STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY

Year 1 Non-Residential Renewable Energy Solutions Program Rules

Implementing Section 3 of Public Act 19-35, *An Act Concerning A Green Economy and Environmental Protection*

prepared by

THE CONNECTICUT LIGHT AND POWER COMPANY d/b/a EVERSOURCE ENERGY AND

THE UNITED ILLUMINATING COMPANY

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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.

"Act" shall mean Connecticut Public Act 19-35, *An Act Concerning A Green Economy and Environmental Protection* (approved July 1, 2019).

"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/-/media/DEEP/site_clean_up/Brownfields/ConnecticutBrownfieldsInventory xlsx.xlsx.

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

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

"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, and the Customer will receive all compensation from the EDC under the applicable Tariff.

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

"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.

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

"Distressed Municipality" shall mean any municipality listed on the Connecticut Department of Economic and Community Development's website (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.

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

"Landfill" shall mean any property that is listed on the DEEP Closed Landfills list, available at: https://portal.ct.gov/-/media/DEEP/site_clean_up/Brownfields/closedlandfillslistpdf.pdf, 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 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 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 the Act.

"Project" shall mean a distributed renewable generation system that qualifies for and is eligible under Section 3 of Public Act 19-35 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, [or] 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. Customer

"Revenue Meter" shall mean the meter required under the Customer's applicable general service rate schedule.

"**SAM Customer**" shall mean State Customers, Municipal Customers, and Agricultural 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.

"**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 a System Owner to receive tariff-related payments. For the Netting Tariff, the Tariff Payment Beneficiary may, but is not required to be, the System Owner or the Customer of Record. For the Buy-All Tariff, the Tariff Payment Beneficiary must be a third party.

"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 2,000 kW Nameplate Capacity for zero emission resources eligible under Section 3(a)(2)(B) of the Act and 2,000 kW Nameplate Capacity for low emission resources eligible under Section 3(a)(2)(A) of the Act 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 the Act, respectively, and must qualify as a Class I renewable energy source under Conn. Gen. Stat. Section 16-1(a)(20), as amended by the Act.

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 approximately 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. The Bidder must certify site control to the EDC prior to submitting such Bid.

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, represents site control.

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 Program[3], (e) any other PA 19-35 tariffs, (f) any other PA 18-50 tariffs, (g) any PA 21-162 tariffs or (h) any other contract

[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.

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 (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, 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 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 Project Site.

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 Project Site.

2.1.11. Except for State, Agricultural, and Municipal Customers, the total generation Bid for all awards cannot exceed the highest load over the five years prior to the date of Bid submission at the Project Site 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 2,000 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 2.1.13. and 3.2. below. In

[4] For example, the Bidder for a 1500 kW zero emission Project may not split that Project into two Projects, one for 1000 kW and one for 500 kW.

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. Notwithstanding Section 2.1.9, 2.1.10, and 2.1.12, for New Construction Projects, up two Bids for Projects may be submitted per single parcel of land, or contiguous parcels under common ownership or with a common Bidder, in a single solicitation, provided the aggregate bid capacity is in excess of 2,000 kW. For purposes of clarification, up to two Bids that, in total, exceed 2,000 kW may be submitted. One bid must be submitted as a large zero emission Project of between 1,950-2,000 kW (AC) and the remaining capacity bid into the largest applicable zero emission category, subject to Sections 2.1.9 and 2.1.10 (i.e., separate metering) and 2.1.12 (i.e., the prohibition on splitting Projects under 2,000 kW) herein. This limitation shall not apply to Project bids proposing to interconnect behind a Revenue Meter with load existing at the time of bid submission that would reasonably be expected to exist should the relevant Bid/Application be unsuccessful.[5]

2.1.14. 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.

2.1.15. Only one Bid may be submitted per Revenue Meter, in a single solicitation. In other words, an 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

[5] For clarity, the limitation of two 2,000 kW "New Construction" Projects on a single parcel of land or contiguous parcels under common ownership or with a common Bidder/Applicant in a single solicitation shall not inhibit a developer from bidding New Projects interconnected behind a different and unique Revenue Meter with existing load on the same parcel or contiguous parcels of land in that same solicitation, so long as the Projects satisfy Section 2.1.7 herein. In other words, so long as a Project satisfies Section 2.1.7, a developer can propose in the same solicitation up to a 2,000 kW Project per unique Revenue Meter with existing load, as well as up to two 2,000 kW "New Construction" Projects on the same parcel or contiguous parcels of land.

either a "Low", "Large", "Medium", or "Small" Project. If multiple Bids are received for a Project Site only the lowest priced Bid will be eligible, and all other Bids will be disqualified. For Small Zero Emission Projects, if multiple Bids are received for a Project Site, the first Bid submitted will be eligible and all others will be disqualified.

2.1.16. 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,[6] written leases, options to lease, memorandums of lease, memorandums of option to lease, and contracts to purchase.

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

2.2.5. Bidder 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.

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 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 2.1.14 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 2.1.14 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 2.1.14 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 3(a)(2)(B) of the Act apply:

- The Customer shall own or develop such New Project on a Customer's own premises.
- The Project shall be less than two (2) 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 3(a)(2)(A) of the Act apply:

- The Customer shall own or develop such New Project on a Customer's own premises
- The Project shall be less than two (2) 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, Municipal, or Agricultural Customers, each 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 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.

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 through 3.6 below.

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 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, Bidders must apply for interconnection with their respective EDC and pay the interconnection application fee prior to submitting a Bid for that Project in this Program. Such interconnection application and fee(s) must be submitted no later than two weeks prior to the Bid deadline for the given solicitation. A copy of the confirmation receipt issued by the respective EDC stating that an interconnection application and payment for such interconnection application have been received by the EDC for that specific Project will be required to be submitted during the online Bid process for all Projects. For purposes of clarification, if multiple New Construction Bids are submitted at the same Project Site address, each individual Bid must include a unique confirmation receipt from the EDC.

[7] Refer to the Beneficial Account Credit Allocation Guideline for further guidance regarding re-designation of Beneficial Accounts.

3.4. For New Construction Projects that are not SAM Customers, 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).

3.5. 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 Project interconnecting, 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.

3.6. 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 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.

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

3.7.1. Projects less than or equal to 200 kW ("Small");

3.7.2. Projects over 200 kW, but less than or equal to 600 kW ("Medium"); and

3.7.3. Projects over 600 kW, but less than or equal to 2 MW ("Large").

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

3.8.1. Projects less than or equal to 2 MW ("Low").

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

3.9.1. Table 1: Capacity Allocations

Category	Project Size (AC)	Total MW/ Procurement Year	Eversource MW/Year	UI MW/Year

[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.

Low Emission Projects	≤ 2,000 kW	10.0	8.0	2.0
Small Zero Emission Projects	≤ 200 kW	12.5	10.0	2.5
Medium Zero Emission Projects	>200 kW ≤ 600 kW	15.0	12.0	3.0
Large Zero Emission Projects	>600 kW ≤ 2,000 kW	22.5	18.0	4.5
Total Zero Emission Projects	-	50.0	40.0	10.0

3.10. 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:

3.10.1. 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.

3.10.2. 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.

3.10.3. 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 3.6, subject to the five (5) percent variation noted in Section 3.10.2 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 competitive 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 grandfathered net metering rights pursuant to Conn. Gen. Stat. Section 16-243h, as amended by Section 1 of the Act, shall only qualify for the Buy-All compensation structure for any generation added at the Project Site and accepted under this Program[9].

4.3.2.2. The Buy-All 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 for the total quantity of energy produced by the Project, there is no need for a separate rate for RECs and Environmental Attributes.

[9] A Customer with grandfathered net metering rights already has the benefit of annual netting, and the EDCs cannot implement dual netting structures behind a single Revenue Meter.

4.3.2.3. 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.

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 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.

4.4. <u>Purchased Products</u>

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.

4.4.2. 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.

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. For all Customer Projects, in the first year, the EDCs will issue one solicitation in February 2022 in order to meet the statutory requirement of filing selected Projects by July 1, 2022.[10]

5.1.2. 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, with the exception of the Small Zero Emission category in the years 2-6. The first solicitation will be issued in February for 60% of the available MW's for each category and will include one

[10] Section 3(a)(2) of the Act states: "Not later than July 1, 2022, and annually thereafter, each [EDC] shall solicit and file with the [Authority] for its approval one or more Projects selected . . . ."

round of Project selection only. The second solicitation will be issued in August for the remaining 40% of the original available MW's for each category, plus any remaining MW's in each category from the February solicitation, and will include two rounds of Project selection only.[11]

5.1.2.1. 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.

5.1.3. The joint RFP process, with separate Bid evaluations by each EDC, will ensure consistency and administrative efficiency, as well as facilitate regulatory review.

5.1.4. 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.

5.1.5. The EDCs may offer stakeholder tools and educational sessions as appropriate throughout the six years of solicitations.

5.1.6. 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.

5.1.6.1. The solicitation for Small Zero Emission Projects will occur through a first come, first served process, subject to the availability of capacity and the "Two-Week Window". For a two-week period, beginning with the opening of the Small Zero Emission bidding period, (the "Two-Week Window"), all bids will be treated as if they were submitted and received on the same date and time.

5.1.6.1.1. At the conclusion of the Two-Week Window, the first come, first served process will apply.

5.1.6.1.2. However, if during the Two-Week Window, an EDC receives bids for which the total capacity value exceeds available allocation capacity, the following process will apply:

5.1.6.1.2.1. The EDC will rank all bids received during the Two-Week Window using a random selection process;

5.1.6.1.2.2. Bids will be selected based on the randomly determined rank until the capacity allocation limit is exhausted;

5.1.6.1.2.3. Bids not selected will be placed in a standby queue;

5.1.6.1.2.4. If for any reason capacity in the Small Zero Emission category becomes available, such capacity will be allocated

[11] Given the Section3(a)(2), of the Act 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.

for selection of the next bids(s) in the standby queue until the available capacity is exhausted.

5.1.6.2. All bids in each EDC's standby queue will expire on the date when the results of each EDC's annual competitive procurement for the Non-Residential Renewable Energy Solutions Program are filed with PURA for Approval and the bid process for the small zero emission category will be suspended until the new Small bid price and schedule are approved by PURA.

5.1.7. 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.

5.1.8. Each EDC will separately submit selected Projects to PURA for approval.

5.1.8.1. 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**[12]

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.

5.2.2. 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 include Bid of 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 the EDC's published "Non-Residential Renewable Tariff Bid Price Comparison Guideline" as well as in Appendix A.

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.

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

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 5.1.6.

5.2.5. For Large and 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 until the required annual MW amount is met. 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 affidavit with supporting description for each such Bid Preference at the time of Bid submission to the respective EDC. Small Zero Emission Projects shall not receive any Bid Preferences.

5.2.6.1. For Year 1 of the Program, Projects built and wholly located on Landfills and/or Brownfields, as determined by the EDC, will result in the bid for that Project being discounted by twenty percent (20%) for each qualifying Bid Preference. 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. For Year 1 of the Program, Projects located in a Distressed Municipality, as determined by the EDC, will result in the bid for that Project being discounted by 20 percent.

5.2.7. No one bid shall be eligible for multiple bid preferences (e.g., projects located on a landfill in a distressed community will receive a twenty percent bid preference).

5.2.8. The EDCs will use the fixed price evaluation[13] methodology to differentiate between Bids that meet threshold Project and Bid eligibility criteria as provided herein including in Section 2 of this Plan. 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. Zero Emission Project Bid Selection

5.3.1. When the initial selection of a zero emission Project(s) 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. Bidders may elect not to remain on standby, and instead have their Bids terminated.

5.3.2. If either EDC has uncommitted MWs remaining in any of the categories after the solicitation is completed, 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 stack for the Medium and Large Zero Emission categories. If the aggregated MWs can accommodate one or more lowest priced Project(s), the Bid(s) will be accepted. If it cannot, the remaining MWs will not be allocated. 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.

5.3.3. 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.

5.3.4. Once an EDC selects one or more 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).

5.3.5. If a Bidder with a selected Project does not provide Performance Assurance in the timeframe required in the applicable RFP, then the Bid will be rejected and the MWs committed to the Project will be allocated to the next lowest priced Bid on standby when applicable.

5.4. Low Emission Project Bid Selection

[13] 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.

5.4.1. 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 additional MWs of capacity become available. Bidders may elect not to remain on standby, and instead have their Bids terminated.

5.4.2. 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.

5.4.3. 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).

5.4.4. If a Bidder with a selected Project does not provide Performance Assurance in the timeframe required in the applicable RFP, then the Bid will be rejected and the MWs committed to the Project will be allocated to the next lowest priced Bid on standby when applicable.

5.5. Bid Submission

5.5.1. **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 5.5.2 and 5.5.3. below.

5.5.2. **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 Form, or interconnection application confirmation receipt, 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.

5.5.3. **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 ("Minimum Required Bid Information"):

- Bid Certification Form
  - Bidder name
  - Customer name
  - Owner of the Project Site
  - Customer billing account number
  - Project Site Address
  - Certification that the Project has not received grants and/or rebates from the CT Green Bank
  - Certification that the Project is not a Shared Clean Energy Facility
  - Certification of site control
  - Certification that the Project has not received an agreement under the LREC/ZREC Program
  - 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)
  - Program participants can size projects up to the highest load over the prior five years. Applicants must provide five years of historical load data during the Bid submission process. When five years of data is unavailable, the Bidders shall provide as much historical load data as possible. For SAM customers, load data for up to five Beneficial Accounts must be provided to support the Bid.

- Documentation proving site control such as deeds,[14] written leases, options to lease, memorandums of lease, memorandums of option to lease, and contracts to purchase
    - For Projects where a State, Agricultural, or Municipal (SAM) account is acting as a Customer Host, the SAM Customer Host account must demonstrate ownership of the Project site through deeds[15], written leases, options to lease, memorandums of lease, memorandums of option to lease, and contracts to purchase. These ownership requirements do not apply to beneficial SAM Accounts.
- Copy of the most recent Customer bill
- For New Construction Projects, a copy of the interconnection application confirmation receipt will be required. Such interconnection application and fee(s) must be submitted no later than two weeks prior to the Bid deadline for the given solicitation.
- For New Construction Projects, a copy of documentation certified by a Connecticut Licensed Professional Engineer certifying the Customer load estimate will be required
- For informational purposes only, all bids received from Class I renewable energy sources that emit carbon to 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 established[16]
- 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

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

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

[16] 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.

- For Projects indicating at the time of Bid submission that they meet any of the Bid Preference criteria, an affidavit which explains how such Bid meets the Bid Preference criteria may be required
- Other Bid requirements as determined by the EDCs

5.6. **Non-Refundable Bid Fee**

5.6.1. 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.

5.7. **Performance Assurance**

5.7.1. Performance Assurance is required for all awarded zero emission and low emission Projects.

5.7.1.1. Performance Assurance shall not accrue interest.

5.7.2. The amount of Performance Assurance required is as follows:

5.7.2.1. Large Zero Emission Projects: $25/kW AC

5.7.2.2. Medium Zero Emission Projects: $17/kW AC

5.7.2.3. Small Zero Emission Projects: $17/kW AC

5.7.2.4. Low Emission Projects: $100/kW AC

5.7.2.5. Zero emission Projects[17] submitting Bids in the Low Emission category: $25/kW AC

5.7.3. Performance Assurance must be provided in the amount set forth in the applicable Tariff Agreement at the time of Tariff Agreement execution.

5.7.4. Failure by a Bidder to provide Performance Assurance in a form acceptable to the EDC as required shall result in immediate and automatic termination of the Project's eligibility under the Tariff, and trigger reallocation of MWs when appropriate.

5.7.5. Performance Assurance is returned if one of the following conditions is met: i) the Project timely receives Approval to Energize and begins producing energy that qualifies as zero emission or low emission (as applicable); ii) termination of the Project's eligibility under the Tariff for failure to receive regulatory

[17] For purposes of clarification, any Zero Emission Project participating in the Low Emission category, regardless of system size, shall be required to pay Performance Assurance in the amount of $25/kW AC.

approval satisfactory in substance to the EDC; or iii) the Project's eligibility under the Tariff is terminated due to a force majeure event.

5.7.6. 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.

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 the Act 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 the Act 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 1 of the Program, the Price Cap will be $200.97/MWh for Buy-All Bids and $95.075/MWh for Netting Bids. For Years 2 – 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 the Act, 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.

7. PAYMENTS[18]

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 received an Approval to Energize letter, 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.

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

7.1.2. **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 bill 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 received an Approval to Energize letter, 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.

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 the Act, Projects for Agricultural Customers, Municipal Customers and State 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 a spreadsheet. To be eligible as Beneficial Accounts, accounts must meet all requirements set forth in the Act. 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.[19]

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. The EDC's published Beneficial Account Allocation Guideline provides more details on the Beneficial Account allocation process.

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 currently aggregates RECs produced from Solar Home Renewable Energy Credit Facilities (SHREC Facilities).[20]

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 Bid 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

[19] Refer to the Beneficial Account Credit Allocation Guideline for further guidance regarding re-designation of Beneficial Accounts.

[20] 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).

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.[21]

8.1.5. Finally, pursuant to Section 3(d) of the Act and in accordance with Conn. Gen. Stat. Section 16-245a(h) as amended by the Act, 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 the Act shall be credited to Customers through a non-bypassable fully reconciling component of electric rates for all Customers of the EDC, consistent with the Act.

8.2. **Energy will be used to provide overall system benefits and will receive compensation at the Tariff rate**

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

[21] Currently, the alternative compliance payment is 4.0 cents per kWh.

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 Tariff 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 was 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.

    - 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 rates[22]. 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**	$111.67	$ 130.67	20%	**$ 104.54**

Eversource Rate 37	Bid Price ($/REC)	NPV Retail Rate ($MWh)[22]	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)[22]	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**

[22] 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 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. Compensation Adjustment

In situations where the expected beneficial electrification 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 load which never materialized when compared to overall Project capacity. 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.

Calculation
100kW/1000kW = .1
.1 X 100 = **10%**

III. Notification of Beneficial Electrification Not Materializing

At any point before commercial operation a Project may inform the EDCs that the beneficial load will no longer materialize and size the system based on the historical load instead. In such circumstances, (1) 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, the EDCs shall inquire at the time of the in-service notification if such beneficial electrification is still planned. If a counterparty or authorized representative thereof notifies the EDC's prior to the In-Service Date, 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 EDC's will ask at that time if the future beneficial electrification is still planned to be installed. If so, the EDC's 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 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 Seller 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 EDC's will act according to the aforementioned Compensation Adjustment plan.

Appendix C - Non-Residential Renewable Energy Solutions Program Year 1 Small Zero Emission Guidelines

2022 Small Zero Emission Tariff Rates

Buy-All Rate ($/MWh): 200.97
Netting REC Value ($/MWh): 95.075

The Authority will review and adjust the Small Zero Emission Tariff Rate annually and develop a methodology to peg such rate to the competitively selected Medium Zero Emission Project bids.

Small Zero Emission Application Process

- For Projects participating in the Small Zero Emission category, the Tariff Rate shall be administratively set on an annual basis and approved by PURA.
    - The solicitation for Small Zero Emission Projects will occur through a first come, first served process, subject to the availability of capacity and the "Two-Week Window". For a two-week period, beginning with the opening of the Small Zero Emission bidding period, (the "Two-Week Window"), all bids will be treated as if they were submitted and received on the same date and time.
    - At the conclusion of the Two-Week Window, the first come, first served process will apply.
    - However, if during the Two-Week Window, an EDC receives bids for which the total capacity value exceeds available allocation capacity, the following process will apply:
        - The EDC will rank all bids received during the Two-Week Window using a random selection process;
        - Bids will be selected based on the randomly determined rank until the capacity allocation limit is exhausted;
        - Bids not selected will be placed in a standby queue;
        - If for any reason capacity in the Small Zero Emission category becomes available, such capacity will be allocated for selection of the next bids(s) in the standby queue until the available capacity is exhausted.
- All bids in each EDC's standby queue will expire on the date when the results of each EDC's annual competitive procurement for the Non-Residential Renewable Energy Solutions Program are filed with PURA for Approval and the bid process for the small zero

emission category will be suspended until the new Small bid price and schedule are approved by PURA

- 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 200 kW, shall be eligible for the Small Zero Emission category.

Small Zero Emission Compensation Guidelines for Netting Tariff

Payments for Small Zero Emission Projects shall be made in the same manner as all other size categories as discussed in Section 7 of the Program Rules which is also included below for reference.

Bill Credits and Payments to Tariff Payment Beneficiaries

- 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.
    - 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.
    - 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 received an Approval to Energize letter, a fee of $22 may be charged each time such request is made.
    - 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.
- 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 bill charges on a monthly basis and ii) a quarterly cash payment provided to a Tariff Payment Beneficiary ("REC Payments").
    - 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.

- 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 received an Approval to Energize letter, a fee of $250 may be charged each time such request is made.
- 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.
    - Customers may receive an On-Bill Credit Cash Out payment for any accrued Monetary Bill Credits at the end of the 20-year term.
    - Such credits shall also be transferable in the event that the owner of the Facility changes.
    - 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.
- 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.

Beneficial Account Credits

- Pursuant to Section 3(a)(4) of the Act, Projects for Agricultural Customers, Municipal Customers and State 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 a spreadsheet. To be eligible as Beneficial Accounts, accounts must meet all requirements set forth in the Act. 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.
- 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. The EDC's published Beneficial Account Allocation Guideline provides more details on the Beneficial Account allocation process.

Appendix D – Beneficial Account Credit Allocation Guidelines

State, Municipal, and Agricultural Customers ("SAM Customers") participating in the Non-Residential Renewable Energy Tariff 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 to which the EDCs will allocate any net excess bill credits generated by their qualified Project. Prior to receiving Approval to Energize from the EDC, the Customer Host must submit a 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, Municipal, or Agricultural 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.[23]

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 prior to commercial operations 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, Municipal, or Agricultural 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:

[23] 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. Once the form is complete, please send a copy 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)
	YYYYYYY	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)