

**State of Connecticut
Regulation of
Public Utilities Regulatory Authority
Concerning
Renewable Energy Portfolio Standards**

Sec. 16-245-1. Definitions

As used in sections 16-245-1 to 16-245a-2, inclusive, of the Regulations of Connecticut State Agencies:

(1) "Applicant" means any person, as defined in section 16-1 of the Connecticut General Statutes, who applies for a license to become an electric supplier in this state pursuant to section 16-245 of the Connecticut General Statutes, and any municipal electric utility that applies, pursuant to section 16-245c of the Connecticut General Statutes, for a license to provide electric generation services to end use customers outside of its service area using the transmission or distribution system or facilities of an electric distribution company, as defined in section 16-1 of the Connecticut General Statutes; [.]

(2) "Authority" means the Public Utilities Regulatory Authority or its successor;

[(2)] (3) "Class I [Renewable Energy Source] renewable energy source " [means "Class I Renewable Energy Source " as defined] has the same meaning as provided in section 16-1 of the Connecticut General Statutes;

[(3)] (4) "Class II [Renewable Energy Source] renewable energy source" [means "Class II Renewable Energy Source" as defined] has the same meaning as provided in section 16-1 of the Connecticut General Statutes;

(5) "Class III source" has the same meaning as provided in section 16-1 of the Connecticut of the Connecticut;

[(4)] "Department" means the Department of Public Utility Control or its successor;

(5)] (6) "Electric distribution company" [means "electric distribution company" as defined] has the same meaning as provided in section 16-1 of the Connecticut General Statutes;

[(6)] (7) "Electric supplier" [means "electric supplier" as defined] has the same meaning as provided in section 16-1 of the Connecticut General Statutes;

[(7)] (8) "ISO" means ISO – New England, Inc. and includes any successor organization thereto;

[(8)] (9) "Municipal electric utility" means a municipal electric utility established under chapter 101 of the Connecticut General Statutes or any other electric utility owned, leased, maintained, operated, managed or controlled by any unit of local government under any general statute or any public or special act;

[(9)] (10) "NEPOOL" means the New England Power Pool and includes any successor organization thereto;

[(10)] (11) "NEPOOL GIS" means the generation information system and associated operating rules that govern the tracking of generation attributes, as approved by NEPOOL, and as amended from time to time;

[(11)] (12) "Participating municipal electric utility" [means participating municipal electric utility as defined] has the same meaning as provided in section 16-1 of the Connecticut General Statutes; [and]

[(12)] (13) "Security" means a bond, letter of credit, guarantee, or other appropriate financial [instrument] instruments approved by the Authority from a creditworthy financial institution; and [.]

(14) “Total output or services” means an electric supplier’s or electric distribution company’s pool transmission facility load obligation data assignment in the NEPOOL GIS.

Sec. 16-245a-1. Reporting requirement. Operating rules. Renewable energy portfolio deficiencies

(a) **Electric Supplier Annual Reporting Requirement.** Each electric [distribution company and each electric] supplier shall submit [an annual] to the Authority annually, on or before the date published by the Authority in its annual notice of the renewable energy portfolio compliance docket, a report demonstrating its compliance with the renewable energy portfolio standard requirements set forth in sections 16-245a and 16-243q of the Connecticut General Statutes, and any other applicable law, for the previous calendar year. The report shall [indicate the percent of total output or services generated from Class I and Class II renewable energy sources and obtained from Class III sources during the previous calendar year. Said report shall include all supporting calculations. The annual compliance report for each calendar year shall be submitted not later than October 15 of the following year] be based exclusively on certificates issued to the electric supplier by NEPOOL GIS. The supplier shall submit a report to the Authority pursuant to this subsection regardless of whether or not such supplier served load during the previous calendar year. The report, which shall be completed accurately and in its entirety, shall be on a form prescribed by the Authority, which may include the following information:

(1) Name, address and phone number of the electric supplier;

(2) Name, address, phone number and electronic mail address of the contact person of the supplier;

(3) Amount of full load served, renewable energy certificates required, renewable energy certificates purchased, renewable energy certificates deficient, and alternative compliance payments owed;

(4) Copies of all quarterly and annual reports issued to the electric supplier by the NEPOOL GIS during the previous calendar year;

(5) The percent of total output or services generated from Class I renewable energy sources and Class II renewable energy sources and obtained from Class III sources to meet the renewable portfolio standards during the previous calendar year;

(6) The electric supplier’s calculations used to determine the percentages provided in subdivision (5) of this subsection;

(7) Any revisions necessary to the amount of the security as a result of variations in the amount of the forecast year load pursuant to subdivision (2) of subsection (b) of this section;

(8) An attestation that the electric supplier is in compliance with the requirement in subsection (b) of this section to maintain a security. An electric supplier that provides supply to electric distribution companies to fulfill standard service requirements is exempt from the requirement in subsection (b) of this section to maintain a security and from the requirement in this subdivision to submit an attestation for purposes of the renewable energy portfolio standard obligation incurred by fulfilling standard service supply; and

(9) Any other information which the Authority deems necessary.

(b) **Renewable Energy Portfolio Standards Security.** (1) In addition to the security required by section 16-245-4 of the Regulations of Connecticut State Agencies, each electric supplier shall maintain a renewable energy portfolio standards security with the Authority equal to the full alternative compliance payment that the electric supplier would be required to pay to the Authority pursuant to section 16-245(k) of the Connecticut General Statutes based on the forecast year load. The forecast year load shall be the amount of the full load served by the electric supplier during the previous calendar year, unless the Authority determines for good cause shown that the forecast year load should be a different amount. An electric supplier that was granted a license by the Authority pursuant to section 16-245 of

the Connecticut General Statutes during the previous calendar year shall maintain a renewable energy portfolio standards security in the amount of \$25,000 or in an amount equal to the full alternative compliance payment for such electric supplier's projected load for its first year of operations, whichever is greater. The security shall:

(A) Be continuous without an expiration date during the term of the electric supplier's license and shall be revised annually as required pursuant to subdivision (2) of this subsection to account for any change in the forecast year load;

(B) Name the Authority as obligee; and

(C) Be used to make payments as directed by the Authority for any and all financial liabilities that the Authority assesses against the electric supplier for failure to comply with any renewable portfolio standard requirements, including alternative compliance payment obligations and violations for failing to submit proper reports, that the Authority determines the electric supplier shall pay pursuant to sections 16-41, 16-245 or 16-245a of the Connecticut General Statutes or this section.

(2) Annually, an electric supplier shall review the amount of its security. If the amount of the electric supplier's security is insufficient to pay at least ninety percent of the electric supplier's full alternative compliance payment that the electric supplier would be required to pay to the Authority pursuant to section 16-245(k) of the Connecticut General Statutes based on the forecast year load, the electric supplier shall increase the security maintained pursuant to subdivision (1) of this subsection to an amount sufficient to pay the full alternative compliance payment obligation due for the forecast year load. As part of the annual renewable energy portfolio compliance docket, the Authority will instruct electric suppliers regarding the procedure for submitting updated security to comply with the security requirements of this section and section 16-245-4 of the Regulations of Connecticut State Agencies.

(3) All security amounts shall be rounded to the nearest thousand dollar value.

(4) The amount of security maintained to comply with this section may be satisfied by (a) adding the amount of security required by this subsection to the security the electric supplier uses to comply with the security requirements of section 16-245-4 of the Regulations of Connecticut State Agencies, or (b) maintaining a separate security in the amount required by this subsection.

(4) The requirement in this subsection to maintain a security shall not apply to electric suppliers providing generation supply to electric distribution companies for standard service load.

(c) Requirement to Independently Manage NEPOOL GIS Accounts. An electric supplier shall be responsible for independently managing its NEPOOL GIS renewable energy certificate accounts throughout the year. The Authority shall not accept or review a request from an electric supplier to reallocate renewable energy certificates into or out of the electric supplier's NEPOOL GIS accounts or subaccounts, or both.

(d) Annual Monthly and Total Load Settlement Data Reporting Requirement. Electric distribution companies shall make available to electric suppliers monthly load settlement data. Electric distribution companies shall submit to the Authority and electric suppliers, on or before the date published by the Authority in its annual notice of the renewable energy portfolio compliance docket, a report on a form prescribed by the Authority that summarizes the electric supplier's monthly and total load settlement data for the previous calendar year.

(e) Electric Distribution Company Annual Reporting Requirement. Each electric distribution company shall submit to the Authority annually, on or before the date published by the Authority in its annual notice of the renewable energy portfolio compliance docket, a report demonstrating its compliance with the renewable energy portfolio standard requirements set forth in sections 16-245a and 16-243q of the Connecticut General Statutes, and any other applicable law, for the previous calendar year. The report shall be based exclusively on certificates issued by the NEPOOL GIS. The report, which shall be completed accurately and in its entirety, shall be on a form prescribed by the Authority, which may include the following information:

(1) Name, address and phone number of the electric distribution company;

(2) Name, address, phone number and electronic mail address of the contact person of the electric distribution company;

(3) Amount of load served, renewable energy certificates required, renewable energy certificates purchased, renewable energy certificates deficient, and alternative compliance payments owed;

(4) Copies of all quarterly and annual reports issued to the electric distribution company by the NEPOOL GIS during the previous calendar year;

(5) The percent of total output or services generated from Class I renewable energy sources and Class II renewable energy sources and obtained from Class III sources to meet the renewable portfolio standards during the previous calendar year;

(6) The electric supplier's calculations used to determine the percentages provided in subdivision (5) of this subsection; and

(8) Any other information which the Authority deems necessary.

[(b)] (f) **Operating Rules.** Certificates for renewable energy power generated within NEPOOL shall be accounted for in accordance with the then current operating rules of the NEPOOL GIS in effect during the calendar year in which such certificates were generated.

[(c) **Required Documentation.** The annual report submitted pursuant to subsection (a) shall be based exclusively on certificates issued by the NEPOOL GIS, and shall include copies of all quarterly and annual reports issued to the electric distribution company or electric supplier by the NEPOOL GIS during the compliance period.

(d) **Renewable Energy Portfolio Deficiencies.** An electric distribution company or electric supplier that seeks to make up any renewable energy portfolio deficiency within the first three months of the succeeding calendar year shall specifically indicate the amount of renewable energy sources or attributes used within the first three months of the succeeding year to make up the previous year's deficiency. To ensure that such energy sources or attributes are not used to comply with the portfolio requirements of the succeeding calendar year, the electric distribution company or electric supplier's annual report for the succeeding year shall include a calculation, supported by quarterly and annual reports issued by the NEPOOL GIS, demonstrating that such energy sources or attributes are not used to comply with the succeeding calendar year's portfolio requirements.

(e)] (g) **Banking of Renewable Energy Certificates.** [An] The Authority may permit an electric distribution company or electric supplier [may] to bank renewable energy certificates for Class I renewable energy sources, Class II renewable energy sources and Class III [renewable energy certificates] sources generated in [one year to comply with the renewable energy portfolio requirements in either of the two following years, provided the electric distribution company or electric supplier has complied with the renewable energy portfolio requirements each year by means of renewable energy certificates or has made the alternative payment permitted by section 16-245(k), section 16-243q(b) or section 16-243q(d) of the Connecticut General Statutes] amounts provided in this subsection. If the Authority, after conducting an uncontested proceeding, determines it is in the public interest, it may increase or reduce the amount of allowable banking, indicated in subdivisions (1) through (5) of this subsection below, in future compliance years or terminate banking altogether. An electric distribution company or electric supplier may bank renewable energy certificates that it generated in one year to comply with the renewable energy portfolio standard requirements in either of the two following years, provided the electric distribution company or electric supplier, respectively, has complied with the renewable energy portfolio standard requirements each year by means of renewable energy certificates. In addition, the electric distribution company or electric supplier shall demonstrate to the satisfaction of the [Department of Public Utility Control] Authority that:

[1)] (1) The banked renewable energy certificates were in excess of the renewable energy certificates needed for compliance in the year they were generated, and the excess renewable energy certificates have

not previously been used for compliance with section 16-245a(a) or section 16-243q(a) of the Connecticut General Statutes;

[2)] (2) The banked renewable energy certificates for Class I renewable energy [certificates] sources do not exceed thirty per cent of the Class I renewable energy sources needed by the electric distribution company or electric supplier for compliance in the year [the] such certificates were generated;

[3)] (3) The banked renewable energy certificates for Class II renewable energy [certificates] sources do not exceed thirty per cent of the Class II renewable energy sources needed by the electric distribution company or electric supplier for compliance in the year [the] such certificates were generated;

[4)] (4) The banked renewable energy certificates for Class III [renewable energy certificates] sources do not exceed thirty per cent of the Class III sources needed by the electric distribution company or electric supplier for compliance in the year [the] such certificates were generated; [and]

[5)] (5) The banked renewable energy certificates have not otherwise been, nor will be, sold, retired, claimed or represented as part of the total output or services of the electric distribution company or electric supplier, or used to satisfy obligations in jurisdictions other than Connecticut; and [.]

(6) The electric distribution company or electric supplier files with the Authority the required forms and supporting documents, posted on the Authority's Internet website, to verify the use of and accurate reporting of banked renewable energy certificates.

[(f) **Renewable Energy Trading Program Emissions Attributes.** Any electric distribution company or electric supplier that seeks to demonstrate renewable energy portfolio standard compliance by participating in a renewable energy trading program shall have exclusive ownership of all renewable energy and environmental attributes from such trading program that are associated with its renewable energy sources.]

[(h) **Renewable Energy Portfolio Deficiencies.** The Authority may review an electric supplier's or electric distribution company's compliance filings at any time. The Authority shall have the right to assess a penalty pursuant to sections 16-41 and 16-245 of the Connecticut General Statutes, or any other applicable law, within two years of the filing date if an electric supplier or electric distribution company fails to file accurate load data or renewable portfolio standards information in its annual report or fails to maintain an appropriate security. The Authority shall have the right to assess an alternative compliance payment or pursue a penalty pursuant to sections 16-41 or 16-245 of the Connecticut General Statutes within two years of the filing date for any electric distribution company or electric supplier failing to demonstrate sufficient annual compliance.

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Statement of Purpose

The Public Utilities Regulatory Authority (the Authority) is amending §§ 16-245-1 and 16-245a-1 of the Regulations of Connecticut State Agencies (Conn. Agencies Reg.). It is amending Conn. Agencies Reg. § 16-245-1 to add terms to the list of definitions in that section, including the definitions of Class III sources and total output or services. The Authority is amending Conn. Agencies Reg. § 16-245a-1 to reflect changes made to § 16-245a of the Connecticut General Statutes (Conn. Gen. Stat.) pursuant to Public Act 17-186, An Act Concerning Renewable Portfolio Standard Compliance Requirements (Public Act 17-186). Specifically, Public Act 17-186 amended Conn. Gen. Stat. § 16-245a by eliminating the provisions that allowed electric distribution companies (EDC) and electric suppliers to make up a deficiency in an annual

renewable portfolio standard (RPS) obligation in the first three months of the following calendar year, which in turn required the removal of Conn. Agencies Reg. § 16-245a-1(d).

In addition, the Authority is amending Conn. Agencies Reg. § 16-245a-1 to require that EDCs and electric suppliers be responsible for independently managing their NEPOOL GIS renewable energy certificate accounts and prohibiting the Authority from accepting or reviewing requests from EDCs and electric suppliers to reallocate renewable energy certificates into or out of their NEPOOL GIS accounts or subaccounts. The Authority is also amending Conn. Agencies Reg. § 16-245a-1 to require electric suppliers to maintain a security with the Authority to cover the shortfalls in situations where electric suppliers amass large RPS obligations and file for bankruptcy or leave the market without meeting those RPS obligations. Additionally, the Authority is amending Conn. Agencies Reg. § 16-245a-1 to require EDCs to provide final load settlement data to the Authority and electric suppliers on or before the date published by the Authority in its annual notice of the renewable energy portfolio compliance docket, which electric suppliers will use to determine RPS obligations. Finally, the Authority is amending Conn. Agencies Reg. § 16-245a-1 by removing subsection (f) regarding renewable energy trading program emissions attributes as it is not needed. All renewable energy certificates are required to go through NEPOOL GIS, which determines ownership of such certificates, and all RPS obligations are required to be based exclusively on certificates issued by NEPOOL GIS.