



The Connecticut Department of Public Utility Control

Incentives for Customer-Side Distributed Resources

Cindy Jacobs
DPUC Research & Policy Unit

Key DPUC Dockets

Per CT Public Act 05-1, EIA:

Docket No. 05-07-16

- **establishes various incentives for customer-side DG**

Docket No. 05-07-17

- **establishes monetary grants for capital costs of customer-side DG**

Docket No. 05-07-19

- **establishes distributed resources RPS (Class III)**

Docket No. 05-07-21

- **establishes loan program for DG**



I. Monetary Grants for Customer-Side DG

- \$200/kW for Emergency Generators
- \$450/kW for Base load generation including CHP
- Projects in SWCT, online prior to 4/30/08, are eligible to receive additional \$50/kW
- Apply at CT DPUC website at www.state.ct.us/dpuc
Contacts: Mark Quinlan 860-827-2691; Paul Carver 860-827-2773
- C&LM grants will be determined on a case by case basis & are applied for via CL&P and UI conservation programs
- Renewable energy generation projects are eligible but may receive higher grants via programs offered by CT Clean Energy Fund
- 35 projects, approx. 42.9 MW, have requested funding
- \$8.95 mil awarded so far



Eligibility

- New or incremental capacity
- Emergency generators - must participate in an ISO-NE load response program
- Base load generators - must be expected to operate: at $\geq 85\%$ load factor, 12:00 to 8:00 pm weekdays, in Jan. & Feb. and June thru Sept.
 - * If project is not expected to meet this requirement, grant will be prorated accordingly
- Grants available for up to 65 MW prorated accordingly
- No minimum size
- Generator must have submitted a completed interconnection application to EDC after 7/21/05



Eligibility (cont'd)

Ineligible:

- **Emergency generation for hospitals, nursing homes or other facilities to extent they are required to have emergency generation under state & federal law**
- **Gas air conditioning & gas chillers**
- **Projects that receive funding from CT Energy Efficiency Fund or from CT Clean Energy Fund are eligible for monetary grants, but total grant cannot exceed above noted amounts**



Contact Persons

See the DPUC website www.state.ct.us/dpuc for list of Contact Persons

ISO-NE Demand Response Programs, Interconnection to Electric System, Electric Backup Waiver, Excess power purchase rates

Contacts: UI:	Tony Cortiguo	203-499-2285
CL&P:	John Ferrantino	860-665-6266

Siting:

Generation projects greater than 1MW and all fuel cell projects need Connecticut Siting Council approval.

Contacts: Derek Phelps	860-827-2935
Fred Cunliffe	860-827-2939



Contacts (cont'd)

Environmental Permits:

Generation projects may need permits from CT DEP

Contact: Chris James 860-424-3688

CT Conservation Programs:

UI: Pat McDonald 203-499-2923

CL&P: Eve Sabino 860-832-4949

CT Clean Energy Fund:

Provides grants for renewable energy projects

Contact: Keith Frame or Dale Hedman 860-563-0015



II. Long-Term Financing for Customer-Side Distributed Resources

- Banc of America Leasing & Capital, LLC (BAL) contracted to provide long-term financing for customer-side DR projects**
- Financing cap of \$150 million**
- Interest rate is fixed rate & determined at time application is approved by BAL**
- Loans collateralized as required by BAL**
- Projects are for creation of customer-side distributed resources per Conn. Gen. Stat. Section 16-1**
- Project financing is for capital cost & project development costs**



Eligibility

- **Projects include, but not limited to, DG projects such as:**
 - **CHP systems, emergency generation, fuel cells, PV systems, small wind turbines, peak reduction systems, and demand response systems**
- **New or incremental capacity**
- **Maximum project is 65 MW**
- **Minimum project is 50 kilowatts**
- **Generator must begin operation after 1/1/06**
- **Financing available to owner of qualified customer distributed resource project**



Eligibility (cont'd)

- **Financing available to CL&P and UI customers for projects located in their respective service territories**
- **Financing available to projects funded by CT Clean Energy Fund or CL&P's and UI's Conservation Programs**
- **Not Eligible:**
 - **emergency generation for hospitals, nursing homes or other facilities to extent they are required to have emergency generation under state &d federal law**
 - **Gas air conditioning & gas chillers**



Financing Contact Information

DPUC

Maureen Hoffman

860-827-2811

Banc of America Leasing & Capital, LLC

Lisa J. Douma Operations Mgr. 201-493-2477

www.balenergyservices@bankofamerica.com



III. Gas Discount

- Natural gas rates will be reduced for customer-side generation projects that use natural gas
- Gas distribution charges will be waived

Contacts:

Yankee Gas:

John Ferrantino 860-665-6266

CNG/Southern:

Greg Therrien 860-727-3184



IV. Backup Rates

- Electricity rates reduced for power used when base load customer-side generators are out of service
- Elimination of backup rates & demand ratchets for these projects

Contacts:

CL&P: John Ferrantino 860-665-6266

UI: Tony Cortiguo 203-499-2285



V. Renewable Energy Credits

Pursuant to P.A. 05-01:

- **Renewable Portfolio Standard (RPS) for established CHP and C&LM resources as eligible for Class III credits**
- **Docket No. 05-07-19: describes eligibility requirements, creation & tracking of credits**



Eligible CHP

- **CHP in commercial operation (or incremental output) after 1/1/06**
- **Minimum 50% efficiency level, plus other performance criteria**
- **Maximum 65 MW; NO minimum size**
- **Must meet CT DEP air quality standards**
- **Must certify compliance with all relevant codes, manufacturer's instructions, & interconnection requirements**
- **Revenue quality meter data for electrical output**
- **Annual reporting requirements**



Class III Credit Creation & Administration

- **Non-C&LM Funded Projects: M&V plan plus affidavit by licensed PE**
- **DR: evidence of ISO-NE program enrollment, compliance with DPUC requirements**
- **CHP: certified per M&V, PE affidavit requirements; quarterly verification of efficiency & output requirements by PE**
- **DR & CHP participants must establish NEPOOL GIS accounts**



CHP Certification Process

(work in progress)

- **On-line application process**
- **Project narrative**
- **Manufacturer and/or vendor performance guarantees (efficiency, emissions, safety, interconnections)**
- **Revenue quality metering, consistent with ISO-NE metering requirements for Class I & Class II resources**



Allocation of Class III Credits

- **C&LM projects that receive C&LM fund incentives will forgo their Class III credits**
- **Non-C&LM funded measures, DR, and CHP projects will receive 100% of Class III credits generated from projects**



Integration with NEPOOL GIS

- DPUC initiated discussions to include CT Class III resources in NEPOOL GIS**
- On Sept. 8, 2006 - NEPOOL approved rule modifications to include CT Class III resources in NEPOOL GIS tracking mechanism, effective 1/1/07**



Contacts for Class III Credits:

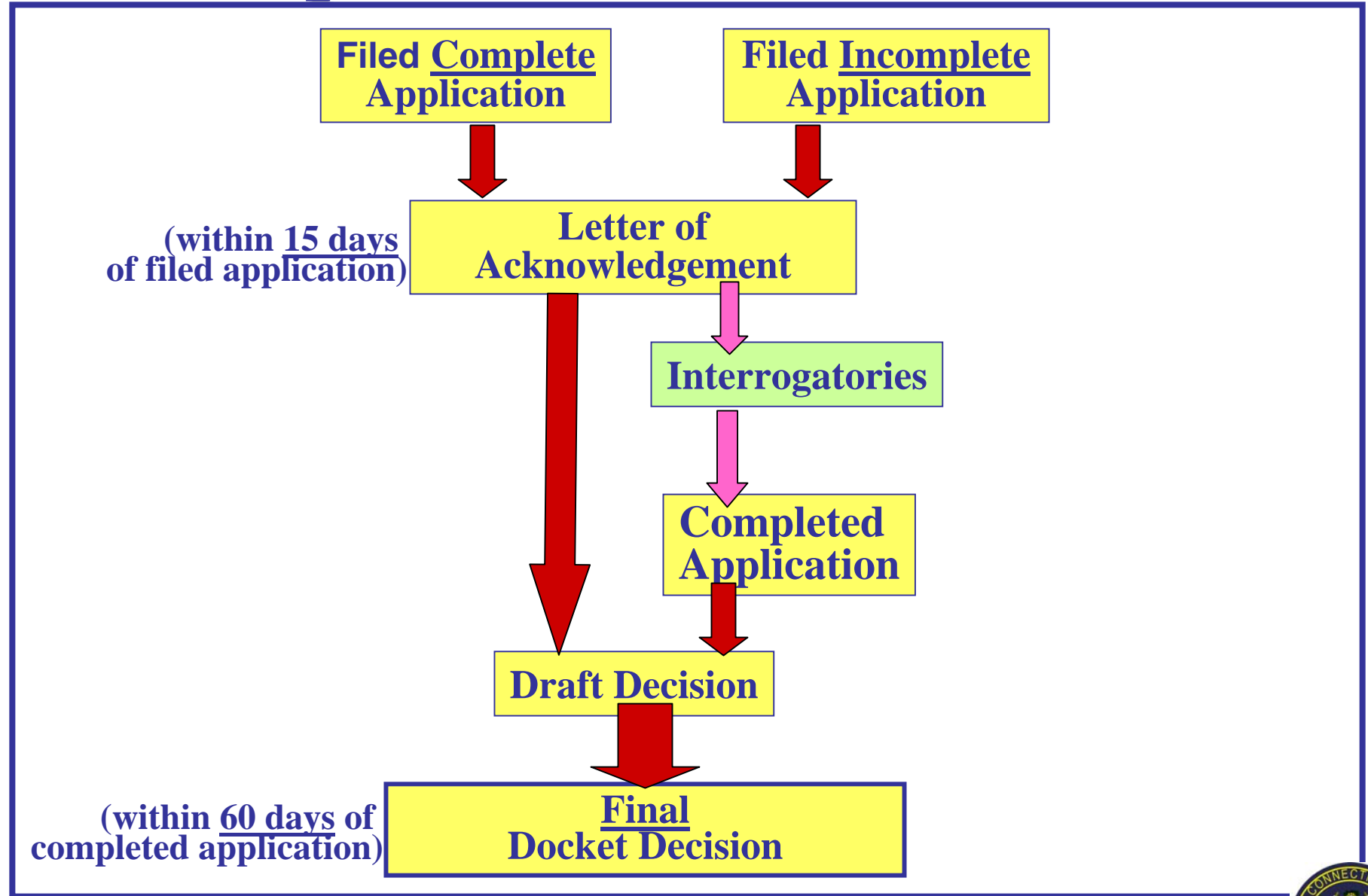
CT DPUC

Cindy Jacobs **860-827-2853**

David Goldberg **860-827-2886**



DG Capital Grants Docket Process



Welcome to the Connecticut Department of Public Utility Control

Ten Franklin Square, New Britain, CT 06051

Voice # (860) 827-1553 FAX # (860) 827-2613

[Directions to our Building Click Here](#)

Consumer Assistance Toll-Free in CT

(800) 382-4586


TDD (860) 827-2837

The above TDD number is to be
used **only** if you have a TDD machine

DPUC Cell Phone Inquiries and
Complaints

(866) 381-2355

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Subject Area Description

▼ Distributed Generation

▼ Distributed Generation

[1\) Overview and contacts for Incentive for Customer-Side Distributed Resources](#)

[2\) Summary of Monetary Grants for Customer-Side Distributed Generation](#)

 [3\) Application for Monetary Grants for Capital Cost of Customer-Side Distributed Generation](#)

[4\) Summary of Long-Term Financing](#)

[5\) Background: Decisions in Dockets 05-07-16, 05-07-17, 05-07-21](#)

[6\) Background: The 54 Towns Comprising Southwestern Connecticut](#)

[7\) Background: Public Act 05-01 and Summary](#)

▶ **Electric**

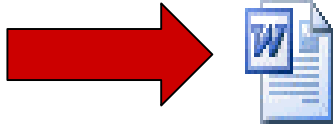
▶ **Electric Restructuring**



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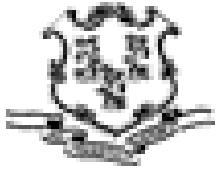
Date: 08/08/2006

Application for Monetary Grants for Capital Cost of Customer-Side Distributed Generation



Attached File: DG Application 080806.doc





The State of Connecticut Department of Public Utility Control

Enclosed is the Application for monetary grants and financing program for capital costs of customer-side distributed generation (Application). Filing instructions are also enclosed. Please note that the Department of Public Utility Control (Department) requires all filings to be submitted electronically in addition to hard copy.

When filing the Application, the following must be provided:

- Hard copy: one (1) original and five (5) copies of the Application, including all Exhibits, the Affidavit and any attachments; **(Exception: if the entire application (including exhibits) is filed electronically, only the paper original need be submitted.)**
- Electronic: one (1) copy of the Application, including all Exhibits, Affidavits and any attachments; and

Please see the attached Filing Instructions. The Department will open a docket upon receipt of the Application.

Not more than 15 days after the Application is filed, the Department will notify the Generator whether the Application is complete and accepted, or whether Applicant must submit additional information. The Department will issue its Decision regarding the Application no later than 60 days after the Application is accepted.

If you need filing assistance, please contact Louise Rickard, Acting Executive Secretary, at 860-827-2601 or louise.rickard@po.state.ct.us. If you have technical questions, contact Mark Quinlan, Supervisor, Electric Unit, at 860-827-2691 or mark.quinlan@po.state.ct.us.



FILING INSTRUCTIONS

- I. **WHERE TO FILE:** Send hard copies to: Louise E. Rickard, Acting Executive Secretary, Department of Public Utility Control, Ten Franklin Square, New Britain, CT 06051.
- II. **WHAT TO FILE:** Submit one original hard copy as well as one electronic copy of the Application, Exhibits, Affidavits and any other attachments. The Department will accept electronic filings that are not complete (i.e., not all documents available electronically.) However, if the electronic copy is not complete, submit an additional four hard copies. All pages should be numbered and attached in sequential order.
- III. **PROTECTED MATERIAL:** Place hard copies of any documents for which the applicant is seeking confidential treatment in a separate envelope marked “confidential,” and include a motion for protective order, a proposed protective order, and an affidavit. Many examples of these documents can be found on our website under Docket Databases-Active Docket Database by searching for “protective order.” Do not submit protected material in electronic form).
- IV. **ELECTRONIC FILING.** The preferred method is filing from our website: <http://www.dpuc.state.ct.us/ElectronicFiling/DPUCElectronicFiling.nsf>. Advance online registration is required (click on the link above, then Initial Registration.) Alternatively, e-mail the files to dpuc.executivesecretary@po.state.ct.us or submit IBM-formatted diskette(s) or a CD labeled with the company name and filing date.
- V. **QUESTIONS:** Questions regarding filing procedures should be directed to Louise Rickard, Acting Executive Secretary, at (860) 827-2601 or louise.rickard@po.state.ct.us.
- VI. **GOVERNING LAW:** The review of the development of a program to provide monetary grants for capital costs and financing of customer-side distributed resources is governed by Sections 8 and 9 of Public Act No. 05-01 (June Special Session), pursuant to the General Statutes of Connecticut Sections 16-11, which is available on the Department’s website.



A. APPLICANT'S INFORMATION:

(A-1) Applicant's legal name and address:

Name: Title:

Mailing Address:

Mailing Address:

Telephone: Fax:

E-mail Address:

B. INCENTIVES:

(B-1) Do you want to apply for a monetary grant? (circle or underline) Yes or No

I would like to apply for the \$200/kW grant for **emergency generators**. Yes or No

I would like to apply for the \$450/kW grant for **base load generators**. Yes or No

I want to apply for a supplemental \$50/kW **Southwest Connecticut** grant. Yes or No

(B-2) Do you want to apply for long-term financing? Yes or No

How much would you like to borrow?

How long would you like the loan? (10 year maximum)

Provide a detailed list of the estimated capital and development costs.

(B-3) Do you plan to apply for the gas rebate? Yes or No

If yes, identify your Gas Company and account number.

(B-4) Do you plan to apply for the electric backup waiver? (only available for base load units)

Yes No

(B-5) Do you plan to apply for Class I, II, or III renewable energy credits?

Yes No

C. PROPOSED GENERATION:

(C-1) Name of Proposed Generation Facility:

Company:

Address of Facility:

Telephone:

Is the project located in Southwest Connecticut? Yes or No

Owner of Proposed Generation Facility:

Electric Distribution Company: _____ Account No. _____

Type of Customer-side distributed generation: (circle or underline one)

- New customer-side generation project,
- Existing customer-side generation (i.e. increasing capacity of existing generation equipment),
- Other (explain):

Type of Facility (circle or underline one):

- Emergency Generator,
- Base Load Generator- Combined Heat & Power (CHP), Turbine, Fuel Cell, Wind, Solar, Hydropower,
- Other (explain):

Generator Nameplate Capacity (kW):

Peak Load of Facility in the last 12 months (kW):

Fuel Source:

Is the facility a Class I, II or III renewable resource?

D. BASELOAD GENERATION INCLUDING CHP (Emergency generators skip to section E.)

Estimate the parasitic load of the generator (kW). Explain how it was calculated.

Explain how waste heat will be utilized if CHP

Estimate the electric reduction from the use of waste heat? (kW)

Estimated Annual kWh production:

Estimated Annual Capacity Factor (%):

Does the facility plan to sell power back to the distribution company? Yes No

Primary intent of the Generation system:

Estimated Onsite use of Power: _____ kW: _____ kWh:

Estimated Sales to Electric Distribution Company: _____ kW: _____ kWh:

Estimated Sales to third party: _____ kW: _____ kWh:

Do you plan to operate the facility at full capacity 12:00 Noon till 8:00 PM, weekdays, January, February, June through September?

If not, explain how output will vary by season, day or hour? (Attach documentation if necessary):

E. EMERGENCY GENERATORS (Base load generators skip to section F.)

What is the amount of load connected to the generator? (kW)

Emergency generators are required to participate in an ISO-NE load response program. Will the facility be manned to generate if called upon during the hours from 7:00 AM to 6:00 PM week days?

If not, explain how output will vary by season, day or hour? (Attach documentation if necessary):

If applying for emergency generator grant, is this emergency generation required by Federal or State law?

F. OTHER AWARDS/FUNDING

Has the applicant applied for, or is eligible for, any other public funding (CCEF, C&LM). If yes, provide the public funding name and amount of the award or potential award.

G. FINANCIAL INFORMATION:

Provide the estimated capital costs of the project:

Ongoing costs:

Estimate the savings to the customer:

If applicable, list all operating similar installations owned by the applicant or others demonstrating that there is a reasonable expectation that the project will in fact operate. Include in-service dates of each project and a brief synopsis of its operating history.

H. TECHNICAL CAPABILITY:

System Information

Provide a one-line schematic diagram of the system. Include a Site Plan that shows major equipment, electric service entrance, electric meter, location of the generation facility and interface equipment, adjoining street name, and street address of generating facility.

Estimated Construction start and completion dates:

Construction Start Date:

Target in Service Date:

Include a timeline that indicates the proposed facility will enter service in a timely manner:

Engineer Name:

Electrical Contractor Name:



AFFIDAVIT #1
"Veracity of Statements"

State of _____ : _____ ss.
(Town)

County of _____ : _____
_____, Affiant, being duly sworn/affirmed according to law, deposes
and says that:

He/she is the _____ (Office of Affiant) of _____ (Name of
Applicant);

That he/she is authorized to and does make this affidavit for said Applicant;

That _____, the Applicant herein, certifies under penalty of false statement
that all statements made in the application for licensure are true and complete and that it will also
amend its application while the application is pending if any substantial changes occur regarding
the information provided in the application within ten days of any such change.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and
belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

Signature of Affiant

Sworn and subscribed before me this _____ day of _____, _____.
Month Year

Signature of official administering oath

Print Name and Title

My commission expires _____.

Questions

