STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY

IMPLEMENTATION OF CLEAN ENERGY	:	DOCKET NO. 26-06-04
SUCCESSOR PROGRAMS	:	OCTOBER 2, 2026

WRITTEN COMMENTS OF THE UNITED ILLUMINATING COMPANY

The United Illuminating Company ("UI" or the "Company") hereby submits these Written Comments to the Public Utilities Regulatory Authority ("PURA" or the "Authority") in response to the Notice of Request for Written Comments (the "Notice"), issued by PURA on September 9, 2026, concerning implementation of the clean energy successor programs.

I. BACKGROUND

PURA established the above-referenced docket to implement successor programs to the clean energy programs established pursuant to General Statutes § 16-244z. See Public Act No. 26-127 §§ 1(b), 2(a), and 3(a). This proceeding serves as the official administrative record for development of successor programs to the Residential Renewable Energy Solutions ("RRES"), Non-Residential Renewable Energy Solutions ("NRES"), and Shared Clean Energy Facility ("SCEF") Programs.

On September 9, 2026, PURA issued the Notice requesting written comments concerning: (1) a Multipart Payment Framework ("MPF") for the NRES Buy-All and SCEF successor programs; (2) the NRES successor program Netting tariff; and (3) implementation of residential incentive adders. The Company appreciates the opportunity to address the issues identified in the Notice and addresses them in turn below.

II. COMMENTS

UI respectfully recommends that successor programs build upon existing programs structures, tariff frameworks, and administrative processes. Material changes from existing

program designs may require modifications to the Company's SAP billing system, Application portal, metering, enrollment, settlement, payment, reporting, and operational workflows. Proposed changes should be carefully evaluated to limit those changes, be supported by demonstrable customer or system benefits, and accompanied by a reasonable implementation timeline that enables the electric distribution companies ("EDCs") to prudently assess, design, test, and implement the required programmatic and operational changes.

1. MULTIPART PAYMENT FRAMEWORK FOR NRES BUY-ALL AND SCEF SUCCESSOR PROGRAMS

PURA requests comments on a MPF under which competitively selected front-of-the-meter projects would continue to receive flat $/kWh compensation for energy produced and potentially receive an additional $/kW performance payment for sustained delivery during a designated period.

UI recognizes that the MPF proposal reflects a broader policy objective of encouraging front-of-the-meter ("FTM") solar and storage resources capable of delivering energy during periods when system needs remain elevated after solar production declines. The Company does not oppose further evaluation of the MPF concept and acknowledges that the successor programs established under Public Act No. 26-127 may provide a mechanism to encourage deployment of paired renewable generation and storage resources. However, the successor program proceeding is fundamentally focused on renewable energy tariff design rather than the development of a comprehensive FTM storage framework. Many of the issues raised by MPF, including storage compensation, dispatch requirements, market participation, metering, settlement, interconnection, and implementation, extend beyond traditional renewable energy tariff administration and overlap with issues previously examined in Docket No. 25-01-15.

UI further notes that the subsequent legislative and regulatory landscape surrounding FTM storage has evolved since the initiation of Docket No. 25-01-15. While prior proceedings contemplated a standalone FTM storage framework, subsequent legislative and regulatory developments have shifted focus toward implementation of successor renewable energy programs. As a result, MPF may represent a practical mechanism for encouraging paired solar and storage resources within the scope of this proceeding. UI notes that its prior comments in Docket No. 25-01-15 generally supported storage frameworks that compensate resources based on measurable system benefits while minimizing jurisdictional complexity and administrative burden. Accordingly, if PURA elects to proceed with MPF, UI recommends that compensation remain tied to clearly defined and measurable services, that implementation requirements remain administratively feasible, and that PURA preserve flexibility to evaluate broader FTM storage policy, compensation, and market-design issues through a separate proceeding if additional review is warranted in the future.

A. Per-kW Payment Level

If PURA elects to adopt an MPF structure, UI recommends that any $/kW payment be established on a transparent, program-wide basis and reviewed periodically through future proceedings rather than adjusted on a project-specific basis. The payment should be tied to clearly defined and measurable system benefits, such as peak load reduction, reliability support, operational flexibility, or other services PURA determines to provide value to customers and the electric system.

UI further recommends that PURA evaluate how any MPF compensation interacts with existing and future compensation opportunities available to storage resources, including participation in ISO-New England wholesale markets under FERC Order No. 2222, state incentive

programs, and other market-based revenue streams. PURA should clearly identify the specific service or attribute being compensated and demonstrate that such compensation reflects distinct and incremental customer or system benefits. To the extent storage resources are capable of receiving revenues from multiple sources, PURA should carefully consider whether the proposed MPF payment is necessary to encourage the desired behavior and avoid creating duplicative ratepayer-funded incentives for the same underlying service.

B. Targeted Period

The targeted period should be designed to align with the specific system need or operational objective that the MPF structure is intended to address. If the purpose of the framework is to encourage delivery of renewable generation and storage output during periods when customer demand remains elevated after solar production declines, the targeted period should reflect those conditions and be supported by objective system data.

UI believes seasonality should be considered, as load shapes, renewable generation profiles, and system needs vary throughout the year. Any seasonal adjustments should be established on a program-wide basis and updated through periodic regulatory review. At the same time, PURA should balance potential operational benefits against additional administrative complexity and ensure that targeted periods remain transparent, predictable, and tied to clearly defined system objectives.

C. kW Performance Measurement

UI believes performance measurement should prioritize simplicity, transparency, consistency, and verifiability. The minimum one-hour average output methodology proposed by Eversource provides a straightforward and administratively practical approach that encourages sustained performance throughout the entire designated period rather than short-duration output

spikes. Regardless of the methodology ultimately selected, implementation will require clearly defined metering, settlement, verification, and reporting requirements. As UI previously noted, the scope of any required billing, metering, and administrative system modifications will depend heavily on the final performance measurement and settlement framework. Accordingly, PURA should fully establish performance measurement protocols before adopting an MPF compensation structure to ensure participants, administrators, and ratepayers have a clear understanding of how performance will be measured and compensation will be earned.

D. PV Charging Requirement

If PURA determines that MPF compensation is intended to support renewable energy delivered from paired solar and storage resources, a PV charging requirement may be appropriate to maintain eligibility for compensation associated with Class I renewable energy generation. Regardless of the charging requirement ultimately adopted, PURA should establish clear metering, accounting, telemetry, and verification requirements to support REC administration, eligibility determinations, and program settlement. Accurate verification of energy flows between the PV system, battery, customer load, electric vehicle charging infrastructure, and the distribution system will become increasingly important as solar and storage systems are integrated with residential, commercial, EV charging, and other distributed energy resource applications. PURA should also consider whether a strict PV-only charging requirement could limit operational flexibility, future DER aggregation opportunities, or wholesale market participation while increasing metering, telemetry, and compliance costs.

E. Project Economics

UI agrees that the proposed MPF framework would inherently favor paired solar and storage projects relative to standalone solar facilities. Under Eversource's proposal, solar-only

projects would continue receiving compensation through competitively determined $/MWh payments, while paired solar and storage projects could earn additional performance-based compensation by sustaining output during designated periods.

While this outcome may be consistent with Connecticut's storage deployment objectives, PURA should ensure that any additional compensation appropriately reflects measurable customer and system benefits. PURA should avoid creating a framework that effectively excludes cost-effective solar-only resources from participation while ensuring that storage compensation remains tied to clearly defined services and incremental value.

The Company recommends that PURA evaluate how potential revenues available through wholesale market participation, DER aggregation, and other compensation mechanisms may affect project economics and the level of state-supported incentives necessary to encourage deployment. As discussed previously, PURA should clearly identify the specific attribute being compensated to avoid duplicative compensation and ensure that incentives remain aligned with demonstrated customer and system benefits.

F. Bid Preferences

The existing NRES and SCEF programs demonstrate that bid preferences can be effectively incorporated into competitive solicitations through predefined evaluation adjustments while maintaining objective project selection. UI recommends retaining this established approach, whereby any bid preference is applied solely for evaluation and ranking purposes, established in advance of the solicitation, applied consistently, and limited to a single preference per project. To avoid duplicative compensation, PURA should clearly distinguish between bid-ranking preferences and MPF compensation earned through actual project performance, with any performance-based payments remaining tied to verified performance outcomes.

G. EDC Discretion

UI does not support broad discretion allowing EDCs to establish project-specific targeted periods. While project-level adjustments could theoretically improve alignment with localized system conditions, they would also increase program administration, settlement complexity, metering requirements, and implementation costs.

Project-specific targeted periods could also create challenges for resources participating in wholesale markets or future DER aggregation frameworks by introducing potentially conflicting operational requirements. Accordingly, UI recommends that any targeted periods be established on a standardized program-wide basis and updated through periodic regulatory review rather than individualized project determinations.

H. Other Jurisdictions

UI recognizes that other jurisdictions, including Hawaii and Nevada, have implemented compensation structures intended to encourage deployment of paired solar and storage resources. A key lesson from these programs is that compensation can be designed to encourage delivery of renewable energy during targeted periods of system need rather than solely compensating total energy production. These frameworks have also been used to support broader storage deployment objectives by rewarding project designs that provide additional system value beyond energy production alone.

At the same time, PURA should carefully evaluate differences between those jurisdictions and Connecticut, including market structures, renewable energy accounting requirements, interconnection processes, utility program administration, and available wholesale market opportunities. While Connecticut has established statewide energy storage deployment goals, the successor renewable energy programs remain distinct from a comprehensive front-of-the-meter

storage program. Accordingly, Connecticut should avoid adopting a compensation framework based solely on outcomes achieved elsewhere without fully evaluating the implications for local metering, telemetry, settlement processes, billing systems, and program administration. Any framework adopted in Connecticut should reflect the State's specific regulatory, operational, and market conditions.

I. Additional Considerations

UI recommends that PURA proceed cautiously when evaluating MPF implementation. As stated in the Company's response to Interrogatory CAE-003 UI Docket No. 26-06-04.pdf, UI has not independently evaluated the billing, metering, information technology, settlement, or program administration requirements associated with Eversource's proposed framework and therefore cannot provide a reliable implementation estimate based on the current record. The implementation requirements and associated costs of any MPF structure remain dependent upon multiple unresolved program design decisions, including performance measurement, targeted periods, eligibility requirements, metering configurations, and settlement methodologies.

In particular, PURA should consider the metering, telemetry, and verification requirements necessary to support performance-based compensation; impacts on existing billing, settlement, reporting, and program administration systems; interactions with REC administration and renewable energy accounting requirements; and how MPF compensation may interact with wholesale market participation, DER aggregation opportunities, and other compensation mechanisms. PURA should also consider whether MPF compensation could duplicate revenues available through wholesale energy, capacity, ancillary services, or other market-based programs and whether storage resources could face conflicting obligations between state-administered incentive structures and future wholesale market participation opportunities.

Finally, UI continues to believe that many of the issues raised by the MPF proposal are fundamentally energy storage policy and market design questions. While MPF may provide a mechanism for encouraging paired solar and storage resources within the successor programs, it does not resolve the broader issues associated with front-of-the-meter storage deployment, including compensation design, interconnection, market participation, metering, and operational requirements. As previously stated in the Company's response to CAE-003 in Docket No. 26-06-04, to the extent PURA determines that these broader issues warrant additional consideration, PURA should preserve flexibility to evaluate them through a future proceeding rather than attempting to resolve all FTM storage considerations within the successor renewable energy program framework.

2. NRES SUCCESSOR PROGRAM NETTING TARIFF

Public Act No. 26-127 requires the NRES successor program to offer eligible resources both a Buy-All tariff and a Netting tariff. PURA requests comments on instantaneous netting with exports compensated below the full retail rate and implementation within a continued competitive solicitation process. UI recommends retaining the existing NRES netting framework and existing competitive procurement structure to the greatest extent practicable while implementing any statutory changes required by Public Act 26-127.

A. Export Compensation

UI believes that retaining existing NRES netting, together with an export compensation rate below the full retail rate is conceptually feasible and could be implemented within a successor NRES framework. As stated in the Interrogatory OCC-007 in the above-referenced docket, the Company's Advanced Metering Infrastructure ("AMI") meters cannot perform instantaneous netting. However, the feasibility, implementation timeline, and cost using export compensation

rate below the full retail will depend upon the final program design, including the compensation methodology, settlement requirements, billing functionality, reporting obligations, metering requirements, and treatment of energy storage resources.

The Company does not oppose modifications to the existing NRES framework if PURA determines that such changes are necessary to achieve the objectives of Public Act No. 26-127. However, UI notes that utilizing existing compensation structures, procurement mechanisms, customer classifications, and administrative processes including interconnection processes would provide significant implementation advantages. Building upon established program rules would reduce implementation complexity, minimize required system modifications, shorten deployment timelines, and avoid or substantially mitigate additional implementation costs that would ultimately be borne by ratepayers.

UI Recommendation

UI recommends that PURA adopt a successor NRES framework that achieves the policy objectives established by Public Act No. 26-127 while preserving existing NRES program netting and buy-all structures and administrative processes to the greatest extent practicable. Leveraging existing program infrastructure would facilitate timely implementation, reduce operational complexity, minimize implementation risk, and avoid unnecessary costs to ratepayers. To the extent program modifications are required, PURA should provide sufficient time for system design, vendor assessment, development, testing, and implementation prior to program launch.

B. Competitive Solicitation

UI believes that both the existing NRES netting methodology and any revised export-compensation methodology should be implemented through the existing Small, Medium, and Large project categories under the NRES Successor Program.

For Small NRES successor program projects, which are currently selected on a non-competitive basis, implementation could be accomplished through an administratively established export-compensation rate applicable to all eligible projects within that category. Participants would evaluate project economics based upon the applicable netting methodology and export-compensation provisions approved by PURA.

For Medium and Large projects, the existing competitive procurement structure could largely be maintained. Participants could continue submitting bids using the current solicitation process while excess generation would be compensated pursuant to the export-compensation framework adopted by PURA. Under this approach, competitive procurement would continue to focus on the bid value submitted by developers while the export-compensation methodology would apply consistently to all selected projects within a given program year.

The Company does not oppose modifications to the NRES successor program if such changes are adopted by PURA. However, preserving existing procurement categories, solicitation methodologies, and administrative processes would significantly reduce implementation effort, maintain continuity for market participants, minimize customer confusion, and avoid unnecessary system-development costs. Moreover, retaining the existing program architecture would facilitate a timelier transition to the successor program while ensuring consistency for customers, developers, and program administrators.

UI Recommendation

The Company recommends that PURA retain the existing Small, Medium and Large project categories and maintain the current procurement structure to the extent practicable. PURA should seek to implement any required statutory changes within the existing framework rather than redesigning the program structure unless a demonstrated policy benefit justifies the additional

implementation complexity and cost. Preserving the existing NRES architecture would support timely deployment and reduce the potential for additional costs that would ultimately be recovered from ratepayers.

C. Metering, Billing, and Administration

UI currently utilizes production-meter data for a variety of operational, analytical, and regulatory purposes beyond direct administration of renewable energy programs. Such data supports trend analysis, monitoring of system performance, operational investigations, planning activities, energy-purchase activities, distribution-planning activities, regulatory reporting, and other internal business functions.

The Company notes that its current billing and incentive-administration systems are designed around existing NRES and RRES program structures. Maintaining existing compensation methodologies, settlement conventions, administrative processes, and reporting mechanisms where feasible would significantly reduce the scope of required system modifications. Conversely, substantial departures from existing program structures may require additional changes to billing systems, customer-account functionality, settlement processes, reporting systems, payment-processing functionality, and related administrative controls.

At this time, UI cannot provide a reliable estimate of implementation costs or timelines. Any estimate would be speculative until PURA establishes final program requirements and the Company has an opportunity to engage vendors and conduct a detailed requirements assessment and solution-design process.

UI Recommendation

UI recommends that PURA carefully evaluate whether proposed modifications require functionality beyond that currently supported by existing metering, billing, reporting, and

program-administration systems. Where feasible, maintaining existing compensation mechanisms, settlement practices, and administrative processes would reduce implementation risk, accelerate deployment, minimize system-development requirements, and avoid incremental costs to ratepayers.

To the extent PURA adopts new requirements requiring system enhancements, UI should be provided sufficient time to design, develop, test, validate, and deploy the necessary functionality and should be permitted to recover prudently incurred implementation and ongoing administrative costs.

UI supports PURA's efforts to develop a successor NRES framework that satisfies the requirements of Public Act No. 26-127 while continuing to promote renewable-resource development and customer participation. The Company believes that existing NRES netting should be retained and export compensation below the full retail rate may be implemented within the successor program framework, subject to the establishment of clear program rules, billing requirements, metering standards, settlement procedures, customer protections, and implementation timelines.

The Company does not oppose modifications to the existing NRES program if PURA determines that such changes are necessary to achieve statutory objectives. However, UI believes that preserving existing program categories, compensation mechanisms, procurement structures, customer classifications, and administrative processes wherever practical would provide meaningful benefits to customers, developers, administrators, and ratepayers.

Leveraging existing infrastructure would facilitate a more efficient and timely implementation, reduce operational complexity, minimize implementation risk, mitigate

implementation costs to ratepayers, and preserve continuity for customers, market participants, and program administrators.

To the extent PURA adopts changes to netting methodologies, export-compensation structures, storage incentives, metering requirements, or settlement processes, UI believes that implementation should occur only after sufficient time has been provided for detailed requirements development, vendor assessment, system configuration, testing, validation, and customer communication activities.

Accordingly, UI recommends that PURA:

1. Preserve the existing Small, Medium, and Large NRES project categories and existing procurement methodologies to the greatest extent practicable.
2. Implement statutory requirements within existing program structures whenever feasible.
3. Adopt a standardized export-compensation methodology applicable to similarly situated projects.
4. Coordinate any revised netting intervals with future time-varying and TOU rate-development efforts.
5. Maintain program rules that provide transparency, predictability, and administrative simplicity.
6. Avoid unnecessary modifications that increase implementation complexity and cost without corresponding customer or policy benefits.
7. Provide adequate implementation time following issuance of a final decision.
8. Authorize recovery of prudently incurred implementation and administrative costs associated with successor program requirements.

9. Ensure that the final program design balances renewable-energy objectives with administrative feasibility, customer understanding, and ratepayer impacts.

By leveraging existing NRES program infrastructure to the maximum extent practicable, PURA can achieve the objectives of Public Act No. 26-127 while minimizing implementation costs, reducing operational risk, and facilitating a timely transition to the successor program.

3. RESIDENTIAL INCENTIVE ADDER IMPLEMENTATION

PURA requests comments on fixed per-kW incentives and per-kWh incentives based on exports recorded at the revenue meter, including whether a fixed per-kW incentive should be administered monthly or through a one-time upfront payment.

As discussed in the Company's prior comments, production meters provide accurate, verifiable, and auditable generation data used to administer production-based charges, including applicable Low-Income and Distressed Municipality adders. The Company continues to believe that incentive structures should be supported by reliable and independently verifiable data sources. Reliance on estimated production values or inverter-reported data may present challenges related to data accuracy, consistency, oversight, customer communications, and REC accounting. Accordingly, any performance-based incentive should be designed to utilize objective and auditable data to promote transparency, consistency, and effective program administration. UI also identified operational, REC-accounting, customer-service, accuracy, and oversight concerns associated with estimates or inverter data.

UI Recommendation

UI recommends retaining production-based adders for the RRES program. Production-based incentives directly link compensation payments to verified renewable energy generation,

ensuring the greatest degree of accuracy, transparency, accountability, and alignment between incentive payments and actual system performance.

Production meter data remains the most accurate, verifiable, and auditable source of generation information. Production meters provide an independent record of all renewable energy generated, supporting incentive administration, REC accounting, program reporting, regulatory oversight, and program integrity. Because the current RRES program already relies on this infrastructure and established administrative processes, production-meter data is the preferred basis for any production-based incentive or adder.

Production-based incentives also promote equitable treatment by linking compensation to actual renewable energy generation. Systems that generate more renewable energy receive correspondingly greater incentives. By contrast, a fixed per-kW incentive compensates projects solely on installed capacity, regardless of actual output, and could provide identical payments to projects with materially different generation levels.

A. Fixed per-kW Incentive Alternative

UI acknowledges that a fixed per-kW incentive may offer customers greater simplicity and predictability because the incentive value can be established at enrollment without ongoing production-based calculations. However, such approach reduces the direct relationship between incentive payments and actual renewable energy generation and may therefore result in compensation that is not fully aligned with project performance.

UI's existing systems and administrative processes are not configured to administer residential incentive adders as either one-time upfront payments based on installed capacity or recurring monthly capacity-based payments. Although a fixed-capacity structure may be feasible, implementation would require modifications to existing processes and supporting system

functionality. If PURA retains an annual or quarterly payment cadence, UI could potentially administer the incentive through a modified semi-automated process similar to the current approach. However, this would increase administrative effort and operating costs.

A recurring monthly per-kW payment structure would present substantially greater operational and system challenges. Existing processes are not designed to support monthly capacity-based calculations, validations, and payments over the life of the program. A sustainable framework would likely require a dedicated SAP project and additional automation, potentially affecting billing and incentive-management processes, customer account administration, payment processing, reporting, financial controls, program tracking, system interfaces, installed-capacity verification, eligibility validation, audits, and customer communications.

If PURA adopts a fixed per-kW structure, UI recommends a yearly or one-time upfront payment rather than recurring monthly payments. An upfront incentive would reduce ongoing tracking and payment-processing requirements, minimize administrative burden, provide greater certainty to customers and developers, and avoid many of the operational and system complexities associated with monthly capacity-based payments.

UI also recommends a mechanism to suspend, reduce, or discontinue incentives for projects that consistently perform below a defined production threshold. This safeguard would help align incentive levels with actual project performance, promote equitable treatment, and encourage proper system operation and maintenance.

B. Export-based per-kWh Incentive Alternative

An export-based per-kWh adder would utilize energy-export data recorded by the revenue meter to determine incentive payments. Because revenue-meter data is already collected for billing, this approach could reduce reliance on separate production-meter infrastructure and related

installation, maintenance, and data-management activities. It would also retain a performance-based component because payments would vary with measured energy delivered to the grid and may be easier for customers to understand because the measurement would come from utility-owned and utility-maintained equipment.

The main limitation is that exports do not equal total renewable energy production. A production meter records all energy the renewable energy system generates, while a revenue meter records only the portion exported after on-site consumption and operational losses. Export quantities therefore reflect not only system performance but also customer load profiles, appliance use, occupancy patterns, electrification decisions, and other site-specific factors.

As a result, customers with identical systems and identical production could receive materially different incentive payments. A customer who uses more generation on-site for air conditioning, electric vehicles, heat pumps, or other loads would export less and receive a lower incentive than a similarly situated customer with lower on-site consumption. An export-based incentive could therefore compensate consumption behavior and load characteristics rather than renewable energy production, creating inequitable outcomes among participants with comparable systems.

C. Battery Storage Considerations

Battery energy storage further complicates an export-based structure. Customers may store renewable energy and export it later, allowing battery-dispatch decisions to affect export timing and quantity independently of contemporaneous renewable generation. If storage can also be charged from the grid, exported energy may not be directly attributable to renewable generation. As discussed in UI's Motion for Clarification in Docket No. 25-08-02, integrated solar-plus-storage configurations may make it difficult to distinguish renewable generation from other energy flows

when generation and storage share equipment and metering pathways. These conditions could complicate incentive administration and verification of renewable-energy-related program benefits.

D. REC Treatment and Program Objectives

REC administration and according to NEEPOLL GIS rules, depends on verified renewable energy generation rather than exported energy. An export-based incentive could therefore create a difference between the quantity used to calculate incentive payments and the quantity used for REC creation, tracking, certification, and reporting.

An export-based adder may also encourage customers to maximize exports rather than optimize self-consumption or overall system value. Depending on the incentive level, customers could adjust usage patterns or battery-dispatch strategies to increase exports and incentive revenues. Although increased exports may provide certain grid benefits, PURA should determine whether encouraging exports is an intended program objective. Customers who use renewable energy behind the meter to reduce household consumption may otherwise receive lower incentives despite comparable renewable energy production and environmental benefits.

E. Implementation Considerations

An export-based per-kWh incentive would require modifications to program administration, customer communications, billing processes, and reporting methodologies. PURA would need to establish clear definitions of eligible exports; treatment of storage charging and discharging; rules for hybrid solar-plus-storage systems; and coordination between export-based incentives and REC administration. Depending on the final program requirements, billing-system enhancements and data-management modifications may also be necessary.

UI also notes broader challenges with incentive structures that rely on production information from third-party inverter systems rather than utility-grade metering. These may include inconsistent data formats, lack of standardized data-transfer processes, limited utility control over customer-owned equipment, and vendor-continuity concerns. UI should evaluate these factors when considering the long-term administration of incentives that depend on non-utility production-data sources.

UI does not recommend replacing production-based adders with either a fixed per-kW incentive or an export-based per-kWh incentive. Although each alternative may offer certain administrative or customer-facing benefits, neither maintains the same direct, auditable relationship between incentive payments and total verified renewable energy generation.

Accordingly, UI recommends retaining production-based adders for the RRES program. If PURA elects to pursue an alternative structure, UI recommends evaluating customer equity, project-performance safeguards, battery-storage operations, REC administration, billing and data-management systems, administrative costs, customer communications, and program oversight before implementation.

4. IMPLEMENTATION TIMELINE AND COST RECOVERY

The Company recommends that PURA provide sufficient time following issuance of a Final Decision for the EDCs to evaluate requirements. Such a period should allow the electric distribution companies sufficient time to develop and obtain approval of program manuals, tariffs, requests for proposals, solicitation documents and rules, contracts, customer communications, and operating procedures; conduct necessary vendor assessments and procure required third-party services or system enhancements; implement required billing, metering, settlement, reporting, and other information-technology modifications; administer any required competitive solicitations;

and complete testing, training, and operational-readiness activities prior to program launch. UI also recommends that PURA establish a successor-program implementation schedule that supports timely issuance of the initial procurement solicitation and avoids unnecessary delays between final program approval and market participation. To the extent possible, program design requirements should be finalized with sufficient lead time to allow the Electric Distribution Companies to develop and issue the initial solicitation on or before January 1, 2028.

The Company further recommends that PURA authorize recovery of all prudently incurred implementation and ongoing administrative costs associated with the successor programs through the Company's annual Rate Adjustment Mechanism proceeding. In addition, PURA should establish a process for addressing implementation issues, necessary clarifications, and unforeseen operational considerations identified during implementation.

UI notes that implementation of the existing RRES, NRES, and SCEF Programs required significant investments in SAP billing, bid portal, metering processes, customer-enrollment procedures, settlement and payment systems, reporting capabilities, and related program-administration infrastructure. Consistent with PURA's directives, these efforts required extensive information-technology development, vendor coordination, testing, validation, training, and ongoing support, resulting in substantial implementation costs and resources.

Similarly, material changes adopted for the successor programs may require additional system enhancements, business-process modifications, and corresponding updates to program documentation, procurement activities, and operational procedures. Because these workstreams are interdependent, changes to program design may significantly affect implementation schedules, administrative complexity, and overall program costs.

Accordingly, UI recommends that PURA leverage existing program structures, requirements, and administrative processes wherever practicable and carefully evaluate whether the benefits of any proposed modification justify the associated implementation costs, schedule impacts, and potential customer disruption.

III. CONCLUSION

The Company appreciates the opportunity to provide these Written Comments in response to the Notice issued by PURA. The Company looks forward to further discussing these issues with PURA and other participants and stakeholders in Docket No. 26-06-04.

Respectfully submitted,

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CERTIFICATION

This is to certify that on this day, the foregoing document was filed with the Public Utilities Regulatory Authority, and copies of the foregoing document were served upon each person designated on the Authority's official service list in this proceeding in accordance with R.C.S.A. § 16-1-15.

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