# LONG-TERM RENEWABLE ENERGY CONTRACT ADJUSTMENT

## RATE LTRCA

### 1.01 Purpose

The purpose of the Long-Term Renewable Energy Contract Adjustment ("LTRCA") is to provide NSTAR Electric Company d/b/a Eversource Energy ("NSTAR Electric" or "Company") a mechanism to adjust, on an annual basis and subject to the jurisdiction of the Department of Public Utilities (the "Department"), its rates for customers of distribution service to recover costs and contract remuneration arising in relation to payments made under long-term renewable energy contracts and transmission service agreements that are in place to satisfy the requirements of the Green Communities Act (St. 2008, c. 169, s. 83, s. 83A, s. 83C, s. 83D)("the Act").

### 1.02 Applicability

The LTRCA shall be applicable to NSTAR Electric customers in Eastern and Western Massachusetts and all firm electricity, as measured in kilowatt-hours ("kWhs"), delivered by the Company unless otherwise designated.

### 1.03 Effective Date of Annual Adjustment

The date on which the annual LTRCA becomes effective shall be the first day of each calendar year, unless otherwise ordered by the Department. The Company shall submit LTRCA filings as outlined in Section 1.06 of this tariff at least 45 days before the filing is to take effect.

### 1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

(1) "Distribution Company" or "Company" is NSTAR Electric Company d/b/a Eversource Energy.

(2) "Year" is the 12-month period for which the LTRCA will apply

(3) "Prior Year" is the 12-month period prior to the Year

(4) "Remuneration" is the annual remuneration for the Company equal to a percentage of the annual payments under the long-term renewable energy contracts and transmission service agreements. A 4 per cent remuneration applies to contracts subject to Section 83 of the Act. A 2.75 per cent remuneration applies to contracts subject to Section 83A, Section 83C, and Section 83D of the Act.

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### 1.05 Long-Term Renewable Energy Contract Adjustment Formula

LTRCA = (LTRC - MR + PCD + PPRA)/FkWh

LTRCA = The annual Long-Term Renewable Energy Contract Adjustment.

LTRC = The estimated long-term renewable energy contract and transmission service agreement expenditures plus Remuneration for $Year_x$. This includes the cost of energy, capacity, renewable energy credits ("RECs"), and Clean Energy Credits ("CEC") as applicable under the long term renewable energy contracts plus an estimate of expenses incurred by the Company associated with selling energy into the market.

MR = The Market Recovery, for $Year_x$ is the estimated sum of: (1) the market value of energy products produced by the long-term renewable energy contract(s) and sold at a price equal to the ISO-NE Real Time energy market price; (2) the market value of capacity products produced by the long-term renewable energy contract(s) and sold on the ISO-NE Forward Capacity Market; (3) the market value of the Class I RECs produced by the long-term renewable energy contract(s); and (4) the market value of CECs produced by the long-term renewable energy contract(s).

PCD = Procurement and Contract Development Costs related to Section 83C and Section 83D of the Act which consist of (1) the difference between actual expenditures incurred to solicit, evaluate, negotiate, execute, and obtain regulatory approval of long term renewable energy contracts and fees paid by bidders to participate in the solicitation, excluding internal labor costs; and (2) ongoing external costs of administering long term renewable energy contracts, excluding internal labor costs;

PPRA = The Past Period Reconciliation Amount is the sum of: (a) the difference between (1) the amount of actual LTRC and PCD costs net of actual Market Recovery accumulated by the Company in Prior Year(s); and (2) the amount of LTRCA revenue actually received by the Company in Prior Year(s); and (b) the amount computed in clause (a) times the prime rate computed in accordance with 220 C.M.R. § 6.08(2).

FkWh = The forecasted amount of electricity in kWh to be delivered to the Company's distribution customers for the Year.

The LTRCA revenue requirement shall be combined for Eastern and Western Massachusetts with a single uniform rate applicable to customers in both territories.

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### 1.06 Information Required to be Filed with the Department

Information pertaining to the LTRCA shall be filed with the Department as part of the Company's annual electric reconciliation filing at least forty-five (45) days before the date on which a new LTRCA is to be effective. Additionally, the Company will file with the Department a complete list by (sub)account of all long-term renewable energy contract accounts claimed as recoverable through the LTRCA over the relevant calendar year. This information will be submitted with each annual LTRCA filing, along with complete documentation of the reconciliation-adjustment calculations.

### 1.07 Customer Notification

The Company will notify customers in simple terms of changes to the LTRCA, including the nature of the change and the manner in which the LTRCA is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each LTRCA filing. Upon approval by the Department, the Company shall immediately distribute these notices to all of its distribution customers either through direct mail or with its bills.