

CONNECTICUT SOLAR INCENTIVES

Solar Incentives in the Constitution State

Connecticut offers a range of solar incentives to encourage businesses to switch to renewable energy. The state offers a grant program that covers up to 30% of the cost of installing a commercial solar system, with a maximum award of \$100,000. In addition, businesses can take advantage of Connecticut's Solar Renewable Energy Certificates (SRECs) program. For every kilowatt-hour (kWh) of electricity produced by a commercial solar system, the business owner receives one SREC. These SRECs can then be sold on the open market, providing an additional revenue stream for the business. As a result, Connecticut's solar incentives make it an attractive option for businesses looking to switch to renewable energy.

Eversource – Small ZREC Tariff-

Connecticut enacted legislation amending the state's Renewables Portfolio Standard and creating two new classes of renewable energy credits (RECs): Zero Emission Renewable Energy Credits (ZRECs) and Low Emission Renewable Energy Credits (LRECs). Owners of these facilities have an opportunity to sell their ZRECs to the utility at a fixed price for a period of 15 years. The Small ZREC Tariff rate was set at \$100.74 per REC.

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The United Illuminating Company – Small ZREC Tariff-

Connecticut enacted legislation amending the state's Renewables Portfolio Standard and creating two new classes of renewable energy credits (RECs): Zero Emission Renewable Energy Credits (ZRECs) and Low Emission Renewable Energy Credits (LRECs). Owners of these facilities have an opportunity to sell their ZRECs to the utility at a fixed price for a period of 15 years. The incentive is 98.18 \$/Unit.

<https://programs.dsireusa.org/system/program/detail/5683/the-united-illuminating-company-small-zrec-tariff>

Non-Residential Renewable Energy Solutions Program-

The Non-Residential Solar Renewable Energy Solutions (NRES) Program with the objectives to the state's Class I renewable energy industry and to encourage the participation by customers in underserved and environmental

justice communities, among others. The program is set to run for six (6) years and to select up to sixty (60) MW of clean energy annually.

- Once a project is approved for the program, their incentive rate will not change for 20 years
- Projects less than or equal to 200kW are awarded incentive agreements on a first-come, first-served basis, and are eligible to select one of the following two compensation structures:
2022 Small Zero Emission Tariff Rates

| | |
|---------------------------|----------------------------------|
| Buy- All Rate (\$/MWh) | Netting REC Value (\$/MWh) |
| 200.97 | 95.075 |

- Projects greater than 200kW and less than or equal to 2,000kW are awarded incentive agreements through a competitive solicitation process (see below for solicitation size categories) subject to price caps equal to the Small Zero Emission Tariff Rates listed above

| Category | Project Size (AC) | Eversource MW/Year | UI MW/Year | Project Selection |
|--|----------------------|-----------------------|---------------|-----------------------------|
| Low Emission Projects | ≤ 2,000 kW | 8.0 | 2.0 | Competitive Solicitation |
| Large Zero Emission Projects | >600 kW ≤2,000 kW | 18.0 | 4.5 | Competitive Solicitation |
| Medium Zero Emission Projects | >200 kW ≤600 kW | 12.0 | 3.0 | Competitive Solicitation |

| | | | | |
|------------------------------|---------|------|-----|--------------------------|
| Small Zero Emission Projects | ≤200 kW | 10.0 | 2.5 | First-come, First-served |
|------------------------------|---------|------|-----|--------------------------|

Connecticut Green Energy Building Solutions-

Connecticut Green Bank offers green energy solutions to home, building and multifamily property owners, residential and commercial contractors, towns and cities, and even capital providers.

Building Owners: C-PACE: An innovative program that lets you pay for green energy improvements over time through a voluntary benefit assessment on your property tax bill. C-PACE makes it easier for building owners to secure low-interest capital to fund energy improvements and is structured so that energy savings more than offset the benefit assessment.

Residential and Commercial Contractors

- Smart-E Loan
- Multifamily Energy Financing Programs
- Residential Solar Investment Program (RSIP)
- C-PACE

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Property Tax Exemption for Renewable Energy Systems-

Connecticut provides a property tax exemption for “Class I” renewable energy systems* and hydropower facilities** that generate electricity for private residential use. Beginning in October 2014, commercial and industrial systems (meeting the same technology requirements as above) are also eligible for the property tax exemption. The exemption is available for properties installed on or after January 1, 2014. This allows a 100% exemption for renewable energy property.

<https://programs.dsireusa.org/system/program/detail/240/property-tax-exemption-for-renewable-energy-systems>

Sales and Use Tax Exemption for Solar and Geothermal Systems-

Connecticut enacted legislation in June 2007 (H.B. 7432) that established a sales and use tax exemption for solar energy equipment and geothermal resource systems. The sales and use exemption covers both the equipment related to eligible systems, and labor (services) relating to the installation of eligible systems. This allows a 100% exemption.

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Local Option – Property Tax Exemption for Renewable Energy Systems-

Connecticut municipalities are authorized, but not required, to offer a property tax exemption lasting up to 15 years for qualifying cogeneration systems installed on or after July 1, 2007. After October 1, 2015, municipalities may also adopt a property tax exemption for Class I renewable energy resources that are the subject of power purchase agreements, for up to the length of the agreement.

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Low-Interest Loans for Customer-Side Distributed Resources-

Long-term financing is available to retail end-use customers for the installation of customer-side distributed resources. The maximum total amount of financing for projects under this program is \$150 million. The following conditions apply:

- Financing is available for customer-side projects with a minimum capacity of 50 kilowatts (kW) or greater
- Financing is available to customers of Connecticut Light and Power (CL&P) and United Illuminating (UI) for projects located in these utilities' service territories.
- Must be saving electricity (not gas or oil saving measures)
- If projects received any monies/grants from CT Clean Energy Fund or Conservation Load Management Funds, these monies must be subtracted from the amount subsidized under this loan program.

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Sales and Use Taxes for Items Used in Renewable Energy Industries-

Connecticut enacted legislation in May 2010 (H.B. 5435) that established a sales and use tax exemption for equipment, machinery and fuels used to manufacture solar thermal (active or passive) systems, solar electric systems, wind-power electric systems, or geothermal resource systems. This allows a 100% exemption.

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Local Option – Commercial PACE Financing-

Connecticut passed legislation enabling Commercial Property Assessed Clean Energy financing (C-PACE), targeting commercial, industrial and multifamily property owners. C-PACE is a financial policy tool that allows property owners to finance qualifying energy efficiency and clean energy improvements on their properties through a special assessment on the property tax bill, which is repaid over a period of years (up to 20 years). To participate in C-PACE financing, interested property owners must:

- Be located in a participating municipality. C-PACE maintains a list of participating municipalities. Interested property owners should contact CEFIA if their municipality is not on the list of participating municipalities.
- Work with an approved energy professional (such as an auditor or contractor) to identify eligible projects. CT Green Bank will maintain a list of approved contractors. In general, improvements must be permanently affixed to the property and should either lower the building's energy consumption or produce clean energy.
- Apply for financing via CT Green Bank's C-PACE web site. If approved, CT Green Bank will place a lien on the property and financing will become available. Property owners repay the financing via the local property tax bills over the course of 20 years.
- Obtain written consent of existing mortgage holders.

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