Appendix B – Eversource Community Solar Access Program

1. Purpose

The purpose of the Eversource Community Solar Access Program ("ECSAP" or "Program") is to reduce barriers for income-eligible households to participate in community shared solar projects and encourage more development of SMART community shared Solar Tariff Generation Units ("STGUs") by simplifying the billing and credit transfer processes experienced by system owners ("Owners") and participating customers ("Subscribers"). The Program provides a simplified billing structure for the distribution of Alternative On-Bill Credits ("AOBCs") that eliminates third-party bills between Owners and Subscribers. Instead of transferring AOBCs wholly from Owner to Subscriber accounts, the AOBCs are automatically apportioned at a predetermined percentage between on-bill credits issued directly to low-income Subscriber accounts and a direct cash payment to Owners. The Program also establishes an Eversource-administered low-income customer enrollment process to identify and enroll eligible low-income customers. Implementation of these Program elements will reduce identified barriers to community solar participation while lowering customer acquisition costs for project developers. The ECSAP will also eliminate consumer protection concerns as participating low-income customers will receive direct monetary benefits on their bills without any obligations to make payments to third party Owners.

2. Program Elements

Through a competitive procurement process, Owners interested in participating in the ECSAP are required to bid the Percent of AOBC value (\$/kWh) that will be allocated to low-income Subscribers. For those bids that are selected, the corresponding value is distributed as on-bill credits to eligible low-income Subscriber accounts enrolled by Eversource.

i. Percent of Energy Output, as AOBCs, allocated to the Program:

In the ECSAP, Owners are required to allocate a minimum of 50% of the STGU's energy output, in the form of AOBCs, to the Program. This requirement is consistent with the definition of Low Income Community Shared Solar ("LICSS") Tariff Generation Units in the SMART regulations 225 CMR 20.02, where at least 50% of their energy output must be allocated to low-income customers. If allocating less than 100% of the STGU's energy output to ECSAP the Owner is responsible for allocating any remaining output to valid and active non-low-income customer accounts to meet the allocation requirement for SMART AOBC Generation Units.

ii. Percent of AOBC value allocated to low-income Subscribers:

Owners are required to offer and allocate a percentage of their AOBC value (\$/kWh) to low-income Subscribers participating in ECSAP.

The remaining percentage of the AOBC value will be issued as a direct cash payment to the Owner, on a quarterly basis.

For example, if the successful bidder had offered: i) 75% of the energy output, as AOBCs, to the Program; and ii) 50% of their AOBC value to low-income Subscribers; then 75% * 50% = 37.5% of the AOBCs generated by the STGU would be automatically and directly issued as on-bill credits to eligible low-income Subscribers enrolled by Eversource; and 75% * (100% - 50%) = 37.5% of the AOBCs would be issued as a direct cash payment to the Owner. The remaining 25% of the energy output, as AOBCs, would be transferred to non-low income customer accounts in accordance with the Owner's AOBC Payment/Credit Form.

iii. Competitive Procurement:

STGUs participating in the program will be selected via a competitive procurement based on the Percent of AOBC value allocated to low-income Subscribers that each Owner commits to the Program. STGUs will be competitively procured with the goal of maximizing the percentage of the AOBC issued as on-bill credits to low-income Subscribers. Each procurement shall have a set capacity allocation and facilities will be procured until the capacity goal is reached.

iv. Customer Enrollment:

Eversource will identify and enroll eligible low-income customers to receive the on-bill credits from participating STGUs. Eversource will be responsible for ensuring the percentage of energy output, as AOBCs, allocated to the Program is fully subscribed by active and valid income-eligible customers. Eversource will provide an exception to this rule for existing LICSS projects that participate in the ECSAP if the system Owner elects to enroll existing customers into the program, as further described in Section 6.

Low-income customers that participate in the Program will benefit from a monthly, monetary credit on their electric bill. Eversource will apply monthly on-bill credits to the electric bills of low-income Subscribers at no direct cost or obligation to the customer and at no direct cost to the Owner.

For any portion of energy output not allocated to ECSAP, the owner is responsible for customer identification and enrollment.

3. Eligibility

i. Eligibility Requirements for STGUs

The ECSAP is available to STGUs that are (1) qualified as a Standalone AOBC Generation Unit or eligible to become a Standalone AOBC Generation Unit under the SMART program tariff; (2) intending to qualify for the Community Shared Solar ("CSS") or LICSS adder by participating in the Program, and (3) willing to allocate a minimum of 50% percent of the unit's energy output, in the form of AOBCs, to the Program. Projects that participate in the ECSAP must have a minimum nameplate capacity of 100 kW-AC. Owners are responsible for complying with any applicable SMART requirements in 225 CMR 20.00 and SMART program tariff for AOBC, CSS,

and LICSS Tariff Generating Units, most notably but not limited to 22 CMR 20.06 (1) (f) and (h); and SMART tariff Sections 2.3, 6.36, and 10.0.

Both new and existing STGUs are eligible to participate in the ECSAP. Owners of new STGUs that participate in the program cannot allocate any AOBCs committed to the ECSAP to other Customers. Owners of existing STGUs must terminate their existing subscriptions for the percent of energy output, as AOBCs, committed to the ECSAP within 6 months of selection. These AOBCs shall be re-allocated to the Program to be subscribed by low-income customers identified and enrolled by Eversource.

ii. Eligibility Requirements for Low-Income Subscribers

The ECSAP is available to customers in Eversource's Massachusetts service territory that are coded in Eversource's billing system on a residential assistance rate (Rate R-2 or Rate R-4).

Subscribers in the Program shall remain eligible so long as they remain active Rate R-2 or R-4 customers in Eversource's Massachusetts service territory. Eversource will review low-income Subscriber lists quarterly to ensure all Customers enrolled in the program remain active Rate R-2 or R-4 customers. Subscriptions provided to any customers found to be inactive or ineligible for the program will be reassigned by Eversource to ensure all AOBCs allocated to the Program are fully subscribed by active and eligible low-income customers at the beginning of each quarter. Any credits not transferred to inactive subscriber accounts because they have closed or finalled will be returned to the AOBC Generation Unit's host billing account and subject to the annual cash out described in Section 10.0 of the SMART program tariff.

4. Competitive Procurement

The ECSAP will enroll up to 234MW of capacity over three (3) years. Facilities will be selected for enrollment in the ECSAP through competitive procurement events. Eversource will conduct two procurements per year. Procurement events will begin within six (6) months of a final DPU order approving the ECSAP. Each procurement shall have a capacity target of 39MW.

Owners participating in the competitive procurement will be required to provide the Percent of Energy Output, as AOBCs, allocated to the Program; and ii) Percent of AOBC value (\$/kWh) allocated to low-income Subscribers.

Bids will be ranked based on the Percent of AOBC value (\$/kWh) allocated to low-income Subscribers, from highest to lowest. Facilities will be selected in order of highest to lowest until the procurement's target capacity is filled. Only the portion of the project that is allocated to low-income customers will count towards each procurement's capacity cap. If the as-bid capacity of the last accepted bid exceeds the remaining procurement capacity the total project's capacity will be awarded and the project's capacity exceeding the capacity of the procurement will be deducted from the final procurement(s) in Year 3.

If there is remaining capacity after a procurement is complete, the remaining capacity will be added to the next procurement(s). Procurements will continue until the entire ECSAP program capacity is filled or the three-year procurement period ends.

Eversource reserves the right to establish a floor price for each procurement. Eversource reserves the right to reject bids received in any given procurement if the results of the procurement do not deliver meaningful benefits to low-income customers.

i. Request for Proposals

Eversource shall issue a Request for Proposals ("RFP") to initiate each competitive procurement event. To bid into the competitive procurement bidders are required, at minimum, to provide:

- 1. A preliminary SMART Statement of Qualification ("PSOQ") or final SMART Statement of Qualification ("FSOQ") issued by DOER demonstrating that the STGU is qualified as an AOBC Generating Unit.
- 2. For projects that do not yet have either a PSOQ or FSOQ, a fully executed Interconnection Service Agreement demonstrating that the proposed project is a standalone AOBC facility of sufficient size (equal to or greater than 100 kW-AC)
- 3. Facility size (nameplate capacity in kW-AC) and estimated annual energy output (kWh per vear)
- 4. Project location (street address, town or city, and zip code)
- 5. The Percent of the STGU's energy output, as AOBCs, that the Owner is offering to the Program
- 6. The Percent of AOBC value (\$/kWh) that the Owner is offering to low-income Subscribers
- 7. For new STGUs, the facility's estimated commercial operation date; or for existing STGUs, the estimated date that the facility will be able to provide the AOBCs committed to the Program

Eversource reserves the right to modify these requirements at any time. The exact requirements for bidding into the competitive procurement shall be provided in the RFP. In advance of the first RFP, Eversource will publish a draft version of the RFP to allow for public comment.

ii. Bid Preferences

Bid preferences shall be applied to Facilities that meet one or more of the following criteria:

- 1. The facility is already in operation as a SMART-qualified AOBC Generation Unit with the LICSS adder:
- 2. The facility is already in operation as a SMART-qualified AOBC Generation Unit with the CSS adder and can assign a percentage of its energy output, as AOBCs, to the ECSAP within 6 months of selection;

The facility has support from the community, input from stakeholders and/or has incorporated feedback from the community in which the developer has proposed to locate the facility, ;Projects that qualify for a bid preference shall have their bid value weighted. The weighting applied to projects that qualify for a bid preference will be established in the RFP and may be periodically adjusted. Existing LICSS projects shall have a higher bid preference than existing CSS projects.

iii. Agreements and Termination

Owners whose Facilities are selected for enrollment in the Program are required to execute an agreement with Eversource within two weeks of selection. The Agreement shall be publicly released with the RFP. If an Owner fails to execute the agreement within two weeks their agreement will be re-allocated to the next bid in the queue. If necessary, Eversource will re-allocate agreements twice per procurement. After re-allocation events, any remaining unallocated capacity will be added to the subsequent procurement(s).

The agreement will contractually obligate the Owner to commit a percentage of their STGU's energy output, as AOBCs, to the Program. The agreement will also specify the percentage of the AOBC value that will be provided as an on-bill credit to low-income Subscribers in the Program. The Agreement will terminate at the termination of the project's SMART program eligibility. Once a facility is enrolled in the ECSAP, the energy output, as AOBCs, allocated to the Program in the Owner's Agreement cannot be unenrolled from the program and the percentage of the AOBC value assigned to the Program cannot be changed, except for a failure of the project to enter commercial operation prior to the expiration of the project's Preliminary Statement of Qualification, or a *force majeure* event.

Facilities that are selected to participate in the ECSAP will receive a letter from Eversource confirming their enrollment in the program to provide to the Massachusetts Department of Energy Resources ("DOER") to obtain a Final Statement of Qualification as a LICSS.

5. Simplified Billing and Payment

i. Direct Cash Payment to STGU Owners:

STGUs that are enrolled in the ECSAP shall utilize the simplified billing structure for AOBCs allocated to the Program. AOBCs generated by the facility that are not allocated to the Program shall be transferred to other Customer accounts in accordance with Sections 6.3.6 and 10.0 of the SMART program tariff. The Owner is responsible for allocating any non-ECSAP AOBCs to valid and active non-low income customer accounts to meet the 100% allocation requirement for SMART AOBC Generation Units.

Under the simplified billing structure Eversource will pay Owners quarterly for their share of all enrolled AOBCs generated during the previous three-month period. For STGUs qualified under

this program, each billing period's or monthly direct cash payment to Owners will be calculated as follows:

$$CP = (AOBCr * kWhgen)^1 * ECSAP\% * (1-AOBCv\%)$$

Where:

CP = The monthly cash payment due to the Owner that Eversource will pay out

on a quarterly basis for the preceding three months.

AOBCr = The Basic Service rate applicable to the AOBC Generation Unit's rate class

in effect during the billing period as established by the Company's Basic

Service tariff.

kWhgen = kWh generated by the STGU during the billing period, measured after the

reduction for parasitic or station load at the Retail, Service, or Revenue

Meter.

ECSAP% = The Percent of the STGU's Energy Output, as AOBCs, allocated to the

ECSAP.

AOBCv% = The Percent of AOBC value (\$\frac{\kgr}{kWh}\$) allocated to low-income Subscribers.

ii. On-Bill Credits Issued to Low-Income Subscribers:

Subscribers that are enrolled in the ECSAP shall receive a monthly on-bill credit equivalent to their individually assigned subscription percentage multiplied by the mathematical product of the STGU's percent of energy output, as AOBCs, allocated to the Program, and the percent of AOBC value allocated to low-income Subscribers. The calculation of the Subscribers monthly on-bill credit is:

Where:

ECSAP_SUB_CR = The monthly on-bill credit transferred to each unique low-income Subscriber

¹ Note: outstanding and current charges due on the STGU's host account may be deducted from (AOBCr * kWhgen).

² Note: outstanding and current charges due on the STGU's host account may be deducted from (AOBCr * kWhgen).

CUST%

= The subscription percentage assigned uniquely to each individual low-income Subscriber enrolled by Eversource. The sum of all CUST% shall equal the ECSAP% for that Facility.

And all other terms are consistent with the definitions in Section 5.i.

6. Customer Enrollment

a. Number of Subscribers per AOBC Generating Facility

Eversource will calculate the number of customers enrolled in each AOBC generating facility based on the monetary value of the AOBCs the Owner allocates to ECSAP, and a goal of providing each customer with a targeted savings amount of \$420³ in the first year of the LICSS STGU's participation in the ECSAP.

The calculation of the number of customers Eversource will enroll in each AOBC generating facility is:

Number of Customers =
$$((AOBCr * kWhgen^4) * ECSAP\% * AOBCv\%) / $420$$

For example, with the following inputs:

AOBCr = \$0.125

Year 1 Estimated Generation (kWh) = 5,000,000 kWh

ECSAP % = 100%

AOBCv% = 40%

Eversource would calculate the number of customers it would enroll in the LICSS STGU as:

$$((\$0.125 * 5,000,000 \text{ kWh}) * 100\% * 40\%)) / \$420 = 595 \text{ Customers}$$

b. Customer Enrollment – New LICSS STGUs

For all new LICSS STGUs participating in the ECSAP, Eversource will be responsible for enrolling low-income customers to fully subscribe all energy output allocated to the ECSAP by the Owner.

Eversource will use a weighted lottery to select customers for enrollment in the ECSAP. The goal of the weighted lottery is to achieve a targeted distribution of subscriptions amongst discount rate customers that meet certain criteria. The weighted lottery will provide the majority of subscriptions to customers who reside in Priority Communities and/or who are in Arrears. Priority

³ The targeted savings amount is dependent in the actual kWh output of the system in any given year. This could result in a credit amount per customer that is more or less than the targeted \$420 per year.

⁴ kWh generation will be based on the system's estimated generation in Year 1 of participation in the ECSAP.

Communities are communities that meet specific environmental justice criteria.⁵ Customers in arrears are customers who are struggling to pay their electric bill and have delinquent balances on their accounts.⁶

All Rate R-2 and R-4 customers in Eversource's service territory will be entered into the lottery but customers that meet these additional criteria will have additional chances to be selected for an ECSAP subscription.

Since the number of customers meeting each criterion may shift over time, the exact weighting applied in the lottery will be set at the time of enrollment, but calculated to achieve the following targeted distribution of subscriptions:

Table 1. ECSAP Customer Enrollment Targets

Category	Customer Characteristic	Targeted Percent of Subscriptions ⁷
1	Rate R-2 or R-4 Customer	12%
2	Rate R-2 or R-4 Customer that resides in a	25%
	Priority Community (not in Arrears)	
3	Rate R-2 or R-4 Customer that is in Arrears (not	28%
	in a Priority Community)	
4	Rate R-2 or R-4 Customer that is in arrears and	35%
	resides in a Priority Community	

On a quarterly basis Eversource will extract a list of all eligible discount rate customers in its service territories and calculate the weightings needed to achieve the targeted distribution of subscriptions. This list, and the weightings, will be used to enroll customers in any LICSS STGU participating in the ECSAP that enters service during that quarterly period.

Eversource will then apply weighting to customers in each group in Table 1 to achieve the targeted distribution of subscriptions. The weightings will take the form of "entries" in the lottery. For example, if the weighting for customers in Category 2 (Rate R-2 or R-4 Customers that reside

⁵ For the purposes of the ECSAP, Priority Communities are defined as municipalities that meet the following criteria: (1) Greater that 50% of the population resides in an environmental justice block group; (2) The municipality (as a whole) meets the Environmental Justice municipality's income criteria and at least one additional criterion (e.g., minority or income isolation); (3) The median income of the municipality as a whole does not exceed 100% of State Median Income.

⁶ Arrears is a defined as an electric account balance of at least \$300 that is more than 60 days past due.

 $^{^{7}}$ With a margin of error of +/- 2%.

in a Priority Community) was two, each customer in Category 2 would receive two "entries" in the lottery.

After applying the weightings for each customer category and providing each customer the appropriate number of entries in the lottery, each entry will be assigned a unique, random number. ⁸ The random numbers will then be sorted from lowest to highest. Customers ranking at the top of list will be selected for enrollment one by one, and the remaining entries for any selected customers will be removed. This process will continue until all available subscriptions to the LICSS STGU are filled.

c. Customer Notification of Enrollment – New LICSS STGUs

Customers selected for enrollment will be notified of their selection by Eversource and provided a summary of the benefits of their subscription, including:

- 1. A statement explaining that their subscription is free, there are no contractual obligations to participate in the ECSAP and that the customer can terminate their subscription at any time without penalty,
- 2. The estimated annual electric bill savings the customer will receive through their participation in the program, including an explanation of how community solar works and how their bill credit will fluctuate each month,
- 3. A statement explaining that the customer will: (1) support solar development through its enrollment in the program; (2) increase the amount of solar energy consumed by all electric ratepayers in the Commonwealth through its participation in the program; and (3) not directly use solar power from the community solar facility as a result of their participation in the program as well as an explanatory statement of the LICSS transaction and the settling of renewable energy credits ("RECs"),
- 4. An invitation to a webinar explaining the ECSAP program and a link to the program website where they can learn more about how the program works,
- 5. A copy of the program's Terms and Conditions.

Customers will have five (5) business days after receipt of their notification of enrollment to opt-out of the ECSAP. Customers that do not opt-out of the program will be considered fully enrolled.

If one or more customers choose to opt out of the program within 5 business days, Eversource will offer the remaining subscription(s) to the next customer(s) on the list until the project is fully subscribed.

⁸ The customer selection process will be completed using Excel. The random number assigned to each customer entry will generated using Dynamic Array Formulas, with the upper threshold for the function equal to the total number of customer entries in the lottery.

d. Customer Enrollment – Existing CSS/LICSS STGUs

For existing LICSS STGUs that participate in the ECSAP, Owners shall have the option to enroll their existing customers into the ECSAP's simplified billing structure.

For Owners that choose this option, subscriptions for existing LICSS Subscribers shall be resized to provide the targeted savings amount of \$420 per year. Eversource will calculate the number of customers the LICSS STGU can accommodate at the targeted savings rate and Owners will be responsible for providing Eversource with the list of customers they want to enroll in the ECSAP.

For Owners of all existing CSS STGUs and LICSS STGUs that choose not to enroll existing customers into the ECSAP, Eversource will assume responsibility for customer enrollment. In this circumstance, customers will be enrolled in the existing LICSS STGU in the same manner as a new LICSS STGU.

e. Customer Notification of Enrollment – Existing CSS/LICSS STGUs

For LICSS STGUs that choose to enroll existing customers into the ECSAP, Eversource will work with system Owners to notify each customer of the change to the billing structure and credit amount of their LICSS subscription and provide them with the information listed in Section 2d.

For all existing CSS STGUS and existing LICSS STGUs that choose to have Eversource enroll customers into the ECSAP, Eversource will provide each customer with the same information listed in Section 2d.

Customers will have five (5) business days after receipt of their notification of enrollment to opt-out of the ECSAP. Customers that do not opt-out of the program will be considered fully enrolled.

If one or more customers choose to opt out of the program within 5 business days, Eversource will re-run the enrollment process described in Section 2.a. and offer the remaining subscription(s) to the customer(s) ranked at the top of the list until the project is fully subscribed.

7. Monthly Customer Credit

Each customer enrolled in the ECSAP shall receive a subscription for a percentage allocation of the AOBCs generated by the LICSS STGU. The on-bill credit provided each month will be based on each member's percentage share of the monetary credit value of all AOBCs generated and allocated to the ECSAP in that month. Each member's percentage share shall be sized to deliver an estimated benefit of \$420 per year based on the system's estimated year one production, but the credit amount may vary month to month.⁹

⁹ Year 1 production is based on the generating facility's first year of participation in the ECSAP, which may differ from the facility's first year of operation.

No member will be charged or assessed any subscription fee, investment amount, termination fee, withdrawal charge or cost, expense, fee, charge, price or other amount as a condition of membership.

Eversource will be solely responsible for administering payments to group hosts and providing members with on-bill credits each month.

8. Subscription Portability & Termination

a. Subscription Portability

Subscribers are eligible to maintain their subscriptions for the entire term of the LICSS STGU's participation in the SMART program, so long as they remain an active, Rate R-2 or R-4 Eversource customer. If a Subscriber changes residence the Subscriber can maintain their subscription so long as they continue to reside within Eversource's Massachusetts service territory as the LICSS facility to which they are subscribed.

b. Subscription Termination

Subscribers enrolled in the ECSAP may terminate their participation in the program at any time without penalty. Subscribers must notify Eversource if they wish to terminate their participation in the ECSAP. The termination will take effect within 30 days of Eversource's receipt of the customer's request.

Eversource may terminate a Subscriber's subscription if the customer is no longer an active Rate R-2 or R-4 customer. Eversource will review Subscriber lists quarterly to ensure all Subscribers meet these requirements. Customers that no longer meet these requirements during the quarterly review will be terminated from the program.

If a LICSS STGU participating in the ECSAP is permanently out of service and is no longer generating electricity, Eversource will terminate all subscriptions to that LICSS STGU.

If a LICSS STGU participating in the ECSAP is temporarily out of service and is not generating electricity, the subscribers will receive no credits for the out of service period.

In the event that a subscriber is inactive at the time of monthly billing and cannot receive their on-bill credits, they will be returned to the AOBC Generation Unit's host billing account and subject to the annual cash out process described in Section 10.0 of the SMART program tariff.

9. Customer Management & Reporting

Eversource will assume full responsibility for subscriber management and reporting for the ECSAP. Specifically, Eversource will:

1. Enroll Subscribers to each LICSS facility and ensure that a minimum of 50% of the energy output of the LICSS is subscribed by low-income customers.

- 2. On a quarterly basis, review enrolled Subscribers for each LICSS facility to ensure all participants are active customers of the Company on a discount rate
- 3. On a quarterly basis, replace Subscribers to each LICSS facility that have either voluntarily terminated their subscription in the prior quarter or no longer meet the eligibility requirements of the program (i.e. are no longer an active, discount rate customer in Eversource's service territory)
- 4. On an annual basis, file a report to the DOER that includes:
 - A list of customers and the amount of electricity or bill credits being allocated to each customer, including the percent of subscriptions allocated to each Customer Category
 - b. Demonstration that the electricity or bill credits are allocated to each customer on a monthly basis based on STGU production
 - c. Identification of which customers are eligible Low-Income Customers
 - d. Demonstration that no individual Low-Income Customer is receiving a benefit from more than one LICSS STGU participating in the ECSAP.
- 5. Eversource will make a redacted version of the report provided to DOER available to the public

10. Program Evaluation

Eversource shall perform an annual program evaluation for each year of procurement in the ECSAP. Eversource shall report to the DPU annually with the results of the program evaluation with a request that the DPU solicit public comment on the evaluation. Eversource reserves the right to make program modifications based on the results of the annual program evaluation, or at the direction of the DPU. If at the end of the three-year procurement period, the program is successful Eversource may propose to continue the program with DPU approval.

11. Cost Recovery

Eversource shall recover all costs related to the ECSAP through the SMART Tariff cost recovery mechanism.