

# **Connecticut Distributed Resources Portfolio Standard (Class III Resources)**

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**2006 Midwest Energy Solutions  
Conference**

**September 27, 2006**

# Public Act No. 05-01 Requirements

- Electric Suppliers and Electric distribution Companies Class III resource requirements as a percentage of generation supply:
  - 1 percent by January 1, 2007
  - 2 percent by January 1, 2008
  - 3 percent by January 1, 2009
  - 4 percent by January 1, 2010

# Public Act No. 05-01

## Requirements, cont.

**DPUC to conduct a contested proceeding to develop the Class III program by January 1, 2007:**

- Class III creation, certification, tracking and reporting;
- Feasibility of Class III resources to include electricity savings made by residential customers;
- Verification of the accuracy of conservation and customer-side distributed resources credits;
- Verification that Class III resources have not been used to satisfy any other portfolio or similar requirement;
- Allocation of Class III credits; and
- Setting alternative payment to encourage development of Class III resources.

# Process

- Department hired consultants to meet the February 1, 2006 deadline to report to General Assembly
- DPUC requested comments by 12/1/05
- DPUC straw proposal issued 12/30/05, including questions for further comments
- Comments received on straw proposal
- Hearings
- Interim Draft Decision issued 2/1/06
- Interim Decision 2/16/06
- Technical meeting to discuss remaining issues on program details
- Final Decision, program details, 6/28/06

# Eligible Energy Efficiency Measures

- C&LM measures installed in C&I facilities in CT after 1/1/06.
- Installation and savings verification required
- C&LM funded and non-C&LM installations qualify.
- Energy savings (MWh reductions only) from DR measures participating in ISO-NE DR programs.
- O&M measures must include physical changes to facilities. Annual recertification required.

# Certification of C&LM Measures

- Class III credits issued upon acceptance of report verifying the installation of measure.
- Report may be generated by C&LM fund administrator or non-C&LM project owner.
- Non-C&LM funded projects must verify proper installation, appropriate application of M&V methodology; approved by an independent licensed professional engineer (PE).

# Measurement and Verification of Savings

- Project savings verified consistent with International Performance Measurement and Verification Protocol (IPMVP).
- C&LM funded measures savings as prescribed in Technical Reference Manual (TRM), adjusted for program realization rates and free ridership.
- Non-C&LM funded measures savings as prescribed in TRM; no adjustment for spill-over and free ridership.
- Non-C&LM funded measures must be endorsed by independent 3<sup>rd</sup> party licensed PE to verify project savings.
- Measure life of kWh savings consistent with TRM, up to 10 years.
- Credit for DR energy savings issued upon receiving documentation from ISO-NE.

# Eligible CHP

- CHP in commercial (or incremental output from expanded) operation after January 1, 2006.
- Minimum 50% efficiency level, plus other performance criteria.
- Maximum 65 MWe, no minimum size.
- Must meet CT DEP air quality standards.
- Must certify compliance with all relevant codes, manufacturer's instructions, and interconnection requirements.
- Revenue quality meter data for electrical output.
- Annual reporting requirements.

# CHP Certification (work in progress)

- Project narrative (including prime mover and waste heat recovery application) and schematic.
- Manufacturer and/or vendor performance guarantees (efficiency, emissions, safety, interconnections).
- Revenue quality metering, consistent with ISO-NE metering requirements for Class I and Class II resources.

# Class III Credit Administration: C&LM Funded Projects

- Savings from C&LM fund programs will be quantified by C&LM fund program administrators, consistent with M&V plan, filed annually with the DPUC in a CT RPS application for approval.
- C&LM fund administrators to file quarterly progress reports on C&LM projects for Class III credit, number of credits sold, value of sales.
- C&LM Administrators to file annual report on projects and associated Class III credit values as part of annual C&LM filing to DPUC.

# Class III Credit Administration: Non-C&LM Funded Projects, DR, CHP

- Non-C&LM Funded Projects: Connecticut RPS qualification application, with an M&V plan plus affidavit by a licensed PE.
- DR Projects: must provide evidence they are actively enrolled in ISO-NE program and comply with all DPUC requirements.
- CHP: must be certified per M&V, PE affidavit requirements. Quarterly verification of efficiency and output requirements by PE.
- DR and CHP participants must establish NEPOOL GIS accounts prior to DPUC approval of Class III credits.

# Allocation of Class III Credits

- C&LM projects that receive C&LM fund incentives will forego 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 with ISO-NE, Automated Power Exchange, NEPOOL, and C&LM administrators to include CT Class III resources into NEPOOL GIS.
- On September 8, NEPOOL approved rule modifications to include CT Class III resources into the NEPOOL GIS tracking mechanism, effective 1/1/07.

# Resource Documents

- Public Act 05-01, June Special Session. An Act Concerning Energy Independence. Section 16
- Docket No. 05-07-19, DPUC Proceeding to Develop a New Distributed Resources Portfolio Standard (Class III). Interim Decision dated February 16; Decision dated June 28, 2006

<http://www.state.ct.us/dpuc/database.htm>