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Witness: Rice, Brian J
Request from: Public Utilities Regulatory Authority

Question:

Motion No. 12, June 5, 2026, Docket No. 25-08-03, Ex. B1; Motion No. 16, July 1, 2026, Docket No. 25-08-03, Ex. B. Describe the methodology used to calculate expected annual production for each project bid, including the capacity factor and any other assumptions used. Justify the methodology and explain whether it continues to provide a reasonable estimate of actual annual production.

Response:
The EDCs use a standardized methodology to calculate expected annual production for NRES Projects. For solar Projects, the EDCs use a 15% capacity factor as the standard assumption, unless a Bidder provides documentation supporting a different capacity factor based on project-specific characteristics. The standard calculation is: Installed Capacity (kW AC) × 8,760 hours/year × 15% capacity factor.

The NRES Program Manual provides for the use of this standardized capacity factor and allows the EDCs to consider an alternative capacity factor where project-specific characteristics, such as panel orientation or shading, are supported by appropriate documentation. The EDCs use this standardized methodology to provide a consistent and administratively efficient approach for estimating expected annual production across NRES Projects. Estimated annual production is also used in determining project compensation in budget-based solicitations.

To evaluate whether the 15% capacity factor continues to provide a reasonable estimate of actual annual production, Eversource reviewed 80 NRES projects with complete 2025 production data. For each project actual 2025 production was compared with estimated annual production based on the 15% capacity factor. The average percentage difference across the 80 Projects was approximately 2%, indicating that, on an aggregate basis, the 15% methodology did not result in a material systematic over or under estimation of production.

The EDCs also calculated the average absolute percentage difference, which was approximately 19%. This measure reflects the magnitude of the difference between estimated and actual production without regard to whether the estimate was higher or lower than actual production. The difference between the two measures reflects the fact that project-specific over and underestimates offset one another when calculating the average percentage difference.

The EDCs believe that these results support continued use of the 15% capacity factor as a standardized program-administration methodology, while recognizing that actual production can

vary from the estimate for individual Projects. The EDCs will continue to consider project-specific documentation supporting an alternative capacity factor where appropriate.