



COUNCIL ON ENVIRONMENTAL QUALITY

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The Council on Environmental Quality will meet on July 28 and will discuss the Shared Clean Energy Facility (SCEF) Program regarding bid preferences and corresponding weightings that the Connecticut Department of Energy and Environmental Protection (DEEP) might recommend for next year's procurement and evaluation process. In the interim, I am submitting these responses to the ten questions and discussions on which DEEP requested public comment by July 26th.

1. Discuss and provide support for any bid preferences that DEEP should consider for the Year 3 Procurement, and/or subsequent procurement years.

The Council has supported the development of shared clean energy facilities and the locating of clean energy facilities on existing brownfield sites and landfills. A bid preference for development of SCEF on rooftops, existing infrastructure, and previously "developed lands"¹ is an excellent strategy to accomplish those two goals.

It follows therefore that development of SCEF be discouraged in environmentally sensitive areas, including but not limited to:

- sites that are underlain by prime farmland soils, soils of statewide importance, or locally important soils;
- critical habitat;
- core forest; and
- wetlands and watercourses.

As references in its comments on DEEP's proposal for "Sustainable, Transparent and Efficient Practices for Solar Development" (STEPS), the Council supports clean energy programs that will benefit environmental justice (EJ) communities, as is demanded by [Public Act 18-50](#). More will be said in this regard in the response to questions #3 and #5.

2. Should a bid preference for projects located on brownfields or landfills continue to be applied for Year 3? If yes, explain why and at what weighting value. If no, explain why not.

A bid preference for SCEF located on brownfields or landfills should continue to be applied for Year 3. A recent analysis conducted by the Council for solar

¹ Connecticut's Generic Environmental Classification Document, revised March 2, 2021, defines "developed land" as "the development footprint, including associated land alterations and fixed infrastructure, on land occupied by or previously occupied by a permanent structure or paving. This does not include portions of land altered only by current or historical agriculture or forestry activities".

facilities that are certified as renewable portfolio standard (RPS) facilities, greater than 250 kilowatts (kW), showed that approximately 37 percent of the projects were ground mounted systems and that the majority of those systems (55 percent) were developed on land with a designated land use classification of agriculture. In addition, the Council's review of solar projects, greater than one megawatt, which are subject to Connecticut Siting Council jurisdiction, found that over the last three years, only one project (Petition 1339, Pent Road, Wallingford) was sited on a landfill. These facts suggest a need for increasing the weighting value for SCEF projects on brownfields and landfills to better incentivize the use of brownfields and landfills for SCEF.

- 3. How should DEEP acquire cost information for project development while maintaining the competitiveness of the procurement? For example, what is the price premium on land, development and other project costs for developing on a brownfield and/or landfill? Similarly, what is the price premium for other recommended qualitative preferences?**

A review of the winning bids of prior RFPs could provide insights to the approximate costs of varying projects by type, size and other relevant variables. With regard to a price premium for developing on a brownfield and/or landfill, a fraction of the delta between the value of a brownfield, as is, and its value after siting of an energy facility would be a justifiable premium. Similarly, the opportunity costs of not developing renewable energy facilities on rooftops or existing infrastructure could be used to calculate a premium for development on existing infrastructure. Qualitative preferences for projects that benefit EJ communities is a legislative mandate which is rooted in economic equity and should, consequently, be greater than other preferences offered.

- 4. For each bid preference identified in response to Question 1 and/or 2, what clear standards, terms, parameters, or metrics should be used to evaluate whether a project qualifies for the bid preference?**

If the majority of the SCEF footprint is to be constructed on previously developed land or a rooftop/structure, it should qualify for the bid preference. Conversely, if more than a de minimis portion of the SCEF footprint is to be located in an environmentally sensitive area, (i.e. farmland soils, core forest, etc.), it should not qualify for the bid preference.

- 5. Discuss and provide support for a bid preference for projects located in and benefitting distressed municipalities and/or environmental justice communities. What are those potential benefits and how should they be quantified? What are the potential drawbacks and/or concerns with siting projects in distressed municipalities and/or environmental justice communities? What metrics should DEEP use to evaluate whether a project located in a distressed municipality and/or environmental justice community qualifies for a bid preference? How should distressed municipalities and/or environmental justice communities be identified for qualification purposes under the Request for SCEF Proposals (RFP) for the Year 3 Procurement?**

The development of a SCEF in a distressed and/or EJ communities² will likely provide socio-economic benefits with its environmental benefits. Such socio-economic benefits could include job creation, access to renewable energy, municipal tax revenue, and local redevelopment opportunities. SCEFs that also displace older, less efficient/more polluting electric generating facilities should improve air quality for local residents.

The metrics DEEP could use to evaluate whether a project located in a distressed municipality and/or EJ community qualifies for a bid preference should include the following:

- The proposed SCEF would be primarily constructed on previously developed land and/or a rooftop or other existing infrastructure;
- The proposed SCEF would not adversely impact environmental resources or environmentally sensitive areas; and
- The proposed SCEF would have a net improvement in air quality at the local level.

6. Relative to Question 5, how can DEEP and the Authority ensure such a community or municipality: (a) is willing to host a proposed project; and (b) has adequate opportunity to provide feedback about the proposed project?

One mechanism for providing adequate opportunity for the host community to offer feedback about a proposed SCEF would be to require respondents to any request for proposal (RFP) for SCEF include a letter of support from the chief elected official or town manager of the host community. If a letter of support is not obtainable, the respondent should include a description of efforts to inform the host municipality of the proposed SCEF project.

7. Recognizing Conn. Gen. Stat. § 22a-20a does not apply to SCEF, is there anything in the statute that could be adapted to provide a bid preference in SCEF, such as a Community Environmental Benefit Agreement (CEBA)? If yes, what clear standards, terms, parameters, or metrics should be used to evaluate whether a project qualifies for such a bid preference?

While it appears that 22a-20 does not apply to SCEF because CGS 22a-20 pertains to “affecting facilities” (electric generating facility with a capacity of more than ten megawatts) and SCEF projects have a maximum capacity of four MW, the possibility that expansion of an existing facility to exceed the ten MW threshold could make the SCEF project an “affecting facility”. The same community benefits³ suggested in CGS 22a-20 could be factors for bid preference in SCEF. The amount of mitigation proposed as a percentage of the total proposed SCEF project cost could be used to determine the bid preference.

8. How does a resiliency bid preference comport with the legislative intent of §16-244z of the General Statutes of Connecticut? How do such resiliency projects comport with the Modified Program Requirements relative to SCEF subscriber credits?

² These are identified in Connecticut General Statutes (CGS) Sec. 22a-20a (1): “Environmental justice community” means (A) a United States census block group, as determined in accordance with the most recent United States census, for which thirty per cent or more of the population consists of low income persons who are not institutionalized and have an income below two hundred per cent of the federal poverty level; or (B) a distressed municipality, as defined in subsection (b) of section 32-9p”

³ Funding for activities such as environmental education, diesel pollution reduction, electric vehicle charging infrastructure construction, establishment of a wellness clinic, ongoing asthma screening, provision of air monitoring performed by a credentialed environmental professional, performance of an ongoing traffic study, watercourse monitoring, construction of biking facilities and multi-use trails, staffing for parks, urban forestry, support for community gardens or any other negotiated benefit to the environment in the environmental justice community.

CGS Section 16-244z does not appear to prohibit a resiliency bid preference, provided the other requirements of the SCEF Program are met. Additionally, the development of SCEF that also bolsters energy reliability and resilience does not appear to be in conflict with the intent of the SCEF Program, as described in the Public Utility Regulatory Authority's (PURA) Decision in Docket 19-07-01RE02, dated April 28, 2021, as follows: "(1) to annually and cost-effectively allocate up to 25 megawatts to SCEFs, as defined in Conn. Gen. Stat. § 16-244x; and (2) to provide savings to specific categories of customers, particularly customers with low-to moderate-income (LMI), low-income service organizations, and customers who reside in EJ communities."

- 9. Should a bid preference for resilient projects, e.g., microgrids, mobile projects, be applied for Year 3? If yes, explain why and at what standard and weighting value. If no, explain why not.**

Bid preferences for resilient projects should be granted, provided: 1) the proposed SCEF would be primarily constructed on previously developed land and/or a rooftop or existing infrastructure; and 2) the proposed SCEF would not adversely impact environmental resources or environmentally sensitive areas. SCEF are Class I renewable sources and as such, have the potential to reduce air emissions associated with the displacement of less efficient, fossil-fueled emergency generation.

- 10. What other information not provided in response to any of the above questions would be useful in establishing bid preferences for the Program or increasing the benefits of the Program to environmental justice communities?**

In its comments on STEPS, the Council supported consideration of local laws concerning zoning, the environment and/or public health and safety when siting energy facilities. Consistent with that position would be a requirement that RFP responses for SCEF include a description of the SCEF's "consistency with the Town's regulations and plans".

Thank you for consideration of these comments and for DEEP's commitment to soliciting input on this issue which is central to the State's economy and ecology.

Sincerely,



Executive Director