

Shared Clean Energy Facilities

By: Mary Fitzpatrick, Principal Analyst January 9, 2023 | 2023-R-0028

Issue

This report describes Connecticut's laws on shared clean energy facilities (SCEF).

Summary

SCEFs allow customers to subscribe for energy or renewable energy credits (RECs) from a facility that is not on the customer's premises. The electricity produced under the subscription is then used to offset the subscriber's electric costs at another billing meter (e.g., a subscription for 100 kilowatt hours (kWh) produced by the facility would reduce the subscriber's residential electric bill by 100 kWh).

A 2015 law established a SCEF pilot program, requiring the Department of Energy and Environmental Protection (DEEP) to select projects through a request for proposals (RFP) process. Amended the following year, the law also established program financing and reporting requirements. DEEP selected three projects in 2017 and <u>reported to the legislature</u> on the program in 2018.

Also in 2018, the legislature established a statewide SCEF program. This law requires that Eversource and United Illuminating (UI) conduct an annual solicitation using a competitive bidding procurement process and enter into 20-year contracts with selected projects to purchase energy or RECs. The law establishes a six-year schedule for the program, which is currently in its third year. The companies have selected 25 projects in the first three RFP cycles.

The state's <u>first operating community solar site</u> was established under the pilot program. Ameresco owns the 1.62-megawatt solar array, which is marketed by the Clean Energy Collective. The project

www.cga.ct.gov/olr OLRequest@cga.ct.gov **Connecticut General Assembly** Office of Legislative Research Stephanie A. D'Ambrose, Director sits on five acres behind Bloomfield's Board of Education central offices. Projects selected by Eversource and UI under the statewide program have various estimated start dates ranging from 2022 to 2025.

SCEF Pilot

Laws passed in 2015 and 2016 established <u>a SCEF pilot program</u> (PA 15-113 and PA 16-116). The law required DEEP to establish a two-year pilot program by issuing a request for proposals from subscriber organizations seeking to develop a shared clean energy facility.

By law, the pilot is financed through tariffs (rates and related rules for compensation) from Eversource and UI and approved by the Public Utilities Regulatory Authority (PURA). The tariffs pay for the companies' purchases of energy projected produced by a facility selected by DEEP in the RFP or billing credits for facility subscribers. Eversource and UI may recover the reasonable costs and expenses they prudently incur to implement and operate the program from electric ratepayers through an adjustable rate component, as determined by PURA.

As described in <u>DEEP's report</u>, the department selected three projects, shown in Table 1. According to <u>DEEP's website</u>, the Bloomfield program began operating August 20, 2019, and the other programs' operational status is pending.

Name	Size in Megawatts (MW)	Utility Service Territory	Location
Riverside Thompson	2	Eversource	Thompson
Town of Bloomfield Community Solar Program	1.62	Eversource	Bloomfield
USS Shelton	1.6	UI	Shelton

Table 1: SCEF Pilot Projects Selected by DEEP

Source: DEEP

Statewide SCEF Program

PA 18-50 established a statewide SCEF program. Under this program, eligible facilities are Class I renewable energy sources (e.g., wind or solar) served by Eversource or UI with at least two subscribers in the same utility service territory as the facility (CGS § 16-244z(a)(2)(C)). Eversource and UI conduct an annual solicitation using a competitive bidding procurement process and enter into 20-year contracts to purchase energy or RECs from the selected projects. The law establishes a six-year schedule for the program, which is currently in its third year (i.e., 2020 was Year 1). DEEP also developed <u>SCEF program requirements</u> that PURA approved with modifications.

Most of the selected projects are solar facilities, but any Class I energy source is eligible (e.g., a 2.8 MW fuel cell project in Hartford). In total, for the first three years, Eversource selected 18 projects and UI selected 7, as shown in tables 2 and 3.

Subscriber Organization	Size (MW)	Location	Estimated In-service Date
	Year 1	•	
USS Vineyard Solar, LLC	3	Columbia	9/30/2024
Greenskies Clean Energy, LLC	4	East Windsor (Broad Brook)	1/22/2024
VCP Pledgor 4, LLC	4	East Windsor	8/1/2023
USS Somers Solar, LLC	4	Ellington	9/30/2023
VCP Pledgor 4, LLC	4	Enfield	5/1/2023
Greenskies Clean Energy, LLC	4	Goshen	1/22/2024
	Year 2		
Greenskies Clean Energy, LLC	4	Columbia	7/1/2024
VCP Pledgor 4, LLC	3	East Windsor	12/31/2022
Homestead Fuel Cell 1, LLC	2.8	Hartford	1/1/2023
Solar Asset Management Associates	4	Norfolk	12/1/2022
Greenskies Clean Energy, LLC	4	North Stonington	7/1/2024
Putnam Meadow Solar Station, LLC	4	Putnam	6/1/2023
	Year 3		
Independence Solar, LLC	3.984	Colchester	6/1/2024
Community Power Group, LLC	4	Ellington	5/30/2024
LSE Hercules, LLC	4	Enfield	6/1/2023
Greenskies Clean Energy, LLC	4	Mansfield	4/26/2025
Greenskies Clean Energy, LLC	1.99	Portland	4/29/2025
USS Torrington Solar, LLC	1.999	Torrington	12/31/2023
Source: Eversource, Previous Bid Results, Annual SC	EE Summary Data 1	2/19/2022	•

Table 2: SCEF Projects Selected by Eversource (Years 1 through 3)

Source: Eversource, Previous Bid Results, Annual SCEF Summary Data, 12/19/2022

Table 3: SCEF Projects Selected by UI (Years 1 through 3)

Subscriber Organization	Size (MW)	Location	Estimated In-Service Date	
Year 1				
SCEF1 Fuel Cell, LLC	2.8	Derby	1/22/2024	
Dynamic Energy Solutions, LLC	1.5	Milford	12/31/2022	
Jefferson Solar, LLC	4	North Branford	1/21/2024	

Table 3 (continued)

Subscriber Organization	Size (MW)	Location	Estimated In-Service Date		
Year 2					
Greenskies Clean Energy, LLC	0.875	West Haven	7/1/2024		
Greenskies Clean Energy, LLC	1	West Haven	7/1/2024		
Year 3					
VFS, LLC	4	Bridgeport	10/19/24		
Fuel Cell Energy	2.8	Bridgeport	10/31/23		

Source: <u>UI Year 1, Year 2, Year 3, 12/19/2022</u>

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