted in response to EL-35. As detailed in Section II.B., Eversource Model, Eversource's framework proposal eliminates the relationship between the Subscribers and Subscriber Organizations by directly compensating both Subscribers and Subscriber Organizations. This framework proposal largely, if not entirely, removes any consumer protection issues. However, United Illuminating (UI) noted at the October 22, 2019 Technical Meeting and U.S. Solar noted in its Written Exceptions that Eversource's proposed structure may not comply with Conn. Gen. Stat. § 16-244z(a)(1)(C). Tr. 10/22/2019, p. 234; U.S. Solar Written Exceptions, pp. 3-5.

Contrary to UI and U.S. Solar's suggestion, the Authority finds that a plain reading of Conn. Gen. Stat. §§ 16-244z(a)(2)(C), 16-244z(a)(6), and 16-244x does not require an agreement between the Subscriber Organization and the Subscriber. Conn. Gen. Stat. § 16-244x(a)(4) defines "Subscriber" as an in-state retail end user of an EDC with an individual meter that has contracted for a subscription. The statute defines "Subscription" as "a beneficial use of a shared clean energy facility." Conn. Gen. Stat. § 16-244x(a)(6). A "Subscriber Organization" owns, operates, or contracts with a third party to build, own or operate a shared clean energy facility. Conn. Gen. Stat. § 16-244x(a)(5).

Working through the definitions in Conn. Gen. Stat. § 16-244x of "Shared clean energy facility," "Subscriber," "Subscriber Organization," and "Subscription," one finds the statute requires only that a SCEF have at least two customers who are receiving the facility's beneficial use; where "beneficial use" is undefined. No provisions in the applicable statutes expressly require a Subscriber to have a contract with a Subscriber Organization. Notably, the subsections defining both "Subscriber" and "Subscription" make no mention of transaction with a "Subscriber Organization."

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Eversource's framework proposal meets the plain language of the statute. Under Eversource's framework proposal, far more than two customers will receive the beneficial use of the shared clean energy facilities in the form of on-bill subscriber credits, and these customers will be guaranteed to be the beneficiaries. DEEP also proposed on-bill subscriber credits as a beneficial use of the SCEFs in their proposed SCEF Program Requirements. As such, the Authority finds the framework proposed by Eversource to be compliant with the General Statutes.

The Authority finds the use of Eversource's framework proposal to be reasonable and prudent as it addresses the shortcomings of other, similarly-designed community solar programs by reducing, and potentially eliminating, consumer protection issues.⁷ Therefore, the Authority hereby modifies the SCEF Program Requirements submitted by DEEP to reflect portions of the Eversource framework proposal, both because of the Eversource framework proposal's ability to minimize any consumer protection concerns and because of the additional administrative efficiencies gained by improving the cost-effective allocation of SCEF megawatts, as discussed below.

Assuming, *arguendo*, that a Subscriber must *contract* for a Subscription under the statute as DEEP argued in its Written Exceptions, the Authority accepts the OCC's solution proposed during oral arguments – where a Subscriber signs a contract with an EDC to enroll in the SCEF program. DEEP Written Exceptions, p. 2; Tr. 12/12/19. The Authority finds OCC's proposal workable as Conn. Gen. Stat. § 16-244x(a)(4) does not specify with whom the Subscriber must have a contract⁸. Accordingly, the Authority adopted the OCC's suggestion in Appendix A of the Modified SCEF Program Requirements, appended to this Decision, which requires a Subscription Summary Contract between the EDC and Subscriber.

F. SCEF PROGRAM YEAR 1

The plain language of Conn. Gen. Stat. § 16-244z(a)(2) directs the EDCs to file selected bids *not later* than July 1, 2022. (emphasis added). Additionally, Section 16-244z(a)(4) states that “[e]ach electric distribution company shall conduct an annual solicitation or solicitations, as determined by the authority.” The EDCs interpreted this to mean that the program is required to be implemented in 2022. Tr. 10/22/19, p. 227. Conversely, multiple docket Participants argued for implementation of the first SCEF solicitation in 2020.⁹

UI indicated that implementing SCEF in 2020 may be possible so long as the program in-service date for each SCEF is not before the billing system is in place. Tr. 12/12/19. The EDCs also indicated that, based on DEEP's proposed SCEF Program

⁷ The Authority notes that the EDCs, in dealing with their customers relative to customer participation in the SCEF program, are expected to follow all consumer protection laws applicable to the EDCs in their existing customer relations.

⁸ As noted, a Subscriber must contract for a Subscription, and a Subscription means the beneficial use of a shared clean energy facility. Conn. Gen. Stat. § 16-244x(4)-(6). Under OCC's proposal, the Subscriber would contract with the EDC for the beneficial use of the shared clean energy facility.

⁹ See, DEEP Written Exceptions, p. 4; Solar Connecticut, Inc. Written Exceptions, pp. 4-5; U.S. Solar Written Exceptions, p. 13; Connecticut Green Bank Written Exceptions, p. 2; Tr. 12/12/19.

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Requirements, the necessary billing system changes would take 11 months for UI and 12 months for Eversource. Response to EL-10.

After reviewing the statutory language and practical implementation considerations, the Authority finds no reason to delay program implementation until 2022. Accordingly, Section 3 of the Modified SCEF Program Requirements directs the EDCs to implement the first SCEF solicitation in 2020, alongside of the 2020 LREC/ZREC solicitation.

The Authority believes that the Modified SCEF Program Requirements provide sufficient information for the EDCs to begin any billing system modifications necessary to provide Subscriber credits under the program. The Authority acknowledges that the issues raised in Section III.N., Subscriber Enrollment, may also require modifications of the EDCs' billing systems for customer identification and other purposes. However, the Authority does not believe that those issues need to be remedied before the EDCs' begin billing system modifications related to providing Subscriber credits. The Authority provides the following SCEF Program Year 1 timeline, as guidance for the EDCs:

Action Item	Date
Submission of SCEF Riders	Not later than January 17, 2020
Release of Year 1 SCEF RFP	April 30, 2020 with LREC/ZREC
Submission of Working Group Proposals	On or before July 1, 2020
Selection and Notification of Year 1 SCEF Winning Bidders	On or about July 13, 2020
Completion of necessary billing system modifications	On or before July 1, 2021
Year 1 SCEF In-Service Date	On or after July 1, 2021

In developing the above timeline, the Authority took into account the following: (1) the preference of a majority of stakeholders for a 2020 Year 1 solicitation; (2) a typical project development timeline for a 4MW solar PV system of 12 to 24 months;¹⁰ (3) the deployment timeline of the previously-selected SCEF pilot program projects of over two years;¹¹ (4) the emphasis placed by Solar Connecticut, Inc. in written comments and in oral arguments on providing a clear operational date requirement;¹² and (5) the 11 to 12 month timeline originally provided in response to EL-10, plus an additional six months from the date of this Decision, for the EDCs to develop and complete the necessary administrative and system updates for program implementation.

¹⁰ See, U.S. Solar Written Exceptions, p. 13.

¹¹ See, https://www.ct.gov/deep/cwp/view.asp?a=4405&Q=600224&deepNav_GID=2121.

¹² See, Solar Connecticut, Inc. Written Exceptions, p. 5; Tr. 12/12/19.

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Notwithstanding the foregoing, the Authority permits the EDCs to consider inclusion of language in bid awards that clarifies that payment under the program is conditioned upon timely completion of the necessary billing system upgrades. However, the Authority expects the EDCs to have the necessary billing system upgrades in place by July 1, 2021 absent extenuating circumstances. The EDCs shall allow any SCEFs selected in Year 1 to energize and operate in the wholesale market if the necessary billing system upgrades are not in place by July 1, 2021.

Finally, DEEP indicated their willingness to provide an updated Procurement Price Cap in January 2020 based on the Modified SCEF Program Requirements. Tr. 12/12/19. The Authority greatly appreciates DEEP's flexibility and responsiveness to the Modified SCEF Program Requirements. The Authority updated subsection 3.3 of the Modified SCEF Program Requirements to reflect DEEP's submission of the new Procurement Price Cap and Bid Preferences in January 2020.

G. SUBSEQUENT ROUNDS OF PROJECT SELECTIONS

Subsection 3.4 of the Modified SCEF Program Requirements eliminates the first-come, first-served eligibility of projects at the Procurement Price Cap after the completion of a given year's solicitation. The Authority shares the concerns articulated in response to EL-17 by both UI and Eversource detailing the shortcomings of a first-come, first-served type of approach. UI and Eversource Response to EL-17. A first-come, first-served approach paid out at the Procurement Price Cap provides an incentive for project developers to forego the solicitation and instead to wait for the first-come, first-served period. While a first-come, first-served approach paid at the weighted-average price for that solicitation year partially eliminates this perverse incentive, the approach would still decouple compensation from the bid price, potentially producing a less cost-effective allocation of SCEF megawatts.

Thus, the Authority adopts in the Modified SCEF Program Requirements the process the EDCs currently use with the LREC/ZREC program in running multiple rounds of project selections. Tr. 10/22/19, p. 146. The use of existing processes to allocate any remaining SCEF megawatts potentially provides administrative efficiencies and avoids the need to develop new processes. The use of a competitive procurement process to allocate the remaining SCEF megawatts ensures that the most cost-effective bids are selected. While additional rounds of project selections will likely increase the EDCs administrative costs, the offsetting reduction in Bid prices compared to a first-come, first-served approach with an administratively-set price will likely offset this increased cost.

The Authority recognizes that the EDCs do not have unlimited resources to continuously conduct rounds of project selections. This Decision directs the EDCs to submit to PURA for approval by July 1, 2020 a proposed procedural timeline for 2021 and 2022 for both the annual solicitation and any subsequent rounds of project selections after July 1 of each subsequent year. The submitted timeline must allow enough time for the EDCs to submit bids selected after July 1 by January 1 of the next calendar year. The EDCs must consult DEEP and the OCC prior to submission of the proposed procedural timeline to the Authority.

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H. DEFINITION OF ALLOCATED MEGAWATTS

Conn. Gen. Stat. § 16-244z(c)(1)(A) states that SCEF program “megawatts *not allocated* in any given year shall not roll into the next year’s available megawatts.” (emphasis added). As noted in DEEP’s Written Exceptions, Conn. Gen. Stat. § 16-244r(c)(3)(A) similarly defines “not allocated” for the LREC/ZREC program (“any money not allocated in any given year may roll into the next year’s available funds”). DEEP Written Exceptions, p. 3. Practically and in the context of the LREC/ZREC program, “not allocated” has come to mean money not awarded in a given year’s solicitation. Based on this definition and the presumption that the General Assembly was aware of this language when it drafted Public Act 18-50, the Authority reads Conn. Stat. § 16-244z (c)(1)(A) to mean that megawatts not selected in a given year’s solicitation cannot roll over into the next year’s available megawatts.

However, both Conn. Gen. Stat. §§ 16-244r(c)(3)(A) and 16-244z(c)(1)(A) remain silent on the treatment of allocated (i.e. selected in a given year’s solicitation), but not built megawatts, as noted during oral arguments. Tr. 12/12/19. The Authority believes that the General Assembly would have clearly forbid the rollover of allocated, but unbuilt megawatts, if that were its intention, rather than only limiting the rollover of unallocated megawatts.

As such, the Authority clarifies in the Modified SCEF Program Requirements that all megawatts awarded to a Subscriber Organization in an annual solicitation shall be deemed “allocated.” Any allocated Program capacity foregone by a selected Bidder choosing not to move forward with their bid shall be reallocated to the Program capacity of the next upcoming solicitation following the Bidder notifying the EDC of its intention not to move forward with their project, using the applicable guidelines for that solicitation.

I. AS-BUILT MEGAWATTS

The Authority finds no record evidence to support the separate treatment of as-built megawatts of a SCEF facility. As such, the Authority modified the as-built megawatt requirements under subsection 4.2 of the SCEF programs requirements and eliminated subsection 7.7 to simplify SCEF program administration.

J. SUBSCRIBER SAVINGS

Since the Modified Program Requirements decouple payments to Subscribers from the payments to Subscriber Organizations, it was necessary for the Authority to modify the basis for the Subscriber Savings Rate. In modifying the Subscriber Savings Rate, the Authority reviewed: (1) the minimum Subscriber Savings of ten (10) percent of the Procurement Price Cap submitted by DEEP in the proposed SCEF Program Requirements, corresponding to a per kWh credit of \$0.017; (2) the Subscriber Savings Rates from the SCEF pilot program, bid as a per kWh credit of \$0.015, \$0.0169, and \$0.035; and (3) Eversource’s proposed target monthly bill credits of between \$5 and \$20 in their New Hampshire pilot, corresponding to a \$0.02 per kWh credit. Response to EL-37. The Authority approves a Subscriber Savings Rate of \$0.025 per kWh based on the review of the above factors. A Subscriber Savings Rate of \$0.025 per kWh equates to a

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monthly bill credit of \$12.50 and \$17.50 for customers with a consumption of 500 kWh and 700 kWh per month, respectively.

K. ON-BILL SUBSCRIBER CREDITS

The Authority also hereby modifies the process for determining and applying On-bill Credits for SCEF Subscribers in subsection 7.1 of the Modified SCEF Program Requirements. The modifications to On-bill Credits allow the EDCs to determine a fixed monthly On-bill Credit at the beginning of the Subscription and to maintain the same monthly On-bill Credit for the duration of a customer's Subscription, subject to Appendix A of the Modified SCEF Program Requirements. The Authority also modifies the SCEF program to require the EDCs to annually review SCEF subscriptions in the aggregate for the preceding year, thereby matching actual SCEF production with SCEF Subscribed Energy. These modifications allow the EDCs to forego the monthly calculations of subscribed and unsubscribed energy and should significantly reduce the cost of the bill modifications and EDC billing staff time required for the SCEF program.

During the EDCs' annual review, the EDC shall enroll eligible customers to meet or exceed the aggregate minimum requirement if the EDC identifies that enrollment has dropped below the aggregate minimum requirements for any category detailed in subsection 6.1 of the Modified SCEF Program Requirements. The EDC shall report to DEEP and PURA in November of each year, starting in 2022, as to the status of aggregate SCEF subscriptions by Customer type.

Regarding the form of the On-bill Credit, this Decision directs the EDCs to develop and submit for approval to the Authority not more than sixty (60) days after the issuance of this Decision proposed versions of how the On-bill Credit will appear on SCEF Subscribers' monthly bill and a final budget and implementation timeline. The EDCs are directed to propose a least-cost On-bill Credit and an On-bill Credit listed as a separate line item on a Subscriber's monthly bill with clarifying text, similar to the below example:¹³

Shared Clean Energy Credit****	1,450.00KWh X \$0.1699
	-\$246.36

****You are participating in the Shared Clean Energy Facility (SCEF) program. This credit represents [your monthly SCEF kWh] from the SCEF. This credit will continue until you exit the program or until your service is terminated. The SCEF does not provide your generation supply. Contact XX if you have any questions.

L. SUBSCRIBER ORGANIZATION PAYMENTS

As submitted, DEEP's SCEF Program Requirements directed the EDCs to pay Subscriber Organizations directly for any Unsubscribed Energy. In fact, unless a Subscriber Organization was always fully subscribed, the EDCs would have to provide the Subscriber Organization with regular direct payments under the SCEF Program Requirements submitted by DEEP. In short, the DEEP proposal would have required the

¹³ The Authority notes that once the EDCs implement the process of including this on-bill explanation, it should be implemented with the SCEF Pilot Program as well.

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EDCs to institute a process to track and pay Subscriber Organizations directly. Therefore, requiring the EDCs to directly compensate the Subscriber Organizations as specified in the Modified SCEF Program Requirements does not necessitate the creation of any processes not already envisioned by DEEP's proposal, and only slightly increases the number of payments to a Subscriber Organization, similarly increasing any administrative costs marginally as well.

Further, the EDCs testified to the existence of at least two types of direct payments to project developers currently – the LREC/ZREC program and all wholesale power contracts. Tr. 10/22/19, pp. 104-105. Both UI and Eversource testified that current LREC/ZREC projects receive direct compensation quarterly. Tr. 10/22/19, pp. 103. As such, the Authority adopts this payment frequency in the Modified SCEF Program Requirements. Thus, requiring the EDCs to directly compensate the Subscriber Organizations in the Modified SCEF Program Requirements not only does not necessitate the creation of any processes not already envisioned by DEEP's proposal, but also utilizes well-established, existing processes.

M. TREATMENT OF RECS

The EDCs shall submit a proposal for managing the RECs associated with this program as directed in Order No. 8. The Authority will then determine how the EDCs shall manage the RECs associated with the SCEF program and issue further guidance to the EDCs.

N. SUBSCRIBER ENROLLMENT

At the October 29, 2019 Technical Meeting and in response to EL-37, Eversource stated a preference for administering only an opt-out model for Subscription enrollment under its framework proposal similar to their New Hampshire pilot program proposal. Tr. 10/29/19, pp. 278-280. In the absence of an opt-out model, Eversource stated a preference that Subscriber Organizations bear responsibility for the administration of any opt-in Subscriptions. Response to EL-37, p. 3. However, the Authority finds that requiring Subscriber Organizations to administer opt-in Subscriptions would significantly diminish the consumer protection benefits of Eversource's framework proposal.

Separately, UI noted that an opt-out model raises questions regarding the ability of all eligible customers to participate. Tr. 10/29/19, pp. 380-382.

The Authority, in modifying the SCEF Program Requirements, balanced Eversource's preference for an opt-out model with UI's concerns regarding eligible customer access as well as the clear preference for LMI customer participation set forth in Conn. Gen. Stat. § 16-244z(a)(6). As a result, the Authority modifies the SCEF Program Requirements to require the EDCs to directly enroll Subscribers to meet at least eighty (80) percent of the estimated annual output of a SCEF, on or before the commercial operation date, and to annually adjust Subscriptions to meet the Subscriber requirements. See Section III, J., On-Bill Subscriber Credit. Specifically, the Modified SCEF Program Requirements direct the EDCs to enroll twenty (20) percent of the estimated annual output from low-income customers, another twenty (20) percent from small business customers, and another forty (40) percent from a combination of LMI customers,

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customers who serve as landlords or entities responsible for an affordable housing facility, affordable housing facilities, or customers who qualify as low-income service organizations.

The remaining twenty (20) percent of the estimated annual output shall be available for voluntary enrollment by any eligible classes of Customer listed and defined in subsection 6.1 and Section 2 of the Modified SCEF Program Requirements, respectively, and Conn. Gen. Stat. §16-244z(a)(7). The EDCs shall make reasonable and cost-effective efforts to promote the available SCEF subscriptions to all eligible Customers, in addition to any measures specifically directed by DEEP and PURA and in accordance with subsection 6.2 of the Modified SCEF Program Requirements. Such efforts may include, but are not limited to, proactive engagement and/or partnership with municipalities and/or low-income service organizations (such as community action agencies and Operation Fuel) to assist with the identification and recruitment of subscribers, providing information on SCEF subscriptions in planned online and paper marketing materials, and providing call center representatives with the appropriate information and training to subscribe Customers. The Authority will review SCEF program voluntary enrollment two years after the first SCEF is placed in-service, based on the information provided in response to Order No. 9. The Authority will determine at that time if penalties or other incentives are necessary to encourage greater voluntary participation.

The Authority's modifications place the administrative burden of accepting and verifying voluntary, or opt-in, Subscriptions on the EDCs. This approach is similar to the approach taken under the SCEF Program Requirements as proposed by DEEP, since the EDCs would have regularly received Subscription information from Subscriber Organizations. Instead of receiving Subscriber information via the Subscriber Enrollment Form from the Subscriber Organizations, the EDCs will receive the Subscriber Enrollment Form directly from potential Subscribers. While this may increase the number of customer interactions the EDCs have regarding the SCEF program, the EDCs are likely to receive a similar number of Subscriber Enrollment Forms with somewhat similar frequency as under the SCEF Program Requirements submitted by DEEP.

Further, this method of subscribing customers voluntarily is significantly more cost-effective overall, even with an increase to the EDCs' administrative costs, as it eliminates the necessity and cost of Subscriber Organizations marketing to potential Subscribers, collecting and managing customer data for the estimated annual output, and demonstrating compliance with the consumer protection requirements. Subscriber Organizations under the submitted SCEF program rules would have factored these costs into their bids and, ultimately, all ratepayers would have paid these costs. The Authority's modifications shift some of these costs to the EDCs and largely eliminates the remainder, thereby contributing to the realization of the SCEF program objective of cost-effectively allocating up to 25 megawatts annually.

Lastly, the Authority notes that regardless of the ultimate SCEF Program model adopted in this proceeding, customer education and verification measures detailed in subsection 6.2 of the Modified SCEF Program Requirements would have always been a central tenet of the Authority's modifications. The cost of customer education and verification measures will ultimately be paid for by ratepayers, regardless of whether the measures are implemented by Subscriber Organizations, DEEP, PURA, or the EDCs.

1. Customer Eligibility and Verification Process

The Authority recognizes that the Modified SCEF Program Requirements do not comprehensively define customer eligibility or explicitly address how customer eligibility will be verified, particularly regarding classes of Customers not defined in the Modified SCEF Program Requirements, Conn. Gen. Stat. §16-244z(a)(7), and/or either EDC's billing systems, as highlighted in written comments by both EDCs.¹⁴ In this Decision, the Authority directs the EDCs to develop, through a working group process initiated in a reopened proceeding to this docket, and submit to PURA for approval by July 1, 2020 proposed definitions of customer eligibility that maximizes administrative efficiencies and one or more proposed processes for verifying customer eligibility under the approved SCEF Program Requirements. Through the working group process, the EDCs must consult with members of the solar industry, municipalities and/or nonprofit service providers (such as community action agencies and Operation Fuel), DEEP, and the OCC regarding any proposed processes prior to final submission to the Authority. The Authority encourages the EDCs to vet the ideas discussed in their written exceptions relevant to this topic through the working group process. The Authority also encourages the use of census tract data, where appropriate and efficient.

2. EDC-Administered Identification and Enrollment Process

The Authority also recognizes that the Modified SCEF Program Requirements do not explicitly address how the EDC-administered identification and enrollment process will work. Further, the Authority recognizes the challenges the EDCs face in identifying eligible Customers to meet the eighty (80) percent requirement and how that enrollment will work. In this Decision, the Authority directs the EDCs to develop, through a working group process initiated in a reopened proceeding to this docket, and submit to PURA for approval by July 1, 2020 one or more proposed processes for identifying and enrolling customers to meet the eighty (80) percent requirement SCEF program requirement, as well as the underlying requirements. Through the working group process, the EDCs must consult with members of the solar industry, municipalities and/or nonprofit service providers (such as community action agencies and Operation Fuel), DEEP, and the OCC regarding any proposed processes prior to submission of the filing. The Authority encourages the EDCs to vet the ideas discussed in their written exceptions relevant to this topic through the working group process. The Authority also encourages the use of census tract data where appropriate and administratively efficient.

3. Customer Education and Outreach

Lastly, the Authority recognizes that the Modified SCEF Program Requirements do not direct the EDCs to take any specific actions to promote the available SCEF subscriptions to all eligible Customers. However, the Authority is in strong agreement with the arguments made by Connecticut Fund for the Environment regarding the importance of voluntary Subscriptions to the success of the SCEF program. Connecticut Fund for the Environment Written Exceptions, p. 2. In this Decision, the Authority directs the EDCs to develop, through a working group process initiated in a reopened proceeding

¹⁴ See, Eversource Written Comments, p. 4; UI Written Comments, pp. 4-6.

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to this docket, and submit to PURA for approval by July 1, 2020 the reasonable and cost-effective measures planned to ensure that the SCEF program is fully subscribed. Through the working group process, the EDCs must consult with members of the solar industry, municipalities and/or nonprofit service providers (such as community action agencies and Operation Fuel), DEEP, and the OCC regarding any proposed measures prior to final submission to the Authority. The Authority encourages the EDCs to vet the ideas discussed in their written exceptions relevant to this topic through the working group process. The Authority also encourages the use of census tract data where appropriate and administratively efficient.

O. WORKING GROUP PROCESS

The Authority will initiate a reopened proceeding to this docket in January 2020, which will serve as the administrative record for the working groups established in order to comply with Order Nos. 5-7 of this Decision. The notice initiating the reopened proceeding will detail any further topics regarding the Modified SCEF Program Requirements the Authority wishes the working group to consider. Such topics may include, but are not limited to, the required Operating Period Security and Development Period Security and SCEF Program Requirements regarding Subscriber participation in other DER programs, in addition to the topics addressed in Orders Nos. 5-7.

P. SUMMARY OF COST SAVINGS

During oral arguments, the OCC noted that the Modified SCEF Program Requirements would reduce marketing costs and risks for Subscriber Organizations and consumer risk. Tr. 12/12/19. Further, UI clarified that the increased cost of which their written exceptions spoke was strictly the Company's own administrative costs. Tr. 12/12/19. The Authority agrees with this analysis and provides the following summary of the likely cost-related impacts that it believes will result in net cost savings compared with the proposed SCEF Program Requirements:¹⁵

- Developer marketing costs and marketing cost risk – eliminated
- Consumer risk, fraud, penalties, etc. – eliminated
- Developer customer data retention and/or customer support – eliminated
- Complexity and costs for developers to develop bids – reduced
- Additional subscriber acquisition cost – all subscriber acquisition costs are shifted to EDCs, including marketing, but can reasonably be assumed to be less than solar developers who have less customer information and access
- Customer verification and enrollment – same, if not reduced, as the Authority would have required either the EDCs or the Subscriber Organizations to develop a system to verify Customer eligibility; the EDCs would have incurred costs in the enrollment process regardless, albeit potentially less, but the Subscriber Organization no longer have such costs
- Enforcement and auditing costs – significantly reduced for DEEP

¹⁵ Assuming all reduced costs to developers result in correspondingly lower bid prices.

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- Required billing system upgrades and manual billing / contract management – significantly reduced
- Cost of EDC payment – slightly increased, as the Modified SCEF Program Requirements likely slightly increases the number of payments to the Subscriber Organizations

Q. COST RECOVERY FOR THE EDCs

Pursuant to the Conn. Gen. Stat. § 16-244z(e), the Authority authorizes each EDC to seek recovery of all payments made to Subscribers and Subscriber Organizations under the SCEF Program through the NBFMCC charge, unless and until recovery of such costs is authorized by the Authority in an alternative manner pursuant to the requirements of Conn. Gen. Stat. § 16a-3m. To offset the program costs, the EDCs shall credit any revenues from the sale of energy and RECs associated with the delivered output from a SCEF for the full term of Subscriber Organization's enrollment under the Tariff.

Furthermore, the Authority authorizes each EDC to seek recovery all of prudently-incurred costs related to the implementation and administration of the Modified SCEF Program Requirements. Final cost recovery will be contingent upon demonstration by the EDC that it has taken all reasonable measures to contain the costs of implementation and administration of the program, including, but not limited to, the necessary billing system changes, customer identification processes and marketing/enrollment. Regarding the necessary billing system changes, the Authority endeavored to greatly simplify any necessary billing system changes required of the EDCs for the SCEF program in crafting the Modified SCEF Program Requirements. The Authority expects implementation costs related to these billing system changes to be significantly below the previous cost estimates provided in response to EL-10 related to the proposed SCEF Program Requirements: \$4 million for Eversource and \$900,000 for UI. To that end, the Authority directs the EDCs to provide a detailed cost estimate for the implementation costs not less than ninety (90) days after the issuance of this Decision, as well as semi-annual updates to its forecasted implementation costs and ongoing program administration. As stated above, cost recovery of implementation and administration costs is contingent upon the EDCs demonstrating that the costs were prudently-incurred and that all reasonable measures to contain costs were taken.

Lastly, The Authority directs the EDCs to submit a detailed report on the revenues generated from the sale of energy and RECs associated with the delivered output from SCEF's in their applicable annual Revenue Adjustment Mechanism (RAM) filings.

IV. FINDINGS OF FACT

1. Eversource experienced significant consumer protection issues associated with developers contracting directly with customers, especially low-income customers, through the Massachusetts community solar program.
2. Consumer protection issues stemming from the implementation of retail choice and from the business practices of retail suppliers in Connecticut have been investigated and, in some cases, resulted in severe penalties in numerous dockets.

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3. The relationship between customers and retail suppliers under retail choice is analogous to the roles of Subscribers and Subscriber Organizations, respectively, as contemplated in the SCEF Program Requirements submitted by DEEP.
4. A SCEF program that suffers from significant consumer protection would undermine both the cost-effectiveness of the SCEF megawatt allocations and the savings provided to LMI customers.
5. Eversource's framework proposal eliminates the relationship between the Subscribers and Subscriber Organizations by directly compensating both Subscribers and Subscriber Organizations.
6. Eversource's framework proposal largely, if not entirely, removes any consumer protection issues.
7. A plain reading of Conn. Gen. Stat. §§ 16-244z(a)(1)(C), 16-244z(a)(6), and 16-244x does not require an agreement between the Subscriber Organization and the Subscriber.
8. The definitions in Conn. Gen. Stat. § 16-244x require only that a SCEF have at least two customers who are receiving the facility's beneficial use.
9. Under Eversource's proposed model, far more than two customers will receive the benefit of the SCEFs, and these customers will be guaranteed to be the beneficiaries.
10. The EDCs initially indicated that the necessary billing system changes to implement the SCEF Program Requirements will take 11 to 12 months.
11. Based on the statutory language and DEEP's initial program year of 2020, the Authority finds no reason to delay program implementation until 2022.
12. A first-come, first-served approach paid out at the Procurement Price Cap, as proposed by DEEP, provides an incentive for project developers to forego the solicitation and to wait for the first-come, first-served period.
13. The Modified SCEF Program Requirements rely on the process the EDCs currently use with the LREC/ZREC program in running multiple rounds of project selections.
14. A plain reading of Conn. Gen. Stat. § 16-244z(c)(1)(A) indicates that megawatts allocated in a given year may roll into the next year's available megawatts.
15. There is no record evidence to support the separate treatment of as-built megawatts of a SCEF facility.
16. Since the Modified Program Requirements decouple payments to Subscribers from the payments to Subscriber Organizations, it is necessary for the Authority to modify the basis for the Subscriber Savings Rate.

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17. In modifying the Subscriber Savings Rate, the Authority reviewed: (1) the minimum Subscriber Savings of ten (10) percent of the Procurement Price Cap submitted by DEEP in the proposed SCEF Program Requirements; (2) the Subscriber Savings from the SCEF pilot program; and (3) Eversource's proposed target monthly bill credits of between \$5 and \$20 in their New Hampshire pilot.
18. The Authority set the Subscriber Savings Rate at \$0.025 per kWh in the Modified SCEF Program Requirements.
19. The modifications to the process for determining, applying, and reviewing On-bill Credits for SCEF Subscribers in subsection 6.2 and 7.11 allows the EDCs to forego the monthly calculations of subscribed and unsubscribed energy.
20. Requiring the EDCs to directly compensate the Subscriber Organizations in the Modified SCEF Program Requirements does not necessitate the creation of any processes not already envisioned by DEEP's proposal.
21. Requiring Subscriber Organizations to administer opt-in Subscriptions would significantly diminish the consumer protection benefits of Eversource's framework proposal.
22. The Authority modified the SCEF Program Requirements so that the EDCs must directly enroll Subscribers to meet at least eighty (80) percent of the estimated annual output of a SCEF, on or before the commercial operation date, and subject to certain customer class requirements, and to annually adjust Subscriptions to meet the Subscriber requirements.
23. The Authority modified the SCEF Program Requirements so that the remaining twenty (20) percent of the estimated annual output shall be available for voluntary enrollment by any eligible customer, but is not required to be subscribed.
24. The Authority modified the SCEF Program Requirements so that the EDCs shall make reasonable and cost-effective efforts to promote the available SCEF subscriptions in accordance with subsection 6.2 of the Modified SCEF Program Requirements.
25. The Modified SCEF Requirements eliminates the necessity and cost of Subscriber Organizations marketing to potential Subscribers, collecting and managing customer data for 100 percent of the estimated annual output, and demonstrating compliance with the consumer protection requirements.
26. The Authority's modifications shift some of the administrative cost of the SCEF program to the EDCs and largely eliminates the remainder, contributing to the realization of the SCEF program objective of cost-effectively allocating up to 25 MWs annually.
27. Conn. Gen. Stat. § 16-244z(e) contains provisions for cost recovery by the EDCs.

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V. CONCLUSION AND ORDERS

A. CONCLUSION

The Authority reviewed the SCEF Program Requirements submitted by DEEP along with an alternative framework proposal submitted by Eversource. The Authority modified the SCEF Program Requirements to incorporate some of the features of the Eversource proposal as discussed in the analysis herein. A clean version of the revised Program Requirements is appended hereto as the Modified SCEF Program Requirements in Exhibit B.

B. ORDERS

For the following Orders, the EDCs shall submit one original of the required documentation to the Executive Secretary, 10 Franklin Square, New Britain, Connecticut 06051 and file an electronic version through both the Authority's website at www.ct.gov/pura and via DEEP.EnergyBureau@ct.gov. Submissions filed in compliance with the Authority's Orders must be identified by all three of the following: Docket Number, Title and Order Number. Compliance with orders shall commence and continue as indicated in each specific Order or until the Company requests and the Authority approves that the Company's compliance is no longer required after a certain date.

1. Not later than thirty (30) days after the issuance of this Decision, each EDC shall submit to PURA a SCEF Rider for both Subscribers and Subscriber Organizations based on the Modified SCEF Program Requirements. Each EDC shall also indicate any clarifications needed to begin billing system modifications to implement the SCEF Rider.
2. Each EDC shall develop and submit for approval to the Authority not more than sixty (90) days after the issuance of this Decision proposed versions of how the On-bill Credit will appear on SCEF Subscribers' monthly bill and a final budget and implementation timeline. The EDCs will propose a least-cost On-bill Credit and an On-bill Credit listed as a separate line item on a Subscriber's monthly bill with clarifying text.
3. No later than ninety (90) days after the issuance of this Decision, and semi-annually thereafter until otherwise directed by the Authority, the EDCs shall provide a detailed cost estimate for the SCEF implementation costs, and updates to the forecasted implementation costs and ongoing program administration.
4. No later than ninety (90) days after the issuance of this Decision, each EDC shall submit to PURA a proposed procedural timeline for 2020, 2021, and 2022 for both the annual solicitation and any subsequent rounds of project selections after July 1 of each year. The submitted timeline shall follow the guidance provided in Section III.F., SCEF Program Year 1, of this Decision and must allow enough time

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for the EDCs to submit bids selected after July 1 by January 1 of the next calendar year. The EDCs must consult DEEP and the OCC prior to submission of the filing to the Authority.

5. Each EDC shall submit to PURA for approval by July 1, 2020 one or more proposed processes for verifying customer eligibility under the Modified SCEF Program Requirements. The EDCs must vet all proposed processes with members of the solar industry, municipalities and/or nonprofit service providers (such as community action agencies and Operation Fuel), DEEP, and the OCC via the working group established in a reopened proceeding to this docket.
6. Each EDCs shall submit to PURA for approval by July 1, 2020 one or more proposed processes for identifying and enrolling customers to meet the eighty (80) percent requirement under the Modified SCEF Program Requirements, including the underlying requirements. The EDCs must vet all proposed processes with members of the solar industry, municipalities and/or nonprofit service providers (such as community action agencies and Operation Fuel), DEEP, and the OCC via the working group established in a reopened proceeding to this docket.
7. Each EDCs shall submit to PURA for approval by July 1, 2020, a list of the reasonable and cost-effective measures planned to ensure that the SCEF program is fully subscribed. The EDCs must vet all proposed processes with members of the solar industry, municipalities and/or nonprofit service providers (such as community action agencies and Operation Fuel), DEEP, and the OCC via the working group established in a reopened proceeding to this docket.
8. Each EDC shall submit to PURA for approval, by January 1, 2021, a set of Terms and Conditions for the SCEF Program, a Subscriber Enrollment Form, a sample Subscription Summary Contract, a proposal for managing the RECs associated with this program, and (if necessary) a revised SCEF Rider, incorporating the directives in the compliance rulings and the Modified SCEF Program Requirements.
9. No later than November 30, 2022, and annually thereafter, each EDC shall review SCEF subscriptions in the aggregate for the preceding year and report to the Authority on the status of the aggregate SCEF subscriptions by Customer type, specifically providing:
 - a. Annual aggregate SCEF production;
 - b. Annual aggregate SCEF Subscribed Energy by Customer eligibility type, including opt-in Subscribers;

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- c. Information on each Subscriber who was a Subscriber in the preceding year, including the Subscriber's meter address, customer class, date of entry and exit, and Subscription kWhs, as applicable;
 - d. The number of residential Subscribers and corresponding Subscription kWhs in the preceding year that were subscribed by way of physical written documentation from a rooftop solar installer that demonstrates they are unable to have solar panels installed on their roof, including any associated documentation;
 - e. The number of Subscribers and corresponding Subscription kWhs in the preceding year that are in excess of the load covered by net metering, virtual net metering, LREC/ZREC contracts, or PA 18-50 tariffs other than those in this Program, for such Subscriber;
 - f. All marketing materials used to recruit opt-in Subscribers in the preceding year, including, but not limited to, the website used by the EDC; and
 - g. The number of Subscriptions, and kWhs associated with any such Subscriptions, which were: (1) transferred to another location when a Subscriber moved; (2) terminated; or (3) resized in the preceding year.
10. No later than November 30, 2022, and annually thereafter, each EDC shall provide an aggregate list of eligible LMI customers readily identifiable in the EDC's billing system, by number of customers and annual electricity consumption, not currently subscribed through the SCEF program.
 11. The EDCs shall seek recovery of the costs and revenues of the Modified SCEF Program Requirements in their annual RAM proceeding through the NBFMCC charge, in accordance with the requirements in Section Q., Cost Recovery for the EDCs, unless and until recovery of such costs is authorized by the Authority in an alternative manner pursuant to the requirements of Conn. Gen. Stat. § 16a-3m.

**DOCKET NO. 19-07-01 REVIEW OF STATEWIDE SHARED CLEAN ENERGY
FACILITY PROGRAM REQUIREMENTS**

This Decision is adopted by the following Commissioners:

Marissa P. Gillett

John W. Betkoski, III

Michael A. Caron

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority

December 18, 2019
Date



PUBLIC ACT 18-50 SECTION 7(A)(1)(C)
STATEWIDE SHARED CLEAN ENERGY FACILITY PROGRAM
MODIFIED PROGRAM REQUIREMENTS

1. BACKGROUND

The Department of Energy and Environmental Protection ("DEEP") establishes these program requirements, with modifications from the Public Utilities Regulatory Authority ("PURA"), for the Shared Clean Energy Facilities ("SCEF") program ("Program") consistent with Section 7 of Public Act 18-50, *An Act Concerning Connecticut's Energy Future* ("the Act"). The electric distribution companies shall develop tariff proposals to submit to PURA consistent with these program requirements.

2. DEFINITIONS

The following definitions are applicable to the Program requirements and conform with Conn. Gen. Stat. §§ 16-244z(a) and 16-244x.

"Alternative Compliance Payment" or "ACP" means the compliance rate for failure to meet the renewable portfolio standards specified in Section 16-244c of the Connecticut General Statutes ("General Statutes") or any similar compliance rate established;

"Bid" means a responsive submission by a Bidder to the procurement under this Program;

"Bid Preferences" means preferred policy criteria established by DEEP and approved by PURA to apply in the next procurement process under this Program;

"Bidder" means an entity that submits a Bid for a Subscriber Organization and the development and operation of the Shared Clean Energy Facility consistent with the requirements of this Program;

"Core Forest" means unfragmented forested land of at least two hundred and fifty (250) acres that is three hundred (300) feet or greater from the boundary between forested land and non-forested land;

"Customer" means a retail electric account holder of an Electric Distribution Company ("EDC");

"Delivery," "Deliver," "Delivered," or "Delivering" means with respect to (i) energy, that energy produced by a Shared Clean Energy Facility that is recognized in the Independent System Operator of New England ("ISO-

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NE") settlement system as injected in the ISO-NE energy market at a specified and agreed upon pricing node within the service territory of the receiving EDC for the benefit of such EDC, and (ii) RECs, those RECs supplied via an irrevocable Forward Certificate Transfer (as defined in the GIS Operating Rules) to the receiving EDC in the New England Power Pool Geographic Information System ("NEPOOL GIS");

"Department" or "DEEP" means the Connecticut Department of Energy and Environmental Protection;

"Development Period Security" means collateral in the form of cash, which shall be provided by the Subscriber Organization to the EDC during the development of the SCEF;

"Electric Distribution Company" or "EDC" has the same meaning as provided in Section 16-1 of the General Statutes;

"Environmental Attributes" shall mean each of the following that exists under the laws and regulations of the state of Connecticut, or under any other international, federal, regional, state or other law, rule or regulation as of the Effective Date or may come into existence during the twenty-year term of the purchase commitment applicable to the selected Project: (i) GIS Certificates, (ii) credits, benefits, reductions, offsets and other beneficial allowances, including, to the extent applicable and without limitation, performance based incentives or renewable portfolio standard in the state in which the Project is located or in other jurisdictions (collectively, "Allowances") attributable to the ownership or operation of the Project or the production or sale of Energy that avoids the emission of carbon into the air, soil or water, (iii) other Allowances howsoever named or referred to, with respect to any and all fuel, emissions, air quality, or other environmental characteristics, resulting from the production of electric generation or the production or sale of Energy that avoids the emission of carbon into the air, soil or water and in which Seller has good and valid title, including any credits to be evidenced by Renewable Energy Certificates or similar laws or regulations applicable in any jurisdiction as such may be amended during the term of the Tariff applicable to the selected Project, (iv) any such Allowances related to (A) oxides of carbon or (B) the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or crediting "early action" with a view thereto, or involving or administered by the Clear Air Markets Division of the United States Environmental Protection Agency or any successor or other agency that is given jurisdiction over a Program involving transferability of specific Environmental Attributes, and (v) all reporting rights with respect to such allowances under Section 1605(b) of the Energy Policy Act of 1992, as amended from time to time or any successor statute, or any other current or future international, federal, state or local law, regulation or bill, or otherwise;

"Environmental Justice Community" means (A) a United States census block group, as determined in accordance with the most recent United States census, for which thirty per cent or more of the population consists of low income persons who are not institutionalized and have an income below two hundred per cent of the federal poverty level, or (B) a distressed municipality, as defined in subsection (b) of section 32-9p of the General Statutes;

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"In-Service Date" shall mean the date upon which the EDC issues an Approval to Energize letter to the system owner, which shall not be before July 1, 2021;

"LMI" means Low-income Customers and Moderate-income Customers;

"Low-income Customer" means an in-state retail end user of an EDC (i) whose income does not exceed eighty per cent of the area median income as defined by the United States Department of Housing and Urban Development, adjusted for family size, or (ii) that is an affordable housing facility as defined in Section 8-39a of the General Statutes;

"Low-income Service Organization" means a for-profit or nonprofit organization that provides service or assistance to low-income individuals;

"Market Price" means the hourly real-time Locational Marginal Price (as defined in the ISO-NE Tariff) for energy at the pricing node plus fifty (50) percent of the ACP for Prepaid RECs;

"Maximum Hourly Purchase Amount" means the maximum quantity, in megawatt hours ("MWh") per hour, payable at the Purchase Price for any hour. This quantity will be the proposed nameplate capacity of the Shared Clean Energy Facility;

"Moderate-income Customer" means an in-state retail end user of an EDC whose income is between eighty (80) percent and one hundred (100) percent of the area median income as defined by the United States Department of Housing and Urban Development, adjusted for family size;

"On-bill Credit" means a monetized credit equal to the Subscriber Savings Rate times the production allocated to the Subscriber for each month by the EDC to a Subscriber and reflected on the Subscriber's monthly bill from the EDC;

"Operating Period Security" means collateral in the form of cash which shall be provided by the Subscriber Organization to the EDC during the operation of the SCEF;

"Payment" means an amount paid by the EDC to the Subscriber Organization to purchase the output of the Shared Clean Energy Facility as a direct payment from the EDC to the Subscriber Organization;

"Prepaid RECs" means RECs expected to be created in the future that are associated with Delivered Energy and paid for at the time of payment for Delivered Energy as part of the Purchase Price or Market Price, as applicable;

"Procurement Price Cap" means the maximum Purchase Price allowed as part of a Bid in any given solicitation year, as established by DEEP and approved by PURA;

"Program" means the Shared Clean Energy Facilities program developed by DEEP and approved by PURA pursuant to the Act and approved by PURA;

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"PURA" means the Public Utilities Regulatory Authority;

"Purchase Price" means the price, as selected in the procurement and approved by PURA, to be applied to Delivered Energy and Prepaid RECs;

"Qualified Bank" means a major U.S. commercial bank or a U.S. branch office of a major foreign bank, in either case, having (i) assets on its most recent audited balance sheet of at least \$10,000,000,000, and (ii) a rating for its senior long-term unsecured debt obligations of at least (1) "A-" by S&P and "A3" by Moody's, if such entity is rated by both S&P and Moody's, or (2) "A-" by S&P or "A3" by Moody's, if such entity is rated by either S&P or Moody's but not both;

"Renewable Energy Certificate" or "REC" shall mean a certificate created to represent one megawatt hour ("MWh") of production from a Connecticut Class I renewable generation facility and any and all other Environmental Attributes associated with the energy or otherwise produced by the Shared Clean Energy Facility;

"Selected Bidder" means a winning Bidder selected by the EDCs resulting from the procurement consistent with this Program and approved by PURA;

"Shared Clean Energy Facility" is defined by Section 16-244x of the General Statutes;

"Small Business Customer" means a commercial or industrial electric customer with less than a 200 kW peak load.

"Subscribed Energy" means energy and RECs associated with the output of a SCEF for which Subscribers have been enrolled;

"Subscriber" is defined by Section 16-244x of the General Statutes;

"Subscription Summary Form" means a summary provided by the EDC to new Subscribers detailing the disclosures and other material terms and conditions of a SCEF tariff and program rules, as outlined in Appendix A;

"Subscriber Organization" is defined by Section 16-244x of the General Statutes. For the purposes of the Modified SCEF Program Requirements, the term Subscriber Organization refers to the Selected Bidder;

"Subscriber Savings" means, on a monthly basis, the On-bill Credit applied to a Subscriber's EDC account;

"Subscriber Savings Rate" means the cents/kWh rate used to calculate the On-bill Credit;

"Subscription" is defined by Section 16-244x of the General Statutes;

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"Tariff" means the tariff developed by Eversource Energy ("Eversource") or The United Illuminating Company ("UI") (together, "the EDCs"), whichever is applicable to the SCEF, consistent with this Program and approved by PURA.

3. PROCUREMENT PROCESS

On an annual basis for a total of six (6) years, the EDCs shall conduct a procurement process for the solicitation of Bids for Shared Clean Energy Facilities for an aggregate total of twenty-five (25) megawatts¹ ("MWs") of capacity per year, consistent with these Program requirements. The authorized MWs shall be apportioned to the EDCs based on each EDC's percentage share of the EDCs' total combined electric load in Connecticut at the time of the solicitation issuance.

The EDCs will issue one solicitation with the Year 9 LREC/ZREC solicitation in 2020 and file Selected Bids in accordance with the approved LREC/ZREC RFP schedule. The EDCs will issue another solicitation with the Year 10 LREC/ZREC solicitation in 2021 and file Selected Bids in accordance with the approved LREC/ZREC RFP schedule. Thereafter, the EDCs will issue one solicitation in January of each year, filing Selected Bids by July 1.

Bids submitted into the annual solicitation will be only for the energy and RECs associated with the eligible SCEF project. The EDCs will separately administer and maintain an identification and enrollment process, as well as a voluntary enrollment process, as outlined in Section 6 of these Program requirements. The Subscriber Savings Rate for all Subscribers will be \$0.025/kWh and shall not be included in any Bid.

DEEP reserves the right to modify these Program requirements and submit such modifications to PURA for review and approval or modification. In addition, DEEP reserves the right to audit any Selected Bidders to ensure compliance with the Program and shall have explicit enforcement rights pursuant to the Program. DEEP may remove any Selected Bidder from the Program for failure to comply with the requirements of the Program.

3.1. Program Structure

Under the Program, an EDC will purchase the energy and associated RECs produced by a selected Shared Clean Energy Facility at the Purchase Price approved by PURA for the SCEF. The EDC will remit payment for that purchase in accordance with EDC's tariff. Additionally, the EDC will allocate the dollar value of the On-bill Credits to the Subscribers of the SCEF on a monthly basis through Subscribers' electric bills with the EDC.

3.2. Subscriber Enrollment Form

Any Customer, not already enrolled through the EDC-administered identification and enrollment process, wishing to become a Subscriber must use the Subscriber Enrollment Form developed by the EDCs. The Subscriber Enrollment Form may require the Customer to provide: the Customer of record; customer

¹ Megawatts are in AC for all cases (MW_{AC}).

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account number; address associated with the individual billing meters assigned to the Customer of record; and any other information deemed necessary by DEEP and/or PURA. The Subscriber Enrollment Form is subject to approval by PURA.

Based on the information provided in the Subscriber Enrollment Forum, the EDC will verify the Customer's eligibility pursuant to the customer eligibility and verification processes put in place to comply with subsection 6.1 and will utilize the Subscriber's historic average annual electric use at the premises or a reasonable² estimate if the Subscriber has less than twelve (12) months of actual electric use to determine the Subscriber's share of the estimated annual output from the SCEF, to be used in calculating the On-bill Credit.

Appendix A outlines further Subscriber terms and conditions.

3.3. Timing

DEEP shall submit the Procurement Price Cap and the Bid Preferences to PURA no later than January 31, 2020 for the first program year and no later than January 31, 2021 for the second program year. Starting September 2021, DEEP shall submit the Procurement Price Cap and Bid Preferences to PURA no later than September 1 in each subsequent year to allow for public input on those elements of the Program through the docket proceeding established by PURA. The Procurement Price Cap and the categories of Bid Preferences shall be made public for the benefit of all Bidders; the weighting of the Bid Preferences shall be kept confidential to maintain the competitiveness of the procurement. Examples of Bid Preferences DEEP is considering include, but are not limited to, the reuse and redevelopment of existing sites like landfills and brownfields, benefits to Environmental Justice Communities, and land identified by the Department of Transportation pursuant to Section 8 of Public Act 19-35, *An Act Concerning a Green Economy and Environmental Protection*.

3.4. Evaluation and Selection Process

The Purchase Price for each SCEF will be based on a competitive bidding process. The EDCs will issue one solicitation each year. The EDCs will evaluate Bids based on fixed Bid prices considering any applicable Bid Preferences as established by DEEP and submitted to PURA. In addition, DEEP will evaluate Bids to ensure they comply with the requirements established in Appendix B to the satisfaction of DEEP. Bidders must submit the information requested in Appendix B to DEEP at DEEP.EnergyBureau@ct.gov on or before the Bid due date established by the EDCs in the applicable procurement. Failure to provide this information to DEEP in its entirety by the applicable date shall disqualify the Bid from the procurement. DEEP will continue to assess the information required in Appendix B and reserves the right to modify the requirements. Any such changes shall be submitted to PURA by September 1 before the next solicitation.

Each EDC shall evaluate and select Bids independently and separately. The EDCs will rank Bids in order from lowest to highest unit price. The EDCs will then use the Bid Preferences to weight the bid prices based on

² For customers with less than twelve (12) months of actual electric use, the reasonable estimate of historic average annual electric use is based on average usage estimates for similar customers (e.g., building square footage, type of customer, number of household members for residential customers, etc.).

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the weighting established by DEEP. If any Bid does not comply with the requirements established in Appendix B, DEEP will direct the EDCs to remove the Bid from the ranking.

Each EDC will select Bids with the lowest unit price proposals first, after factoring in the Bid Preferences, and will continue until the annual MW cap allocated to the EDC is met. If, prior to reaching the MW cap established in the Act, the next Bid in the queue would mean the total MWs selected exceed the MW cap, the EDC will offer the remaining MWs to the next Bidder in the queue, at the Purchase Price the Bidder offered in response to the procurement. This process will continue until a Bidder accepts the offer, or until no Bids remain in the queue.

Any eligible Bid that is not selected in the initial selection round shall be placed on standby. The annual MW commitment will be based on the as-Bid size of the Project. Upon the initial selection of Bids for each solicitation, the EDCs shall notify each Bidder individually as to whether its Bid was selected, not selected, or placed on standby. Bidders may elect to forego standby status by opting to withdraw their Bid. If a selected Bidder chooses not to move forward with its Bid, then the MWs committed to that Bid's Project will be released then offered to the next Bid on the standby list, when applicable.

If, after the EDCs' July 1 filing, there is insufficient MWs on the standby list to use all MWs authorized under the Act, each EDC with remaining MWs shall conduct subsequent rounds of project selections. The subsequent rounds of project selections will conclude upon the selection of all authorized MWs and with enough time for the EDCs to file any additional project selections by January 1 of the following year. Additional projects selected must also comply with the terms and conditions of the Tariff. Any MWs of Program capacity not allocated in the calendar year expire at the end of the calendar year, consistent with the Act. Any allocated Program capacity foregone by a selected Bidder choosing not to move forward with their bid shall be reallocated to the Program capacity of the next upcoming solicitation following the Bidder notifying the EDC of its intention not to move forward with their project, using the applicable guidelines for that solicitation.

DEEP shall review and approve the EDCs' final selections before the EDCs submit them to PURA to ensure consistency with the Program. The Purchase Prices for all Selected Bids shall be publicly filed at PURA.

3.4.1 REC Aggregation

For simplicity and ease in Program administration that minimizes overall costs and maximizes benefits to ratepayers, the EDCs will aggregate the RECs into "batches" (or "tranches") in a manner similar to how the Green Bank currently aggregates RECs produced from Solar Home Renewable Energy Credit Facilities (SHREC Facilities).³ Each REC batch will be created based on in-service vintage year (and/or quarter) and class of technology. To illustrate, for Projects that are successfully in-service in 2022, the EDC may have an aggregation batch for "2022 SCEF" (or "Q4 2022 SCEF").

³ See, e.g., *Bid of the Connecticut Green Bank for Qualification of Solar Home Renewable Energy Credit (SHREC) Facilities as Class I Renewable Energy Sources - Q3 2016 - 6.1 MW*, PURA Docket No. 17-03-40 (filed Mar. 17, 2017).

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The EDCs shall seek approval from PURA to have a single NEPOOL GIS NONID (e.g., “NON102218”) assigned to each of the full batches. Also, the EDC will submit one Connecticut Class I Renewable Energy Source Bid per batch to the Authority. The EDC will be responsible for submission of aggregated Production Meter reads for each batch to NEPOOL GIS, and the appropriate RECs will be created and deposited into the EDC NEPOOL GIS account on the date of creation (“creation date”) in accordance with the NEPOOL GIS Operating Rules.

Pursuant to Section 7(d) of the Act, the EDCs will manage RECs as directed by PURA, specifically whether to dispose of RECs through retirement and related prospective reduction of supplier/EDC RPS requirements, or through resale into the regional market. Any net revenues from the resale of RECs created under this Program shall be credited to Customers through a nonbypassable fully reconciling component of electric rates for all Customers of the EDC, consistent with the Act.

3.5. Security

Selected Bidders will be required to post Development Period Security and Operating Period Security. The required level of Development Period Security is twenty-five dollars (\$25) per kW (AC) of the nameplate capacity of the proposed facility. The Development Period Security must be provided to the EDC at the time of Bid submission. The EDC shall return the Development Period Security to the bidder if at least one of the following conditions is met: (i) the Selected Project enters commercial operation in a timely fashion and begins producing energy consistent with these Program requirements; (ii) the Project’s eligibility under the Tariff is terminated for failure to receive regulatory approval satisfactory in substance to the EDC; or (iii) the Project’s eligibility under the Tariff is terminated due to a force majeure event; or (iv) the Bid is not selected under the procurement for which the Bid was submitted.

Failure by a Selected Bidder/Subscriber Organization to provide Development Period Security as required shall result in immediate and automatic termination of the Project’s eligibility under the Tariff, and also trigger reallocation of MWs when appropriate. Development Period Security is forfeited if the Project’s eligibility under the Tariff is terminated by the EDC for an event of default, including, but not limited to, the SCEF failing to enter commercial operation within the required timeframe of three calendar years from the date of PURA approval of the Tariff award, or a Bidder choosing to not move forward with their Bid after the Bid has been submitted.

No more than thirty (30) days after a SCEF achieves commercial operation, the associated Selected Bidder/Subscriber Organization shall provide Operating Period Security in an amount equal to the ACP multiplied by fifty (50) percent of the expected annual production of the facility (in MWh). This amount is intended to secure the Prepaid RECs included in the Purchase Price or to cure any conditions of default. Development Period Security may be converted to Operating Period Security at the Subscriber Organization’s election.

If the EDC draws on Development Period Security or Operating Period Security for any reason, the Selected Bidder/Subscriber Organization shall replenish such security within ten (10) business days. Any unused Operating Period Security shall be returned to the Subscriber Organization only after any such security has

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been used to satisfy any outstanding obligations of the Subscriber Organization in existence at the end of the term of the Tariff.

3.6. Tariffs

Each Selected Bid will have its own Tariff rate based on its accepted Purchase Price, as approved by PURA. Tariff rates will be paid quarterly to Subscriber Organizations based on a cents/kWh calculation of the Purchase Price multiplied by the metered kWh applicable to the SCEF. The EDC will separately provide On-bill Credits to the Subscribers on a monthly basis through Subscribers' electric bills with the EDC.

Provisions for service, rates, and other terms and conditions applicable to a Selected Bid(s) will be established in the form of Tariff riders developed by each EDC and reviewed and approved by PURA.

4. ELIGIBLE PROJECTS

4.1 Facility Type

A Shared Clean Energy Facility must be a new Class I renewable generation project, as defined in Section 16-1 of the General Statutes, and must be located in Connecticut. Facilities already constructed or under construction are excluded. For a facility to qualify as new, construction must commence after the date of the solicitation to which the Bidder is responding. For facilities constructed prior to the solicitation date but updated with new production equipment (e.g., new solar panels or turbines) after the solicitation date, the new incremental production equipment may be eligible to the extent that it meets all of the eligibility criteria and is separately metered and compensated.

A SCEF may use federal subsidies, incentives, or tax benefits. However a facility is ineligible if it receives, or seeks to receive, any Connecticut ratepayer-funded incentives or subsidies, including, but not limited to, net metering, virtual net metering, Public Utility Regulatory Policies Act ("PURPA") tariffs, LREC/ZREC contracts, Public Act 18-50 tariffs other than those in this Program, any other contract or program of any kind in which an EDC purchases the facility's energy, capacity, or renewable attributes, and grants or rebates from the Connecticut Green Bank and any of its predecessors or the Conservation and Load Management Program.

Bids must gain approval to interconnect to the EDC's distribution system (via the EDCs' standard interconnection process) and must be metered by the EDC. Bids must meet Distribution Company Guidelines for Interconnection ("Guidelines") as approved by PURA. The interconnection process is separate and distinct from the SCEF Program.

4.2. Facility Size

A Shared Clean Energy Facility must have a nameplate capacity rating greater than one hundred (100) kW (AC) and not exceed four thousand (4,000) kW (AC) pursuant to Section 16-244z (a)(2)(C) and 16-244x of the General Statutes.

The final as-built size of the SCEF shall not exceed the proposed, or as-bid, nameplate capacity.

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A proposed facility over four thousand (4,000) kW (AC) cannot be split into smaller Bids to enable that facility to qualify. However, new generation may be added to an existing generation facility or facilities. In such case, the total onsite generation may exceed the four thousand (4,000) kW (AC) size limit as long as the installed capacity for the new generation proposed under this Program does not, and any new generation must be separately metered in accordance with the EDC's metering requirements.

4.3 In-Service Date

A Shared Clean Energy Facility for a Selected Bid shall have three (3) calendar years from the date of PURA approval of the Tariff award to receive an In-Service Date from the EDC.

If the Approval to Energize letter is not issued by such date, the EDC's twenty-year purchase commitment will immediately and automatically terminate. No extensions will be granted to the three-(3) year deadline for achieving the In-Service Date.

A SCEF that does not achieve its In-Service Date on a timely basis and has its purchase commitment terminated three (3) calendar years after PURA approval of the Tariff award, or any SCEF that becomes ineligible for the Tariff due to a Bidder event of default, may be re-offered into any solicitation for which bidding occurs one (1) calendar years after the date of termination of the purchase commitment. If the SCEF becomes ineligible for the Tariff due to a Bidder event of default, including failure to meet any of the in-service date requirements above, the Development Period Security is forfeited and will not be returned to the Bidder.

4.4 Term

A Shared Clean Energy Facility for a Selected Bid approved by PURA to receive Tariff payments will be eligible for compensation for energy produced as defined herein and Delivered to the EDC at the approved Tariff Rate for a twenty- (20-) year term commencing on the first day of the month following the In-Service Date.

4.5 Generation Site

A Shared Clean Energy Facility and its associated interconnection route cannot be located, in whole or in part, on core forest. The Bidder must demonstrate that locating the Shared Clean Energy Facility at the generation site will not significantly affect any endangered, threatened and special concern species, or significant natural communities based on DEEP's Natural Diversity Data Base.

Any solar photovoltaic Bidder must submit to DEEP on or before the Bid due date/time, documentation consistent with Appendix B that proves the generation site and interconnection route are not located along ridgelines or within ridgeline setback areas (as defined in Section 8-1aa of the General Statutes). In addition, any solar Bid must include documentation that no more than ten (10) percent of the acreage of the generation site and interconnection route are on slopes greater than fifteen (15) percent. A Bid for any solar project must include a commitment to pay for the relevant Connecticut Soil and Water Conservation District to perform site inspections on behalf of DEEP.

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The Bidder must demonstrate that it has control of the generation site, or an unconditional right, granted by the property owner, to acquire such control. In all cases, site control and property rights must include all necessary leases, easements, or development rights necessary to operate or develop the project, including any necessary leases from an applicable government authority. In order to be considered to have site control for generation, the Bidder must provide copies of executed documents between the Bidder and property owner showing one of the following: (a) that the Bidder owns the site or has a lease or easement with respect to the site on which the proposed Shared Clean Energy Facility will be located for a term of at least as long as the term of the Agreement; or (b) that the Bidder has an unconditional option agreement to purchase or lease the site for such term.

If an existing SCEF through PA 18-50 or the pilot program, LREC/ZREC, or other PA 18-50 tariff project is present at the Project Site and uses the same technology, the existing project must be in-service before any additional Bids are eligible for selection under this Program. An exception to this requirement will be made for a previously awarded project selected more than three (3) calendar years prior to submission of a Bid under this Program.

The aggregate maximum capacity of all Bids located on a single parcel of land, or contiguous parcels under common ownership or with a common Bidder, shall be limited to four thousand (4,000) kW (AC), excluding any existing generation capacity that is not qualified under Section 7 of the Act. Any subdivision of parcels must be recorded with the municipality in which such parcel is located prior to January 1 of the year of the solicitation. If multiple Bids are received for a parcel of land that was not subdivided before January 1 of the year of the solicitation to which the Bidder is responding, or for which a subdivision was not recorded with the municipality in which such parcel is located prior to January 1 of the year of the solicitation, only the lowest priced Bid will be eligible, and all other Bids will be disqualified. At the time of bidding, the Bidder offering multiple Bids at a parcel must demonstrate such recording with the municipality to the appropriate EDC.

During any single solicitation for any single generation site, the EDCs will evaluate only one Bid per technology or one Bid that uses a combination of technologies (e.g., a wind turbine that has associated solar panels).

PURA reserves the right to review and adjust these parameters to ensure competitiveness pursuant to Section 16-244z (c)(1)(A) of the General Statutes.

4.6 Project Viability

The Bidder must demonstrate to DEEP through the responses in Appendix B that the technology the proposed Project will use is technically viable. Technical viability may be demonstrated by showing that the technology is commercially available and has been used successfully on a significant scale.

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The Bidder must demonstrate the financial viability of the proposed Eligible Project, including funding of development costs, the required development period security, reasonable estimated interconnection costs, and ability to acquire required equipment in the time frame proposed.

The Bidder must demonstrate the environmental viability of the proposed Project, including a viable plan to acquire the necessary permits and licenses, an assessment of environmental impacts, and a plan to mitigate such impacts or impediments to the satisfaction of DEEP.

5. ELIGIBLE BIDDER

5.1. Experience

Through the responses in Appendix B, a Bidder must demonstrate to DEEP its relevant experience and expertise to be able to successfully develop, finance, construct, operate, and maintain the proposed SCEF and successfully fulfill its responsibilities as provided in the Bid.

Development, financing, and construction experience can be established by demonstrating that key member(s) of the Bidder's development team have undertaken project management responsibilities, including:

- a. Successful development and construction of a similar type of project;
- b. Successful development and construction of one or more projects of similar size or complexity or requiring similar skill sets;
- c. Successful development and management of a similar shared or community clean energy facility in another jurisdiction; and
- d. Experience successfully financing power generation projects (or demonstrating the means to finance the proposed SCEF on the Bidder's balance sheet).

5.2. Operation and Maintenance

Through the responses in Appendix B, a Bidder must demonstrate to DEEP its operation and maintenance plans for the proposed SCEF, including a level of funding and mechanism for funding that will ensure reliable operations during the term of the Tariff.

5.3. Bid Submission

Bids must be submitted in accordance with the solicitation issued by the relevant EDC, which will set forth specific filing instructions. Each Bidder must comply with the instructions set forth by the solicitation to ensure that its Bid is complete. In addition to completion of the Bid Form, each Bidder must submit a Bid Certification Form and may be required to provide a Connecticut Licensed Professional Engineer Certification Form, Pending Connecticut Green Bank Grant and/or Rebate Disclosure Statement, interconnection application confirmation receipt, or other forms as necessary. Specific instructions will be included with the solicitation for how to provide these additional documents and the entity to which these documents shall be provided (i.e., the EDC or DEEP).

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Bids do not need to include a list of Subscribers at the time of submission.

6. SUBSCRIBERS

6.1. Subscriber Requirements

Each SCEF must have at least ten (10) Subscribers and be located within the same EDC territory as the individual billing meters of all of its Subscribers.

Subscribers are limited to the following classes of Customers:

- Low-income Customers;
- Moderate-income Customers;
- Small Business Customers;
- State or municipal Customers;
- Commercial Customers; and
- Residential Customers, other than LMI Customers, who either: (1) reside in a rental or leased property, or a property where the Customer does not control the property's roof, such as a multi-unit condominium; or (2) reside in their own property, but have written documentation from a rooftop solar installer that they are unable to install solar panels on their roof.

For any given billing meter, a Subscriber may have only one Subscription to one SCEF. A Subscriber may not subscribe for an amount that exceeds one hundred (100) percent of the Subscriber's historic average annual electric use (or, for a Subscriber with less than twelve (12) months of electric use, a reasonable⁴ estimate of historical use). A Subscriber may not receive, or seek to receive, any Connecticut ratepayer-funded incentives or subsidies, including, but not limited to, net metering, virtual net metering, LREC/ZREC contracts, or PA 18-50 tariffs other than those in this Program, associated with the electric load for which there is a Subscription under this Program. If a Subscriber has load in excess of the load covered by net metering, virtual net metering, LREC/ZREC contracts, or PA 18-50 tariffs other than those in this Program, the Subscriber may participate in this Program as a Subscriber for only that excess load. The Subscriber is responsible for demonstrating excess load to the satisfaction of the EDC to be consistent with this Program. If a Subscriber utilizes net metering, virtual net metering, LREC/ZREC contracts, or Public Act 18-50 tariffs other than those in this Program for the electric load associated with a Subscription under this Program, such Subscription will be terminated.

For each SCEF, twenty (20) percent of the estimated annual output must be subscribed by Low-income Customers through an EDC-administered identification and enrollment process. An additional forty (40) percent of the estimated annual output of the SCEF must be subscribed through an EDC-administered

⁴ For customers with less than twelve (12) months of actual electric use, the reasonable estimate of historic average annual electric use is based on average usage estimates for similar customers (e.g., building square footage, type of customer, number of household members for residential customers, etc.).

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identification and enrollment process by: LMI⁵ Customers; Customers who serve as landlords or entities responsible for an affordable housing facility, with subscriptions applicable only to such affordable housing facility; and/or Customers who qualify as Low-income Service Organizations. Lastly, an additional twenty (20) percent of the estimated annual output of the SCEF must be subscribed by Small Business Customers through an EDC-administered identification and enrollment process.

For each SCEF, the remaining twenty (20) percent of the estimated annual output shall be available for voluntary enrollment by any eligible customer, but is not required to be subscribed.

A Subscriber may not have a Subscription that exceeds forty (40) percent of the estimated annual output of the SCEF based on the historic average annual electric use of such Subscriber.

6.2. Subscription Method

On or before the commercial operation date of each SCEF, the EDC shall enroll customers, as identified by the EDC and directed by PURA, to meet the minimum requirements detailed in subsection 6.1. All enrolled subscribers shall receive a Subscription Summary Contract from the EDC prior to participation in the SCEF program.

Any remaining output of the SCEF shall be available for subscription by all eligible Customers as defined in subsection 6.1. In addition to any measures specifically directed by DEEP and PURA, the EDC shall make reasonable and cost-effective efforts to promote the available SCEF subscriptions to all eligible Customers. Such efforts may include, but are not limited to, proactive engagement and/or partnership with municipalities and/or low-income service organizations (such as community action agencies and Operation Fuel) to assist with the identification and recruitment of subscribers, providing information on SCEF subscriptions in planned online and paper marketing materials, and providing call center representatives with the appropriate information and training to subscribe Customers.

The EDC shall annually review SCEF subscriptions in aggregate for the preceding year, matching actual SCEF production with SCEF Subscribed Energy. If the EDC identifies that enrollment has dropped below the aggregate minimum requirements for any category detailed in subsection 6.1, the EDC shall enroll eligible customers to meet or exceed the aggregate minimum requirement. The EDC shall report to DEEP and PURA in November of each year, starting in 2022, as to the status of aggregate SCEF subscriptions by Customer type.

PURA will specifically review SCEF program voluntary enrollment two years after the first SCEF is placed in service. PURA will determine at that time if penalties or other incentives are necessary to encourage greater voluntary participation.

⁵ Low- and moderate-income customer status is verified at the time of subscription sign-up only. Annual verification is not needed.

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7. ON-BILL CREDIT

7.1. Subscriber Credit

The EDC will credit each Subscriber on the monthly bill based on one-twelfth of the Subscriber's share of the estimated annual output from the SCEF (i.e. annual Subscription kWhs). The On-bill Credit each month will equal the Subscriber Savings Rate times one-twelfth of the Subscriber's annual Subscription kWhs.⁶

The Subscriber Savings Rate will be \$0.025/kWh.

Any On-bill Credit will be applied first to the Subscriber's late payment charges and arrearages, as applicable. Any On-bill Credit in excess of the Subscriber's electric bill shall roll over from month to month and be cashed out at the end of the annual period or at the termination of service, as applicable.

7.2. Purchases of Energy

The EDC shall purchase the Delivered Energy, inclusive of Prepaid RECs, from a Selected Bidder's SCEF at the price(s) bid by the Bidder and approved by PURA (the "Purchase Price"). An EDC's obligation to purchase the Delivered output from the SCEF is contingent upon the Subscriber Organization's compliance with the terms of the Program. Upon Delivery, ownership of RECs, energy, and all other Energy and Environmental Attributes shall transfer to the EDCs.

The Delivered output will be paid directly to the Subscriber Organization by the EDC on a quarterly basis.

A Subscriber Organization owns the capacity and may participate in the ISO-NE capacity market at its discretion.

7.3. Bidding of Purchase Prices

Bidders shall not offer a Purchase Price that exceeds the Procurement Price Cap established by DEEP and approved by PURA. Purchase Prices must be provided for each year of the Tariff term; they may be the same each year or change over the Tariff term, provided the production-weighted average Purchase Price over the Tariff term does not exceed the Procurement Price Cap. Purchase Prices must be bid on a fixed, dollar per megawatt-hour (\$/MWh) basis for energy and RECs, subject to the Procurement Price Cap, over the Tariff term.

Proposed Purchase Prices shall not include any Subscriber Savings or On-bill Credit and cannot be conditioned upon or subject to adjustment based upon the availability of the Federal Production Tax Credit or the Federal Investment Tax Credit, or the availability, receipt, or continuation of any other tax treatment or government grant or subsidy.

7.4. Delivery of Energy

Energy must be delivered to the applicable ISO-NE node on behalf of the EDC. The Subscriber Organization is responsible for all costs associated with scheduling and delivery of the SCEF's energy to the applicable ISO-

⁶ The On-bill Credit will be a fixed amount each month for the duration of the Subscription.

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NE node, and the EDC will not be responsible for any costs associated with such Delivery, including but not limited to wheeling charges.

7.5. Delivery of RECs

Payment by the EDC for Prepaid RECs at the Purchase Price creates a firm obligation on the part of the Subscriber Organization to Deliver RECs associated with the Delivered energy at the time that they are produced in the NEPOOL GIS.

It is the Subscriber Organization's responsibility to ensure that: (1) the SCEF is qualified and registered as a Connecticut Class I renewable energy source; and (2) all RECs associated with Delivered energy are Delivered in a timely manner upon creation in NEPOOL GIS. An EDC's obligation to purchase the Delivered output from the SCEF is contingent upon the Subscriber Organization compliance with the terms of this Program.

7.6. Reimbursement for Failure to Deliver RECs

If the SCEF fails to qualify or Deliver the Prepaid RECs associated with the Delivered energy, the EDC will recover the cost of those undelivered RECs by: (1) first, netting an amount equal to the ACP multiplied by the quantity of Prepaid RECs not Delivered from the next quarterly payment(s) made to the Subscriber Organization; and (2) , if (1) does not result in timely reimbursement, by drawing down on the Operating Period Security at an amount equal to the ACP, multiplied by the quantity of Prepaid RECs not Delivered.

6. CERTIFICATION

A Bidder must certify compliance with all Program requirements in submitting a Bid to any procurement under this Program.

7. COMPLIANCE FILINGS

Each EDC shall report the following to DEEP via DEEP.EnergyBureau@ct.gov and PURA via its web filing system:

- 1) The EDC shall annually review SCEF subscriptions in aggregate for the preceding year. The EDC shall report to DEEP and PURA in November of each year, starting in 2022, as to the status of aggregate SCEF subscriptions by Customer type, specifically providing:
 - a) Annual aggregate SCEF production;
 - b) Annual aggregate SCEF Subscribed Energy by Customer eligibility type, including opt-in Subscribers;
 - c) Information on each Subscriber who was a Subscriber in the preceding year, including the Subscriber's meter address, customer class, date of entry and exit, as applicable;
 - d) The number of residential Subscribers and corresponding Subscription kWhs in the preceding year that were subscribed by way of physical written documentation from a rooftop solar installer that demonstrates they are unable to have solar panels installed on their roof, including any associated documentation;

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- e) The number of Subscribers and corresponding Subscription kWhs in the preceding year that are in excess of the load covered by net metering, virtual net metering, LREC/ZREC contracts, or PA 18-50 tariffs other than those in this Program, for such Subscriber;
 - f) All marketing materials used to recruit opt-in Subscribers in the preceding year, including but not limited to the website used by the EDC; and
 - g) The number of Subscriptions, and kWhs associated with any such Subscriptions, which were: (1) transferred to another location when a Subscriber moved; (2) terminated; or (3) resized in the preceding year.
- 2) No later than November 30, 2022, and annually thereafter, each EDC shall provide an aggregate list of eligible LMI customers readily identifiable in the EDC's billing system, by number of customers and annual electricity consumption, not currently subscribed through the SCEF program.

These and all other compliance filings required by PURA will be included as part of any Decision(s) in Docket No. 19-07-01, Review of Statewide Shared Clean Energy Facility Program Requirements.

PURA reserves the right to remove a Subscriber Organization from the Program for failure to meet any compliance filings ordered by DEEP or PURA. DEEP and PURA reserve the right to perform an audit of records, data, information, or other material relative to any required compliance filings. DEEP or PURA may conduct periodic audits of the Subscriber Organization to ensure continued compliance with the Program requirements. If a violation is found during an audit, PURA reserves the right to terminate eligibility under the Tariff.

APPENDIX A: SUBSCRIBER TERMS AND CONDITIONS

A1. SUBSCRIBER TERM

1. Subscriptions shall continue for the duration of the contract term of the associated SCEF unless or until the Subscriber's service is terminated or the Subscriber chooses to end the Subscription, such action shall be subject to subsection A3. below.

A2. SUBSCRIPTION PORTABILITY AND TRANSFERABILITY

1. Portability

- (a) A Subscriber may change premises and continue a Subscription at the new premises, so long as:

- (1) An Individual Billing Meter for electric service exists at the new premises;

- (2) The Individual Billing Meter at the new premises is within the same service territory as the EDC serving the associated Shared Clean Energy Facility; and

- (3) The Subscriber is established as the Customer of record for electric service at the new premises.

- (b) If such Subscriber elects to continue the Subscription at the new premises, the Subscriber shall continue to receive the same monthly On-bill Credit.

- (c) If such Subscriber is eligible to continue the Subscription at the new premises but elects not to do so, such action shall be subject to subsection A3 below.

2. Transferability

- (a) A Subscriber may not transfer a Subscription, in whole or in part, to another Customer.

A3. CANCELLATION OR TERMINATION OF SUBSCRIPTION

1. Cancellation of Subscription by the Subscriber

- (a) Notification to the EDC of Cancellation

- (1) A Subscriber seeking cancellation of a Subscription must provide written notification at least thirty (30) days in advance to the EDC of any cancellation.

- (2) Cancellation of a Subscription shall take effect at the start of the next billing cycle of the Subscriber's EDC account.

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2. Termination of Subscription by an EDC

(a) An EDC may only terminate a Subscription due to:

- (1) The termination of a Subscriber’s electric service with that EDC.
- (2) The termination of the SCEF contract associated with the Subscription.

A4. SUBSCRIPTION SUMMARY CONTRACT

Prior to the Subscription, the EDC shall provide a completed Subscription Summary Contract that contains the following information:

- The length of the Subscription, and its effective date and ending date;
- The amount of the monthly On-bill Credit;
- The estimated kWhs the Subscriber is subscribing to each month over the term of the Subscription;
- The terms for portability and transferability; and
- The terms for early cancellation by the Subscriber and cancellation by the EDC.
- The right to cancel the Subscription within three days of receipt of the Subscription Summary Contract if the Subscriber does not wish to participate in the Subscription.

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APPENDIX B: SUBMITTAL TO DEEP

In addition to any complete Bid submitted to the EDCs as part of the application Procurement Plan(s), a Bidder is required to respond to each question below in this Appendix. Bidders must submit this information to DEEP at DEEP.EnergyBureau@ct.gov on the Bid due date established by the EDCs in the applicable procurement.

Directions for sections B1-B9 are outlined below. Each section must be provided in its entirety with all of the supporting information requested. If any section is not applicable, this should be stated and a full explanation should be provided.

B1. FINANCIAL EXPERIENCE

B1.1. Provide a description of the financing plan for the project, including construction and term financing. The financing plan should address the following:

- I. Who will finance the project and how it will be financed
- II. The project's projected financial structure over the term of the Tariff
- III. Expected sources of debt and equity financing
- IV. Estimated construction costs
- V. The projected capital structure over the term of the Tariff
- VI. Describe any agreements entered into with respect to equity ownership in the proposed project and any other financing arrangement.

In addition, the financing plan should address the status of the above activities as well as the financing of development and permitting costs. All Bidders are required to provide this information.

B1.2. Provide documentation illustrating the experience of the project sponsor in securing financing for projects of similar size and technology. For each project previously financed provide the following information:

- i. Project name and location
- ii. Project type and size
- iii. Date of construction and permanent financing
- iv. Form and amount of debt and equity financing.

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- B1.3.** The Bidder should demonstrate its ability (and/or the ability of its credit support provider) to provide the required Security, including its plan for doing so.
- B1.4.** Provide a description of any current or recent credit issues/credit rating downgrade events regarding the Bidder or affiliate entities raised by rating agencies, banks, or accounting firms.
- B1.5.** Describe the role and the amount of the Federal Production Tax Credit or Investment Tax Credit (or other incentives) on the financing of the project.
- B1.6.** Bidders must disclose any pending (currently or in the past three years) or threatened litigation or disputes related to projects developed, owned or managed by Bidder or any of its affiliates in the United States, or related to any energy product sale agreement.
- B1.7.** Description of Bidder and all affiliated entities and joint ventures transacting business in the energy sector.
- B1.8.** Has Bidder, or any affiliate of Bidder, in the last five years: (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors?
- B1.9.** Describe any litigation, disputes, claims or complaints involving the Bidder or an affiliate of Bidder, against DEEP or the state.
- B1.10.** Describe any litigation, disputes, claims or complaints, or events of default or other failure to satisfy contract obligations, or failure to deliver products, involving Bidder or an affiliate of Bidder, and relating to the purchase or sale of energy, capacity or renewable energy certificates or products.
- B1.11.** Confirm that Bidder, and the directors, employees and agents of Bidder and any affiliate of Bidder are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction involving conspiracy, collusion or other impropriety with respect to bidding on any contract, or have been the subject of any debarment action (detail any exceptions).
- B1.12.** Identify all regulatory and other approvals needed by Bidder to execute a binding sale agreement.

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B2. PROJECT MANAGEMENT EXPERIENCE

B2.1. Provide statements that identify the specific experience of the Bidder and each of the project participants (including, when applicable, the Bidder, partners, EPC contractor and proposed contractors) in developing, financing, owning, and operating generating or transmission facilities (as applicable), other projects of similar type, size, and technology, and any evidence that the project participants have worked jointly on other projects.

B2.2. Provide a listing of projects the project sponsor has successfully developed or that are currently under construction. Provide the following information as part of the response:

- v. Name of the project
- vi. Location of the project
- vii. Project type, size and technology
- viii. Commercial operation date
- ix. Estimated and actual capacity factor of the project for the past three years
- x. Availability factor of the project for the past three years
- xi. References, including the names and current addresses and telephone numbers of individuals to contact for each reference.

B2.3. With regard to the Bidder's project team, identify and describe the entity responsible for the following, as applicable:

- i. Construction Period Lender, if any
- ii. Operating Period Lender and/or Tax Equity Provider, as applicable
- iii. Financial Advisor
- iv. Environmental Consultant
- v. Facility Operator and Manager
- vi. Owner's Engineer
- vii. EPC Contractor (if selected)
- viii. Transmission, Distribution, Interconnection Consultant

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ix. Legal Counsel.

B2.4. Provide details of the Bidder’s experience in shared clean energy or community clean energy programs in other states. Provide the details of any projects selected to participate or operational projects in any such program in another jurisdiction, including project size, subscriber participation, and subscriber credit details.

B3. OPERATIONAL PARAMETERS

B3.1. Maintenance Outage Requirements – Specify partial and complete planned outage requirements in weeks or days. Also, list the number of months required for the cycle to repeat (e.g., list time interval of minor and major overhauls, and the duration of overhauls).

B3.2. Operating Constraints – Specify all the expected operating constraints and operational restrictions for the project (e.g., limits on the number of hours a unit may be operated per year or unit of time, storage capacity, maximum length of time for storage).

B3.3. If the proposed project is an expansion, repowering, environmental investment or other modification of an existing facility, describe the project in detail, the total cost and cost on a \$/kW basis, specifying the existing project and the proposed expansion, repowering or other modification. Indicate any incremental capacity.

B4. ENERGY RESOURCE PLAN

Bidder is required to provide an energy resource or fuel supply plan for its proposed project, including supporting documentation. The fuel supply/energy resource profile information should be consistent with the type of technology/resource option proposed and the term proposed. The information requested is organized according to the type of project or energy resource. Bidders should respond only to relevant questions.

B4.1. Solar

Provide an assessment of the available solar incidence or resource. Describe any trends in generation capability over time (i.e., annual decline rate of expected output).

Describe the methodology used to generate the projected generation and describe the in-house or consulting expertise used to arrive at the generation estimates.

B4.2. Hydropower

Describe the project characteristics in terms of water flow (on a monthly basis) and head, and state the assumptions regarding seasonal variations, and a conversion of such flow into megawatts and megawatt-hours.

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Provide monthly flow duration curves based upon daily stream flow records.

Identify if the project is run-of-river or has storage capability.

Describe the technology used to generate electricity.

Specify if the project is new, or an expansion of an existing facility.

Specify how the energy qualifies as a Class I renewable energy source defined in Section 16-1 of the General Statutes. If the project already has Class I certification, provide or reference the documentation providing such qualification. If the project does not have Class I certification, describe the actions proposed to be taken by the Bidder to acquire a Class I qualification.

B4.3. Fuel Cell

Describe how the natural gas for the Fuel Cell will be procured and whether its energy will be delivered on a firm or non-firm basis for the term of the agreement.

Provide supporting data that illustrates the expected generation from the fuel cell over the term of the contract considering the need for restacking.

B5. OPERATION AND MAINTENANCE

B5.1. Provide an O&M plan for the project that demonstrates the long term operational viability of the proposed project. The plan should include a discussion of the staffing levels proposed for the project, the expected role of the project sponsor or outside contractor, scheduling of major maintenance activity, and the plan for testing equipment.

B5.2. Describe in detail the proposed O&M funding mechanism and funding levels to support planned and unplanned O&M requirements.

B5.3. Describe the status of the project sponsor in securing any O&M agreements or contracts. Include a discussion of the sponsor's plan for securing a medium-term or long-term O&M contract, including the expected provider of O&M services.

B5.4. Provide examples of the Bidder's experience with O&M services for other similar projects.

B6. GENERATION SITE

B6.1. Provide a site plan including a map of the site that clearly identifies the location of the Shared Clean Energy Facility site, the assumed right-of-way width, the total acreage for the Shared Clean Energy Facility, the anticipated interconnection point, and the relationship of the site to other local infrastructure, including transmission and/or distribution facilities, roadways, and water sources. In

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addition to providing the required map, provide a site layout plan that illustrates the location of all major equipment and facilities on the site.

B6.2. Provide evidence (including applicable documentation) of the right to use the site and interconnection route, including, for the Shared Clean Energy Facility, and any rights of way needed for interconnection.

- i. Does the project have a right to use the Shared Clean Energy Facility site for the entire proposed term of the approved RFP (e.g., by virtue of ownership or land development rights obtained from the owner)?
- ii. If so, please detail the Bidder's rights to control the Shared Clean Energy Facility site.
- iii. Identify any real property rights (e.g., fee-owned parcels, rights-of-way, development rights or easements or leases) that are required for access to the Shared Clean Energy Facility. Describe the status of acquisition of real property rights, any options in place for the exercise of these rights and describe the plan for securing the necessary real property rights, including the proposed timeline. Include these plans and the timeline in the overall project timeline.

B6.3. Provide evidence that the Shared Clean Energy Facility site and interconnection route is properly zoned or permitted. If the Shared Clean Energy Facility site is not currently zoned or permitted properly, identify present and required zoning and/or land use designations and permits and provide a permitting plan and timeline to secure the necessary approvals.

B6.4. Provide a description of the area surrounding the Shared Clean Energy Facility site, including a description of the local zoning, flood plain information, existing land use and setting (woodlands, grasslands, agriculture, other).

B6.5. For a Shared Clean Energy Facility, describe and provide a map of the proposed interconnection that includes the path from the generation site to the ISO-New England pricing node.

B6.6. Please describe the status of any planned interconnection to the grid. Has the Bidder made a valid interconnection request to the EDC and/or ISO-NE? Describe the type of interconnection service requested (i.e., Capacity Network Resource Interconnection Service, or Network Resource Interconnection Service).

B6.7. Describe the Proposal's electrical system performance and the impact on the reliability of the EDC's Distribution system. Provide the status of any interconnection studies already underway with ISO-NE, the transmission owner and/or the distribution owner. Provide a copy of any studies completed to date. Provide a copy of an interconnection agreement, if any, executed by the Bidder with respect to the proposed project. If an interconnection agreement has not been executed, please

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provide the steps that need to be completed before an interconnection agreement can be executed and the associated timeline.

- B6.8.** Provide a copy of an electrical one-line diagram showing the interconnection facilities and the relevant facilities of the distribution and/or transmission providers.
- B6.9.** Specify and describe the current or new interconnection facilities (lines, transformers, switching equipment, system control protection, etc.) that Bidder owns or is intending to construct or have constructed in order to deliver the proposed energy.
- B6.10.** Provide the impact the Shared Clean Energy Facility will have on reliability and the local distribution system.
- B6.11.** Attest that the generation site of the Shared Clean Energy Facility neither impacts, in whole or in part, Core Forest.
- B6.12.** Provide a detailed explanation of all environmental impacts known or anticipated for the Shared Clean Energy Facility, including but not limited to the impact on any endangered, threatened and special concern species and significant natural communities based on the Natural Diversity Data Base.

B7. PERMIT ACQUISITION PLAN AND ENVIRONMENTAL VIABILITY

- B7.1.** Provide a viable plan to acquire all permits. Provide a list of all the permits, licenses, and environmental assessments and/or environmental impact statements required. If a Bidder has secured any permit or has applied for a permit, please identify in the response.
 - i. Provide a list of all federal, state, and local permits, licenses, and environmental assessments and/or environmental impact statements required to construct and operate the project.
 - ii. Identify the governmental agencies that will issue or approve the required permits, licenses, and environmental assessments and/or environmental impact statements.
- B7.2.** Provide the anticipated timeline for seeking and receiving the required permits, licenses, and environmental assessments and/or environmental impact statements and any documentation supporting such anticipated timeline. Include a project approval assessment that describes, in narrative form, each segment of the process, the required permit or approval, the status of the request or application and the basis for projection of success by the milestone date. All requirements should be included on the project schedule.
- B7.3.** Provide a preliminary environmental assessment of the site and project, including both construction and operation, as applicable. In addition, identify environmental impacts associated with the proposed project, any potential impediments to development, and the Bidder's plan to mitigate such impacts or impediments. The Bidder should also describe whether the project makes positive re-

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use of a previously disturbed site, including landfills or brownfields. For projects located within Connecticut, each Bidder should reference DEEP's Forestland Impact Map in its environmental assessment and submit a copy of the Forestland Impact Map with the project footprint superimposed on it. This Forestland Impact Map is a useful screening tool for siting purposes.⁷ The analysis should address each of the major environmental areas presented below, as applicable to the proposed project:

- i. Impacts to water resources – These resources include but are not limited to wetlands and wetland soils, waterbodies, watercourses, groundwater, drinking water and public water supplies, and how those impacts will be avoided, reduced, and mitigated if necessary, consistent with federal policy on no net loss of wetlands. If an impact is likely to occur, plans to reduce and mitigate must be clearly documented. The assessment for wetlands should include a vernal pool assessment, proposed setbacks from wetlands and vernal pools, and avoidance or mitigation measures take to reduce wetland impacts.
- ii. Impacts to ecological and natural resources – These include any impacts to wildlife, including but not limited to endangered, threatened, or special-concern species listed in the DEEP Natural Diversity database.
- iii. Land use impacts – Describe how the project conforms to applicable state plans directing conservation and development and other natural resource plans. Describe any impacts to prime farmland and agricultural soils, and the plan to mitigate such impacts or impediments. Describe any impacts to forest resources, including acreage and type of forest impacted, and measures taken to avoid or lessen forest resource impacts. Describe any potential detrimental impacts due to reuse of contaminated land.
- iv. Positive reuse of contaminated land – Explain whether the facility will re-use sites with limited development opportunities, like brownfields and landfills.⁸
- v. Impacts during site development
- vi. Transportation infrastructure impacts
- vii. Air quality impacts

⁷ The Forestland Impact Map provides a preliminary assessment of whether the installation materially affects the status of the land as core forest under section 16-50k of the General Statutes and should not be used to determine if the project meets the requirement in Section 4.5 of this Program.

⁸ DEEP maintains an inventory of active landfills, capped landfills and brownfields in Connecticut. DEEP does not charge a permit application fee for such sites. DEEP maintains a website, "Siting Clean Energy on Connecticut Brownfields," which includes further information about such sites for clean energy developers. See <http://www.ct.gov/deep/cwp/view.asp?a=2715&q=552764>

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- viii. Impacts to cultural resources
- ix. Impacts on noise levels
- x. Aesthetic/visual impacts
- xi. Transmission and distribution infrastructure impacts
- xii. Fuel supply access, where applicable

B7.4. Identify any existing, preliminary or pending claims or litigation, or matters before any federal agency or any state legislature or regulatory agency that might affect the feasibility of the project or the ability to obtain or retain the required permits for the project.

B7.5. Provide a site plan including a scale map of the site that clearly identifies the location of the Eligible Project site, the assumed right-of-way width, the total acreage for the project, the anticipated electric interconnection point, and the relationship of the site to other local infrastructure, including transmission facilities, roadways, and water sources. In addition to providing the required map, provide a site layout plan that illustrates the location of all major equipment and facilities on the site.

B7.6. Provide a description of the Eligible Project site and the surrounding area and interconnection route, including but not limited to a description of the local zoning, flood plain, topography, existing land use, and setting (e.g., woodlands, grasslands, agriculture). For solar photovoltaic projects, the description shall include documentation demonstrating: [a] total and percentage of acreage where the site and interconnection route are on slopes of 15 percent or greater; and [b] proximity of the site and interconnection route to ridgelines and ridgeline setback areas as defined in Section 8-1aa of the General Statutes.

B7.7. Indicate how the Bidder intends to satisfy the Connecticut Siting Council requirements. Indicate whether the Bidder intends to go through the certificate process or declaratory ruling process and how the Bidder intends to get a representation in writing from the Department of Agriculture and the Department of Energy and Environmental Protection, as applicable.

B7.8. Include a summary of environmental compliance history for the Bidder, including any general and limited partners, officers, directors, managers, members, shareholders, and subsidiaries, using the form _____ available _____ at:
http://www.ct.gov/deep/lib/deep/Permits_and_Licenses/Common_Forms/compliance_form.pdf.

B7.9. Include a summary of any disputes relating to the environmental compliance of the Bidder (including any general and limited partners, officers, directors, managers, members, shareholders, and subsidiaries), including the environmental compliance of projects owned or managed by Bidder or any of its affiliates in the United States or related to any energy product sale agreement.

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B7.10. The Eligible Bidder must demonstrate that it has a sufficient amount of relevant experience and expertise, as applicable, to successfully develop, finance, construct, operate and maintain its proposed Eligible Project. Development, financing and construction experience can be established by demonstrating that key member(s) of the Bidder's development team have undertaken project management responsibilities, including:

- i. Successful development and construction of a similar type of project; or
- ii. Successful development and construction of one or more projects of similar size or complexity or requiring similar skill sets; and
- iii. Experience successfully financing power generation (or demonstrating the financial means to finance the Eligible Project on the Eligible Bidder's, Eligible Project developer's or Eligible Project owner's balance sheet)

B8. PROJECT VIABILITY

B8.1. Provide a reasonable but preliminary engineering plan that includes the following information:

- i. Type of generation technology, if applicable
- ii. Major equipment to be used
- iii. Manufacturer of the equipment
- iv. Status of acquisition of the equipment
- v. Whether the Bidder has a contract for the equipment. If not, describe the Bidder's plan for securing equipment and the status of any pertinent commercial arrangements
- vi. Equipment vendors selected/considered
- vii. History of equipment operations
- viii. If the equipment manufacturer has not yet been selected, identify in the equipment procurement strategy the factors under consideration for selecting the preferred equipment.

B8.2. If the Bidder has not yet selected the major generation equipment for a project, please provide a list of the key equipment suppliers under consideration.

B8.3. Please indicate if the Bidder has secured its equipment for the project. If not, identify the long-lead equipment options and describe the timing for securing equipment.

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B8.4. Provide documentation identifying the level of public support for the project including letters from public officials, newspaper articles, etc. Include information on specific localized support and/or opposition to the project of which the Bidder is aware. Provide copies of any agreements with communities and other constituencies impacted by the project, and a plan for community outreach activities, and discuss the status of that plan

Information Request DPU-ES-1-12

Refer to Exh. ES-ACB-IH-1 (Joint Direct Testimony), at 30. Please explain in detail how the Company calculated the \$300 million in direct benefits to participating low-income customers over the twenty-year life cycle of the ECSAP. Provide all supporting workpapers and calculations in the form of Microsoft Excel spreadsheets with all cell references and formulae intact.

Response

Assuming the “Value of Energy” for AOBC generating units is, on average, \$0.117¹ and 234MW of solar facilities participate in the ECSAP, over \$810,000,000 in AOBCs would be generated over the 20-year program life. If 40% of the value of the AOBCs were provided to low-income Subscribers, this would result in over \$300 million in direct benefits for low-income customers through the ECSAP. Please see Attachment DPU-ES-1-12 for the Company’s calculations.

¹ The estimated value of energy for AOBC generating units is based on a weighted average of the distribution service rates for STGUs in Eversource's EMA and WMA service territories over the past three years, as published by the DOER.

Direct Benefits to Low-Income Customers Calculation

Total Program Capacity (MW ac)	234
Capacity Factor	16.9%
Lifetime Generation (kWh)	6,928,459,200
AOBC Value (\$/kWh)	\$0.10584
Lifetime AOBCs Generated	\$733,308,122
Percentage of AOBC Value provided to Low Income Customers	45%
Direct Benefits delivered to Low Income Customers	\$329,988,655