

New Energy Programs Affecting Towns

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Connecticut Council of Small Towns



Connecticut Public Utilities Regulatory Authority

Agenda

- About PURA / Equitable Modern Grid
- New Laws
 - Zero Carbon by 2040
 - Increase in Program Caps
- Non-Residential Renewable Energy Program (NRES)
- Other Relevant Programs



About Us



Connecticut Public Utilities Regulatory Authority

About Us

The Public Utilities Regulatory Authority (PURA) is statutorily charged with regulating the rates and services of Connecticut's investor owned electricity, natural gas, water and telecommunication companies and is the franchising authority for the state's cable television companies. In the industries that are still wholly regulated, PURA balances the public's right to safe, adequate and reliable utility service at reasonable rates with the provider's right to a reasonable return on its investment. PURA also keeps watch over competitive utility services to promote equity among the competitors while customers reap the price and quality benefits of competition and are protected from unfair business practices.



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Quasi-Judicial?

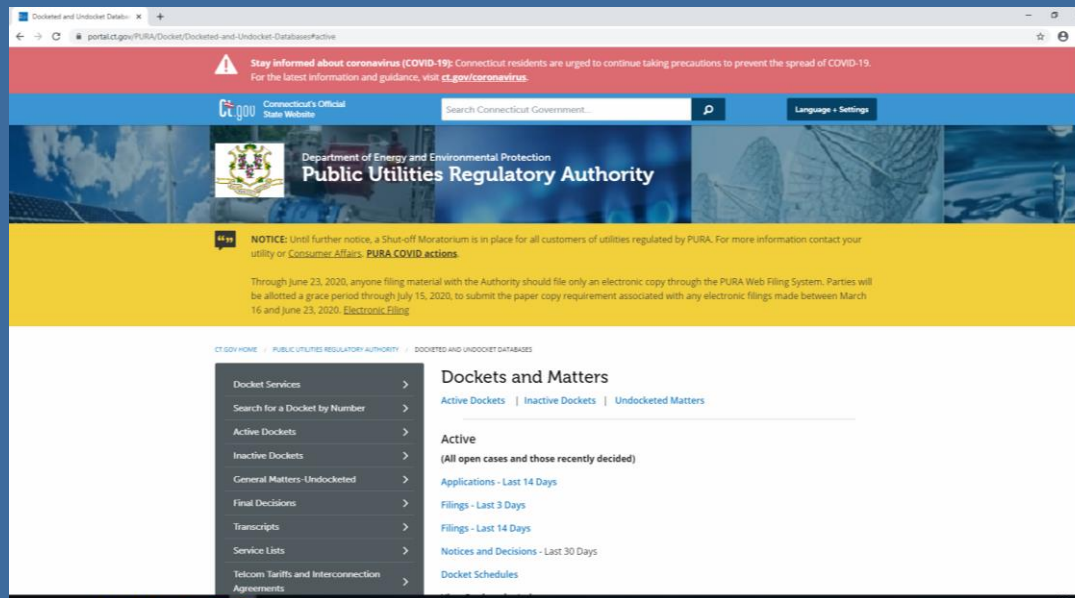
- Statutes > Regulations > Decisions, Oh My!
- Contested vs. Uncontested cases
- Docket Nos. XX (Year) – XX (month) – XX (number)
- Statutory Parties
- Ex Parte Rules



How to Engage

- PURA [online calendar](#)
- Sign up for email alerts

Interested in receiving email updates for the above dockets, or other PURA proceedings? Sign up through [PURA's email notification system](#). If you're having difficulties updating an existing account, use the Internet Explorer browser and follow these [troubleshooting tips](#).



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How to Engage (cont.)

- Provide comment during a public hearing
- Submit written comments into the record by email: PURA.ExecutiveSecretary@ct.gov
- Intervene in the docketed matter
- Need help filing / participating in a docket, email Laura Lupoli: Laura.Lupoli@ct.gov



Equitable Modern Grid



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Equitable Modern Grid Framework

On October 2, 2019 PURA released its
Framework for an Equitable Modern Grid
in Docket No. 17-12-03



STATE OF CONNECTICUT PUBLIC UTILITIES REGULATORY AUTHORITY

For Immediate Release

Connecticut Public Utilities Regulatory Authority Announces Landmark Equitable Modern Grid Framework

Decision expected to transform electric sector in the state

(New Britain, CT – October 3, 2019) – In a decision expected to have far-reaching implications for the state's electric sector and green economy, the Public Utilities Regulatory Authority (PURA or the Authority) voted yesterday to approve its plan to modernize the electric grid. The unanimous [decision](#) outlined PURA's vision for the next several years, including a framework for achieving an Equitable Modern Grid to benefit all Connecticut ratepayers. Next steps on the eleven near-term pathways identified by the decision begin this month, with all investigations targeted to realize four main objectives.



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Objectives of the Framework



New Laws



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Public Act 22-14 (SB 176)

- **Shared Clean Energy Facilities**

- Project capacity limit = 4 MW → 5 MW
- SCEF program cap = 25 MW → 50 MW
- SCEF capacity to low-income 10% → 20%
- SCEF capacity to LMI (or service orgs) 10% → 60%

- **Non-Residential Renewable Energy Solutions**

- Project capacity limit = 2 MW → 5 MW
- NRES program cap = 60 MW → 110 MW
- Entire rooftop space of customer premises can be utilized

- Unallocated SCEF, NRES capacity can roll into next year

- OPM will study the property tax treatment of commercial solar >50kW

- Silent on BTM/FTM and property self-use vs. export



Public Act 22-5 (SB 10)

- Amends Global Warming Solutions Act
- Full electric supply decarbonization by 2040



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New Non-Residential Renewable Energy Solutions (NRES) Program



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Summary

- Successor to both the LREC/ZREC + VNM programs
 - 110 MW per year; utility administered program
- Program began in 2022; running through 2027
 - One solicitation in 2022, issued on February 1st
 - Two solicitations in subsequent years (2023-2027)
- Per Statute:
 - CT Class I Renewable Resource up to 5 MWs
 - Annual solicitation(s) for both energy + RECs
 - Twenty-year tariff term
 - Two tariff options: “Buy-All” Tariff + Netting Tariff



Objectives

- Stakeholder-Vetted Program Objectives:
 - The sustained, orderly development of the state's Class I renewable energy industry;
 - The deployment of the full MW allowable under statute;
 - Ensuring least-cost outcomes through annual solicitations;
 - Enabling program accessibility for customers through simplified program and tariff designs; and
 - Encouraging increased customer inclusivity overall.



Tariff Options

- “Buy-All” tariff:
 - Similar to Power Purchase Agreement / FiT
 - Fixed (or flat) compensation over 20-year term
 - Quarterly payments for both energy and RECs
- Netting tariff:
 - Similar to past NEM – energy production netted w/ usage on a monthly basis; excess to grid compensated at retail rate
 - Compensation provided on customer bills as monetary credit
 - Separate REC bid and quarterly payments



Size Categories (2022)

- Zero emission categories:
 - Large ZREC – 600-2,000 kW
 - Medium ZREC – 200-600 kW
 - Small ZREC – Up to 200 kW

Size Category Comparison		
Category	NEW Project Size	LREC/ZREC Project Size
Low Emission Projects	≤ 2,000 kW	≤ 2,000 kW
Small Zero Emission Projects	≤ 200 kW	≤ 100 kW
Medium Zero Emission Projects	>200 kW ≤ 600 kW	>100 kW ≤ 250 kW
Large Zero Emission Projects	> 600 kW ≤ 2,000 kW	> 250 kW ≤ 1,000 kW

- Zero emission projects eligible for low emission category



Competitive Process

- Annual competitive solicitations (i.e., auctions) for the low emission and large/medium zero emission project categories
- For 2023-2027, solicitations issued in February for **sixty percent** of the available capacity, and August for the remaining **forty percent** plus any remaining capacity



Small Zero Emission Projects

- Due to the administrative burden of a competitive solicitation on smaller projects, and consistency with current LREC/ZREC program, the price for small zero emission projects will be administratively set annually
- Details:
 - Two week application window, then first-come, first-serve
 - 2022 Zero Emission tariff set at Small ZREC compensation
 - ~\$0.20 / kWh for Buy-All tariff
 - ~\$0.095 / kWh for REC under Netting tariff
 - For subsequent years, the Authority will establish a methodology based on medium zero emission project pricing



Parcel / Sizing Rules

- Generally, in NRES Year 1, one project, up to two (2) MW per existing revenue meter, can be submitted with the following stipulations:
 - Projects cannot exceed annual on-site load (moving forward, there is an exception for additional, available rooftop space)
 - Can't split projects between meters to qualify for smaller size
 - These rules also apply to VNM projects
 - “Buy-all” tariff bids may aggregate meters
 - “New Construction” sites (i.e., new buildings – which is different than the LREC/ZREC definition) may submit up to two (2) bids in a given auction (all the above rules also apply)



TIME OUT: Customer Agg. Example

- For example:
 - Business park with four (4) customer meters with same building/land owner
 - Traditionally, four bids would need to be submitted
- Under new rules:
 - One bid can be submitted under the “Buy-All” tariff for all four (4) customers / customer meters
 - Simplifies bidding and electric system design
 - Customers would elect how to split “Buy-All” tariff compensation



Parcel / Sizing Rules (cont.)

- Projects may be sized up to the highest load over the prior five years, plus an approximation of the annual load attributable to transportation electrification and fuel switching (e.g., air source heat pumps)
 - If the additional load does not materialize within five years, a project's REC compensation will be reduced proportionally



VNM Rules

- State, Agricultural, and Municipal customers eligible
- Conn. Gen. Stat. § 16-244z(a)(2) requires that this solicitation apply to “customers that own or develop new generation projects *on a customer’s own premises.*”
 - Customer ownership of the project site is required, but the projects are not required to be physically tied to account meters
 - One “beneficial account” means 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



Bid Adders

- PURA approved bid adders for landfills, brownfields, and distressed municipalities at twenty (20) percent for 2022
 - Bid adders are for selection purposes only



Resources: Websites + Contact Info

- Eversource:
 - Program Website: [Non-Residential](#)
 - Email Contact: ctcommrenewables@eversource.com
- United Illuminating:
 - Program Website: [Renewable Energy Solutions](#)
 - Email Contact: NRES@uinet.com
- PURA [website](#)



Annual Review Process

- The Authority will initiate a docket annually (XX-08-03) to review the key Program metrics with stakeholders, such as MW deployed, and to evaluate whether and how the Program could or should be modified
- Docket No. [22-08-03](#) was opened on June 8, 2022 to evaluate programmatic changes for NRES Year 2 and to incorporate PA 22-14



Other Relevant Programs



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Other Relevant Programs

- Incorporation of “affordable housing” into the Residential Renewable Energy Solutions Program (RRES)
– [Decision dated June 8, 2022](#)
- Energy Storage Solutions Program – Effective Jan. 1, 2022
([Program website](#); [PURA website](#))
- Shared Clean Energy Facility (SCEF) Program – Annual PURA Review, Docket No. 22-08-04
- Statewide Electric Vehicle Charging Program – Effective Jan. 1, 2022 ([PURA website](#))



Questions?

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