Shared Services Project Authorization Form

Project Title: Connecticut Electric Vehicle new rates and Connecticut Netting Tariff Solar Energy Charge	**Project Number: IT23454**
Date Prepared: 05/01/2023	**Company:** CL&P Electric Distribution 11
Organization: Rates	**Class(es) of Plant:** Software
Project Initiator: [redacted]	**Authorization Type:** Full Funding
Business Project Manager: [redacted]	**Project Type:** Specific
Project Sponsor: [redacted]	
Estimated in service date: 01/01/2024	**Capital Investment part of original Operating Plan:** Yes
Total Capital Request: $1,850,000	**O&M Expenses part of request:** No
Estimated Life of Asset (check one)**:** X 5yrs ☐ 10yrs ☐ 15yrs ☐ Other:_____	**Emergency Related Request?** No

Executive Summary

State of Connecticut Public Utilities Regulatory Authority (PURA) Docket No. 22-08-06 Annual Review of the Electric Vehicle Charging Program – Year 2 DECISION December 14, 2022, Order 8. directs Connecticut Electric Distribution Companies (EDCs) to launch new Electric Vehicle Supply Equipment (EVSE) tariffs on or before January 1, 2024, to develop a self-sustaining zero emission vehicle market.

State of Connecticut Public Utilities Regulatory Authority Docket No. 20-07-01 PURA Implementation of Section 3 of Public Act 19-35, Renewable Energy Tariffs and Procurement Plans Order No. 18 requires Connecticut Electric Distribution Companies (EDCs) to begin charging a non-bypassable volumetric charge for Residential Solar Netting Tariff customers by January 1, 2024 supporting the objectives of renewable energy and balancing costs.

This will be a combined project timeline to deliver both Connecticut-Electric regulatory requirements in 2024.

Project Costs Summary

Capital Costs	Year 2023	Total
Direct Capital Costs		
Internal Labor	182,000	182,000
Outside Services	1,170,000	1,170,000
Materials		
Removals		
Risk and Contingency	308,000	308,000
Other		

Subtotal	1,660,000	1,660,000
Indirect Capital Costs		
Indirect/Overheads (including benefits)	190,000	190,000
Capitalized interest or AFUDC, if any		
Subtotal	190,000	190,000
Total Capital Project Costs	**1,850,000**	**1,850,000**

Costs by Entity	CL&P Electric Distribution 11	**Total**
Direct Capital	1,660,000	1,660,000
Indirect Capital	190,000	190,000
Removal net of salvage		
Total Capital Project Costs by Entity	**1,850,000**	**1,850,000**

O&M Project Costs	**Year 2023**
Labor	
Outside Services	
Materials	
Training	
Other	
Total O&M Related Costs	
SAAS*	**Year 2023**
Capital	
O&M	
Total	

Software as a Service (SaaS):

Alternatives Considered:

Project is a compliance obligation with alternatives considered.

Eversource considered an MVP-Minimal Viable Product approach to the development of (24) Electric Vehicle rates using a manual billing option. Manual billing option is no longer sustainable as the anticipated volume in Rate EV-Small (Demand range <100KW 8 options), EV-Medium (Demand range >=100KW and <350KW 8 options), and EV-Large (Demand range >=350KW 8 options) is expected to grow by year end. Additionally, the Load Factors required for billing will need to be calculated monthly, which will add to the complexity of a manual solution.

Eversource previously filed a simpler flat rate charge estimate and a more complex volumetric estimate regarding Connecticut Residential Netting Tariff Solar Energy Charge. PURA in Order 18. approved volumetric non-bypassable charge and did not approve a simpler flat rate charge.

Regulatory Requirements:

Yes - detailed explanation provided in appendix

Future Costs:

Future Costs	Year 2023	Year 2024
Capital		
O&M		
Other		
Total Future Costs		

Future O&M represents:

What functional area(s) will these future costs be funded in (include manager and CCC)?

Future Financial Benefits:

No - project is not undertaken for financial benefits

Project Justification:

Connecticut-Electric (C2) billing system changes are required for Eversource to comply with both Dockets. A combined project using the same technical resources is recommended to meet the same January 1, 2024 regulatory effective date within the same billing system (C2).

The Scope of this project is to deliver (2) overlapping efforts to meet regulatory requirements within the same timeline and impacting the same billing system.

(1) Electric Vehicle charging station rates based on Demand and different pricing based on Load Factor

- Rate EV-SMALL Usage History (Demand range <100KW) with eight (8) monthly Load Factor pricing options
    - Load Factor A
    - Load Factor B
    - Load Factor C
    - Load Factor D
    - Load Factor E
    - Load Factor F
    - Load Factor G
    - Load Factor H
- Rate EV-MEDIUM Usage History (Demand range >=100KW and <350KW) with eight (8) monthly Load Factor pricing options
    - Load Factor A
    - Load Factor B
    - Load Factor C
    - Load Factor D
    - Load Factor E
    - Load Factor F

- Load Factor G
- Load Factor H

- Rate EV-LARGE Usage History (Demand range >=350KW) with eight (8) monthly Load Factor pricing options
  - Load Factor A
  - Load Factor B
  - Load Factor C
  - Load Factor D
  - Load Factor E
  - Load Factor F
  - Load Factor G
  - Load Factor H

(2) Residential Netting Tariff non-bypassable volumetric Solar Energy Charge
- 'Solar Production' Meter NETKWH volumetric billing determinant will be used in a new line item for Residential Netting Tariff customers only
- Grandfathering of line-item price/decimal will be developed for Year 1, Year 2, Year 3+

Project Schedule:

Milestone/Phase Name	Estimated Date
Connecticut Electric Vehicle new rates and Residential Netting Tariff 'Solar Energy Charge' new line item	
Requirements	June 2023
Design	July 2023
Build	August-September 2023
Test	October-November 2023
In Service Date	December 2023 (by January 1, 2024)

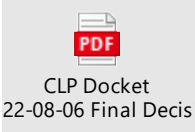
Risks and Risk Mitigation Plans

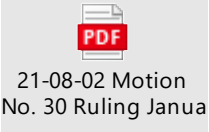
Risk	*Risk Mitigation Plan*
Inability to comply with Dockets 17-12-03RE04 PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Zero Emission Vehicles and 21-08-02 Annual Residential Renewable Energy Tariff Program Review and Rate Setting.	Project Sponsors are requesting PAF approval in June 2023 to begin 6 month combined project in 2023 to meet January 1, 2024 regulatory requirement.
Availability of Business Resources.	Business Project Manager is working closely with Business Leadership to ensure necessary resources are available to meet target deliverables especially with several other inflight capital projects for Connecticut-Electric; Connecticut-Electric Residential Bill Redesign and Connecticut-Electric Low-Income Discount Rate.

Availability of IT Resources.	IT Leadership is working with TCS Supplier to secure C2 development team covering both efforts.

Appendices

The regulatory dockets for both rulings are provided below.





In 2024, Eversource shall begin offering new Connecticut Electric Vehicle rates and Eversource shall begin charging Connecticut Netting Solar customers a volumetric non-bypassable charge.

- ***Future Financial Benefits:***

If the project has future financial benefits, please use the following table to provide the yearly amounts.

Financial Benefits	**Year 20__**	**Year 20__**	**Year 20__**	**Year 20__**
O&M reductions				
Other (i.e: return on investment, revenues)				
Total Financial Benefits				

Describe the estimated future financial benefits noted above:

What functional area(s) will these benefits be reflected in? _____

A representative from the respective functional area is required to be included as a project approver.

Analysis of Vendor Software Payments for Cloud-Based Software Applications Hosting Fees ONLY

This document ONLY needs to be utilized if Eversource Energy is entering into a Cloud-Based Application and the Application has Hosting Fees which are also referred to as; Hosted Solution, Cloud Fees, Cloud Solution, Enterprise Agreement (EA), Enterprise License Agreement (ELA), Licensing Fee, RTU's (Rights to Use), Maintenance Agreement, Support & Service Agreement.

Project Name: THIS IS NOT APPLICABLE FOR THIS WORK EFFORT.

Complete the following analysis of vendor software payments for cloud-based software applications for the *hosting fees only* (as defined above):

- Accounting should be determined by Plant Accounting Services during PAF development.
- Attach documentation or information from IT supporting the nature of software payments.
- Also see APS 3 for capitalization policy for software costs.

NOTE: A pro rata portion **of the hosting fees** incurred during the development phase (described below) may be capitalized up to the point when the product goes **in-service**.

Development phase: In accordance with APS 3, SaaS/Cloud projects that do not meet the two capitalization criteria as outlined in APS 3 may have internal and external direct costs during the development phase (**prior to in service date**) that may be capitalized. External direct costs may include the pro-rata portion of an up-front software usage fee applicable to use of the software to develop the project before it is in service. Indicate below pro rata portion of development phase hosting fees requested to be capitalized:

_____

Development phase: # months (provide support) (A) _____
÷ Total hosting contract period: # months (B) _____
= Pro rata portion that may be capitalized (A) ÷ (B) _____%
Total hosting fees over contract period $_____

Development phase amount requested to be capitalized (% x Total fees above) $_____

For costs after development phase, complete PAF break-out of capital/expense.