

CONNECTICUT DISTRIBUTED GENERATION POLICY WORKING GROUP

MEETING AGENDA

Tuesday, February 28, 2023

9:00 AM – 11:00 AM

Location: Microsoft Teams

**Interconnection Upgrade Payment Schedules**

* The meeting began with Noel introducing a new topic: payment schedules for interconnection upgrades
  + Noel described the current process, which includes 30/60/90 day payment milestones
  + Noel described the difficulties in meeting those milestones when dealing with private capital
  + Noel noted that some costs seemed to be paid well ahead of time and asked whether the payment schedules could be calculated by working back from the in-service date
* David F. described how the existing process came to be
  + The guidelines themselves do not speak to payment timelines
  + Traditionally, EDCs require upfront payment to eliminate risk to the company and to ratepayers
  + The individual interconnection agreements used to contain timeframes
  + David stated that he was open to any reasonable arrangements so long as payment was received prior to the EDC spending money
* Joe Debs described how Eversource will develop a detailed payment schedule for large projects
  + The 30-day payment is necessary to allow for the upfront work not addressed in the interconnection process
  + Joe also described current lead times and the need to order equipment early because it could take upwards of a year to receive and install the equipment
* Noel stated that he understood the EDC’s position but remarked that most types of work do not require a complete up-front payment and asked about the possibility to make smaller regular payments in order to keep projects alive while avoiding abandoned projects taking up positions in the queue
* Bob Ives remarked that many programs already require projects to pay upfront nonrefundable performance bonds so there is a significant amount of money on the line and believes there are ways to reduce upfront payments for developers
* Zak asked whether payments could be divided so that material costs were paid upfront and labor costs paid when the equipment was ready to be installed
* Joe Marranca stated that UI doesn’t typically enter into milestone payments for projects with under $1 million in upgrade costs. Similar to Eversource, UI will not do work without cash in hand. A recent project with a payment schedule had the first payment cover materials and design labor costs
* Dave F. mentioned that projects requiring a facilities study must pay in advance for design work
* Noel asked whether the EDCs could provide additional granularity on the schedule and internal costs
  + David commented that all of the engineering costs are at a fixed per hour rate

**Residential Cost Sharing**

* Mike T. brought up Connecticut proposed bill HB 6764 and the requirement for PURA to study EDC cost recover for transmission upgrades resulting from residential solar systems
  + The working group discussed whether the word “transmission” was used in error. The group believed that the word “distribution” was likely the intent as residential systems are not known to result in transmission upgrades
  + The group noted that if that is the case, it had already explored this topic and that PURA is currently examining this issue in Docket No. 22-06-29

**Residential Interconnections**

* Mike T. asked the EDCs for an update on the timelines for residential interconnection timeframes
  + Cornelius of UI stated that residential applications are generally being processed in the allotted timeframes but there are also issues with the PowerClerk rollout that the Company is working on addressing to speed up the process
* Mike F. stated that Trinity has been seeing increased delays on the back end of the process, i.e., getting PTO
  + Cornelius stated that UI has been having issues with installer wiring, particularly meter sockets being wired in reverse

**Supply Chain/Miscellaneous Discussion**

* Noel asked whether the EDCs could share any updates with regard to supply chain delays
  + Joe Debs stated that there are significant delays in acquiring residential pole mounted transformers but he is unaware of the specifics
* Noel asked whether Eversource could put upcoming payments for certain projects on hold or agree to reduced payments for those projects while the group worked out details for revising payment schedules
* David F. stated that he did not object in principle but that any such request would have to go through Carl N. who was not on the call
* Jon Demay stated that he waned to ensure that the process remains flexible as different companies have different business models. For example, he would rather pay full costs up front if that would result in a faster interconnection process
* Jon also described how some other utilities allow developers to use letters of credit along with deposits in lieu of making full payment up front. These utilities may also impose cancellation penalties if a developer withdraws after equipment has been ordered.
* Noel expressed concern with the amount of up front payments stating that they favor larger companies
* Zak asked whether Jon Demay or Joe M. had an update on the RoCoF pilot in UI territory.
  + Jon stated that he needs to catch up with Joe M. to discuss timing in more detail but he thinks that they’ll be able to present in late March or early April
* Jon asked questions regarding the net metering policy for sites with multiple meters and whether on-site generation could ever exceed 2MW.
  + Joe Debs suggested consulting with the account executive to see if existing meters are totalized
  + Joe mentioned that over the past 20 years the largest customer-side transformers installed have been 2.5MW
* The meeting concluded with Zak requesting members to provide suggestions for future meeting topics