

October 7, 2021

**PUBLIC ACT 13-303 CONNECTICUT RENEWABLE PORTFOLIO STANDARD CLASS I
BIOMASS PHASEDOWN**

Notice of Proceeding to Determine Facility Exemption

Background

Pursuant to Conn. Gen. Stat. § 16-245a(g), the Department of Energy and Environmental Protection (DEEP) is required to establish a schedule for the gradual phasedown of renewable energy credit (REC) value for biomass and landfill gas resources that qualify as Class I resources as defined by C.G.S. § 16-1. This act authorized DEEP to review and update the schedule in each subsequent Integrated Resources Plan (IRP) in order to account for current market conditions and ensure that the schedule would not negatively impact Connecticut's ability to meet its renewable portfolio standard (RPS) requirements.

Per the Final 2020 IRP, released on October 7, 2021, DEEP has determined that this phasedown of RECs for Class I biomass resources should take effect beginning January 1, 2022.¹ Beginning on that date, eligible generation for Class I biomass RECs will be reduced after 20 years for new facilities and 15 years for existing facilities from the time they were approved as a Class I renewable energy source in Connecticut. After the initial 15- or 20-year license period ends, the amount of generation eligible as a Class I resource will be reduced for each biomass project to 50 percent of annual output. In other words, Class I RECs will still be generated as they have been, but the amount of generation eligible as a Class I resource in Connecticut will decline to 50 percent of the actual generation output from the facility each year. One MWh would still be required to be produced to receive a REC in Connecticut. A REC for a Class I biomass facility would not be treated any differently from CT Class I RECs from other eligible resources for the purpose of supplier compliance. The other 50 percent of the annual generation output, which is not eligible in Connecticut, will still be eligible to be sold to meet RPS requirements in other states, to the extent the resource is eligible to participate in those other state RPS programs.

Conn. Gen. Stat. § 16-245a(g) also specified that some biomass facilities may be exempt from this phasedown if they either (1) have entered into a power purchase agreement with an electric supplier or electric distribution company in the state of Connecticut on or before the effective date of this section; or (2) were selected under a solicitation authorized by either Conn. Gen. Stat. §§ 16a-3f or 16a-3h. In order to ensure that the Department has a complete record of exempt facilities, DEEP hereby initiates this proceeding so that resources can indicate whether they are claiming an exemption from this phasedown consistent with Conn. Gen. Stat. § 16-245a(g). All biomass resources that do not properly claim and receive confirmation of an exemption in this proceeding will be subject to the phasedown.

¹ The implementation of this phasedown was voted on and approved at the September 14, 2021 NEPOOL Markets Committee Meeting.

Process of Identification of Exemption

In order to confirm exemption from the phasedown of REC value for biomass facilities that qualify as Connecticut Class I resources, DEEP requests that any Connecticut Class I qualified biomass facility not under contract or power purchase agreement with the State of Connecticut, Eversource, or United Illuminating submit the following documents by **November 1, 2021 at 4:00pm to DEEP.ENERGYBUREAU@CT.GOV**, subject line: **BIOMASS PHASEDOWN EXEMPTION**:

- (1) Legal justification under Conn. Gen. Stat. § 16-245a(g) detailing why the facility is exempt from the phasedown, including but not limited to an unredacted copy of the power purchase agreement;
- (2) Name of supplier with which the contract is held;
- (3) Date of contract execution; and
- (4) Size of the facility (MWs and MWhs) that is claiming the exemption.

The Department will review these submissions and confirm exemption by no later than December 17, 2021 via public notification.

All information submitted to the Department may be subject to disclosure under the Connecticut Freedom of Information Act (FOIA). All information submitted to DEEP will be publicly posted on its Energy Filings page, unless a bidder indicates otherwise. When a Bidder submits confidential information to DEEP, the Bidder acknowledges that the FOIA governs the public's accessibility to that information. If a Bidder believes portions of information submitted are exempt from FOIA disclosure, the Bidder must submit:

- One complete, redacted response for public posting, which must be clearly labeled PUBLIC, AND
- One complete, unredacted response for DEEP's internal review, which must be clearly labeled CONFIDENTIAL.

The Bidder must also specifically identify which FOIA exemption may be applicable to the specific information claimed confidential. Examples of FOIA exemptions include, but are not limited to:

- Trade secrets, C.G.S. § 1-210(b)(5)(A);
- Commercial and Financial information given in confidence, not required by statute, C.G.S. § 1-210(b)(5)(B);
- Responses to any request for proposals or bid solicitation issued by a public agency or any record or file made by a public agency in connection with the contract award process, until such contract is executed or negotiations for the award of such contract have ended, whichever occurs earlier provided the chief executive officer of such public agency certifies that the public interest in the disclosure of such responses, record or file is outweighed by the public interest in the confidentiality of such responses, record or file, C.G.S. § 1-210(b)(24); and
- Public records exempt under federal law or state statute, C.G.S. § 1-210(a).

The Department will not redact proposals submitted on behalf of Bidders. Only legitimate non-public proprietary or sensitive information may be considered confidential. Bidders may not submit a response that is entirely redacted. If the redaction is challenged in any forum, it is the responsibility of the Bidder to defend the confidentiality of the information.

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action/Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. Please contact us at (860) 418-5910 or deep.accommodations@ct.gov if you: have a disability and need a communication aid or service; have limited proficiency in English and may need information in another language; or if you wish to file an ADA or Title VI discrimination complaint. Any person needing a hearing accommodation may call the State of Connecticut relay number - 711. Requests for accommodations must be made at least two weeks prior to any agency hearing, program, or event.