



CONNECTICUT ACADEMY OF SCIENCE AND ENGINEERING

Connecticut Academy of Science and Engineering

Written Testimony

Energy and Technology Committee — Public Hearing: March 17, 2015

Regarding

SB-928: An Act Concerning Shared Clean Energy Facilities

HB-6940: An Act Establishing a Shared Clean Energy facility Pilot Program

To: Energy and Technology Committee

The Connecticut Academy of Science and Engineering on behalf of the Energy and Technology Committee recently completed a study on Shared Clean Energy Facilities and a briefing for the committee on the recommendations of the study on March 3, 2015.

The attached provides a comparison of the proposed bills with the CASE report for your information.

Respectfully submitted,

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COMPARISON RAISED BILL SB-928 (LCO-3739) AND HB-6940 (LCO-4351) WITH CASE REPORT RECOMMENDATIONS

Note: Recommendations for a provision to be included in Legislation or Program Rules is based on the CASE Report recommendations for all issues addressed in the CASE Report; for issues not addressed in the CASE Report recommendation is based on the philosophy recommended in the CASE Report that the Legislation should provide a FRAMEWORK for the SCEF Program, with program details included in Program Rules developed by DEEP and adopted by the appropriate state process.

SECT 1	RAISED BILL: SB-928; LCO-3739	CASE REPORT RECOMMENDATION		
		COMMENT	INCLUDE IN LEGISLATION	INCLUDE IN PROGRAM RULES
(a)(1)	SCEF must have 2 or more subscribers	Same	X	
(a)(1)	SCEF and subscription attributed meters must be within same EDC service territory; Any Class I renewable energy source	Same	X	
(a)(1)	SCEF may be 3MW or less	No size limit; compliance with siting/interconnection standards	X	
(a)(2)	SCEF credit defined as retail rate “including...generation service charges, transmission and distribution charges and any other charges, as determined by the authority “[PURA]	Based on DEEP value of clean energy analysis, and interim credit until value analysis completed with ratemaking by PURA based on analysis. Interim rate is current residential PV solar rate (<i>Note: proposed Legislation does not include a requirement to conduct the value of clean energy analysis – Section 1 (o) permits PURA to revise credit calculation method.</i>)	X	
(a)(4)	“individual billing meter” can actually be set of meters combined for billing	No similar provision; Include in Program Rules		X
(a)(6)	“subscriber” must have identified meter for attribution	No similar provision; Include in Program Rules		X
(a)(7)	SCEF may be for profit or not for profit	Same; but also adds EDCs may own and operate (utility-sponsored)	X	
(a)(8)	“subscription” either % of output or set amount of interest	Same but more general “interest” or “pro rata share” would also include output of set amount of facility (i.e. # of panels)	X	
(c)	Subscription limited to 100% of previous 12 mos. energy usage	Subscription limited to 120% of previous 12 mos. usage to take variability of usage/climate into account (IREC Model Rules); include in Program Rules		X
(d)	Subscription prices not subject to authority regulation	No similar provision; Include in Legislation	X	
(e)	Subscriptions shall not total more than 100% of SCEF production	Same but refers to 100% of nameplate capacity (more precise)	X	
(f)	Subscriber organization may add capacity and subscribers	No similar provision; good to include for SCEF future growth; Include in Legislation	X	
(g)	Subscriber organization may not update subscriber info more often than quarterly and spells out information to be submitted	Anticipated to be included in Program Rules and SCEF/EDC Power Purchase Agreements (PPAs)		X

SECT 1	RAISED BILL: SB-928; LCO-3739	CASE REPORT RECOMMENDATION		
		COMMENT	INCLUDE IN LEGISLATION	INCLUDE IN PROGRAM RULES
(h)	Subscriber organization must comply with Section 2 consumer protections	Legislation to require consumer protections and disclosures to be developed by DEEP and included Program Rules (easier to revise in the future) and require subscriber organization to comply with consumer protections and disclosures that are established	<i>X- require DEEP to develop; and SCEFs to comply with those developed</i>	<i>X-specifics to be in Program Rules</i>
(i)	EDC “may require” SCEF and its subscribers have meters read on same billing cycle	No similar provision; Include in Program Rules and would be in PPAs		X
(j)	EDC shall purchase unsubscribed output at “locational marginal price”	EDC shall pay for unsubscribed output at subscriber rate for first two years, then at value analysis rate, or, if not determined yet, at avoided cost rate	X	
(k)(1)	SCEF output is property of EDC but not counted toward RPS and stipulates how EDC may use the output	No similar provision on output of SCEF being property of EDC – Why necessary to stipulate how EDC shall use the output? (If needed, should be in Legislation). Why not count toward RPS? Allow output to count toward RPS unless there is a requirement prohibiting this, in which case effort should be made to change.	<i>X- if determined to be necessary; but note RPS issue</i>	
(k)(2)	RECs owned by subscriber organization unless otherwise contracted	Same	X	
(l)	Subscriber organization shall not be considered an EDC or electric supplier under section 16-1 and subscriber organization cannot own or operate an EDC	No similar provision; if needed, this should be in Legislation; CASE recommends authorizing utility-sponsored SCEFs owned by the EDCs. If utility-sponsored SCEFs are allowed, revise sections to avoid a conflict in the Legislation	X	
(m)	Subscriber organization or third party shall follow 16-243a procedures for interconnection	Same; also includes reference to following siting requirements	X	
(n)	Amount of SCEF electricity generated each month shall be determined by a “revenue quality production meter” installed and paid for by SCEF; EDC’s responsibility to read meter; SCEF must pay EDC’s interconnection costs	No similar provisions; if accepted provision, then include in Program Rules and would be in PPA		X

SECT 1	RAISED BILL: SB-928; LCO-3739	CASE REPORT RECOMMENDATION		
		COMMENT	INCLUDE IN LEGISLATION	INCLUDE IN PROGRAM RULES
(o)	Authority[PURA] may revise credit methodology pursuant to value of clean energy analysis; prior to adoption of new methodology adjusted retail rate (see above) shall apply and new credit will apply to those SCEFs interconnected after methodology adoption	Revisions to credit methodology not included in CASE Report – suggest including this provision in Legislation with Value of Clean Energy Analysis to be conducted by DEEP with subsequent rate making process to be conducted by PURA based on DEEP proceeding results. CASE Report only addresses the establishment of the billing credit rates determined by the value of clean energy analysis and resulting ratemaking process shall apply to all SCEFs and their subscribers established on or after the effective date of such rates. For SCEFs established prior to the approval and effective dates of such rates an interim billing credit rate would apply – and these SCEFs, upon the effective date of the billing credit rate, would be grandfathered to receive whichever rate is higher – the interim billing credit rate or the SCEF Program billing credit rates – for the life of SCEF	X	
(p)	EDC may hold back amounts and pay them into escrow for subscriber organization operations and maintenance	To be included in Program Rules and PPAs, with various alternatives being considered based on best practices		X
(p)(1)	Permits indefinite roll over of unused bill credits	Roll over month to month until annual true up payment, modeled on residential solar PV program; to be included in Legislation	X	
(q)	EDC may bill the subscriber on behalf of the subscriber organization, provided that administrative costs of this are paid by subscriber organization	No similar provision; could be included in Program Rules, if determined necessary by DEEP; and would be included in PPAs, if applicable		X
(r)	EDCs “may seek recovery of any costs associated with the administration” of the SCEF	No similar provision; is “interconnection” meant rather than “administration”? Who would costs be recovered from?; Review state’s roof top solar PV program for guidance on similar provisions; any cost recovery provisions cited should be included Program Rules and PPAs		X

SECT 2	RAISED BILL: SB-928; LCO-3739	CASE REPORT RECOMMENDATION		
		COMMENT	INCLUDE IN LEGISLATION	INCLUDE IN PROGRAM RULES
(a)	Consumer protections	Same as are anticipated in Program Rules (<i>plain language disclosures, including: expected kWh per size of subscription; and that subscriber will continue to receive credits as long as SCEF is providing electricity — this provision should be included in Legislation</i>)	X – requirement to develop and adopt consumer protections	X- specific consumer protection requirements to be in Program Rules
(c)	Authority [PURA] “may adopt regulations” on consumer protection requirements	Require in Legislation that Program Rules should be developed by DEEP and adopted by applicable state process and address at a minimum, several items listed	X – requirement to develop and adopt consumer protections	X- specific consumer protection requirements to be in Program Rules
n/a	No similar provision	Require DEEP to conduct the Value of Clean Energy Analysis that would be used in a ratemaking proceeding by PURA to determine the specific rates for SCEFs and their subscribers with such analysis and ratemaking process to be completed in within one year of the effective date of such Legislation.	X	
n/a	No similar provision	The EDC shall be required to enter into a power purchase agreement with any SCEF located in its service territory consistent with the SCEF Program Rules — <u>including that the term of such agreement shall be for the life of the SCEF</u>	X	
n/a	No similar provision	Prescribed timetable for Program Rules adoption	X	
n/a	No similar provision	Require Program Rules to include low income component/incentives	X	
n/a	No similar provision	Require DEEP to review the Program Rules at least once every three years, and report on program results to the General Assembly periodically	X	

Note: The following is CASE review of HB-6940: An Act Establishing a Shared Clean Energy Facility Pilot Program

RAISED BILL: HB-6940; LCO-4351	CASE REPORT RECOMMENDATION
<p>The CASE Report recommends moving forward with implementation of a SCEF program following adoption of legislation authorizing SCEFs and adoption of Program Rules (suggested timeline for adoption as stated in the report is 6 months). This recommendation is coupled with a parallel legislatively mandated process for having DEEP conduct the Value of Clean Energy Analysis followed by PURA conducting the ratemaking process for SCEFs based on results of the DEEP analysis.</p>	