

**STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY**

Year 2 Non-Residential Renewable Energy Solutions (“NRES”) Program Rules

Implementing Section 3 of Public Act 19-35, *An Act Concerning A Green Economy and Environmental Protection* and Section 1 of Public Act 22-14, *An Act Concerning Clean Energy Tariff Programs*

prepared by

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1. DEFINITIONS

Capitalized terms used but not defined in the body of these Program Rules shall have the meanings given to such terms in each of the Electric Distribution Company's Tariff or the Request for Proposals.

"Acts" shall mean Connecticut Public Act 19-35, *An Act Concerning A Green Economy and Environmental Protection* (approved July 1, 2019) and Connecticut Public Act 22-14, *An Act Concerning Clean Energy Tariff Programs* (approved May 10, 2022).

"Agricultural Customer" shall mean an in-state retail end user of an EDC that uses electricity for the purpose of agriculture, as defined in Conn. Gen. Stat. Section 1-1(q).

"Anaerobic Digestion" as defined in 16-1(a)(20) of General Statutes of Connecticut.

"Approval to Energize" means the date on which an EDC has determined that a Project has provided sufficient proof that the Project has satisfied all of the necessary conditions precedent to energize the Project.

"Beneficial Account" shall mean all individually numbered accounts (i.e., meters) of one in- state retail end user eligible to receive monetary bill credits associated with the energy produced at a Customer Host account.¹

"Bid Certification Form" shall mean the signed and notarized form to certify that a Project is in compliance with all Program requirements, as prepared and issued by the EDCs.

"Bidder" shall mean the individual or business submitting a proposal (or "Bid") to be considered to be selected for the EDC to purchase energy and RECs produced by the Project over the duration of the applicable Tariff.

"Bid Preference" shall mean a percentage by which a Project's Bid will be reduced solely for Bid evaluation purposes. For example, using a 10% Bid preference, a Bid for 5 cents/kWh would be evaluated as if it were 4.5 cents/kWh (5 cents x 90%).

"Brownfield" shall mean a Brownfield as defined in Conn. Gen. Stat. Section 32-760: "any abandoned or underutilized site where redevelopment, reuse or expansion has not occurred due to the presence or potential presence of pollution in the buildings, soil or groundwater that requires investigation or remediation before or in conjunction with the restoration, redevelopment, reuse and expansion of the property." DEEP maintains a non-exhaustive list of Brownfields that meet this definition, which is available at: <https://portal.ct.gov/DEEP/Remediation--Site-Clean-Up/Brownfields/Brownfields-Site-Inventory>.

"Buy-All" shall have the meaning set forth in Section 4.3.2. hereof.

¹ For example, one Beneficial Account could be a municipality or political subdivision of the State, such as the City of New Britain.

“Compensation Structure” shall have the meaning set in Section 4.3. hereof.

“Connecticut Green Bank” or “CT Green Bank” shall mean the Connecticut Green Bank and any predecessor or successor agency.

“Connecticut Licensed Professional Engineer Certification” shall mean an expression of professional opinion by a Connecticut licensed Professional Engineer regarding facts or findings that are the subject of the certification.

“Customer” or “Customer of Record” under these Program Rules shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains delivery service at a Customer Delivery Point and who is or will be the Customer of Record of the EDC for the Project Site. The Customer may or may not be the owner of the Project, and the Customer or Customer of Record may or may not be the Owner of the Project Site. However, the Project will always remain linked to the Customer.

“Customer Host” shall mean the State Customer, Agricultural Customer, or Municipal Customer of Record at a Project Site eligible to produce monetary credits for Beneficial Accounts pursuant to Section 3(a)(4) of Public Act 19-35.

“DEEP” shall mean the Connecticut Department of Energy and Environmental Protection - Bureau of Energy Technology Policy and any successor agency.

“Delivery Point” shall mean the EDC's meter or a point designated by the EDC located on the Customer's premises. All Projects, whether Buy-All or Netting have an associated Delivery Point. The Delivery Point may alternatively be referred to as the point of common coupling or the point of interconnection.

“Distressed Municipality” shall mean any municipality listed on the most recent version of the Connecticut Department of Economic and Community Development's website as of the issue date of the RFP (https://portal.ct.gov/DECD/Content/About_DECD/Research-and-Publications/02_Review_Publications/Distressed-Municipalities).

“Distribution Company Guidelines for Interconnection (“Guidelines”) shall mean the agreement for interconnection service entered into between the interconnecting Customer and an EDC, as defined and provided in each EDC's PURA approved standards for interconnection of distributed generation.

“EDC” is the acronym for Electric Distribution Company.

“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.

“Export Rate” shall mean the monetary value given to monthly Net Excess Generation for Netting Tariff systems. This is the currently applicable Retail Rate inclusive of Standard Service energy supply charges.

“Hybrid Project” shall mean Projects that include those which are split between rooftops and ground-mounted systems, including carports and solar canopies.

“In-Service Date” shall mean the Approval to Energize date listed on the EDC issued Approval to Energize letter to the System Owner.

“Landfill” means any property that is listed on the [Closed Landfills list](#), though this list is not intended to be exhaustive or an acknowledgement of ideal properties for renewable energy development.

“LREC/ZREC Program” shall have the meaning as outlined in Conn. Gen. Stat. Sections 16-244r, 16-244s, and 16-244t.

“LREC/ZREC Project” shall mean a renewable energy Project capable of producing Renewable Energy Credits from low emission or zero emission Projects (“LRECs or ZRECs”) which were selected under any of the procurements as defined under Conn. Gen. Stat. Sections 16-244r, 16-244s, and 16-244t.

“Microgrid” shall mean a Microgrid as defined in Conn. Gen. Stat. Section 16-243y.

“Municipal Customer” shall mean a retail end user of electric service located in the service territory of the EDC that is a Municipality.

“MW” shall mean megawatt.

“Nameplate Capacity” is defined as the aggregate nameplate rating (stated in kW AC) of all renewable generation at the Project Site.

“Netting Tariff” shall have the meaning set forth in Section 4.3.3. hereof.

“New” or “New Project” shall mean that the Project for which the Bid is being submitted is constructed after the solicitation to which it is applying.

“New Construction Project” shall mean a Project where there is currently no Customer Revenue Meter at the site, but there will be electric service in the future (i.e., will be located behind a Revenue Meter).

“Owner of the Project Site” shall mean the legal owner of the Project Site.

“Performance Assurance” shall mean collateral in the form of cash, or other security as may be acceptable to the EDC in its sole discretion. Cash collateral held by the EDC shall not earn interest. In addition, Performance Assurance shall be deemed, for all legal purposes, to mean adequate assurance as such term is used in the Uniform Commercial Code ("UCC") and the Bankruptcy Code and amendments thereto. The parties specifically recognize that the use of Performance Assurance throughout the term of the Tariff Agreement applicable to the selected Project shall not limit any legal right, action or remedy that would have otherwise been available to the aggrieved party under either the UCC or Bankruptcy Code.

“Production Meter” shall mean a meter installed and owned by the EDC that measures the output from a Project prior to any netting of Customer load.

“Program” shall mean the required rules and processes for the solicitation and selection of Projects eligible pursuant to subparagraphs (A) and (B) of Section 3(a)(2) of Public Act 19-35 and Section 1 of Public Act 22-14.

“Project” shall mean a distributed renewable generation system that qualifies for and is eligible under Section 3 of Public Act 19-35 and Section 1 of Public Act 22-14 that has been offered into an EDC solicitation, selected by the EDC, and approved by PURA to receive compensation from the EDC for energy and Renewable Energy Credits produced and delivered to the EDC.

“Project Site” shall mean the location of a distributed renewable generation system that qualifies for and is eligible under these Rules, is located on either the same premises as the Customer or, for eligible Customers, premises owned by the Customer Host, and is a single parcel of land consistent with parcel boundaries that existed as of January 1 of the solicitation year.

“PURA” or “Authority” shall mean the Connecticut Public Utilities Regulatory Authority and any predecessor or successor agency.

“Purchased Products” shall have the meaning set forth in Section 4.4.

“Renewable Energy Certificate” or “Renewable Energy Credit” or “REC” shall mean the certificates created to represent one Megawatt hour of production from a Connecticut Class I renewable generation facility.

“Residential Customer” shall mean a Customer of a single-family dwelling, a multifamily dwelling consisting of two to four units, or a multifamily dwelling consisting of five or more units, provided in the case of a multifamily dwelling consisting of five or more units, (i) not less than sixty per cent of the units of the multifamily dwelling are occupied by persons and families with income that is not more than sixty per cent of the area median income for the municipality in which it is located, as determined by the United States Department of Housing and Urban Development, or (ii) such multifamily dwelling is determined to be affordable housing by the Public Utilities Regulatory Authority in consultation with the Department of Energy and Environmental Protection, Department of Housing, Connecticut Green Bank, Connecticut Housing Finance Authority and United States Department of Housing and Urban Development.

“Revenue Meter” shall mean the meter required under the Customer’s applicable general service rate schedule.

“Request for Proposal” or “RFP” shall mean the document(s) issued by the EDCs for the solicitation of Project Bids for the NRES Program.

“Rooftop Project” shall mean a solar generation Project with 100% of the Nameplate Capacity of the solar photovoltaic modules used for generating power installed on top of a single building rooftop at the Project Site owned by the commercial or industrial Customer (i.e., this does not include customers on Residential Rate codes). A Rooftop Project shall not include a Solar Canopy or Solar Carport.

“SAM Customer” shall mean State Customers, Agricultural Customers, and Municipal Customers. The Customer Host must maintain the original SAM Designation (i.e., State, Agricultural, or Municipal) as designated at the time of Bid submission throughout the Tariff Term.

“Shared Clean Energy Facility” or “SCEF” shall mean a Shared Clean Energy Facility as defined in Conn. Gen. Stat. Section 16-244x.

“Solar Canopy” or “Solar Canopies” or “Solar Carport” shall mean a solar generation Project with 100% of the Nameplate Capacity of the solar photovoltaic modules used for generating power installed on top of a parking surface, pedestrian walkway, or canal in a manner that maintains the function of the area beneath the canopy.

“Standard Service” shall mean the electric generation services provided by the Company, on or after January 1, 2007, to any Customer who (a) does not arrange for or is not receiving electric generation services from an electric supplier, and (b) does not use a demand meter or has a maximum demand of less than five hundred kilowatts. The

availability for this service shall be in accordance with the provisions set forth in the Company's Generation Services tariff, on file with PURA.

"State Customer" shall mean a retail end user of electric service located in the service territory of the EDC that belongs to any office, department, board, council, commission, institution, constituent unit of the state system of higher education, technical high school or other agency in the executive, legislative or judicial branches of state government of Connecticut.

"System Owner" shall mean any person or entity that, alone or in conjunction with others, has legal ownership of a Project. The System Owner may, but is not required to be, the Customer of Record.

"Tariff Agreement" shall mean the Non-Residential Renewable Energy Solutions Program Tariff Agreement for the Customer inclusive of the Non-Residential Renewable Energy Solutions Program Tariff, Terms and Conditions and all referenced attachments and appendices.

"Tariff Payment Beneficiary" shall mean an individual or entity designated by the Customer of Record to receive tariff-related payments. The Tariff Payment Beneficiary may, but is not required to be, the System Owner or the Customer of Record.

"Tariff Rate" shall mean the Project-specific rate(s) approved by PURA. The Tariff Rate may include separate pricing for energy and Environmental Attributes under the Netting Tariff structure.

"Tranche Year" means the year of the solicitation in which a Project is selected by the EDC and approved by PURA.

2. CUSTOMER PROJECT ELIGIBILITY

2.1. Project Eligibility Criteria

- 2.1.1. Projects must not exceed 5,000 kW Nameplate Capacity for zero emission resources eligible under Section 3(a)(2)(B) of Public Act 19-35 and amended by Section 1 of Public Act 22-14 and 5,000 kW Nameplate Capacity for low emission resources eligible under Section 3(a)(2)(A) of Public Act 19-35, as amended by Section 1 of Public Act 22-14 at a Project Site.
- 2.1.2. Projects must meet the emission requirements for low emission and zero emission technologies as required under subparagraphs (A) and (B) of Section 3(a)(2) of Public Act 19-35 and amended by Section 1 of Public Act 22-14, respectively, and must qualify as a Class I renewable energy source under Conn. Gen. Stat. Section 16-1(a)(20), as amended by Section 1 of Public Act 22-14.
- 2.1.3. Each Project must be located at a Project Site and be interconnected at or behind the EDC's Delivery Point. All Buy-All Projects interconnect directly to the grid, otherwise referred to as "front-of-the-meter" or "standalone." All Buy-All Projects will have an associated EDC Revenue/Production Meter. Projects intending to allocate to Beneficial Accounts may be sited on properties that do not have existing or future anticipated load.
- 2.1.4. Projects proposed must seek and gain approval to interconnect to the EDC's distribution system to which such system is interconnecting through the standard EDC interconnection process and be metered by that EDC. Projects must meet Distribution Company Guidelines for Interconnection ("Guidelines") as approved by PURA. The interconnection process is separate and distinct from the Program.
- 2.1.5. If there is an existing Project using the same class of technology at the same Project Site which was selected under this Program, the SCEF Program, or the LREC/ZREC Program with an agreement that was in effect prior to the submission of a Bid under a particular procurement year for this Program, a Bid for a New Project of the same class of technology will only be allowed if the existing Project is in-service or if a one-year calendar period has expired following termination of the existing Tariff Agreement.
 - 2.1.5.1. The lone exception to this rule shall be for Bids for Projects of the same class of technology by the same Project developer on the same parcel or contiguous parcel(s) of land, which may be submitted in the same solicitation or future solicitations, regardless of an existing Tariff Agreement (i.e., Virtual Net Metering, LREC/ZREC, SCEF, or Non-Residential Renewable Energy Solutions Program), so long as the Bid or application is for a Project proposing to interconnect behind a different Revenue Meter than that associated with the existing Tariff Agreement.
 - 2.1.5.1.1. For purposes of clarification, this exception is intended to allow for Bids from Projects that would serve load separate and distinct from the load served by any existing Projects, such as load behind a separate existing Revenue Meter or New Construction Projects. Bids found to be serving the

same load as an existing Project may be subject to removal from the Program and forfeit any Performance Assurance or other payments.

2.1.5.1.2. For avoidance of doubt, this rule would explicitly allow New Construction Projects, proposed to be built behind new load, to which the Project is appropriately sized according to Sections III.D.1. and Section III.D.2. of PURA's June 30, 2021 Decision in Docket No. 20-07-01 and meet all other Program requirements, to Bid into the same or future auction of other Projects selected on the same parcel of land.

2.1.6. The Customer must be currently, or in the case of New Construction, in the future, the Customer of Record with the EDC to which they are applying.

2.1.6.1. The Project shall always be linked to the Customer of Record at the Project Site, and eligibility for payments under this Tariff shall transfer from one Customer of Record to the new Customer of Record in situations where the original Customer of Record changes at the Project Site.

2.1.7. Site control must be evidenced to the EDC at the time of Bid submission.

2.1.7.1. Submission of the Bid Certification Form along with documentation proving site control such as deeds,² written leases, options to lease, memorandums of lease, memorandums of option to lease, and contracts to purchase, or other agreements between the Project developer and Owner of the Project Site regarding the right to develop the Project.

2.1.8. Projects may not receive both funding from this Program and/or also receive(d) any funding, grants or rebates of any kind in any amount from any one or more of the following Programs or sources: (a) the Connecticut Green Bank ("CT Green Bank") or any of its predecessors, (b) the LREC/ZREC Program, (c) any Shared Clean Energy Facility ("SCEF") Program, (d) any net metering or virtual net metering Program³, (e) any other Public Act 19-35 tariffs, (f) any other Public Act 18-50 tariffs, (g) any Public Act 21-162 tariffs or (h) any other contract or Program of any kind in which an EDC purchases the Project's energy, capacity or renewable attributes (collectively, "Other Programs"). Specifically, a Project which receives, or entered into a contract to receive, funding, grants or rebates under any one or more of the Other Programs may not also participate in this Program for the same Project. This prohibition does not include (x) Projects that receive(d) incentives for battery storage from the CT Green Bank established through Public Act 21-53, (y) Projects that receive(d) only predevelopment and/or feasibility funding from the CT Green Bank or any of its predecessors, or (z) Projects that receive(d) only financing in accordance with Section 99 of Conn. Gen. Stat. 244(r) through CEFIA. For purposes of this Section 2.1.8, any EDC may consult with the CT Green Bank,

² Including, but not limited to, Warranty Deed, Quit Claim Deed, Executor's Deed, Trustee's Deed, or any other valid proof of ownership.

³ Projects in the VNM queue or waiting list that have yet to reach commercial operation may submit the same Project into the Non-Residential Renewable Energy Solutions Program so long as the Project is withdrawn from the appropriate VNM list prior to the applicable RFP Issue date. Importantly, however, if the VNM Project in question has also sought compensation under the LREC/ZREC Program, such Project would be subject to the rules detailed in the above Section 2.1.5.

PURA and/or DEEP regarding the eligibility of each selected Project, or any Project that receives incentives for storage that may be co-located with a qualified Project, as long as such incentive is not associated with the purchase of the Project's energy, capacity or renewable attributes associated with a storage Project.

- 2.1.9. During any single solicitation for small medium and large zero emission technologies, the EDCs will evaluate only one proposal per technology or one proposal for a Project that uses a combination of technologies (i.e., a wind turbine that has associated solar panels) at any Revenue Meter.
- 2.1.10. During any single solicitation for low emission technologies, the EDCs will evaluate only one proposal per technology or one proposal for a Project that uses a combination of technologies (e.g., Anaerobic Digestion with an associated fuel cell) at any Revenue Meter.
- 2.1.11. Except for State, Agricultural, and Municipal Customers, or Rooftop Projects, the total generation Bid for all awards cannot exceed the highest consecutive 12 months of load over the five years prior to the date of Bid submission at the Revenue Meter as provided by the applicant and subject to verification by the EDCs, plus a reasonable approximation of the annual load attributable to transportation electrification (i.e., electric vehicles) and fuel switching (i.e., air source heat pumps), net of any preexisting generation.
- 2.1.12. Projects may not be determined by the EDC to have been "split," or otherwise divided or arranged, into smaller Bids or separate Projects, to qualify at a smaller size tier, or to allow a Project over 5,000 kW, to qualify.⁴ However, new generation added to a Project Site with existing generation facilities may qualify as set forth herein including under Sections 2.1.5 and 3.2 herein. In such case, the total onsite generation may exceed these size limits as long as the total Project installed capacity under this Program does not.
 - 2.1.12.1. Projects which are clearly split or staggered in any fashion in order to receive the Small Zero Emission Tariff Rate instead of competing in the Medium, or Large Zero Emission categories shall be deemed ineligible at the sole discretion of the EDC and shall be subject to the three-strike system outlined in Section 2.2.7.
- 2.1.13. Any subdivision of parcels must be recorded on the land records of 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 Bids, meeting the above requirements, will be eligible and all other Bids will be disqualified.

⁴ For example, the Bidder for a 4500 kW zero emission Project may not split that Project into two Projects, one for 4000 kW and one for 500 kW.

- 2.1.14. Only one Bid may be submitted per existing Revenue Meter, in a single solicitation, subject to the Project Site's existing load, the Program size-to-load parameters including the exception for rooftop oversizing, and subject to the statutory cap of 5 megawatts (MW) per Revenue Meter. A Project applicant may only submit a bid under either the Buy-All or Netting Tariff. For purposes of clarification, only one Bid may be submitted as either a "Low-emissions", "Large", "Medium", or "Small" Project. If multiple Bids are received for an existing Revenue Meter for Low, Large, or Medium Zero Emission Projects, only the lowest priced Bid will be eligible, and all other Bids will be disqualified. For Small Zero Emission, if multiple Bids are received for an existing Revenue Meter, the first Bid submitted will be eligible and all others will be disqualified.
- 2.1.15. Projects must be constructed after the solicitation to which the Customer is responding. For facilities constructed prior to the solicitation to which the Customer is responding, which have been uprated with new production equipment (e.g., new solar panels, turbines) installed after the solicitation to which the Customer is responding, 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 pursuant to the rules set forth in these Program Rules.

2.2. Bid Eligibility Criteria

- 2.2.1. Bidder must submit a complete Bid to the EDC in whose territory the Project is located (either Eversource or UI).
- 2.2.1.1. For Projects located on parcels in contiguous towns that are in different EDC service territories, Projects shall submit Bids to the EDC in which the Project proposes to interconnect.
- 2.2.2. Bids for Large and Medium Zero Emission and Low Emission categories must include binding offer prices in the format specified in the applicable RFP that are applicable to each of the twenty (20) years of the Tariff, subject to the Program pricing caps.
- 2.2.3. Bidder must either be a Customer of Record at the Project Site, the Owner of the Project Site with consent of the Customer of Record at the Project Site, or a developer authorized by the Customer of Record and the Owner of the Project Site.
- 2.2.4. Site control must be evidenced to the EDC by submission of the Bid Certification Form inclusive of documentation proving site control such as deeds,⁵ written leases, options to lease, memorandums of lease, memorandums of option to lease, and contracts to purchase, or other agreements between the Project developer and Owner of the Project Site regarding the right to develop the Project.
- 2.2.5. Bidder and/or Customer must certify that it understands and affirms the requirements, and terms and conditions of the applicable Tariff/this Program and accepts such Tariff without modification.

⁵ Including, but not limited to, Warranty Deed, Quit Claim Deed, Executor's Deed, Trustee's Deed, or any other valid proof of ownership.

- 2.2.6. Projects that are or will be located at Residential Renewable Energy Solutions Program eligible Project Sites shall not be eligible to participate in the solicitations outlined herein.
- 2.2.6.1. Any Project that does not qualify for the Residential Renewable Energy Solutions Program for any reason, including Projects with capacity larger than 25 kW but smaller than or equal to 200 kW, shall be eligible for the Small Zero Emission category.
- 2.2.7. Developers/Bidders/System Owners shall be subject to the following three-strike system:
- 2.2.7.1. First Strike: Any Bidder/developer/System Owner who, for the first time, submits a Bid or multiple Bids which violate(s) the splitting rules outlined in Sections 2.1.12 through 2.1.13 herein shall be disqualified, and the Authority will be notified via a compliance letter regarding a developer's first violation or attempt to subvert these rules.
- 2.2.7.2. Second Strike: Any Bidder/developer/System Owner who, for the second time, submits a Bid or multiple Bids which violate(s) the splitting rules outlined in Sections 2.1.12 through 2.1.13 herein shall be disqualified, and the Authority will be notified via a compliance letter regarding a developer's second violation or attempt to subvert these rules. Further, such Bidder/developer/System Owner shall be prohibited from submitting any Bids into the Program for one calendar year after such second offense.
- 2.2.7.3. Third Strike: Any Bidder/developer/System Owner who, for the third time, submits a Bid or multiple Bids which violate(s) the splitting rules outlined in Sections 2.1.12 through 2.1.13 herein shall be disqualified, and the EDC will file a motion with the Authority to permanently bar such developer from further participation in the Program. The Authority will review, consider, and rule on such motion in due course.
- 2.2.8. For zero emission resources, the following criteria pursuant to Section 1 of Public Act 22-14 apply:
- The Customer shall own or develop such New Project on a Customer's own premises.
 - The Project shall be less than or equal to five (5) MW (AC) in size.
 - The Project shall be located in the soliciting EDC's service territory.
 - The Project shall be constructed after the solicitation in which the Customer is bidding.
 - The Project must qualify as a Class I renewable energy source under Conn. Gen. Stat. Sec. 16-1(a)(20).
 - The Project shall emit no pollutants.
- 2.2.9. For low emission resources, the following criteria pursuant to Section 1 of Public Act 22-14 apply:

- The Customer shall own or develop such New Project on a Customer's own premises
- The Project shall be less than or equal to five (5) MW (AC) in size
- The Project shall be located in the soliciting EDC's service territory
- The Project shall be constructed after the solicitation in which the Customer is bidding
- The Project must qualify as a Class I renewable energy source under Conn. Gen. Stat. Section 16-1(a)(20)
- The Project shall use Anaerobic Digestion or have emissions of no more than 0.07 pounds/MWh of nitrogen oxides, 0.10 pounds/MWh of carbon monoxide, 0.02 pounds/MWh of volatile organic compounds and one grain per one hundred standard cubic feet.

3. PROJECT SIZE REQUIREMENTS

- 3.1. For all Projects that are not State, Agricultural, or Municipal Customers, or Rooftop Projects, each Project shall be sized so as not to exceed the highest consecutive 12 months of load over the five years prior to the date of Bid submission plus a reasonable approximation of the annual load attributable to transportation electrification (i.e., electric vehicles) and fuel switching (i.e., air source heat pumps) where applicable in kWh based on the net load, after accounting for any existing generation, at the Customer's individual electric meter or a set of electric meters at a Project Site, when such meters are combined for billing purposes, from the EDC providing service to such Customer as determined by such EDC.⁶ For purposes of clarification, any twelve (12) consecutive months of load data can be submitted by the applicant, so long as that data does not include data from more than five (5) years prior to the date of bid submission. Five full years of load data is not required to be submitted, only the consecutive 12 months used to demonstrate that the system is sized so as not to exceed the highest consecutive 12 months of load data in the five years prior to the date of Bid submission.
- 3.1.1. The size of a Project may be based on an amount greater than the net load at a Project Site only if a Connecticut Licensed Professional Engineer Certification is provided showing that any existing generation will be removed or no longer operational within five (5) years of Bid submission. Under such circumstances, a Project may be sized to the anticipated future annual load in kWh and subject to the performance penalties discussed in Sections 3.4 and 3.5 herein.
- 3.1.2. For those participating in the Buy-All Tariff only, a single Bidder may combine a set of multiple existing meters located on the same Project Site to determine the total eligible site load for a potential Project. The set of meters must be on the same

⁶ The EDCs will apply a standard calculation using a capacity factor of no less than 15% for solar Projects and 90% for fuel cell Projects in order to accurately and equitably verify that expected annual production does not exceed historical load. The calculation will be as follows: Installed Capacity (kW AC) x 8760 hours x Capacity Factor. For example, 50 kW AC x 8760 x 15% = 65,700 kWh/year.

parcel or contiguous parcels and have the same building or landowner. Such Projects are also subject to Section 7.1.1.3.

- 3.1.2.1. Customers that are currently sub-metered will not be eligible for this provision.
- 3.2. If the Customer is a State Customer, Agricultural Customer, or Municipal Customer, then such Project shall be sized so as not to exceed the highest load over the five years prior to the date of Bid submission plus a reasonable approximation of the annual load attributable to transportation electrification (i.e., electric vehicles) and fuel switching (i.e., air source heat pumps) where applicable in kWh based on the net load, after accounting for any existing generation, at such Customer's individual electric meter or a set of electric meters at the same Project Site, when such meters are combined for billing purposes, and the load of up to five State, Agricultural, or Municipal Beneficial Accounts, as defined in Section 16-244u of the general statutes, identified by such State, Agricultural, or Municipal Customer, and such State, Agricultural, or Municipal Customer may include the load of up to five additional nonstate or Municipal Beneficial Accounts, as defined in Section 16-244u of the general statutes, when sizing such generation Project, provided such accounts are critical facilities, as defined in subdivision (2) of subsection (a) of Section 16-243y of the general statutes, and are connected to a Microgrid. State, Agricultural, or Municipal Projects are not required to be constructed on Project Sites that have existing or future electric load.⁷
- 3.3. For New Construction Projects that are not SAM Customers or Rooftop Projects, Bidders will be required to submit a Connecticut Licensed Professional Engineer Certification which certifies the anticipated Customer load at the Project Site, and how such Project shall be sized so as not to exceed such anticipated Customer load at the Project Site. Such anticipated Customer load may include a reasonable approximation of the annual load attributable to transportation electrification (i.e., electric vehicles) and fuel switching (i.e., air source heat pumps).
- 3.4. If a Bidder indicates that additional load is expected to materialize over the five years following Bid submission attributable to transportation electrification (i.e., electric vehicles) and fuel switching (i.e., air source heat pumps), and such load does not materialize within five years of the In-Service date, a Project's compensation shall be reduced proportionally to the unrealized load.⁸ The EDCs require a Connecticut Licensed Professional Engineer Certification certifying the load expected to materialize over the five years following Bid submission attributable to transportation electrification and/or fuel switching.
- 3.5. If a Bidder indicates, at the time of Bid submission, that additional load is expected to materialize over the five years following Bid submission attributable to transportation electrification (i.e., electric vehicles) and fuel switching (i.e., air source heat pumps), but the Bidder informs the EDCs at any point before the In-Service Date that such

⁷ Refer to the Appendix C - Beneficial Account Credit Allocation Guidelines for further guidance regarding re-designation of Beneficial Accounts.

⁸ For Buy-All Projects, this will result in a reduction in total compensation, and for Netting Projects, this will result in a reduction in the compensation for the RECs generated by the Project.

additional load is no longer expected to materialize and they wish to size the system based on the highest load over the five years prior to the date of Bid submission as determined by the EDC, 1) the Project developer shall only receive compensation for energy and RECs that are generated after the In-Service Date, and 2) such Megawatts shall be treated as allocated, but unused, and will be reallocated to the next open Program solicitation.

3.6. The EDCs will procure zero emission technology Projects in three (3) size categories:

3.6.1. Projects less than or equal to 200 kW (“Small”);

3.6.2. Projects over 200 kW, but less than 1,000 kW (“Medium”); and

3.6.3. Projects equal to or greater than 1,000 kW, but less than or equal to 5,000 kW (“Large”);

3.7. The EDCs will procure low emission technology Projects in one size category:

3.7.1. Projects less than or equal to 5,000 kW (“Low”).

3.8. The EDCs will allocate the available annual program capacity as follows:

3.8.1. Table 1: Capacity Allocations

Years 2 – 6⁹:

Category	Project Size (AC)	Total MW/Procurement Year	Eversource MW/Year	UI MW/Year
Low Emission Projects	≤ 5,000 kW	10.0	8.0	2.0
Small Zero Emission Projects	≤ 200 kW	25.0	20.0	5.0
Medium Zero Emission Projects	>200 kW < 1,000 kW	33.0	25.0	8.0
Large Zero Emission Projects	≥ 1,000 kW ≤ 5,000 kW	42.0	35.0	7.0
Total Zero Emission Projects	-	100.0	80.0	20.0

3.9. Customer shall provide notice to the EDC or the Tariff Program Administrator, as applicable, of the In-Service Date and final Project size within ten (10) Business Days of the commencement of energy production. The final Project size shall be based on the Project’s as-built configuration. If the final Project size differs from the original description as set forth in the Bid:

3.9.1. Any increase that results in a Project size for a Project that exceeds statutory limits for a low emission or zero emission Project, as applicable, shall result in immediate and automatic termination of the Project’s eligibility under the Tariff.

⁹ These allocations are subject to change on an annual basis in accordance with Section 5 herein.

- 3.9.2. Any increase that results in a final in-service Project Size that is greater than the approved as-Bid Project size plus five (5) percent, shall result in immediate and automatic termination of the Project's eligibility under the Tariff.
- 3.9.3. Any increase or decrease that results in a Project size for a Project which falls outside of the size limits for the category in which the Project was Bid, or which size was modified pursuant to Section 3.5, subject to the five (5) percent variation noted in Section 3.9.2 shall result in immediate and automatic termination of the Project's eligibility under the Tariff.

4. PROJECT PURCHASE COMMITMENT

4.1. Binding Purchase Commitment

- 4.1.1. The EDC's purchase commitment is binding on both the EDC and the Customer upon PURA approval of an annual Tariff filing.
- 4.1.2. The purchase commitment cannot be terminated by the Customer or Project owner.
- 4.1.3. The EDC may only terminate a purchase commitment if: i.) the Project ceases to qualify under the Program rules; ii.) the Customer fails to meet a material obligation (as determined by an EDC) under the Program rules (for example, a failure to provide Performance Assurance when required); iii.) if ordered to terminate the purchase commitment by PURA; or, iv.) there is a change in law or regulatory ruling that adversely impacts (as determined by an EDC) the EDC's ability to maintain the purchase commitment or ability to obtain, or continue to obtain, full cost recovery for all costs incurred or experienced by the EDC resulting from the purchase commitment from all ratepayers through a non-bypassable rate component.

4.2. Term of Purchase Commitment

- 4.2.1. Projects selected by the EDCs through the procurement process, and approved by PURA to receive Tariff payments, will be eligible for compensation for energy produced and delivered to the EDC at the Project's approved Tariff Rate for a twenty (20) year term commencing after the Project's In-Service Date. The purchase commitment at the Tariff Rate will commence on the In-Service Date.
- 4.2.2. Projects selected by the EDC and approved by PURA 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.
 - 4.2.2.1. If the Approval to Energize letter is not issued by such date, the EDC's twenty-year purchase commitment will immediately and automatically terminate.
 - 4.2.2.2. No extensions will be granted to the 3-year deadline for achieving the In-Service Date.
- 4.2.3. The purchase commitment has a term of 20 years at the Project-specific Tariff Rate approved by PURA.

4.3. Compensation Structures

- 4.3.1. The Compensation Structure will be selected at the time of Application submission and cannot be modified once selected, either before or after the system receives Approval to Energize from the utility.
- 4.3.2. **Buy-All:** Under the Buy-All Compensation Structure, the EDC will compensate the Customer for all metered energy produced by the Project at the Tariff Rate.
 - 4.3.2.1. Customers with existing net metering rights pursuant to Conn. Gen. Stat. Section 16-243h, as amended by Section 1 of Public Act 19-35, shall only qualify for the Buy-All Compensation Structure for any generation added at the Project Site and accepted under this Program.¹⁰
 - 4.3.2.2. Customers with oversized Rooftop Projects shall only qualify for the Buy-All Compensation Structure for any generation associated with such Project.
 - 4.3.2.3. The Buy-All Compensation Structure will have a Tariff Rate for energy that includes compensation for RECs and Environmental Attributes. Because the EDC is providing compensation to the Customer and/or Tariff Payment Beneficiary for the total quantity of energy produced by the Project, there is no need for a separate rate for RECs and Environmental Attributes.
 - 4.3.2.4. The Buy-All Tariff Rate is a fixed per kWh volumetric rate.
- 4.3.3. **Netting Tariff:** Under the Netting Tariff structure, the EDC will compensate the Customer based on a two-part Tariff Rate. The two-part rate will consist of an Export Rate, and a REC and Environmental Attribute (“REC”) rate.
 - 4.3.3.1. Netting of generation and load will be measured monthly. Measurement of imported and exported power will be performed on a monthly basis at the Revenue Meter each month and summed at the end of each billing period. On a monthly billing basis, the amount of energy on a per kWh basis sold to the Company shall be compared to the amount of energy purchased from the Company. If the amount of energy sold to the Company exceeds the amount of energy purchased from the Company, the monthly net kWh delivered to the distribution system shall be calculated as the difference between the amount of energy sold to the Company minus the amount of energy purchased from the Company. If the amount of energy purchased from the Company exceeds the amount of energy sold to the Company, the monthly net kWh consumption shall be calculated as the difference between the amount of energy purchased from the Company minus the amount of energy sold to the Company.
 - 4.3.3.2. The Customer will pay the EDC for any monthly net kWh consumption during the billing period at the applicable EDC retail rate.

¹⁰ A Customer with existing net metering rights already has the benefit of netting, and the EDCs cannot implement dual netting structures behind a single Revenue Meter.

- 4.3.3.3. The Customer will be compensated for any monthly net kWh delivered to the distribution system during the billing period at the Customer's currently applicable retail rate inclusive of Standard Service energy supply rates.
- 4.3.3.4. The Customer or the Tariff Payment Beneficiary, as applicable, will be compensated for the RECs and Environmental Attributes of the total kWh of generation produced by the Project at the REC rate as measured at the Production Meter.
- 4.3.3.5. Customers with an existing net metered generation facility receiving credit pursuant to Conn. Gen. Stat. Section 16-243h, as amended by Section 1 of Public Act 19-35, shall only qualify for the Buy-All Compensation Structure for any generation added at the Project Site and accepted under this Program.¹¹
- 4.3.3.6. Customers with oversized Rooftop Projects shall only qualify for the Buy-All Compensation Structure for any generation associated with such Project. Rooftops Projects can qualify for the Netting Compensation Structure, granted they are appropriately sized to load by providing proof of historical or anticipated load during Bid Submission.

4.4. **Purchased Products**

- 4.4.1. For the Buy-All Tariff structure, the EDC will compensate the Customer for all energy, RECs, and Environmental Attributes produced by the Project on a quarterly basis. To the extent the Customer elects to apply bill credits to the Customers' on-site account or, in the case of State, Agricultural, or Municipal Projects, to any Beneficial Accounts, bill credits will be applied on a monthly basis.
 - 4.4.1.1. If there are remaining monetary bill credits, such credits shall roll over until the end of the 20-year term. Customers may receive an On-Bill Credit Cash Out payment for any accrued Monetary Bill credits at the end of the 20-year term.
 - 4.4.1.2. Such credits shall also be transferable in the event that the owner of the Facility changes.
 - 4.4.1.3. The EDCs will provide all Customers of Record who have received an On-Bill Credit Cash Out of \$600 or more in a calendar year with a 1099 tax form.
- 4.4.2. For the Netting Tariff structure, the EDC will purchase energy exported to the electric grid and not consumed on-site ("Net Excess Generation") calculated monthly. Monetary On-Bill Credits are calculated based on a Customer's monthly Net Excess Generation multiplied by the Customer's current Retail Rate inclusive of Standard Service supply rates. Excess Monetary On-Bill Credits appearing on a Customer's bill will carry forward from month to month and can be used to offset Customer, supply, and delivery charges.

¹¹ A Customer with existing net metered generation facility already has the benefit of netting, and the EDCs cannot implement dual netting structures behind a single Revenue Meter.

- 4.4.2.1. If there are remaining monetary bill credits, such credits shall roll over until the end of the 20-year term. Customers may receive an On-Bill Credit Cash Out payment for any accrued Monetary Bill Credits at the end of the 20-year term.
- 4.4.2.2. Such credits shall also be transferable in the event that the owner of the Facility changes.
- 4.4.2.3. The EDCs will provide all Customers of Record who have received an On-Bill Credit Cash Out of \$600 or more in a calendar year with a 1099 tax form.
- 4.4.3. For the Netting Tariff structure, the EDC will compensate the Customer for the total kWh of renewable energy generation by the Project during the billing period, on a quarterly basis.
- 4.4.4. Customers enrolled in the Non-Residential Solar Tariff Rider whose term has expired may be eligible to be compensated for energy exported to the distribution system through the Company's purchased power tariff, (UI Rate SG2, or Eversource Rate 980) or its successor, if available. The Company is not under any obligation to purchase RECs after the tariff term from the Projects.
- 4.4.5. By participating in the Program, the Customer (or Project owner if other than the Customer) transfers to the EDC all rights and claims to RECs and Environmental Attributes that have monetary value, including without limitation RECs and marketable emissions offsets.
 - 4.4.5.1. The EDC shall retain the sole right to register any RECs and/or Environmental Attributes and be compensated for the same.
- 4.4.6. The EDC shall take title to all energy delivered to the distribution system by the Customer, all available capacity rights and to all Environmental Attributes at the time of production.

5. SOLICITATION RULES AND PROCESS

5.1. Process Overview

- 5.1.1. In years 2-6, the EDCs will issue two solicitations, one in February and one in August of each of the five years of procurement. The first solicitation will be issued in February for 60% of the available MWs for each category and will include one round of Project selection only, with the exception of UI's Low Emission category, for which the entirety of the annual allocation will be made available in February, with any leftover allocation available in the August solicitation. The second solicitation will be issued in August for the remaining 40% of the original available MWs for each category, plus any remaining MWs in each category from the February solicitation, and will include two rounds of Project selection only.¹²

¹² Given the Section 3(a)(2), of Public Act 19-35's filing requirement, *see supra* note 5, for years 2-6, the EDCs plan to file selected Projects with PURA no later than December 31 of the solicitation year.

- 5.1.1.1. If selecting the last Project in a February solicitation in Program Years 2 through 6 would cause an EDC to exceed 60 percent of the category's annual capacity allocation, the EDC shall accept the full Project capacity, up to the category's annual capacity cap.
- 5.1.2. The joint RFP process, with separate Bid evaluations by each EDC, will ensure consistency and administrative efficiency, as well as facilitate regulatory review.
- 5.1.3. Each Bidder must submit its Bid to the appropriate EDC in whose service territory the Project is located. Projects outside of the applicable EDC's service territory are ineligible.
- 5.1.4. The EDCs may offer stakeholder tools and educational sessions as appropriate throughout the six years of solicitations.
- 5.1.5. For Projects participating in the Small Zero Emission category, the Tariff Rate shall be administratively set on an annual basis and approved by PURA as noted in the applicable RFP.
 - 5.1.5.1. The solicitation for Small Zero Emission Projects will occur through a first come, first served process in accordance with the RFP schedule.
 - 5.1.5.2. All Bids in each EDC's standby queue will expire on the date when the results of each EDC's procurement for the Non-Residential Renewable Energy Solutions Program are approved by PURA.
- 5.1.6. Bids submitted for Projects in the Medium and Large Zero Emission and Low Emission categories will be subject to the annual price cap as determined by PURA.
- 5.1.7. Each EDC will separately submit selected Projects to PURA for approval.
 - 5.1.7.1. Each EDC shall submit the results of the February solicitation upon completion, requesting the Authority to issue an interim approval of the results. Each EDC shall file the solicitation results for the entire Program Year, inclusive of both February and August solicitations, no later than December 31 of the solicitation year. Both the results of the February and August solicitations shall be filed as motions for Authority review and approval in the prior year's Annual Review proceeding.

5.2. **Bid Evaluation**¹³

- 5.2.1. The evaluation and selection of Bids will be independently and separately performed by each EDC for Projects in their respective service territories.
 - 5.2.1.1. During the course of Bid evaluation, the EDCs will determine whether Bids have curable errors which may be able to be corrected before the selection of Bids for the given solicitation. Curable errors can fall under two categories of human-caused and errors in communication. Project applicants will subsequently have to provide evidence to the EDCs as to the cause of such errors, to ensure the accuracy and reliability of the cure

¹³ Refer to Appendix A - Non-Residential Renewable Energy Tariff Guideline for Bid Price Comparison for further clarification including guidance on Negative REC Bids.

process. Upon acknowledgement of such error(s), the EDCs shall provide a notice of deficiency to the Project applicant, with a statement describing the reasons for the deficiency, in a timely manner to the proper contact(s) of the Project applicant. Upon receipt of such deficiencies, the Project applicant shall have no more than five (5) business days to cure both human-caused and communication errors.

- 5.2.1.1.1. Human-caused errors will consequently be defined as any error that was unintentional in nature, including and not limited to, typographical errors, forgetting to attach a required document, missing or incomplete data or form entries, submitting an ineligible or incorrect data point or form, and submitting a form that cannot be opened or read.
- 5.2.1.1.2. Errors in communication will be defined as any error that was caused by incorrect, unclear, or inadequate information or communications from the EDCs.
- 5.2.2. A Bid for any one Project may be submitted for only one of the two Compensation Structures as defined in Section 4.3.
 - 5.2.2.1. The Bid evaluation will be performed using a mathematically equivalent basis for comparing Bids under the Buy-All structure to Bids under the Netting Tariff structure. The Bid comparison methodology is further described in Appendix A – Non-Residential Renewable Energy Solutions Program Bid Comparison Guidelines.
- 5.2.3. Bids in each size category except for Small Zero Emission Projects will be evaluated against other Bids within that size category regardless of the Compensation Structure selected.
- 5.2.4. For Small Zero Emission Projects, the EDCs will evaluate proposals on a first come, first served basis based on the date and time that Bids are received as described in Section 5.1.5.
- 5.2.5. For Large, Medium Zero Emission and Low Emission Projects, the EDCs will evaluate proposals based on fixed Bid prices considering any applicable Bid Preferences as determined by PURA. Valid Bid proposals will be ranked in order from lowest to highest price. EDCs will select Projects with the lowest unit price (after application of the mathematically equivalent basis as set forth in Section 5.2.2.1) proposals first and will continue as described in Section 5.1.1. Bids will have to include fixed pricing as set forth in the requirements of the applicable RFP, and all other information necessary for Bid evaluation as noted herein. The annual MW commitment will be based on the as-Bid size of the Project.
- 5.2.6. To the extent that Bidder's Project qualifies for any or all of the Bid Preferences noted below and Bidder elects to claim such Bid Preference(s), Bidder is required to include an explanation with supporting description and/or documentation as necessary for each such Bid Preference at the time of Bid submission to the respective EDC via the Bid Preference Explanation and Description form. Small Zero Emission Projects shall not receive any Bid Preferences.

- 5.2.6.1. Projects built and wholly located on Landfills or Brownfields, as determined by the EDC in conjunction with DEEP, will result in the bid for that Project being discounted by twenty percent (20%). For example, a \$100 Bid for a Project that is determined to be wholly located on a Landfill will be evaluated using a Bid price of \$80; Bidder would still receive \$100 under the Agreement if selected as a winning Bidder.
 - 5.2.6.1.1. For Projects built on either Landfills or Brownfields to qualify for the Bid Preference, the Project must be wholly located on either a Landfill or Brownfield. However, if the size of the Landfill or Brownfield cannot accommodate the entire Project footprint, then the Project can still be eligible to receive the qualitative preference, provided at least 75% of the total Project footprint is within the Landfill or Brownfield, and the entire Landfill or Brownfield land that is legally and technically available for development is utilized.
 - 5.2.6.2. Projects located in a Distressed Municipality or SAM Projects with 100% of the Beneficial Accounts located in Distressed Municipalities, as determined by the EDC, will result in the Bid for that Project being discounted by twenty percent (20%).
 - 5.2.6.3. Solar Canopy/Solar Carport Projects, as determined by the EDC, will result in the Bid for that Project being discounted by twenty percent (20%).
 - 5.2.6.3.1. Hybrid Projects solely consisting of Rooftop Projects and Solar Canopy/Solar Carport Projects are eligible for this Bid Preference. Such Bid Preference will be applied as a weighted percentage of the Solar Canopy/Solar Carport capacity relative to the total system capacity.¹⁴
 - 5.2.7. No one Bid shall be eligible for multiple Bid Preferences (e.g., Projects located on a Landfill in a Distressed Municipality will receive a twenty percent (20%) Bid Preference).
 - 5.2.8. The EDCs will use the fixed price evaluation¹⁵ methodology to differentiate between Bids that meet threshold Project and Bid eligibility criteria as provided herein. Specifically, Bids will be assessed against the threshold criteria. Bids that meet all of the threshold criteria will be evaluated in a fixed price analysis of the price offered.
- 5.3. **Small Zero Emission Project Bid Selection – February RFP**
- 5.3.1. When the selection of a small zero emission Project is made, the EDC will notify each Bidder as to whether its Bid was selected, or whether its Bid has been placed on standby in the event that additional MWs of capacity become available.

¹⁴ For example, if a 1000 kW Project will consist of a 400 kW Solar Canopy Project and a 600 kW Rooftop Project, the Hybrid Project would be eligible for 40% of the 20% Bid Preference resulting in an 8% Bid Preference.

¹⁵ The fixed price evaluation will include the Bid Preferences as determined by PURA and an adjustment for either Buy-All or Netting Tariff bids to provide the mathematically equivalent evaluation methodology as set forth in Section 5.2.2.1.

- 5.3.2. If applicable, the EDCs will select small zero emission Projects on a rolling basis, with the final round of selection notifications being sent after the date Bid forms are due for the small zero emission category as indicated in the RFP Schedule.
- 5.3.3. If selecting the last Project in the category's queue would cause the EDC to exceed 60 percent of the category's annual capacity allocation (i.e., the MWs allocated to the February solicitation), the EDC shall accept the full Project capacity, up to but not in excess of the category's total annual capacity cap.
 - 5.3.3.1. For purposes of clarification, if the last Project exceeds the total category's annual capacity, the Project will not be selected.
- 5.3.4. If either EDC has uncommitted MWs remaining in the small zero emission category after selection is completed, such MWs will roll into the small zero emission category for the August RFP.
- 5.3.5. Once an EDC selects one or more small zero emission Project(s), each selected Bidder will be contacted by the EDC and will be eligible to receive compensation under a Tariff if PURA subsequently approves such Bidder's Project(s).
- 5.3.6. If a Bidder does not provide Performance Assurance at the time of Bid submission, then the Bid will be disqualified without opportunity to cure.

5.4. **Medium and Large Zero Emission Project Bid Selection – February RFP**

- 5.4.1. When the selection of a medium or large zero emission Project is made, the EDC will notify each Bidder as to whether its Bid was selected, or whether its Bid was not selected as the EDCs are only doing one round of selection.
- 5.4.2. If selecting the last Project in each category's queue would cause the EDC to exceed 60 percent of the category's annual capacity allocation (i.e., the MWs allocated to the February solicitation), the EDC shall accept the full Project capacity, up to but not in excess of the category's total annual capacity cap.
 - 5.4.2.1. For purposes of clarification, if the last Project exceeds the total category's annual capacity, the Project will not be selected.
- 5.4.3. If either EDC has uncommitted MWs remaining in any of the categories after the single round of selection is completed, such MWs will roll into their respective category for the August RFP.
- 5.4.4. If multiple Projects within a category have submitted identical Bid prices and the selection of all the identically priced Bids would exceed the targeted MWs, then the "stacking" of these Projects (for either Project selection or standby ranking purposes) will be performed using a random selection process.
- 5.4.5. Once an EDC selects one or more medium or large zero emission Project(s), each selected Bidder will be contacted by the EDC and will be eligible to receive compensation under a Tariff if PURA subsequently approves such Bidder's Project(s).
- 5.4.6. If a Bidder does not provide Performance Assurance at the time of Bid submission, then the Bid will be disqualified without opportunity to cure.

5.5. **Low Emission Project Bid Selection – February RFP**

- 5.5.1. When the selection of a low emission Project is made, the EDC will notify each Bidder as to whether its Bid was selected, or whether its Bid was not selected as the EDCs are only doing one round of selection.

5.5.2. If selecting the last Project in the low emission queue would cause the EDC to exceed 60 percent of the category's annual capacity allocation (i.e., the MWs allocated to the February solicitation), the EDC shall accept the full Project capacity, up to but not in excess of the category's total annual capacity cap. Refer to Section 5.1.1 for the UI-specific capacity allocation exception.

5.5.2.1. For purposes of clarification, if the last Project exceeds the total category's annual capacity, the Project will not be selected.

5.5.3. If either EDC has uncommitted MWs remaining in the low emission category after the single round of selection is completed, such MWs will roll into the low emission category for the August RFP.

5.5.4. If multiple low emission Projects have submitted identical Bid prices and the selection of all the identically priced Bids would exceed the targeted MWs, then the "stacking" of these Projects (for either Project selection or standby ranking purposes) will be performed using a random selection process.

5.5.5. Once an EDC selects one or more low emission Project(s), each selected Bidder will be contacted by the EDC and will be eligible to receive compensation under a Tariff if PURA subsequently approves such Bidder's Project(s).

5.5.6. If a Bidder does not provide Performance Assurance at the time of Bid submission, then the Bid will be disqualified without opportunity to cure.

5.6. Small Zero Emission Project Bid Selection – August RFP

5.6.1. When the selection of a small zero emission Project is made, the EDC will notify each Bidder as to whether its Bid was selected, or whether its Bid has been placed on standby in the event that additional MWs of capacity become available.

5.6.2. If applicable, the EDCs will select small zero emission Projects on a rolling basis, with the final round of selection notifications being sent after the date Bid forms are due for the small zero emission category as indicated in the RFP Schedule.

5.6.3. If either EDC has uncommitted MWs remaining in the small zero emission category and such MWs cannot accept the next full Project or all eligible Bids in the small zero emission category have been exhausted, any leftover MW in the small zero emission category will solely roll over to the small zero emission category for the following year. The EDCs will only utilize their respective MWs, and will not "borrow" from each other, i.e., only Eversource MWs may be aggregated and utilized by Eversource, and UI MWs may be aggregated and utilized by UI.

5.6.4. Once an EDC selects one or more small zero emission Project(s), each selected Bidder will be contacted by the EDC and will be eligible to receive compensation under a Tariff if PURA subsequently approves such Bidder's Project(s).

5.6.5. If a Bidder does not provide Performance Assurance at the time of Bid submission, then the Bid will be disqualified without opportunity to cure.

5.7. Medium and Large Zero Emission Project Bid Selection – August RFP

5.7.1. When the initial selection of a medium or large zero emission Project is made, the EDC will notify each Bidder as to whether its Bid was selected, or whether its Bid has been placed on standby in the event that additional MWs of capacity become available.

5.7.2. If either EDC has uncommitted MWs remaining in the medium or large zero emission categories and such MWs cannot accept the next full Project in the respective Bid stack after the first round of selected Agreements have been partially executed or all eligible Bids in the medium and large zero emission categories have

been exhausted, the EDCs will attempt to aggregate some or all of their respective MWs in an attempt to accommodate the next lowest priced Project in their respective Bid stacks. If the aggregated MWs can accommodate one or more lowest priced Project(s), the Bid(s) will be accepted. If it cannot, the remaining unused MWs will not be allocated and will be rolled into the subsequent Program year and reallocated amongst only the medium and large zero emission categories based on the allocation schedule proposed by the EDCs and approved by the Authority. The EDCs will only utilize their respective MWs, and will not “borrow” from each other, i.e., only Eversource MWs may be aggregated and utilized by Eversource, and UI MWs may be aggregated and utilized by UI.

- 5.7.3. If multiple Projects within a category have submitted identical Bid prices and the selection of all the identically priced Bids would exceed the targeted MWs, then the “stacking” of these Projects (for either Project selection or standby ranking purposes) will be performed using a random selection process.
- 5.7.4. Once an EDC selects one or more medium or large zero emission Project(s), each selected Bidder will be contacted by the EDC and will be eligible to receive compensation under a Tariff if PURA subsequently approves such Bidder’s Project(s).
- 5.7.5. If a Bidder does not provide Performance Assurance at the time of Bid submission, then the Bid will be disqualified without opportunity to cure.

5.8. **Low Emission Project Bid Selection – August RFP**

- 5.8.1. When the initial selection of a low emission Project is made, the EDC will notify each Bidder as to whether its Bid was selected, or whether its Bid has been placed on standby in the event that additional MWs of capacity become available.
- 5.8.2. If selecting the next Project in the low emission queue would cause the EDC to exceed the MW capacity allocated to the low emission category in the August RFP, the Project will not be selected and the remaining unused MWs will not be allocated and will be rolled into the subsequent Program year in the low emission category.
- 5.8.3. If either EDC has uncommitted MWs remaining in the low emission category after the second round of selected Agreements have been partially executed or exhausting all eligible Bids in the low emission category when applicable, the remaining unused MWs will not be allocated and will be rolled into the subsequent Program year in the low emission category.
- 5.8.4. If multiple Low Emission Projects have submitted identical Bid prices and the selection of all the identically priced Bids would exceed the targeted MWs, then the “stacking” of these Projects (for either Project selection or standby ranking purposes) will be performed using a random selection process.
- 5.8.5. Once an EDC selects one or more Low Emission Project(s), each selected Bidder will be contacted by the EDC and will be eligible to receive compensation under a Tariff if PURA subsequently approves such Bidder’s Project(s).
- 5.8.6. If a Bidder does not provide Performance Assurance at the time of Bid submission, then the Bid will be disqualified without opportunity to cure.

5.9. **Bid Submission**

- 5.9.1. **Bid Forms:** Each EDC will develop and maintain its own form to be used for Bid submission (“Bid Form”). Each EDC will provide a website link containing such EDC’s Bid Form and EDC-specific instructions for Bid submission, as well as any

additional forms that Bidders may be required to complete. Bids are discussed further herein including in Sections 5.9.2 and 5.9.3.

- 5.9.2. **Submission of Bids:** Bids must be submitted in accordance with the EDC-specific instructions. Bidders must comply with the instructions to ensure that their Bids are complete. In addition to completion of the Bid Form, Bidders must provide a Bid Certification Form, and may be required to provide a Connecticut Licensed Professional Engineer Certification, or other forms as necessary based on the specifics of the Bid. Bidders who claim the designation of any of the Bid Preferences as designated by PURA may also be required to submit additional documentation proving such qualification. Specific instructions for how to provide these additional documents may vary by EDC, and are set forth in the EDC-specific instructions.
- 5.9.3. **Bid Details:** Bidders must submit their Bids by using the Bid Form, which contains the majority of the information necessary for the Companies to evaluate Bids. At a minimum, the information listed below may be required for Bid submission. However, additional/supplemental information is or may be required as set forth in the applicable RFP ("Bid Form Information"):
- Bid Certification Form
 - Bidder name
 - Customer name
 - Owner of the Project Site
 - Customer billing account number
 - Project Site Address
 - An affidavit that the Project has not received grants and/or rebates from the CT Green Bank
 - An affidavit that the Project is not a Shared Clean Energy Facility
 - An affidavit of site control
 - An affidavit that the Project has not received an agreement under the LREC/ZREC Program
 - An affidavit attesting that Bidder represents that the proposed Non-Residential Renewable Energy Solutions Project has not been split to qualify for a different Program category
 - An affidavit attesting that Project splitting is for the purposes of the Non-Residential Renewable Energy Solutions program only and does not affect how the Projects will be reviewed under other regulatory processes not within PURA's jurisdiction, such as DEEP permitting processes or Connecticut Siting Council review
 - Tariff Payment Beneficiary Name (if applicable)
 - Indicated percentage of payments to be allocated to Tariff Payment Beneficiary and Customer of Record (if applicable)

- System size in kW (AC)
- Historical load data to demonstrate that a system has been sized so as not to exceed the highest 12 consecutive months of load over the prior five years at the proposed Project Site
 - Program participants can size Projects up to the highest 12 consecutive months of load over the prior five years at a given Project Site. Bidders must provide the EDCs with the 12 months of load data that the Project is being sized to at the time of Bid submission. When 12 consecutive months of load data is not available, the Bidder shall provide as much historical load data as available, and the EDCs will use that data to estimate the remainder of the 12 month period which was not available at the time of Bid submission.
 - The lone exception to this rule is for Buy-All Rooftop Projects. Buy-All Rooftop Projects are exempt from the size to load provisions. Such Rooftop Project Bids shall indicate in the Bid that it will be a Rooftop Project and is not required to be sized to load.
- For SAM Customers, 12 consecutive months of load data for each of the up to five Beneficial Accounts must be provided to support the Bid. The Beneficial Account Credit Allocation Form (“BACAF”) will also be required to determine the designated Beneficial Accounts and associated billing accounts to which the EDCs will allocate any net excess bill credits generated by the Project.
- For Projects where a State, Agricultural, or Municipal (SAM) account is acting as a Customer Host, the SAM Customer Host must demonstrate ownership of the Project Site through appropriate documentation, including but not limited to deeds¹⁶, or documentation from the tax assessor’s office demonstrating that the Customer Host is the legal owner of the proposed Project Site at the time of bid submission. These ownership requirements do not apply to SAM Beneficial Accounts.
- If a Bidder seeks to qualify a technology other than Solar PV or Fuel Cell, such as Anaerobic Digestion, then such Bidder must submit a Connecticut Licensed Professional Engineer Certification that includes the average annual production of the Project
- Documentation proving site control such as deeds,¹⁷ written leases, options to lease, memorandums of lease, memorandums of option to

¹⁶ Including, but not limited to, Warranty Deed, Quit Claim Deed, Executor’s Deed, Trustee’s Deed, or any other valid proof of ownership.

¹⁷ Including, but not limited to, Warranty Deed, Quit Claim Deed, Executor’s Deed, Trustee’s Deed, or any other valid proof of ownership.

lease, and contracts to purchase, or other agreements between the Project developer and Owner of the Project Site regarding the right to develop the Project

- Copy of the most recent Customer bill
- For New Construction Projects, a copy of documentation certified by a Connecticut licensed Professional Engineer certifying the Customer load estimated to materialize over the five years following Bid submission will be required, with the exception of Buy-All Rooftop Projects
- For informational purposes only, all Bids received from Class I renewable energy sources that emit carbon must certify that the Project is technologically capable of becoming carbon neutral by 2040 and will take all measures to become carbon neutral by 2040 should a statewide 100 percent zero carbon electricity goal be established¹⁸
- For Projects indicating at the time of Bid submission that their load is expected to increase in accordance with transportation electrification (i.e., electric vehicles) and fuel switching (i.e., air source heat pumps), a Connecticut Licensed Professional Engineer Certification certifying the load expected to materialize over the five years following Bid submission attributable to these items will be required
- For Projects indicating at the time of Bid submission that they meet any of the Bid Preference criteria, an explanation with supporting description and/or documentation is necessary for each such Bid Preference at the time of Bid submission to the respective EDC via the Bid Preference Explanation and Description form
- Other Bid requirements as determined by the EDCs

5.10. Non-Refundable Bid Fee

5.10.1. Bidders will be required to pay a non-refundable Bid fee of \$300 at the time of Bid submission. The Bid fees will be used to offset the costs to administer the Program.

5.11. Performance Assurance

5.11.1. Performance Assurance is required for all zero emission and low emission Projects at the time of Bid submission in the amount set forth in Section 5.11.2 herein.

5.11.1.1. Performance Assurance shall not accrue interest.

¹⁸ See, Executive Order No. 3 dated November 3, 2019 signed by Governor Ned Lamont. See also, S.B. 10, Session Year 2020. The intention in requiring the certification of carbon neutrality by 2040 is to ensure that PURA and the EDCs have the requisite information regarding the technical capabilities of those resources under contract in 2040 to implement a 100 percent zero carbon goal, should such a goal become law. Such information may prove unnecessary depending on the statutory language and implementation of any 100 percent zero carbon goal.

- 5.11.2. The amount of Performance Assurance required at the time of Bid Submission shall be based upon the following formula: Project Size in kW (AC) * \$25.00
- 5.11.3. Failure by a Bidder to provide Performance Assurance in a form acceptable to the EDC at the time of Bid submission as required shall result in immediate and automatic disqualification of the Bid without opportunity to cure.
- 5.11.4. Performance Assurance is returned if one of the following conditions is met: (i) the selected Project enters commercial operation in a timely fashion and begins producing energy consistent with the rules outlined in the Program Manual; (ii) the Project's eligibility under the tariff is terminated for failure to receive regulatory approval satisfactory in substance to the EDC; (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.
- 5.11.5. Performance Assurance 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 Project failing to receive Approval to Energize within three calendar years of PURA approval of an annual Tariff filing, or a Bidder choosing to not move forward with their Bid after the Bid has been submitted.

6. TARIFF STRUCTURE AND FILINGS

6.1. Tariff Rates (Pricing)

- 6.1.1. **Pricing for Large and Medium Zero Emission and Low Emission Projects:** Tariff pricing for Large and Medium Zero Emission and Low Emission Projects will be based on competitive bidding within the Project size tiers set forth in Section 3. Each Project will have its own Tariff Rate based on its accepted Bid, as approved by PURA. Tariff Rates will be applied in accordance with Section 3 of Public Act 19-35 and will be based on a cents per kWh calculation of the Tariff Rate multiplied by the applicable metered kWh.
- 6.1.2. **Pricing for Small Zero Emission Projects:** Tariff pricing for Small Zero Emission Projects will be administratively set on an annual basis and approved by PURA as noted in the applicable RFP. Tariff Rates will be applied in accordance with Section 3 of Public Act 19-35 and will be based on a cents per kWh calculation of the Tariff Rate multiplied by the applicable metered kWh.
- 6.1.3. **Price Cap:** For each Procurement Year, PURA will establish a price cap for competitive bidding. The price cap may be different for each competitive bidding class/size tier, and for each EDC service territory.
- 6.1.3.1. For Year 2, the Buy-All Price Caps for each Project Size Category are outlined below:

NRES Buy-All Bid Price Caps	
Category	Price Cap
Small Zero Emission	\$200.97/MWh

Medium Zero Emission	\$190/MWh
Large Zero Emission	\$159/MWh
Low Emission	\$159/MWh

The Netting Bid Price Caps for each Project Size Category and Retail Rate can be calculated using the following formula ensuring that the Net Present Value (NPV) Retail Rate used in said formula is one from the recent version of the Bid Price Calculator filed in Docket 22-08-03. Reference Table 2 in the Year 2 RFP for the full list of Netting Bid Price Caps:

Buy-All Bid Price Cap - NPV Retail Rate (\$/MWh) = Netting Bid Price Cap (\$/REC)¹⁹

For Years 3 – 6, the price cap shall be adjusted based on the prior year’s solicitation results, adjusting for known market changes, as approved by PURA.

6.2. **Tariff Structure**

6.2.1. The provisions for service, rates and other terms and conditions applicable to Customer’s zero-emission Projects and low-emission Projects will be established in the form of a Rider and a Tariff Agreement developed by the EDCs and submitted for review and approval by PURA. Service to Customers under this Rider structure shall be provided under their applicable general service rate schedule.

6.2.2. The Rider will include provisions for the following:

6.2.2.1. The EDC Purchase Commitments and procurement rules contained in these Program Rules, as approved and amended by PURA.

6.2.2.2. Common terms and conditions of service for Projects selected by the EDCs and approved by PURA that provide a detailed description of Customer and EDC obligations for selected Projects.

6.2.2.3. Service Qualifications, which includes documenting demonstrated fulfillment of Customer and EDC obligations.

6.2.3. The Tariff Agreement will provide the Project the selected details including the PURA approved purchase price, Project location, and other related and required information.

6.3. **Annual Project Selection Filings**

6.3.1. Pursuant to Section 3(a)(2) of Public Act 19-35, the EDCs are required to make annual filings to seek PURA approval of Projects. The annual filings made by each EDC for each Tranche Year shall be made in accordance with the Orders in PURA’s June 30, 2021 Decision in Docket No. 20-07-01 and/or the annual review docket as applicable.

¹⁹ In the situation where Netting Bid Price Cap would be less than \$0, Bidders should treat the Netting Bid Price Cap as \$0.

7. PAYMENTS²⁰

7.1. Bill Credits and Payments to Tariff Payment Beneficiaries

- 7.1.1. **Buy-All Tariff:** Payments for all Purchased Products shall occur on a quarterly basis. To the extent the Customer elects to apply bill credits to the Customers' on-site account or, in the case of State, Agricultural, or Municipal Projects, to any Beneficial Accounts, bill credits will be applied on a monthly basis.
- 7.1.1.1. A set percentage of the total compensation rate may be assigned to a Tariff Payment Beneficiary. Payments to such Tariff Payment Beneficiaries shall occur on a quarterly basis. Any remaining compensation shall be applied to the Customer of Record's bill in the form of monetary (i.e., dollars, not kWh) credits applied to the Customer on the Customer's bill.
- 7.1.1.2. If the Customer of Record chooses to modify the percentage of the total compensation rate assigned to a Tariff Payment Beneficiary at any time after the Project has executed a Tariff Agreement, a fee of \$22 may be charged each time such request is made.
- 7.1.1.3. If a Bidder elects to provide direct payments to a Tariff Payment Beneficiary in the instance contemplated in Section 3.1.2 herein, the Bidder must clearly identify the following: 1) the percentage of total compensation to be paid to a Tariff Payment Beneficiary, and 2) the percentage of total compensation to be paid to each of the Customers of Record associated with each existing Revenue Meter. One hundred (100) percent of the compensation can be allocated to a Tariff Payment Beneficiary.
- 7.1.2. **Netting Tariff:** The Total Incentive Payment will be divided between two compensation options i) a monetary on-bill credit that will be applied to the Customer of Record's EDC billing account for the Project Site to offset any customer, supply, and delivery charges on a monthly basis and ii) a quarterly cash payment provided to a Tariff Payment Beneficiary ("REC Payments").
- 7.1.2.1. REC Payments shall be made on a quarterly basis to either the Customer of Record or to a Tariff Payment Beneficiary. One hundred (100) percent of the REC payments can be allocated to a Tariff Payment Beneficiary.
- 7.1.3. **Payments to Tariff Payment Beneficiary:** The Customer of Record must certify and approve any payments to be made to a Tariff Payment Beneficiary. If the Customer of Record chooses to redesignate the Tariff Payment Beneficiary at any time after the Project has executed a Tariff Agreement, a fee of \$22 may be charged each time such request is made.
- 7.1.4. If a Tariff payment results in a net bill credit to the Customer, the credit balance will be carried forward indefinitely until the end of the 20-year term as provided for in the EDC's terms and conditions.

²⁰ Refer to Appendix A - Non-Residential Renewable Energy Tariff Guideline for Bid Price Comparison for further clarification including guidance on Negative REC Bids.

- 7.1.4.1. Customers may receive an On-Bill Credit Cash Out payment for any accrued Monetary Bill Credits at the end of the 20-year term.
- 7.1.4.2. Such credits shall also be transferable in the event that the owner of the Facility changes.
- 7.1.4.3. The EDCs will provide all Customers of Record who have received an On-Bill Credit Cash Out of \$600 or more in a calendar year with a 1099 tax form.
- 7.1.5. As discussed in more detail in Section 2.1., eligibility for bill credits remains with the Project in the event that the Customer of Record at the Project Site changes. The new Customer of Record will become the Customer for purposes of the Program and will receive bill credits for the Project.

7.2. Beneficial Account Credits

- 7.2.1. Pursuant to Section 3(a)(4) of Public Act 19-35, Projects for State Customers, Agricultural Customers, and Municipal Customers may be sized so as to not exceed the load of a Customer Host Account and up to 5 Beneficial Accounts, plus up to 5 additional non-state or non-municipal Beneficial Accounts if such Beneficial Accounts are critical facilities as defined in subdivision (2) of subsection (a) of section 16-243y of the general statutes, and are connected to a Microgrid. The EDCs will provide for monetary crediting in the form of bill credits (“Beneficial Account Credits”) to Beneficial Accounts. The EDCs will allow the Customer Host to determine the allocation percentages for each of the Beneficial Accounts subject to the requirements outlined in Section 3.2 herein by providing the required information to the respective EDC via the Beneficial Account Credit Allocation Form (“BACAF”). To be eligible as Beneficial Accounts, accounts must meet all requirements set forth in Public Act 19-35. For non-state or non-municipal critical facilities to be designated as Beneficial Accounts, they must be physically connected to the same Microgrid as the Customer Host.²¹
- 7.2.2. Each Customer Host shall set credit allocation percentages for Beneficial Accounts, and each Beneficial Account shall set credit allocation percentages for each eligible individually numbered account, which may be reapportioned on an annual basis subject to a fee of \$250. For further details on the Beneficial Account allocation process, see Appendix C - Beneficial Account Allocation Guidelines.

8. AGGREGATION AND RESALE OF PRODUCTS

8.1. Aggregation of RECs

- 8.1.1. As discussed in Section 4.4., the EDCs will take title to all RECs at the time of production. 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

²¹ Refer to the Appendix C - Beneficial Account Credit Allocation Guideline for further guidance regarding re-designation of Beneficial Accounts.

currently aggregates RECs produced from Solar Home Renewable Energy Credit Facilities (SHREC Facilities).²²

- 8.1.2. 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 aggregation batches for “2022 Zero Emission” (or “Q4 2022 Zero Emission”) and “2022 Low Emission.”
- 8.1.3. The EDC will seek approval from the Authority to have a single NEPOOL GIS NONID (for example, “NON102218”) assigned to each of the full batches. Also, the EDC will submit one Connecticut Class I Renewable Energy Source Application per batch to the Authority.
- 8.1.4. The EDC will be responsible for the submission of aggregate 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 (the “creation date”) in accordance with the NEPOOL GIS Operating Rules.
 - 8.1.4.1. For low emission technologies, the Project owner is responsible for providing the EDC with all emission data as required by PURA to verify eligibility as a Class I renewable energy source on a schedule to be determined by the EDC, to ensure that the unit meets the emission upload schedule. If the Project does not provide emission data, or the emission data shows that the unit does not qualify as Class I renewable energy source, and therefore RECs were not created, then the Project may incur a fee of \$40/MWh, or otherwise the RPS alternative compliance payment amount as required by Connecticut statute, regulation, and/or regulatory authority.²³
- 8.1.5. Finally, pursuant to Section 3(d) of Public Act 19-35 and in accordance with Conn. Gen. Stat. Section 16-245a(h) as amended by Public Act 19-35, the EDCs will manage RECs as directed by the Authority. The Authority shall determine, based on what is in the best interest of ratepayers, whether to direct the EDCs to dispose of RECs through retirement and related prospective reduction of supplier/EDC RPS requirements as determined by the Authority at least one year prior to the effective date of such annual RPS, or through resale into the regional market.
- 8.1.6. Any net revenues from the resale of RECs created from Customer facilities under Section 3 of Public Act 19-35 shall be credited to Customers through a non-bypassable fully reconciling component of electric rates for all Customers of the EDC, consistent with Public Act 19-35.
- 8.2. **Energy will be used to provide overall system benefits and will receive compensation at the Tariff Rate**

²² 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).

²³ Currently, the alternative compliance payment is 4.0 cents per kWh.

- 8.2.1. With regard to generated energy exported under the Buy-All option, or energy produced by a Project and not consumed under the Netting option, the Customer will be compensated at the applicable Tariff Rate.
- 8.2.2. Under both options, the energy produced from Projects selected under this Program should reduce the need to draw power supply from other resources, which results in overall system benefits.

9. METERING

9.1. EDC's Ownership of Meters

- 9.1.1. Generally, there must be a Production Meter to measure the amount of energy produced from Customer Projects, which will all be located at or behind the EDC's Delivery Point. In addition, there is also a Revenue Meter that measures energy exports and imports, to and from the distribution system. For Buy-All Projects, the Production Meter and Revenue Meter may be the same meter.
- 9.1.2. The Production Meter may be used to measure the amount of energy generated from the Customer Project for purposes of REC creation, Buy-All calculations, and other compensation calculations.
- 9.1.3. It is necessary for EDCs to own both the Revenue and Production Meters. Participants shall be responsible for all incremental cost related to the procurement and installation of meters. Such costs will be recovered through a meter fee.

Appendix A – Non-Residential Renewable Energy Solutions Program Bid Comparison Guidelines

Under the Non-Residential Renewable Energy Solutions Program Buy-All and Netting Tariff Bids compete in the same competitive solicitation. The following guidelines provide an overview of the EDC's approach to comparing Bid for these tariff pricing structures within the same solicitation.

Bid Price Submissions

Buy-All Projects will submit a single, fixed-price Bid that will be inclusive of all energy and RECs generated by the Project. Netting Tariff Projects will provide a Bid solely for the rate of compensation for RECs generated by their Projects. Netting Tariff Projects will not provide a Bid for energy generated by the system but will benefit from reductions in on-site load due to system generation as well as net metering credits for energy exported to the grid. The value of reduced on-site load and net metering credit is referred to as the Energy Compensation.

Note: Both Netting and Buy-All Bids are subject to the Bidding Price Caps.

Evaluated Bid Prices

The evaluated Bid price for each Buy-All Bid will be the price bid adjusted for any applicable Bid Preferences.

The evaluated Bid price for each Netting Tariff Project will be the sum of the REC Bid price plus the average expected Energy Compensation over the 20-year tariff term reduced for any Bid Preferences. The Energy Compensation will be calculated in the following manner:

- The published kWh rate for December 1, 2021 through November 30, 2022 for the Project Site's billing account will be selected based on the current service tariff at that Netting Tariff Project Site. The rate will include all kWh charges inclusive of the average of the Standard Offer Service rates over the prior 12 months. For the purposes of the evaluation, this rate will be considered the Year 1 Energy Compensation of the 20-year Tariff Term.
 - For rates with differentiated on-peak and off-peak values, a weighted average will be calculated based on a reasonable approximation of the generation profile for solar and non-solar Bids. For Eversource solar Projects 34% of production is assumed to be on-peak with the remaining off peak. For UI, solar Projects 53% of production is assumed to be on-peak with the remaining off peak. These differences are due to differences in rate peak pricing windows between the Companies.
 - Peak periods are weekdays twelve PM to eight PM for Eversource, and are weekdays ten AM to six PM for UI. A PV Watts hourly simulation was run for a south facing Project in central Connecticut to determine the proportion of production during the on-peak window for each EDC. The hourly on-peak and off-peak production was then used to create a capacity

weighted average price based on on-peak and off-peak rates for each company.

- For both companies 24% of non-solar production is assumed to be on-peak as these Projects are assumed to operate with high capacity factors during both peak and off-peak periods. A similar methodology was used to calculate the blended on-peak and off-peak rates for non-solar Projects.
- The Year 1 Energy Compensation will be escalated by 2.5% per year to determine a schedule of estimated Energy Compensation for the tariff life of the Project.
- The 20-year average Energy Compensation will be calculated.

For Netting Tariff Projects, the 20-year net present Energy Compensation will be added to the Bid REC price in order to determine the total Project Bid price. This total Project Bid price will be reduced by any applicable Bid Preferences in order to determine the final Bid price for solicitation evaluation purposes.

The calculated Energy Compensation for Netting Tariff Bids are intended for Bid evaluation purposes only. Netting Tariff Projects will receive net metering credits and avoided energy costs based on the actual retail rates applicable to the Project Site host. Actual rates may be higher or lower than calculated Energy Compensation. For New Construction Projects, the EDCs will evaluate Bids using the Energy Compensation for Rate 30 for Eversource and Rate GST-SS for UI.

The EDCs shall post the most recent version of the Bid Price Calculator filed in Docket 22-08-03 that allows Bidders to calculate final evaluated Bid prices based on their submitted Bid prices. The calculator will include the updated Energy Compensation that will be used by the EDC in the evaluation process.

Negative REC Bids

In order to allow Bidders to submit Netting Tariff Bids that are lower than the calculated Energy Compensation, Bidders may submit negative price REC Bids. In the event a Project submitting a negative REC Bid is awarded a Tariff Agreement, the EDCs will invoice the Tariff Payment Beneficiary an annual negative REC charge based on the total production of the system as measured by the EDC-owned REC meter. Negative REC invoices will be sent annually in March.

The EDCs are instituting a three-strike system for Tariff Payment Beneficiaries that fail to make timely negative REC payments. If the Tariff Payment Beneficiary misses their negative REC payment due date by more than six (6) months for three (3) consecutive years, the EDCs shall terminate the Project's eligibility. Further, the EDCs will charge a late payment penalty of up to 50 percent of the missed negative REC payments for payments made more than six (6) months late.

Example Rate Calculations

The following shows example rate comparisons for a solar Project under three Eversource rates²⁴. The highlighted cells are Bid prices provided by Bidders while all other cells are calculated based on the processes discussed in this guideline.

Eversource Rate 30	Bid Price (\$/REC)	NPV Retail Rate (\$MWh)	Bid Price (\$MWh+\$/REC)	Bid Preference	Evaluated Bid Price (\$/MWh+\$/Rec)
Buy-All		N/A	\$ 145.00	20%	\$ 116.00
Netting	\$ 19.00	\$148.72	\$ 167.72	20%	\$ 134.17

Eversource Rate 37	Bid Price (\$/REC)	NPV Retail Rate (\$MWh)	Bid Price (\$MWh+\$/REC)	Bid Preference	Evaluated Bid Price (\$/MWh+\$/Rec)
Buy-All		N/A	\$ 145.00	20%	\$ 116.00
Netting	\$ 10.00	\$168.11	\$ 178.11	20%	\$ 142.49

Eversource Rate 56	Bid Price (\$/REC)	NPV Retail Rate (\$MWh)	Bid Price (\$MWh+\$/REC)	Bid Preference	Evaluated Bid Price (\$/MWh+\$/Rec)
Buy-All		N/A	\$ 145.00	20%	\$ 116.00
Netting	\$ 9.00	\$149.86	\$ 158.86	20%	\$ 127.09

²⁴ Although some Bidders may obtain generation service through a retail supplier, the EDCs will not factor those rates into the Bid evaluation at this time. The EDCs will, however, allow Bidders to provide their actual generation rate in the Bid portal in accordance with the instructions in Section III.B.2. of PURA's November 3, 2021 Decision in Docket No. 21-08-03 to "...add a data field for Customers to provide their actual generation service rate" in the bid portal.

Appendix B – Non-Residential Renewable Energy Solutions Beneficial Electrification and New Construction Load Guidelines

I. Certification of Future Beneficial Electrification

Due to the variable nature of potential Projects in the Non-Residential sector there is no set of standard technologies or models that can be used to certify the oversizing of systems for future Beneficial Electrification. The EDCs require a Connecticut Licensed Professional Engineer Certification certifying the load expected to materialize over the five years following Bid submission attributable to transportation electrification and/or fuel switching.

For every Project sized based on future beneficial electrification, the EDCs shall inquire at the time of the in-service notification if such beneficial electrification is still planned. Further, the EDCs shall request that a Project representative for *each* applicable Project send formal notice via email when the associated beneficial electrification load materializes, but no later than five years from the In-Service Date, and contact the applicable party approximately four years and six months following the In-Service Date if such notification is not received to request proof of installation.

II. Certification for New Construction Non-Rooftop Projects

For every New Construction Project that is not a Rooftop Project, the EDCs shall inquire at the time of the in-service notification if the load indicated at the time of Bid submission is still planned to materialize within five years after the In-Service Date. Further, the EDCs shall request that a Project representative for *each* applicable Project send formal notice via email when the associated New Construction load materializes, but no later than five years from the In-Service Date, and contact the applicable party approximately four years and six months following the In-Service Date if such notification is not received to request proof of installation.

III. Certification for New Construction Buy-All Rooftop Projects

For every New Construction Buy-All Rooftop Project, the EDCs shall request that a Project representative for *each* applicable Project send formal notice to ascertain whether the Project was installed on a rooftop per the Tariff Agreement at the time of the in-service notification. If the Project is not installed on a rooftop, the EDC's twenty-year purchase commitment will immediately and automatically terminate.

IV. Non-Rooftop New Construction Compensation Adjustment

In situations where the expected beneficial electrification or New Construction load does not materialize, the EDCs reduce the compensation level of the RECs produced from the Project equal to the percent of the future beneficial electrification or New Construction load which never materialized when compared to overall Project capacity. The EDC will modify the Agreement with the counterparty to reflect a reduction in the Purchase Price for RECs in the case of a Netting Tariff Project or the Purchase Price of Energy and RECs in the case of a Buy-All Project based on the actual realized load for that Project. For the Netting Tariff, this will result in a reduction in the quarterly cash payment (the "REC payment"), which could possibly result in negative REC pricing. For the Buy-All tariff, this will result in a reduction

in the overall price, as there is no separate REC price. For example, if a Project constructed to a Nameplate Capacity of 1000 kW with 100 kW of that being anticipated to offset future beneficial electrification that was never installed, the resulting reduction in compensation would be ten percent.

$$\begin{aligned} &\text{Calculation} \\ &100\text{kW}/1000\text{kW} = .1 \\ &.1 \times 100 = \mathbf{10\%} \end{aligned}$$

V. Notification of Beneficial Electrification or New Construction load Not Materializing

At any point before commercial operation a Project may inform the EDCs that the expected beneficial electrification load will no longer materialize and size the system based on the historical load instead. In such circumstances, the Project developer shall not be penalized, but shall only receive compensation for the energy and RECs that are generated once commercial operation begins.

For every Project sized based on future beneficial electrification or New Construction load, the EDCs shall inquire at the time of the in-service notification if such beneficial electrification or New Construction load is still planned. If a counterparty or authorized representative thereof notifies the EDCs prior to the In-Service Date that part or all of the expected beneficial electrification load or New Construction load²⁵ will no longer materialize and is therefore sizing the system based on historical load instead in accordance with the paragraph above, the EDC will modify the Agreement with that counterparty to reflect a reduction in the system size based on the historical load provisions outlined in the Program Rules for that Project. Such notification shall be made via email to the email address for this Program to be established by the respective EDCs.

1. After the In-Service Date for the Project has occurred, the counterparty or an authorized representative thereof will be required to notify the respective EDC that their Project is in-service and is in compliance with the established Program Rules. An integral part of that notification will be a formal notice of the final installed capacity of the Project.
2. If such final installed capacity is less than the installed capacity listed on the original Agreement, the EDCs will ask at that time if the future beneficial electrification or New Construction load is still planned to be installed. If so, the EDCs will request that the counterparty send formal notice via email to the email address for this Program to be established by the respective EDCs when such load materializes, but no later than five years from the In-Service Date. If such notification is not received from the counterparty proactively, the EDCs will contact the counterparty on a date that is roughly equivalent to four years plus six months from the In-Service Date to follow up regarding the status of such future beneficial electrification or New Construction load

²⁵ In the case of a New Construction Project that has less than the expected New Construction load materialize, the system will be sized to the realized load.

and will require proof of installation including but not limited to equipment receipts, site plans or permits from the local municipality, an affidavit from the Customer that such beneficial electrification measures have occurred, and any other evidence deemed necessary by the EDC at that time. If such load does not materialize within five years from the In-Service Date, the EDCs will act according to the aforementioned Compensation Adjustment plan.

Appendix C – Beneficial Account Credit Allocation Guidelines

State, Agricultural, and Municipal Customers (“SAM Customers”) participating in the Non-Residential Renewable Energy Solutions Program may allocate monthly excess bill credits from their qualified Project to other accounts of the Customer Host or to the accounts of other SAM Customers and certain critical facilities. These allocated monetary bill credits are used to offset the total costs charged to the Beneficial Accounts.

Credit Allocation Process

Customer Hosts must designate Beneficial Accounts and associated billing accounts through submission of the Beneficial Account Credit Allocation Form (“BACAF”) at the time of Bid Submission. The EDCs will allocate any net excess bill credits generated by the qualified Project per this form. Prior to receiving Approval to Energize from the EDC, the Customer Host may submit a revised Beneficial Account Credit Allocation Form (“BACAF”) to the relevant EDC. Forms can be emailed to:

- Eversource: CTCOMMRenewables@eversource.com
- United Illuminating: NRES@uinet.com

Any Beneficial Account may have multiple billing accounts associated with it.

For Netting Tariff Projects, any monthly net excess generation at the Customer Host’s retail meter will be converted to monetary bill credits that will be allocated to the billing account(s) of the Beneficial Account as designated on the BACAF. Bill credits can be used to reduce the total bill on the associated billing account.

For Buy-All Projects, the bill credits resulting from monthly net excess generation, as measured at the Production Meter, will be multiplied by the percentage of the Buy-All compensation that has been designated by the Customer Host for on-bill crediting. These bill credits will be allocated to each billing account listed on the Beneficial Account Credit Allocation Form.

Credit Allocation Restrictions

The following restrictions apply to the allocation of bill credits to Beneficial Accounts under the Program:

- Each Customer Host account may be eligible to allocate a portion of the qualifying Non-Residential Renewable Energy Solutions Project’s excess generation to the following Beneficial Accounts:
 - The Customer Host account
 - 5 additional State, Agricultural, or Municipal Beneficial Accounts
 - 5 additional nonstate or municipal critical facility billing accounts physically connected to the same Microgrid as the Customer Host account
- Due to billing system constraints, no more than 1,000 billing accounts may receive credit allocations from any one Customer Host.
- Customer Hosts may only allocate bill credits to other accounts within the same Electric Distribution Company (“EDC”).

REC or Direct Payments for Buy-All or Netting Tariff

REC or direct payments can be assigned to one Tariff Payment Beneficiary. See sections 7.1.1 and 7.1.2 of the Program Rules for further guidance.

Treatment of Closed Allocatee Accounts

In the event that a billing account listed on a Beneficial Account Credit Allocation Form has been closed, the EDCs will permit Customer Hosts to reallocate credits accrued from cancelled billing accounts for a fee of \$250. The Host Account may use the unallocated bill credits to offset any charges on the host account in future billing periods or may cash out the accumulated bill credits consistent with the credit cash out rules associated with the Qualified Project's tariff structure.²⁶

Allocation Form Instructions

Each Customer Host that seeks to allocate excess bill credits to Beneficial Accounts must submit a BACAF to the EDC in order to direct the allocation of bill credits. The following provides instructions for completing the BACAF. Customer Hosts must submit a complete BACAF during Bid Submission and may submit revised BACAF forms once per 12-month period. Each time a request is made to modify these allocations, the EDC may charge a \$250 fee associated with such requested modifications. Such fee shall be due at the time the request is made.

1. Enter the necessary information in Row 4 of the excel spreadsheet as it pertains to the Host Account.
2. Each Customer Host account may be eligible to allocate a portion of the qualifying Non-Residential Renewable Energy Solutions Project's excess generation to the following Beneficial Accounts:
 - i. The Customer Host account
 - ii. 5 additional State, Agricultural, or Municipal Beneficial Accounts
 - iii. 5 additional nonstate or municipal beneficial critical facility accounts physically connected to the same Microgrid as the Customer Host account
3. For example, if the Beneficial Account is "Any Town", and "Any Town" includes accounts for the Any Town Hall, Any Town High School, Any Town Middle School, and Any Town Elementary School, Any Town would be the "Beneficial Account Name" and the billing account numbers associated with Any Town Hall, Any Town High School, Any Town Middle School, and Any Town Elementary School would all be entered under the billing account #(s) column as follows:

²⁶ Excess accumulated credits on a Customer Host's account will be rolled over until the end of the 20-year term. At the end of the 20-year term, such credits may be cashed out.

Beneficial Account Name (limited to 5 State, Agricultural, Municipal accounts, plus 5 additional nonstate or municipal beneficial critical facility accounts)	Billing Account #'s	Allocation %	Allocatee Name
	51-123456789		Any Town Hall
	51-123456790		Any Town High School
	51-123456791		Any Town Middle School
	51-123456792		Any Town Elementary School

4. Revised forms, once complete, can be sent via email to the correct EDC:
- i. Eversource: CTCOMMRenewables@eversource.com
 - ii. United Illuminating: NRES@uinet.com

Beneficial Account Credit Allocation Form

Screenshot below is for reference only. The Beneficial Account Credit Allocation Form will be available on the respective EDC's websites.

Beneficial Account Credit Allocation Form - Non-Residential Tariff						
Customer Host Account Name	Customer Host Billing Acct#	Amount of Net Metering Credit Allocated	Sum Of Target Allocation (must match "Amount of Net Metering Credit Allocated")	Customer Host Name	Customer Host Address	Project ID (example: LZNRT1-1234)
	YYYYYY	0.00%	100.00%	Customer xyz	123 main st anywhere	LZNRT1-1234
Beneficial Account Name (limited to 5 State, Agricultural, Municipal accounts, plus 5 additional nonstate or municipal beneficial critical facility accounts)	Billing Account #'s	Allocation %	Allocatee Name	Allocatee Street Address	Allocatee Town	Allocatee Type (State, Municipal, Agricultural, Nonstate or municipal critical facility)