

Amended Solicitation Plan for the Purchase and Sale of Connecticut

Class I Renewable Energy Credits

from Low and Zero Emission Projects

submitted by

THE CONNECTICUT LIGHT AND POWER COMPANY

DBA EVERSOURCE ENERGY

AND THE UNITED ILLUMINATING COMPANY

Revision 6 – April 29, 2021

Amended Solicitation Plan for the Purchase and Sale of Connecticut Class I Renewable Energy Credits from Low and Zero Emission Projects

Pursuant to Conn. Gen. Stat. Sections 16-244r, 16-244s, and 16-244t, (the “Energy Act”), The Connecticut Light and Power Company dba Eversource Energy (“Eversource”) and The United Illuminating Company (“UI”) (together the “Companies”) are required to procure Class I renewable energy credits (“RECs”) under fifteen (15) year contracts with owners or developers of renewable energy projects in Connecticut (the “Low and Zero Emissions Renewable Energy Credit Program,” hereinafter the “Program”). The solicitation of RECs purchased from renewable energy resources that produce low emissions (“LRECs”) was conducted under Conn. Gen. Stat. Section 16-244t for years 1-5 of the program, but for years 6-10 will be conducted under Conn. Gen. Stat. Sections 16-244r and 16-244s. Due to the passage of Public Acts 16-196, 17-144, 18-50, and 19-35 the base LREC funding will be unchanged from year 5 to years 6-10. Conn. Gen. Stat. Section 16-244t expired after 5 years of LREC solicitations.

The Program targets total spending of \$1,500,000,000 utilizing the 15-year contracts. Of this spending, \$300,000,000 is to be spent on LRECs for years 1-5, and \$600,000,000 is to be spent on RECs purchased from renewable energy resources that produce zero emissions (“ZRECs”) for years 1-5, and in years 6-10, \$300,000,000 is to be spent on LRECs and \$300,000,000 is to be spent on ZRECs¹. This document sets forth the Companies’ ten-year plan (the “Solicitation Plan”) to procure RECs under the terms prescribed in the Energy Act.

In addition to the Solicitation Plan, the following appendices are attached to the Solicitation Plan which expand on the Solicitation Plan and provide clarification and further details pertaining to the administration of this Program. The Appendices are as follows:

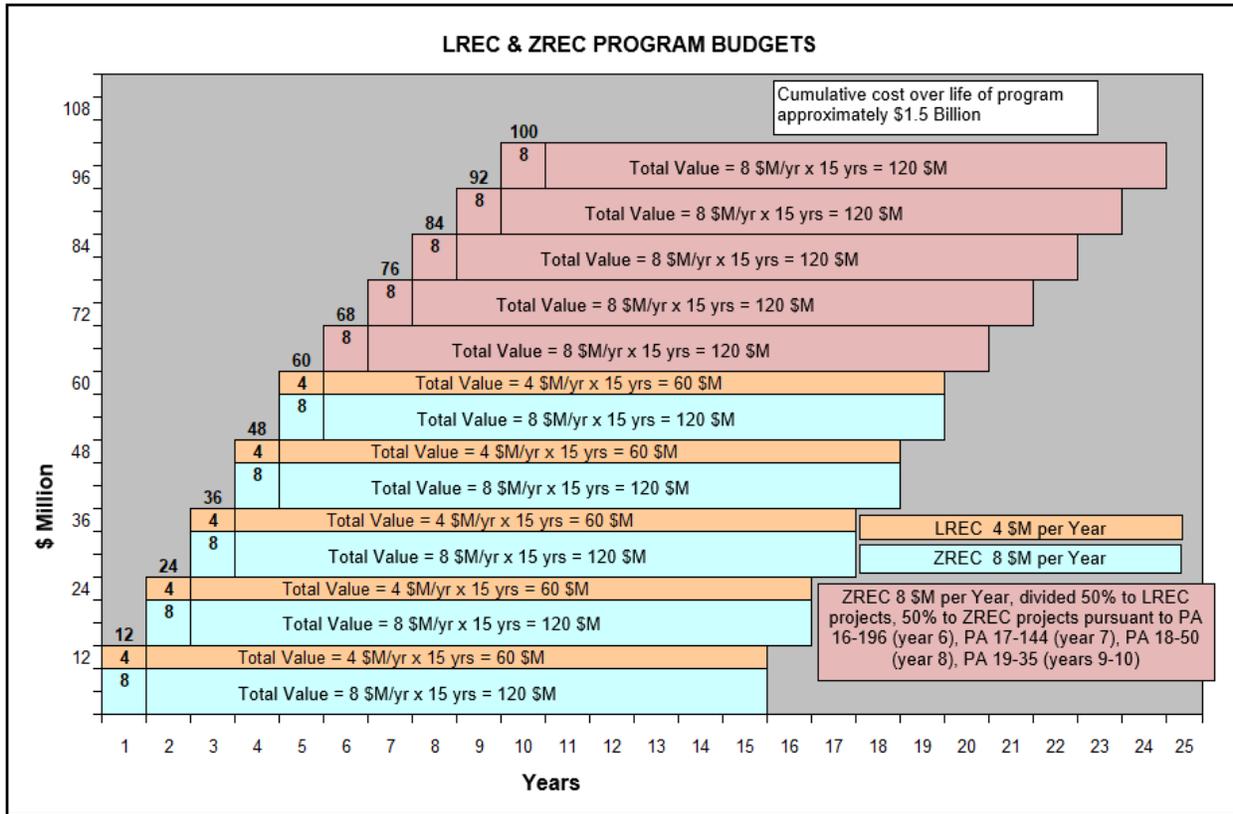
- Appendix A - LREC and ZREC Funding Breakdown
- Appendix B - Form of RFP
- Appendix C - Form of Standard Contract

1.0 PROGRAM PARAMETERS

The Companies will enter into 15-year contracts for the purchase of LRECs and ZRECs only and no other products. The Energy Act prescribes a number of specific parameters for the Program. In addition, the Companies have added additional administrative and process details that allow the framework established in the Energy Act to function as a comprehensive and fully operational solicitation program.

The diagram below depicts the funding schedule for LREC and ZREC procurements for Years 1-10.

¹ These are the statutory budget amounts. Actual budgets may differ due to reallocation of unused funding from prior periods.



2.0 PROGRAM FUNDING

Public Act 11-80 provided that the Companies would solicit ZRECs over a period of up to six years and would solicit LRECs over a period of up to five years. Each year, the Companies would solicit up to \$120 million worth of ZREC contracts (\$8 million per year for 15 years) and up to \$60 million of LREC contracts (\$4 million per year for 15 years).

Public Act 16-196 provided that the Year 6 ZREC procurement budget of up to \$120 million would be allocated 50% to ZREC eligible projects and 50% to LREC eligible projects. Therefore, although Public Act 16-196 specified that 50% of the budget to be allocated to LREC projects, there were no separate LREC specific procurements. Therefore, only one bid per revenue meter will be accepted in any single procurement.

Public Act 17-144 also extended the LREC/ZREC Program to Year 7, and the budget allocations for year seven remained the same as Year 6. Public Act 18-50 extended the LREC/ZREC program to Year 8, and the budget allocations for the LREC, Large ZREC and Medium ZREC categories for Year 8 remained the same as Years 6 and 7. Public Act 19-35 extended the LREC/ZREC program to Years 9 and 10, and the budget allocations for the LREC, Large and Medium ZREC categories for Years 9 and 10 will remain the same as years 6-8.

The obligation to purchase RECs under the Program is apportioned to the Companies based on each Company’s distribution load served.²

² Currently, Eversource serves approximately four times the distribution load that UI serves. Therefore, the

The annual LREC target for years 1-5 was approximately \$3.2 million for Eversource and approximately \$0.8 million for UI. As discussed above, in years 6-10, 50% of the overall ZREC budget is to be allocated to LREC projects. Thus, the annual LREC target for years 6-10 remains approximately \$3.2 million for Eversource and approximately \$0.8 million for UI.

The annual ZREC target for years 1-5 was approximately \$6.4 million for Eversource and approximately \$1.6 million for UI. The annual ZREC target for years 6-10 is approximately \$3.2 million for Eversource and approximately \$0.8 million for UI.³

The Energy Act specifies that the Companies must procure ZRECs in three size classes:

- i. projects up to 100 kW (Small);
- ii. projects over 100 kW, but Smaller than 250 kW (Medium);
- iii. projects of 250 kW – 1,000 kW (Large).

For years 1-5, the Companies allocated the \$8 million/year in equal thirds among the three size classes for ZREC projects.⁴

The Energy Act does not include a provision for payments to exceed \$8 million per year for each annual procurement of ZRECs, and specifies that the Companies may spend up to \$4 million per year for each annual procurement of LRECs in years 1-5. These caps on annual spending have necessitated the use of a maximum annual contract quantity for each REC contract to ensure that total spending does not exceed the statutory limits.

Notwithstanding the other provisions hereof, for the year 6-10 solicitations, pursuant to Public Acts 16-196, 17-144, 18-50, and 19-35, fifty percent (50%) of the overall \$8,000,000.00 statutory ZREC budget will be allocated to new LREC projects, and the other fifty percent (50%) will be divided evenly in thirds among new Small, Medium, and Large ZREC projects. The revised Year 6-10 ZREC budgets are further explained in the chart below:

Year 6-10 Solicitations	Statutory Budgets	Eversource 80%	UI 20%
Overall Statutory Budget	\$8,000,000.00	\$6,400,000.00	\$1,600,000.00
50% LREC	\$4,000,000.00	\$3,200,000.00	\$800,000.00
50% ZREC	\$4,000,000.00	\$3,200,000.00	\$800,000.00
Large ZREC (1/3 of ZREC budget)	\$1,333,333.33	\$1,066,666.67	\$266,666.67
Medium ZREC (1/3 of ZREC budget)	\$1,333,333.33	\$1,066,666.67	\$266,666.67
Small ZREC (1/3 of ZREC budget)	\$1,333,333.33	\$1,066,666.67	\$266,666.67

obligation to procure RECs has been allocated approximately 80% to Eversource and 20% to UI. This allocation may change based on load changes and any such change shall be at the agreement of the Companies and will be reflected in future Solicitations.

³ These numbers are approximate, as funds leftover from previous procurements, or funds from projects that either terminated or installed smaller than their contract installed capacity, are rolled over into future procurements as applicable.

⁴ In years 1-5, the funding for Small ZREC projects will be adjusted for any excess or shortfall that remains after concluding the solicitations for Medium and Large ZREC projects.

Pursuant to the Public Utilities Regulatory Authority (“PURA”) decisions on Motion Nos. 86 and 89 in Docket No. 11-12-06, any uncommitted funds from the Year 4 Small ZREC budget were reallocated to the overall year 6 budget. Additionally, pursuant to PURA’s December 28, 2018 correspondence in Docket No. 18-08-10 which indicated that the Companies were to combine the years 7 and 8 budgets, the Year 7 Small ZREC budgets for each Company will be the sum of the funding allocated to the Year 7 and Year 8 Small ZREC programs, inclusive of the statutory budgets and any rollover of dollars from previous years due to projects installing smaller than contracted or terminations as of the date of the opening of the Year 7 Small ZREC program.⁵

A breakdown of the annual and 15-year funding targets is depicted in Appendix A.

3.0 PROCUREMENT METHODOLOGY

The Energy Act specifies that preference will be given to competitive bidding for Medium and Large ZREC projects, while Small ZREC projects are to receive “on an ongoing and continuous basis, a renewable energy credit offer price equivalent to the weighted average accepted bid price in the most recent solicitation for systems greater than one hundred kilowatts but less than two hundred fifty kilowatts, plus an additional incentive of ten per cent.”

The Energy Act does not set forth a specific procurement approach for LRECs. The Companies have determined that competitive bidding is the optimal approach for procuring LREC contracts and will conduct RFPs for Medium and Large ZRECs and LRECs.

3.1 Competitive Solicitation Process for LRECs and Medium/Large ZRECs

For years 1-5 and years 7-10, the Companies will conduct one solicitation in April of each year. If the results of the April solicitation leave significant funds uncommitted in the LREC or Large/Medium ZREC categories, a second solicitation will be conducted in October. Therefore, the intent is to conduct one RFP annually.

For Year 6 only, the Companies will issue two solicitations for LRECs and Large/Medium ZRECs. The first solicitation will be issued for 60% of the available budgets for each category, and the RFP will be issued by the end of April 2017. The second solicitation will occur after the completion of two rounds of contract selection in the April RFP, and be issued in the fall of 2017. The Companies will seek to issue the solicitation by the end of October 2017. The second solicitation shall be issued for the remaining 40% of the original available budgets for each category, plus any remaining funds in each category from the April solicitation. In order to open the Year 6 Small ZREC tariff in a timely manner, the Companies will determine the Year 6 Small ZREC price based on the weighted average bid price of the selected Medium ZREC projects from the first 4 rounds of selection (i.e. the selected bids from the April RFP, and rounds 1 and 2 of selected bids from the fall RFP).

3.1.1 The joint RFP process, with separate bid evaluations per Company, will ensure

⁵ For the year 7 Small ZREC program, because the budget will include both the year 7 and year 8 Small ZREC statutory budgets, any excess that remains after concluding the Year 7 solicitations for Medium and Large ZREC projects will be added to the year 8 Medium and Large ZREC categories respectively.

consistency and administrative efficiency, as well as facilitate regulatory review.

- 3.1.2 Each bidder must submit its bid to the appropriate Company in whose service territory the project is located. Projects outside of the applicable Company's service territory are ineligible.
- 3.1.3 During each RFP, the Companies will jointly respond to bidder questions, and maintain an updated list of questions and answers on their websites.
- 3.1.4 During each RFP, the Companies will also host a bidder conference to allow for an interactive question and answer opportunity between the Companies and bidders.
- 3.1.5 Each Company will separately submit awarded contracts to PURA for approval.

3.2 Tariff Rider for Small ZRECs

Small ZREC projects' 15-year contracts will be administered through a tariff rider established for Small ZRECs in the form of a service agreement.⁶ The tariff rider will provide the payment stream for ZRECs produced by the project. Each Company will independently manage its own procurement of Small ZREC contracts.

- 3.2.1 For years 1-6, the Companies will each make the tariff rider available to eligible project participants within 30 days after regulatory approval from PURA of the Procurement Plan for Medium and Large ZRECs. The contract price for Small ZREC projects will be based on the weighted average price of awarded bids for Medium ZREC projects plus ten percent (10%), subject to the PURA approved price cap on an ongoing and continuous basis, subject to available funding. After each approved Procurement Plan that includes awarded bids for Medium ZRECs, the contract price will be changed for Small ZREC contracts awarded subsequent to the approval of such Procurement Plan. For year 7, the Companies will each make the tariff rider available to eligible project participants within 30 days after regulatory approval from PURA of the Year 7 Small ZREC Tariff Rate, as filed in Order No. 4 under Docket 11-12-06. The contract price for Year 7 Small ZREC projects will be based on the weighted average price of accepted bids for Year 7 Medium ZREC projects which have executed contracts effective on or before January 22, 2019, plus ten percent (10%), subject to the PURA approved price cap on an ongoing and continuous basis, subject to available funding. The Companies will combine the year 9 and 10 small ZREC programs pursuant to PURA's December 14, 2020 Notice of Changes to Year 9 and Year 10 Small ZREC Program issued in Docket No. 19-06-36⁷. Accordingly, the Companies will open the combined Year 9 and 10 Small ZREC program on January 4, 2021. The contract price for Small ZREC projects for Year 9/10 will be based on the weighted average bid price of all fully executed contracts from the Year 9 Medium ZREC solicitation that are active as of November 25, 2020 plus ten percent (10%), subject to the PURA approved price cap on an ongoing and continuous basis, and subject

⁶ The Companies will request PURA approval of the Small ZREC tariff rider and as part of that request will also include a form service agreement to the Small ZREC tariff rider, which will only become available after PURA approval of such tariff rider and associated service agreement.

⁷ The Year 9/10 Small ZREC program shall be considered one single solicitation.

to available funding.

- 3.2.2 For years 1-6, the ongoing payment per REC offered for Small ZREC contracts is the weighted average price of accepted bids for the Medium-sized ZRECs from the most recent completed solicitation plus 10%, subject to the PURA approved price cap. Once a service agreement to a tariff rider is executed, the tariff price will remain constant over the 15-year term. Each Company will maintain a tariff rider at this price level until the next solicitation process for Medium ZREC contracts is completed and the proposed Small ZREC tariff rate is filed with PURA. For the Year 7 Small ZREC program which will be one solicitation that combines the Years 7 and 8 Small ZREC budgets, the ongoing payment per REC offered for Small ZREC contracts is the weighted average price of accepted bids for the Medium-sized ZRECs from the Year 7 solicitation plus 10%, subject to the PURA approved price cap. For the Year 9/10 Small ZREC program which will be one solicitation that combines the Year 9 and 10 Small ZREC budgets, the ongoing payment per REC offered for Small ZREC contracts is the weighted average price of accepted bids for the Medium-sized ZRECs from the Year 9 solicitation that are active as of November 25, 2020 plus 10%, subject to the PURA approved price cap. Once a service agreement to a tariff rider is executed, the tariff price will remain constant over the 15-year term. Each Company will maintain a tariff rider at this price level until the Year 9 solicitation process for Medium ZREC contracts is completed and the proposed Year 9 Small ZREC tariff rate is filed with PURA.
- 3.2.3 Each Small ZREC contract will include a maximum annual quantity that is applicable to each of the 15 years of the contract.
- 3.2.4 The Companies will seek PURA approval of the Small ZREC tariff rider. Because Small ZREC contracts will be selected at a predetermined price under the approved tariff rider, individual PURA approval of each contract will not be necessary. The Companies will seek PURA approval of the Small ZREC tariff rider and forms of the 15-year service agreements for the purchase of ZRECs.
- 3.2.5 Each Small ZREC project contract will be subject to the same project eligibility criteria as the Medium and Large ZREC projects described in Section 4.

4.0 PROJECT ELIGIBILITY CRITERIA

- 4.1 Projects may not exceed 1,000 kW nameplate capacity⁸ for ZRECs or 2,000 kW nameplate capacity for LRECs.
- 4.2 Projects must meet the emission requirements for LRECs and ZRECs as defined in the Energy Act and must qualify as Class I renewable energy source under Conn. Gen. Stat. Sec. 16-1(a)(26).

⁸ "Nameplate capacity" is defined as the aggregate nameplate rating (stated in kW AC) of all renewable generation behind a customer's revenue meter.

- 4.3 Each project must be located behind the Company's revenue meter.
- 4.4 Each project must have a separate meter dedicated to the measurement of the project's energy output for the purpose of determining the quantity of Connecticut Class I RECs (the "REC Meter"), and such meter must meet the metering requirements established by NEPOOL GIS and the Company in whose service territory the project is located.
- 4.5 Projects proposed must seek and gain approval to interconnect to the contracting Company's distribution system through the standard Company interconnection process and be metered by that Company. Projects must meet Company Guidelines for Interconnection ("Guidelines") as approved by PURA. The interconnection process is separate and distinct from the Program.
- 4.6 During any single solicitation, the Companies will evaluate only one proposal for any type or combination of types of qualifying LREC or ZREC technology behind any one Revenue Meter. Only one bid per revenue meter, regardless of the category for which the bid is submitted, may be submitted in a given funding period. For purposes of clarification, although projects that qualify as zero emission projects will, by default, also qualify as low emission projects, a Bidder may not submit Bids for more than one Facility behind any one revenue meter, or more than one Bid for the same Facility behind any one revenue meter, for both LREC and ZREC consideration at the same time.⁹ The technology *or combination of technologies* at each Facility may only be submitted for one option, LREC *or* ZREC.
- 4.7 Projects may not be "split" into smaller bids, to qualify at a smaller size tier, or to allow zero emission projects over 1,000 kW, or low emission projects over 2,000 kW, to qualify.¹⁰ However, new additions to existing generation facilities may qualify as set forth in 4. below. In such case, the total onsite generation may exceed these size limits as long as the total LREC or ZREC project installed capacity does not.
- 4.8 Notwithstanding Section 4.7, for "New Construction" projects, as defined in Section 4.12 below, up to two Bids/Applications may be submitted per single parcel of land, or contiguous parcels under common ownership or with a common Bidder/Applicant, in a single solicitation, provided the aggregate bid capacity is in excess of 2,000 kW. For purposes of clarification, up to two Bids/Applications that, in total, exceed 2,000 kW may be submitted. One bid must be submitted as an LREC project of 2,000 kW and the remaining capacity bid into the largest applicable LREC/ZREC category, subject to Sections 4.6 (i.e., separate metering) and 4.7 (i.e., the prohibition on splitting projects under 2,000 kW) above. This limitation shall not apply to project Bids on 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.¹¹

⁹ If multiple bids are received behind any one revenue meter, the lowest priced bid will be considered regardless of category (i.e. LREC or ZREC), and all others will be disqualified.

¹⁰ For example, the bidder for a 180 kW zero emission project may not split that project into two 90 kW projects.

¹¹ 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

- 4.8.1 Any subdivision of parcels must be recorded in 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 on the land records of the municipality in which such parcel is located, prior to January 1 of the year of the solicitation, only the lowest priced Bids, meeting the above requirements, will be eligible and all other Bids will be disqualified.
- 4.8.2 For the Small ZREC program, if multiple applications are received for a parcel of land that was not subdivided before January 1 of the year of the solicitation to which the Applicant 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 first Application submitted will be eligible, and all other applications will be disqualified. At the time of bidding/application, the Bidder/Applicant offering multiple Bids/Applications at a parcel must demonstrate such recording with the municipality to the appropriate EDC.
- 4.9 Projects must be in service on or after July 1, 2011 to be eligible. For facilities in service prior to July 1, 2011, which have been uprated with new production equipment (i.e., new solar panels, or turbines, etc.) installed on or after July 1, 2011, the new incremental production equipment may be eligible to the extent that it has its own REC Meter that meets the requirements of Section 4.4 above, and so long as the incremental installation meets all of the eligibility criteria.
- 4.10 Projects may not receive both funding from the ZREC or LREC Program and/or grants or rebates from the Connecticut Green bank (“CT Green Bank”) or its predecessors, the Clean Energy Finance Investment Authority (CEFIA) or its predecessor the Connecticut Clean Energy Fund (CCEF). Specifically, a project which receives or has received a contract for the sale of the output of the facility to either of the EDCs or grants or rebates from the CT Green Bank, CEFIA or the CCEF for the installation or construction of any proposed project may not also seek eligibility to sell ZRECs and LRECs for the same project. This prohibition does not include (i) projects that receive(d) only predevelopment and/or feasibility funding from CEFIA, or (ii) projects that receive(d) only financing in accordance with Section 99 of the Energy Act through CEFIA. For purposes of this section, the Companies may consult with the CT Green Bank regarding the eligibility of each selected project.
- 4.11 If there is an existing LREC/ZREC Agreement that was in effect within twelve months prior to the submission of an additional Bid/Application, the additional Bid/Application for a project of the same class of technology, by the same project developer at the same

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 4.11 of the Amended Solicitation Plan. In other words, notwithstanding Section 4.11 of the Amended Solicitation Plan, a developer can propose in the same solicitation up to 2,000 kW of projects 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.

project site/billing account/revenue meter, will not be allowed under that particular procurement year unless the existing LREC/ZREC project is in-service. Any new LREC/ZREC Agreement executed for a project of the same class of technology, at the same project site/billing account/revenue meter where an existing LREC/ZREC project did not ever go in-service, must receive a contract price using the lower of the two bid prices for the additional Bid/Application or the project that did not ever go in-service.

- 4.11.1 For purposes of clarification, if an existing LREC/ZREC Agreement does not ever go in-service (i.e. the Agreement terminates), a new Bid/Application may be submitted for a new project of the same class of technology by the same project developer at that same project site/billing account/revenue meter only after a twelve-month period from the date of termination has expired. Any new LREC/ZREC Agreement executed for a new Bid/Application under this condition will receive a contract price using the lower of the bid prices from the new Bid/Application or the terminated LREC/ZREC Agreement.
 - 4.11.2 If an existing LREC/ZREC Agreement does not ever go in-service (i.e. the Agreement terminates), a new Bid/Application may be submitted for a new project of the same class of technology by a new project developer at that same project site/billing account/revenue meter without waiting a twelve-month period from the date of termination. Any new LREC/ZREC Agreement executed for a new Bid/Application with a new project developer will receive a contract price using the lower of the bid prices from the new Bid/Application or the terminated LREC/ZREC Agreement.
 - 4.11.3 If there is an existing non-terminated LREC/ZREC Agreement for a project of the same class of technology at the same project site/billing account/revenue meter, the project under that LREC/ZREC Agreement must be in-service before any additional Bids/Applications may be submitted at that same project site/billing account/revenue meter.
 - 4.11.4 Notwithstanding the provisions of Sections 4.11, 4.11.1, 4.11.2, and 4.11.3 above and for purposes of clarification, a Bid/Application for a project of the same class of technology, by the same project developer on the same parcel or contiguous parcel(s) of land may be submitted in the same solicitation or future solicitations, regardless of an existing LREC/ZREC Agreement, so long as the Bid/Application is for a project proposing to interconnect behind a revenue meter 1) with load existing at the time of bid submission that would reasonably be expected to exist should the relevant Bid/Application be unsuccessful and 2) that is different from the meter associated with the current LREC/ZREC Agreement(s).
- 4.12 For projects where there is currently no customer revenue meter at the site, but where there will be electric service in the future (i.e., will be located behind a revenue meter), otherwise known as a “New Construction” project, counterparties must apply for interconnection with their respective Company and pay the interconnection application fee prior to submitting a bid/application for that project in the LREC/ZREC program. A copy of the confirmation receipt issued by the Distributed Resources group at the respective Company stating that an interconnection application and payment for such interconnection

application have been received by the Company for that specific project will be required to be submitted during the online bid/application process for all LREC, Large ZREC, and Medium ZREC projects. For purposes of clarification, if multiple “New Construction” bids are submitted at the same site address, each individual bid must include a unique confirmation receipt from the Company’s Distributed Resources group. All “New Construction” bids shall be subject to Section 4.8 above.

- 4.13 Bidders may not submit Bids for the same project, or for multiple projects on the same parcel(s) of land, for consideration in both this RFP and the annual SCEF RFP. If Bids are received for the same project or multiple projects on the same parcel(s) of land for consideration in both this RFP and the annual SCEF RFP, the Companies will allow the first Bid submitted, regardless of the program it was submitted to, to remain active, and all other Bids will be disqualified.
- 4.14 Bidders must indicate whether they intend for the submitted projects to participate in ISO New England, Inc.’s Forward Capacity Market (FCM). Accepted bids shall be required to inform the Companies if the approved project becomes a participant in the FCM and the MWs accepted into the FCM.

5.0 BID ELIGIBILITY CRITERIA

- 5.1 Bidder must submit a complete bid to the Company in whose territory the project is located (either Eversource or UI).
- 5.2 Bid must include a single binding offer price that is applicable to each of the fifteen (15) years of the contract, subject to the Program pricing caps.
- 5.3 Bid must include information necessary to calculate a maximum annual quantity that is applicable to each of the 15 years of the contract. In most cases, the maximum annual quantity will be calculated by the Companies. In certain cases, bidders may request or be required to provide an average annual production calculation which will be used by the Companies to calculate the modified maximum annual quantity. This modified maximum annual quantity must be supported by a calculation as determined by a Connecticut licensed Professional Engineer. See Section 2.4.2 of the RFP for details.
- 5.4 Bidder must either be the customer of record at the revenue meter, the owner of the property with consent of the customer of record at the revenue meter, or a developer authorized by the customer of record and the site owner.
- 5.5 If the bidder is not the site owner, site control must be evidenced by an affidavit stating that bidder has the right to use the site.
- 5.6 Bidder must certify that it understands and affirms the requirements, and terms and conditions of the RFP and accepts the standard contract without modification.

6.0 BID EVALUATION

- 6.1 The evaluation and selection of bids will be independently and separately performed by

each Company for projects in their respective service territories.

- 6.2 The Companies will evaluate proposals based on a single fixed price considering PURA's preference for technologies manufactured, researched, or developed in Connecticut. Valid bid proposals will be ranked in order from lowest to highest price per REC. Contracts will be awarded to the lowest price per REC proposals first and will continue until the required annual expenditure amount is met. Bids will have to include a proposed fixed price per REC, and information necessary to calculate a maximum annual quantity of RECs. The annual budget commitment will be based on the maximum annual quantity of RECs and the fixed price per REC.
- 6.3 With the exception of Small ZREC contracts, the Companies intend to use the fixed price evaluation¹² methodology to differentiate between bids that meet threshold bid and project criteria as provided in Sections 4 and 5 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 REC prices offered.
- 6.4. The Companies propose that bids for projects with technologies manufactured, researched or developed in the state, be discounted by 10% for evaluation purposes.¹³
- 6.5 Bids for Medium and Large ZREC contracts will be evaluated separately (i.e., Medium and Large ZREC bids will not compete with each other).

7.0 ZREC BID SELECTION

- 7.1 When the initial selection of a ZREC project is made, the Company will notify each bidder, as to whether its bid was selected, or whether its bid has been placed on standby in the event additional funding becomes available. Bidders may elect not to remain on standby, and instead have their bids terminated.
- 7.2 For years 1-6 and 8-10, if uncommitted funds remain in the Medium and Large ZREC categories after the first solicitation is completed, the Companies will aggregate some or all of those remaining ZREC funds in an attempt to accommodate the next project in the bid stack for either of the two ZREC categories. If the aggregated funding can accommodate one or more project(s), the bid(s) will be accepted. If it cannot, the remaining funds will be rolled into the Small ZREC category for immediate availability. For years 7-9, if uncommitted funds remain in the Medium and Large ZREC categories after the solicitation is completed, the Companies will allocate the remaining ZREC funds to their appropriate category in the year 8 solicitation. For years 8 and 9, if uncommitted funds remain in the Medium and Large ZREC categories after the solicitation is completed, the Companies will allocate the remaining ZREC funds to their respective category in the following year's solicitation.

¹² The fixed price evaluation will include the PURA preference for technologies that were "manufactured, researched or developed" in the State.

¹³ For example, a \$100 bid for a project that meets the in-state criteria would be evaluated using a bid price of \$90 (even though the bidder would still receive \$100 under the contract if selected).

- 7.3 If multiple projects within a category have submitted identical bid prices and the selection of all the identically priced bids would exceed the targeted payments, then the “stacking” of these projects (for either contract award or standby ranking purposes) will be performed using a random selection process.
- 7.4 Once the Companies select the Medium and Large ZREC projects, the bidders will be contacted and will enter into a standard contract, which will be submitted to PURA for approval.
- 7.5 If a bidder with a selected project does not execute the standard contract or provide performance assurance in the time frame required in the RFP, the bid will be rejected and the dollars committed to the project will be allocated to the next lowest priced bid on standby.

8.0 LREC BID SELECTION

- 8.1 When the initial selection of an LREC project is made, the Company will notify bidders whether their project was selected, or whether it has been placed on standby in the event additional funding becomes available. Bidders may elect to not remain on standby, and instead have their bids terminated.
- 8.2 If, prior to reaching the targeted payments for LRECs, the next project in the “stack” would increase the payments to more the targeted payments for LRECs, that project will not be selected. No further projects will be selected for LRECs.
- 8.3 The difference between the targeted payments and the projected payments from the selected projects using the process described above will be added to the next round of procurements. This will be done to keep the projected payments for the program as close to the overall targeted payments as reasonably possible.
- 8.4 If multiple projects within a category have submitted identical bid prices and the selection of all the identically priced bids would exceed the targeted payments, then the “stacking” of these projects (for either contract award or standby ranking purposes) will be performed using a random selection process.
- 8.5 Once the Companies select the LREC projects, the bidders will be contacted and will enter into a standard contract, which will be submitted to PURA for approval.

9.0 BIDDER PERFORMANCE ASSURANCE

- 9.1 Performance assurance is required for all awarded LREC contracts and ZREC contracts.
- 9.2 The amount of performance assurance required for LREC contracts and Large ZREC contracts is equal to 20% of the maximum annual quantity of LRECs or ZRECs multiplied by the applicable LREC or ZREC purchase price.
- 9.3 The amount of performance assurance required for Medium ZREC contracts is equal to

10% of the maximum annual quantity of ZRECs multiplied by the ZREC purchase price.

- 9.4 The amount of performance assurance required for Small ZREC contracts is equal to 5% of the maximum annual quantity of ZRECs multiplied by the ZREC purchase price.
- 9.5 Performance assurance must be provided in the amount set forth in the applicable contract within 10 business days of notification of contract award, which is the effective date of the Contract.
- 9.6 Failure by a bidder to provide performance assurance in support of an awarded contract will lead to automatic termination of the contract, and trigger reallocation of Program dollars.
- 9.7 Performance assurance is returned if one of the following conditions is met: i) the project enters commercial operation and begins producing energy that qualifies for the production of ZRECs and/or LRECs (as applicable); ii) termination of the Agreement for failure to receive regulatory approval satisfactory in substance to the Company; or iii) the contract is terminated due to a force majeure event.
- 9.8 Performance assurance is forfeited if the contract is terminated by the Company for an event of default, including but not limited to, the project failing to begin generating energy that will result in qualifying LRECs or ZRECs within 12 months of the selected Delivery Term Start Date. Project owners may apply for two six-month extensions to the automatic termination date as outlined in Section 13.3.3(b) of the Terms and Conditions. If a project owner receives one six-month extension, the aforementioned 12-month period shall be extended to 18 months, and if a project owner receives both six-month extensions, the aforementioned 12-month period shall be extended to 24 months.

10.0 PROGRAM ADMINISTRATION

Following the Solicitation process and PURA approval, the executed contracts will be administered in accordance with their terms and conditions. Ultimately, the contracts will result in the delivery of LRECs or ZRECs from the contracted project to the appropriate Company, and the payment for LRECs or ZRECs will be in accordance with the contract term and requirements.

- 10.1 Contract Budget Shortfalls - Any funding that remains available for contracts from the annual Medium and/or Large ZREC budgets because of a shortfall in qualifying bids in the RFP process will be added to the Small ZREC Tariff Rider program. Any funding that remains available for contracts from the Years 7-9 LREC, Medium and Large ZREC budgets because of a shortfall in qualifying bids or because the funding left in a given category is not sufficient to take the next project in the queue in such category will be added to the respective category budget in the following year's solicitation.
 - 10.1.1 If the entire budget is not contracted under the LREC or Medium and Large ZREC programs in one solicitation year or Small ZREC subscription period, any funding that remains available because eligible projects were not accepted for the full amount of the available funding will be made available for the following year's LREC or ZREC

solicitation if applicable, ensuring the market has access to the full amount of funding mandated by the Energy Act, unless otherwise determined by the Companies and approved by PURA.

- 10.2 Budget Spending Shortfalls - LREC and ZREC funds that are not spent due to the underproduction of LRECs or ZRECs from contracted projects in one production year will not be rolled into a future procurement.
- 10.3 The price for individual LRECs procured by the Companies will be capped at \$200 per REC and ZRECs will be capped at \$350 per REC in the first year’s solicitation. The price cap for subsequent years' solicitations may decline. Prior to each subsequent solicitation year, the Companies will submit, for PURA approval, a revised ZREC price cap (\$/REC), with a maximum decline of 7% and a minimum decline of 3% from the previous cap. Pursuant to Public Acts 17-144, 18-50, and 19-35 for contracts entered into in years 7-10 of the Program, the Authority may lower the renewable energy credit price cap by sixty-four percent.
- 10.4 The Companies will review the LREC/ZREC process after each Solicitation year, and will determine the efficacy of the Program, and assess if changes should be made. Such changes will be submitted to PURA for approval.

11.0 PROGRAM SCHEDULE

Within 30 days of PURA approval of the Solicitation Plan, the Companies will implement a schedule substantially similar to the following:

Procurement of LRECs and Medium and Large ZRECs

Event	Anticipated Weeks from RFP Issuance
Issue RFP	<i>Date RFP Issued</i>
Bidders Conference	2
Submit Notice of Intent to Bid	2
Deadline for Submission of Questions	3
Due Date for Submission of Bidder Response Forms	4
Selection of Winning Bidders	8
Execute Contracts	10
Bidders Provide Performance Assurance	10 ¹⁴
Standby Option Pursued as Needed	17
Submit Contracts for PURA Approval in the form of the "Procurement Plan"	22

¹⁴ Performance assurance is due on the Effective Date of the contract.

In addition, for years 1-6, within thirty (30) days of regulatory approval of the Procurement Plan by PURA, the Companies will make the Small ZREC Tariff Rider available. For the year 7 Small ZREC Tariff Program, the Companies will make the Year 7 Small ZREC Tariff Rider available within thirty (30) days of regulatory approval of the Year 7 Small ZREC Tariff price. For the Year 9/10 Small ZREC Tariff Program, the Companies will make the Year 9/10 Small ZREC Tariff Rider available on January 4, 2021.

After the competitive solicitation for LRECs and Medium and Large ZRECS, and the registration of Small ZRECs under the tariff rider, the Companies will administer the contracts in accordance with the processes included in the contract.

The Companies intend to conduct solicitations over a period of up to ten years for ZRECs and LRECs, though the procurement of LRECs for years 6-10 will occur pursuant to Conn. Gen. Stat. Section 16-244r. Procurement of LRECs will not occur pursuant to Conn. Gen. Stat. Section 16-244t. The first RFPs were issued in early 2012, depending upon the timing of PURA's decision on this Solicitation Plan and the degree to which modifications are proposed to the Solicitation Plan and associated documents.