

# Renewable Portfolio Standards

## Contents

General .....	3
Frequently Asked Questions .....	4
Class I, II and III Renewable Energy Sources .....	6
New England Power Pool Generation Information System (NEPOOL GIS).....	7
General .....	7
Renewable Energy Certificates - REC.....	7
REC Creation & Trading Periods.....	7
PURA's RPS Compliance Process.....	8
General .....	8
RPS Compliance Forms .....	8
Retail Load Data.....	9
REC Verification .....	9
Banking RECs – Carry Forward .....	9
Alternative Compliance Payment (ACP) .....	9
RPS Security .....	9
Abbreviations, Definitions & Terminology .....	10

## General

This document provides information for licensed suppliers regarding compliance with Connecticut's Renewable Portfolio Standards (RPS).

The RPS requires licensed suppliers and the electric distribution companies (together, "load serving entities" (LSE)), to obtain a minimum percentage of their annual retail load through renewable energy sources.

To comply with the annual RPS requirement, each Connecticut LSE must settle RECs to reflect the RPS requirements for their total annual retail load within a calendar year, commonly referred to as the RPS Compliance Year. In lieu of procuring and settling RECs, an LSE can make an Alternative Compliance Payment (ACP) to satisfy all or a portion of their annual RPS obligation. In addition, an LSE can bank RECs for future use. However, banked RECs will expire if not timely applied to a future RPS Compliance Year.

PURA does not track the total CT electric retail sales used to determine statewide RPS obligations. PURA reviews and determines the annual RPS compliance obligations as it pertains to each LSE. The load obligation used to determine the RPS obligation is provided to each LSE by the electric distribution companies (EDCs). The EDCs provide a load summary to PURA one month prior the RPS compliance filing deadline, annually on October 15<sup>th</sup>, which is used for PURA's verification purposes.

All licensed suppliers must maintain an RPS security on file with the Authority in the amount of the alternative compliance payment the supplier would have owed the previous RPS year.

## Frequently Asked Questions

### Question - Supplier Load

If a supplier did not serve load during the RPS compliance period is it required to file anything in the RPS Compliance docket?

#### Answer

The supplier should submit a letter under the RPS compliance period docket stating it did not serve load during the applicable RPS period, an Exhibit A and RPS security affidavit indicating the supplier has the correct RPS security on file, and an electronic and hard copy of the RPS security.

### Question: - Source Data for Supplier Load

Who provides the supplier load data that PURA uses/accepts to determine RPS compliance?

#### Answer

The load data is obtained from the electric distribution companies (EDCs), and should be made available to suppliers on a monthly basis. A supplier's REC obligation in each renewable Class is calculated based on the supplier's Final Settlement Load as reported by the EDCs.

The EDCs are required to submit a listing of the summary load data by September 15th in the RPS Compliance dockets for PURA's verification of the supplier's REC obligations. Once the EDC load data is filed in the RPS Compliance docket, suppliers may review the posting to verify they are using the correct load in their filing.

### Question – Alternative Compliance Payment Rates

Where can a supplier find the current Alternative Compliance Payment rates?

#### Answer

Conn. Gen. Stat. § 16-244c(h).

### Question – Alternative Compliance Payments

A supplier determines there is a shortfall for their CT Class I and/or CT Class II RECs for an RPS Compliance Period. Should the supplier submit an ACP payment to meet its RPS compliance to the EDC or to PURA at the time of its RPS Compliance filing? If such a payment is made, who will allocate the ACP to the Class I or Class II RECs?

#### Answer

A suppliers should not make an ACP payment with its annual RPS compliance filing. PURA's final Decision will determine whether an ACP is required and how to make the payment. There will be a supplier-specific Order in the final Decision that will provide the shortfall, resulting ACP by REC Class, where to make the payment, and due date.

Exhibit A is PURA's annual RPS compliance form. Exhibit A calculates the ACP as well as how payment is allocated to each EDC and, where applicable, to the Green Bank.

#### Question – Past RPS Compliance Proceedings

Where can I find information about past PURA RPS proceedings and rulings?

Answer

2009 – Docket No. 10-09-06

2010 – Docket No. 11-09-03

2011 – Docket No. 12-09-02

2012 – Docket No. 13-06-11

2013 – Docket No. 14-05-35

2014 – Docket No. 15-09-18

2015 – Docket No. 16-07-20

2016 – Docket No. 17-06-23

2017 – Docket No. 18-06-28

2018 – Docket No. 19-06-01

2019 – Docket No. 20-06-01

2020 – Docket No. 21-06-01

2021 – Docket No. 22-06-01

All RPS compliance dockets from 2018 forward may be found at last two digits of year-06-01.

#### Question – Connecticut’s RPS obligation

What is Connecticut’s state-wide annual RPS obligation?

Answer

PURA does not track the total CT electric retail sales used to determine statewide RPS obligations. PURA reviews and determines the annual RPS compliance obligations as it pertains to each load serving entity (LSE). The load obligation used to determine the RPS obligation is provided to each LSE by the electric distribution companies (EDCs). The EDCs provide a load summary to PURA one month prior the RPS compliance filing deadline, annually on October 15<sup>th</sup>, which is used for PURA’s verification purposes. The most recent RPS docket will be YEAR-06-01 (e.g., 21-06-01, etc....).

## Class I, II and III Renewable Energy Sources

Separate portfolio standards are required for energy sources classified as Class I, Class II, or Class III. A general explanation of these sources is provided below. See the appropriate sections of Conn. Gen. Stat. § 16-1(a) for the specific statutory requirement.

Class I renewable energy source – Conn. Gen. Stat. § 16-1(a)(20) defines this as electricity derived from solar, wind, fuel cell, geothermal, landfill methane gas, anaerobic digestion or other biogas, thermal electric, ocean thermal power, wave or tidal power, low emission advanced renewable energy conversion technologies, certain run-of-the-river hydroelectric facilities that began operation after July 1, 2003, certain biomass that uses sustainable fuel, and any electrical generation, including distributed generation, generated from a Class I renewable energy source.

Class II renewable energy source - Conn. Gen. Stat. § 16-1(a)(21) defines this as electricity derived from a trash-to-energy facility.

Class III renewable energy source – Conn. Gen. Stat. § 16-1(a)(38) defines this as electricity derived from combined heat and power systems, waste heat recovery and the electric savings from conservation and load management programs or demand side management projects.

The following table shows the annual RPS percentages.

Annual RPS Percentages				
Year	Class I	Class II	Class III	Total
2022	24%	4.00%	5.00%	33%
2023	26%	4.00%	5.00%	35%
2024	28%	4.00%	5.00%	37%
2025	30%	4.00%	4.00%	38%
2026	32%	4.00%	4.00%	40%
2027	34%	4.00%	4.00%	42%
2028	36%	4.00%	4.00%	44%
2029	38%	4.00%	4.00%	46%
2030	40%	4.00%	4.00%	48%

## New England Power Pool Generation Information System (NEPOOL GIS)

### General

The New England Power Pool Generation Information System (NEPOOL GIS) creates, tracks and issues the Renewable Energy Certificates, or RECs, from qualified renewable generation sources in the ISO-NE control area, as well as renewable energy imported from adjacent control areas. LSEs are required to adhere to all NEPOOL GIS system operating rules and procedures.

#### Renewable Energy Certificates - REC

A REC is created for each Megawatt-hour (MWh) of energy generated from certified renewable sources or for each MWh of energy saved through energy efficiency programs or the installation of energy efficiency measures.

Once a REC is created within NEPOOL GIS it can be procured, traded and **settled** under the NEPOOL GIS operating rules. Once a REC is **settled** to an LSE subaccount, that REC is removed from circulation and cannot be transferred or traded. This procedure was designed to prevent misuse; specifically, double-counting of RECs.

#### REC Creation & Trading Periods

PURA relies on the NEPOOL GIS tracking platform to verify that the RECs used to meet CT's RPS requirements are retired/settled to the appropriate CT subaccount.

NEPOOL GIS Trading Dates		
Generation Month	REC Trading Period	REC Quarter
Jan. - March	July 15 - Sept. 15	First (1)
April - June	Oct. 15 - Dec. 15	Second (2)
July - Sept.	Jan. 15 - March 15	Third (3)
Oct. - Dec.	April 15 - June 15	Fourth (4)

## PURA's RPS Compliance Process

### General

The Authority initiates an annual proceeding to determine RPS compliance. Each LSE is required to verify that it has settled the RECs necessary to support its full retail load for the recently concluded RPS Compliance Year. This information must be submitted on or before October 15<sup>th</sup> in the year following the RPS Compliance Year that is being reviewed under the appropriate PURA docket. The following is an example of the relevant trading periods used by PURA to review compliance for the 2022 RPS Compliance Year. Based on the NEPOOL GIS trading periods and PURA rules, the last day for an LSE to settle RECs for the 2022 RPS Compliance Year will be June 15, 2023.

#### Example – 2022 RPS Compliance Year

Generation Month	REC Trading Period	REC Quarter
Jan - March 2022	July 15, 2022- Sept. 15, 2022	First (1)
April - June 2022	Oct. 15, 2022 - Dec. 15, 2022	Second (2)
July - Sept 2022	Jan 15, 2023 - March 15, 2023	Third (3)
Oct - Dec 2022	April 15, 2023 - June 15, 2023	Fourth (4)
2022 RPS Compliance Filing Due October 15, 2023		

### RPS Compliance Forms

RPS compliance is subject to full regulatory review after which the Authority issues a ruling (RPS Decision), which determines each LSEs' RPS compliance, the amount of the ACP (if applicable) and the quantity of banked RECs that will be applied to satisfy the current RPS Compliance Year or carried forward for use in a future RPS period, up to two years.

The following forms are available through the PURA website.

- a. Exhibit A (Annual Connecticut RPS Filing) with RPS security affidavit;
- b. Exhibit B (Class I and II RECs by Generator Location);
- c. Exhibit C (Class I, II and III Fuel Sources);
- d. Exhibit D (Voluntary Green Offerings);
- e. Supporting GIS documentation (printouts of "My Settled Certificates Disposition" Quarterly Reports); and
- f. Contact information for RPS compliance
- g. Electronic copy of RPS security and hard copy submitted to the Executive Secretary if necessary.

The Authority considers Exhibit A to be the governing document. The Authority's determination regarding each LSE's RPS compliance, amount of ACP and the quantities of banked RECs used or carried forward will be based exclusively on the information contained in the LSE's Exhibit A.

## Retail Load Data

The annual retail load is each LSE's Final Settlement Load Obligation as reported by the EDCs. The load data is obtained from the electric distribution companies (EDCs), which suppliers should receive on a monthly basis. A supplier's REC obligation in each renewable Class is calculated based on the supplier's Final Settlement Load as reported by the EDCs.

The EDCs are required to submit a listing of the summary load data by September 15th (one month prior to the RPS compliance filing) in the RPS Compliance dockets for PURA's verification of the supplier's REC obligations. Once the EDC load data is filed in the RPS Compliance docket, suppliers must review the posting and verify they are using the correct load in their filing.

If a supplier did not serve load during the RPS compliance period it should submit a letter under the RPS compliance period docket stating that it did not serve load during the applicable RPS period and should submit Exhibit A, the RPS security affidavit, and the appropriate RPS security.

## REC Verification

The NEPOOL GIS website allows state regulators access to quarterly reports, data regarding each LSE's quarterly settled RECs. The Authority may use this data in its RPS Compliance Review process to verify the data provided by LSEs.

## Banking RECs – Carry Forward

An LSE is allowed to bank excess settled RECs for up to two years after the REC is settled. Banked RECs cannot exceed 30% of the LSE's REC obligation in each RPS Class. See Conn. Agencies Regs. 16-245a-1(e).

## Alternative Compliance Payment (ACP)

An LSE that fails to comply with the annual RPS shall be subject to an Alternative Compliance Payment (ACP). The ACP varies based on the type of REC and is assessed based on the number of deficient Class I, II or III RECs. Refer to Conn. Gen. Stat. § 16-245(k). The supplier does not pay the owed ACP at the time of filing its RPS compliance. The Authority will indicate in its RPS decision which suppliers owe an ACP and instructions for wiring will be supplied.

For current ACP, see Conn. Gen. Stat. § 16-244c(h).

Exhibit A is PURA's annual RPS compliance form. Exhibit A calculates the ACP as well as how payment is allocated to each EDC and, where applicable, to the Green Bank. Exhibit A also includes an Affidavit and Instructions for submission.

## RPS Security

Pursuant to Conn. Agencies Regs. § 16-245a-1, all suppliers must have on file with the Authority an RPS security in the amount of the previous year's full ACP. Each supplier must submit an electronic copy of the bond with its RPS Exhibit A as well as an RPS Security Affidavit.

## Abbreviations, Definitions & Terminology

- LSE - Load serving entity – licensed suppliers and the EDCs;
- RPS – Renewable Portfolio Standard;
- REC – Renewable Energy Certificate;
- Settled REC – A REC that has been assigned to a NEPOOL GIS subaccount;
- ACP – Alternative Compliance Payment;
- Class I, II and III Energy Sources - Portfolio standards required for RPS compliance;
- RPS Compliance Year – Calendar year period being reviewed for RPS compliance;
- RPS Decision –PURA ruling in which it determines RPS compliance