CAE-001 Q:

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.

CAE-001 A:

The methodology used to calculate expected annual production is reflected in Section 4.2.1 footnote 8 in the Year 5 NRES Program Manual, "The EDCs will apply a standard calculation using a capacity factor of no less than 15% for solar Projects in order to accurately and equitably verify that expected annual production does not exceed historical load. The calculation will be as follows: Installed Capacity (kW AC) x 8760 hours x Capacity Factor. For example, 50 kW AC x 8760 x 15% = 65,700 kWh/year. The EDCs may consider alternative capacity factors for projects that have lower production estimates due to project's solar panels orientation or shading, when supported by calculations from a Connecticut Licensed Professional Engineer. The EDCs will review requests for alternative capacity factors on a project-by project basis and reserve the right to disqualify Bids that do not adhere to Program rules."

The Company further notes that the 15% capacity factor is not a newly developed assumption for purposes of this proceeding. Rather, it has been incorporated into the NRES Program Documents since the early stages of Program implementation following stakeholder discussion and has subsequently been reflected in Program Manuals reviewed and approved by PURA through the annual NRES Program review process.

UI believes this methodology continues to provide a reasonable estimate of expected annual production for Program administration purposes. The methodology relies on project-specific information submitted by the Bidder and applies standardized capacity factor assumptions established in the NRES Program, providing a consistent and transparent framework for evaluating expected project output prior to commercial operation.

The Company further notes that the Program Manual allows for consideration of alternative capacity factors where a Bidder demonstrates, through calculations prepared by a Connecticut Licensed Professional Engineer, that project-specific characteristics, such as panel orientation or shading, support a lower expected production value. Accordingly, the methodology balances administrative consistency with flexibility to account for project-specific circumstances where appropriate.