



# STATE OF CONNECTICUT

## PUBLIC UTILITIES REGULATORY AUTHORITY

### CONNECTICUT DISTRIBUTED GENERATION POLICY WORKING GROUP

#### REGULAR MEETING AGENDA

Wednesday, January 25, 2022

9:00 AM – 11:00 AM

Location: Microsoft Teams

#### **9:00 AM – 9:05 AM      Introduction and Adoption of Meeting Minutes**

#### **Discussion of Massachusetts Order 20-75-B**

- Zak presented PowerPoint with high-level overview of Massachusetts provisional cost-sharing program
  - Order 20-75-B is presently limited to affected group studies
  - Calls for rate basing of certain capital improvement projects with the intention that ratepayers will be repaid as additional projects pay fees to interconnect through the capital improvements
- Following the presentation, Lavelle, from Eversource presented additional information regarding Eversource's implementation of the Massachusetts program
- Eversource MA is basing Capital Improvement Project (CIP) fees on distribution substation costs
- National Grid may use a different allocation (may include some transmission costs)
- In determining whether upgrades should be part of a CIP, Eversource MA is examining many factors, such as: how much DER is enabled, how much electrification is enabled (MA decarbonization goals), impact on reliability, and whether there is sufficient land available to support additional DERs interconnecting to that substation
- Massachusetts docket contains detailed information on average interconnection costs and projected costs for areas facing higher-than-historic interconnection costs, including a histogram of average costs and interconnection calculations
- A CIP could also include reliability improvements
- The CIP fees will be determined by the actual interconnection costs and a \$/kW fee will be set for a particular substation or set of substations
- Eversource MA has also submitted a proposal for a long-term version of the provisional program
- Participants who are active in Massachusetts stated that they believed that Massachusetts started too late to avoid major problems – projects in the affected group studies have been in the queue for 5 years
- There was a general consensus among participants that rather than developing a provisional program for only certain locations (like the MA proposal), CT would be best served by developing a long-range planning program

- David Ferrante stated that the programs supporting solar development in CT and MA have been different and led to different constraints, i.e. more lumping of projects on particular substations, but that there are substations in Eastern CT that are becoming more congested
- Noel supported the long-term approach and mentioned that the prior MA SMART program wasn't designed in a way where reimbursements for developers were predictable; he also stated that developers need a stable long-term plan to reach CT's carbon goals
- The OCC expressed concern about the burden shifting from developers to ratepayers and whether ratepayers could reasonably expect to recover their investment if developers weren't under the SMART program
- Brad Parsons stated that part of the issue is that smaller projects can't afford to front the costs that would enable other projects to interconnect; for example, a 2MW project would not be able to afford upgrading an 8kV line to a 23kV but once that upgrade was complete, it could unlock many other benefits
- Lavelle stated that in MA, Eversource was taking that concern seriously and was doing the following to address those concerns:
  - Looking at trends in the queue
  - Looking at land availability
  - Looking at MA Oliver database
  - Engaging with consultants
  - Working with the Office of the Attorney General (MA ratepayer advocate) to provide justification of ratepayer benefits in areas such as reliability, capacity and power quality
- Kat stated that developers also have an interest in the EDCs presenting appropriate justification for CIPs because they want the projects to go forward and not be rejected by the MA DPU
- Kat also stated that transmission studies are also an issue that will need to be addressed
- Tom Melone agreed that it made sense to go straight to a long-term program rather than a provisional program; he stated that the debate highlights the lack of a clear plan in CT.
- Tom stated that the concern over cost shift is misplaced and that costs have already been shifted in the form of fossil fuel caused externalities; he also stated that it's an issue of state vs FERC control: if the state doesn't act, then the EDCs will, in the form of massive transmission projects and those costs will also be passed on to the ratepayers
- Lavelle stated that the MA process could be improved by tackling the issue sooner than MA did and in a way that provided stakeholders with more clarity
- Eversource and UI will work on the outline of a long term planning process which will be presented at a future meeting

**Other Large Project Cost-Sharing Proposals**

- Mike Trahan brought up the New York and California cost sharing plans and asked whether the working group was still pursuing those options; no one on the call expressed support for either plan
- Another proposal was brought up in which developers could obtain property rights in the upgrades they paid for; the proponent of this proposal was not on the call and the group decided to table the item after minimal discussion

**Action Items**

- Eversource and UI to meet offline to discuss creation of long-term planning program
- Eversource and UI to present outline of program at next working group meeting