Date Filed: October 27, 2026

Witness: David L. Gladey, Lavelle Freeman, John P. Dipaola-Tromba, Jennifer A. Schilling and Elli Ntakou
Request from: Department of Energy and Environmental Protection

Question:

How does the SHARE proposal in this filing differ from the PURA proposal in Docket No. 22-06-29RE01? How does the Company's proposal reduce costs to all ratepayers?

Response:

The SHARE program is an implementation of the technical aspects of PURA's framework as approved in Docket No. 22-06-29RE01. However, there continues to be a misalignment on implementation until such time that the cost-recovery mechanism is determined. The Company has not proposed a specific cost-recovery framework in this docket due to the procedural travel of the issue before PURA. The Company would support action by PURA to revisit implementation and cost recovery either in this case or in a separate, uncontested docket wherein all parties could participate.

1. Cost Recovery Issues

Under the SHARE framework, DER developers are responsible for the portion of project costs associated with enabling new DER interconnections, while customers contribute for those portions of a project that provide direct reliability, operational or other system benefits to customers, generally. As a result, customers would not fund the DER-specific benefits of the project but would fund the parts of the project that can produce benefits for customers as a result of implementation efficiencies, reliability improvements and the potential avoidance or deferral of future transmission and distribution investments. Increased DER penetration may contribute to reduced wholesale energy and capacity costs over time through a more diverse portfolio of generation resources within the region, reducing reliance on constrained natural gas supplies and enhancing overall energy resource diversity, providing an additional basis for customer support of this program.

To make this program work, recovery of the customer contribution would need to occur through a specialized ratemaking process that recognizes that this program is outside the distribution company's typical capital planning process. PURA would need to decide that in this proceeding, or establish another proceeding to complete its inquiry.

Under PURA's framework in the final decision issued in Docket No. 22-06-29RE01, on February 19, 2025, at page 10, PURA declined to implement "an extraordinary cost recovery mechanism

for ratepayer assigned costs resulting from the Group Study Process," stating that it will continue to consider the range of options for cost recovery and may establish a cost recovery mechanism in a subsequent proceeding or in an EDC's next rate case.

With this outcome, PURA's final decision in Docket No. 22-06-29RE01 did not support the policy objectives of the docket because, ultimately, PURA's decision did not attempt to establish a workable framework for cost recovery, preventing these kinds of projects from moving forward in Connecticut.[1] Without a determination on a workable cost-recovery framework, the Company is not in a position to enter into these kinds of arrangements because these capital costs are motivated by DER developers, not the Company's own risk assessments and prioritizations of capital additions needed on the distribution system, which is the focus of the Company's capital plan. Funding of these projects between rate cases would therefore interfere with the Company's capital plan for distribution service given that the Company's available capital is already deployed to distribution purposes for the direct benefit of customers.

On that point, in its final decision, issued on February 19, 2025, PURA stated that:

> The EDCs requested that in the absence of an annual cost recovery mechanism, the Authority allocate the full interconnection upgrade cost to Group Members. The Group Study Process as implemented in this decision does not intend such an outcome. At present, the Authority will permit the EDCs to recover their prudently incurred expenses according to the traditional ratemaking principles outlined above. ***Once again, the Authority reiterates that it may review and implement an alternative cost recovery mechanism in a subsequent proceeding or in an EDC's next rate cas***e. In the interim, the Authority orders the EDCs, pursuant to its broad statutory powers enumerated in General Statutes § 16-11, to effectuate changes in their manners of operation through the adoption of the Group Study Process as set forth in Attachment 1 of this decision. As previously explained, the Group Study Process is necessary to reduce barriers that will inhibit Connecticut from achieving its non-residential DER deployment goals.

Final Decision, February 19, 2025, at 10 (citations omitted, emphasis added).

On April 10, 2025, CL&P and The United Illuminating Company filed a petition requesting that PURA issue a series of declaratory rulings regarding the applicability of General Statutes §§ 16-

[1] The proposed final decision asserts that "[i]n the interim, the Group Study Process is operable, and the EDCs may initiate DER Group Studies for non-residential interconnection customers. Although the Authority declines to adopt a contemporaneous cost recovery mechanism at this time for the balance of interconnection ratepayer costs, the Authority will treat any costs assigned to ratepayers through the Group Study Process like other capital costs. Specifically, the EDCs may file for cost recovery of these costs in their next rate case in accordance with traditional utility ratemaking principles. At that time, the Authority will conduct a prudence review of such costs."

11, 16-19e, and 16-244z to the DER Interconnection Decision. This matter was docketed in Docket No. 25-04-05.

On June 4, 2025, PURA issued a Notice of Proceeding, Stay and Docket Closing notice, stating that the declaratory action raises arguments and issues not previously considered in Docket No. 22-06-29RE01, including but not limited to the applicability of General Statutes § 16244z(e) to the recovery of capital interconnection costs. PURA further stated that it would reopen Docket No. 22-06-29RE01, pursuant to General Statutes §§ 16-11 and 16244z and Conn. Agencies Regs. §§ 16-1-134 et seq., to address these additional considerations raised in the declaratory action and to reconsider the DER Interconnection Decision.

On August 27, 2025, PURA issued a Revised Notice of Proceeding in Docket No. 25-04-05 (Declaratory Action). In this Revised Notice, PURA stated that, on June 4, 2025, it stayed the DER Interconnection Decision and reopened Docket No. 22-06-29RE01 to address the issues raised in the Declaratory Action and to reconsider the DER Interconnection Decision. As result, PURA stated that the declaratory action proceeding was concluded without a decision and the docket closed.

On January 15, 2026, CL&P filed a motion (Motion No. 9) with PURA requesting that the reopened proceeding in Docket No. 22-06-29RE01 be closed. On January 22, 2026, The United Illuminating Company filed a motion (Motion No. 10) supporting Eversource's request that the docket be closed. On February 18, 2026, PURA granted these motions and closed the reopened docket.

In that ruling, PURA stated it would initiate a new proceeding to continue stakeholder discussions regarding non-residential interconnection upgrade cost allocation, while also asserting that the orders contained in the February 19, 2025 Decision in Docket No. 22-06-29RE01 shall remain stayed until further notice. No action has occurred in these matters since that motion ruling.

At stake is the issue that, although PURA's final decision in Docket No. 22-06-29RE01 implies that the EDCs must "effectuate changes in their manners of operation through the adoption of the Group Study Process," consistent with Attachment 1 of the decision, it is questionable (at a minimum) as to whether PURA actually has authority to compel the EDCs to expend capital resources on this program and PURA has cited only to its general oversight power for the proposition that the EDCs "must effectuate changes," consistent with Attachment 1. Accordingly, the Company has included the capital expenditures associated with the SHARE proposal in the Advancing the Grid scenario presented in Exhibit TSP-3 in this proceeding in order to obtain consideration by PURA of an appropriate ratemaking approach or in a separate, uncontested docket wherein all parties could participate.

2. Technical and Administrative Features:

Project selection is based on limited or constrained hosting capacity within the proposed project area, the amount of distributed energy resource (DER) capacity (MW) in the interconnection queue, and identified adjacent grid needs within the area. The Company also focused on substations with active interconnection requests that could directly benefit from a coordinated hosting-capacity solution. Although historical withdrawal activity may indicate prior interest in DER development at a particular substation, withdrawn projects no longer have active applications and therefore would not be candidates to benefit from a SHARE project.

In addition, the Company considered opportunities to address DER hosting-capacity needs concurrently with planned reliability and system-needs investments. By coordinating these investments, the Company can avoid duplicative costs that would otherwise be incurred if separate projects were constructed at different times, including, but not limited to, mobilization, outage coordination, engineering, construction, and other project implementation activities. This coordinated approach provides benefits to both DER developers and customers through more efficient project execution and cost allocation.