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Non-Residential Renewable Energy Solutions Program Guideline for Bid Price Comparison

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 project 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.

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 the 12 months prior to the rate effective date (January 1st) 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.
 - 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. 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.

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- 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.

The EDCs shall post a spreadsheet tool 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 contract, the EDCs will invoice the system owner, the customer of record or another designated entity 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 customers that fail to make timely negative REC payments. If the customer 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 rates¹. The highlighted cells are bid prices provided by bidders while all other cells are calculated based on the processes discussed in this guideline.

¹ 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.

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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	\$111.67	\$ 130.67	20%	\$ 104.54

Eversource Rate 37	Bid Price (\$/REC)	NPV Retail Rate (\$MWh) ¹	Bid Price (\$MWh+\$/REC)	Bid Preference	Evaluated Bid Price (\$/MWh+\$/Rec)
Buy All	N/A		\$ 145.00	20%	\$ 116.00
Netting	\$ 19.00	\$127.61	\$ 146.61	20%	\$ 117.28

Eversource Rate 56	Bid Price (\$/REC)	NPV Retail Rate (\$MWh) ¹	Bid Price (\$MWh+\$/REC)	Bid Preference	Evaluated Bid Price (\$/MWh+\$/Rec)
Buy All	N/A		\$ 145.00	20%	\$ 116.00
Netting	\$ 19.00	\$112.94	\$ 131.94	20%	\$ 105.55