STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY

ANNUAL NON-RESIDENTIAL RENEWABLE ENERGY SOLUTIONS PROGRAM REVIEW – YEAR 6	**:**	**DOCKET NO. 26-08-03**
	:	**AUGUST 20, 2026**

NRES YEAR SIX WRITTEN COMMENTS

Verogy Holdings, LLC ("Verogy") respectfully submits the following comments in response to the Notice of Request for Written Comments from the Public Utilities Regulatory Authority ("PURA" or "The Authority") issued on August 5, 2026, in the subject docket intended to align the NRES program with its stated objectives[1].

1. RECOMMENDED PRICE CAPS AND BID PREFERENCES

i. Comment: Verogy asserts that since the issuance of the NRES Year 5 Final Decision on December 17, 2025, there have been significant changes to circumstances entirely outside of the control of NRES program participants which justify further increases to program price caps. Namely, on August 6, 2026, the Federal Government issued a decision regarding the "Section 232 Tariffs" and established, amongst other price controls, a minimum import price of $0.22/Wdc for solar cells, $0.38/Wdc for solar modules and an additional 15% ad valorem tariff (with exceptions for certain "U.S. Treaty Partners")[2]. While the Section 232 Tariffs are scheduled to go into effect December 4, 2026, both domestic and international module vendors are now aware of the decision and have immediately begun increasing equipment prices. While the final impacts of the Section 232 Tariff has yet to be settled at the time of writing these comments, Verogy has received indication from various module suppliers that these Section 232 Tariffs will likely increase module cost by at least $0.11 - $0.13/Wdc for imported modules and $0.10 - $0.15/W for domestically manufactured modules (though the impact to domestic module prices is less certain at this time). Depending

[1] The objectives (Program Objectives) outlined in the Year 5 NRES Final Decision include:
1. Foster the sustained, orderly development of the state's Class I renewable energy industry;
2. Deploy the full megawatt capacity allowable under statute, to the extent possible;
3. Ensure least-cost outcomes through the annual solicitation process;
4. Enable program accessibility for customers through simplified program and tariff designs; and
5. Encourage increased inclusivity overall, as well as program participation by customers in underserved and environmental justice communities.

[2] Adjusting Imports of Polysilicon and its Derivatives into the United States – The White House

on the exact design and equipment spec of a non-canopy NRES project, the Section 232 Tariffs likely imply an approximate 5 – 7.5% unavoidable increase in build cost. Therefore, Verogy asserts that the Section 232 Tariffs alone justify a commensurate increase of 5 – 7.5% to the various NRES Year 5 price caps.

Beyond the imposition of the Section 232 Tariffs, Verogy suggests that other factors, either entirely or largely outside of the control of NRES Project Developers, justify further price cap increases. These include ever-increasing and unilaterally imposed interconnection costs with no effective way to share cost-share, a constrained supply chain resulting from the rush to safe harbor projects by July 4, 2026, or have projects placed in service by December 31, 2027, and economy-wide inflation resulting from the ongoing conflict in the Middle East.

Verogy suggests that even without the budgetary program cap in place, price cap increases would be justified for these reasons. However, should the budgetary program cap be retained, the budgetary cap would limit ratepayer impact should price cap increases be adopted.

2. RECOMMENDED PROGRAMMATIC CHANGES

a) Removal of Budgetary Program Cap

i. Comment: Verogy strongly asserts that the budgetary program cap imposed in NRES Year 5 creates a barrier of entry for projects that would otherwise be eligible for the NRES program and economically feasible under the program price caps and statutory annual procurement limit of 100 MWac, running contrary to Program Objectives1 & 2. Additionally, Verogy believes that the budgetary program cap runs contrary to the plain language and intent of the Program's enabling statute and was established without proper authorization.

Public Act 25-173 § 9 altered Conn. Gen. Stat. § 16-244z(c)(1)(B) to state:

"For procurement and tariff years commencing on and after January 1, 2025, the authority **may exceed** the limits on total available megawatts…(if) the aggregate dollar

amount of procurements of energy and renewable energy credits over the tariff term for all selected projects does not exceed the aggregate dollar amount of procurements of energy and renewable energy credits over the tariff term for all projects selected in such program during the calendar year 2024. The authority shall determine the manner of **exceeding** such limits"[3] (emphasis added).

Verogy asserts that The Authority's interpretation of Conn. Gen. Stat. § 16-244z(c)(1)(B) does not grant The Authority the ability to establish a budgetary procurement cap in addition to the existing megawatt procurement caps that would **reduce** available megawatts in the NRES program. Conn. Gen. Stat. § 16-244z(c)(1)(B) specifically grants The Authority the ability to **exceed** existing megawatt caps if the aggregate cost of a future procurement is less than 2024 levels, as only the word "exceed" is used throughout this section. It is well established in Connecticut that administrative agencies are strictly limited by their express statutory authority. Such action to reduce the MW caps is *ultra vires*. The language of the statute and intent of the legislation is clear on its face. Notwithstanding this plain language, understanding the history and context of the Connecticut distributed generation programs makes it even clearer that the purpose of the megawatt cap for the SCEF and NRES programs was to replace a budgetary cap. The legacy LREC/ZREC programs contained budgetary caps and were in use for nearly a decade, the legislature in passing the laws to create the NRES and SCEF programs after the LREC/ZREC programs explicitly and intentionally installed a megawatt cap and not a budgetary cap. This context makes the unilateral installation of a budgetary cap by The Authority even more inappropriate. The underlying rationale, explicitly called out, for taking this measure was to reduce ratepayer costs.[4] However, the most significant cost increase faced by Connecticut ratepayers is caused by the dearth of in-state energy supply. To take the position that

[3] AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND ACCOUNTABILITY.

[4] Section IV.B.4 of the SCEF Year 7 Final Decision states:

"The Authority's adoption of a budgetary cap falls squarely within the broad discretion granted under General Statutes § 16-244z(c)(1)(A), which authorizes PURA to monitor the SCEF Program's competitiveness and adjust the annual purchase amount or other procurement parameters as necessary. The statute expressly provides this flexibility to maintain a competitive and efficient program. This approach also aligns with the intent of General Statutes § 16-244z(c)(1)(B), which allows the selection of projects exceeding the applicable MW cap in future years provided that total program costs do not exceed the aggregate cost of projects selected in 2024. While General Statutes § 16-244z(c)(1)(B) does not expressly contemplate instances in which the total 2024 cost limit is exceeded even if the MW cap is not, the Authority's broad authority under § 16-244z(c)(1)(A) encompasses the ability to impose comparable cost-based constraints on overall SCEF Program expenditures."

the costs of the NRES program, or distributed generation programs entirely, are the main driver for cost increases for ratepayers is to believe an EDC straw man for the culprit of cost drivers and miss the forest for the trees. Ultimately, by effectively replacing the megawatt program cap, The Authority contradicted plain statutory language and legislative intent to ***increase*** the cost of electricity for Connecticut ratepayers.

Beyond running counter to state statute and clean energy goals, Spring 2026 NRES results[5][6] clearly demonstrate that the budgetary cap is acting as a barrier to entry to otherwise viable NRES projects. In the Year 5 Spring Auction, both Eversource and United Illuminating fully exhausted their budgetary allocation for their "Medium" category despite awarding only 67% and 45% of their respective capacity allocations. This trend also held true for the Eversource SCEF Year 7 procurement as described in Verogy's SCEF Year 8 Written Comments submitted to DEEP[7].

Verogy strongly requests that The Authority rescind the NRES budgetary program cap entirely from NRES Year 6, as the budgetary cap hampers Program Objectives 1, 2 and 4 and was established without proper authorization or process. Additionally, all MWs from preceding solicitations not awarded as a result of this impermissible budgetary cap should be added to the Year 6 MW allocation.

b) Reallocation Of Unallocated Small Capacity and Budget

i. Comment: Section 5.6.3 of the NRES Year 6 Program Manual proposed by the EDCs[8] states, in part:

"If either EDC has uncommitted MWs remaining in the small zero emission category and such MWs cannot accept the next full Project or all eligible Bids in the

[5] Eversource NRES Year 5 Spring Auction Results: year-5-feb-public-summary-data.xlsx
[6] United Illuminating NRES Year 5 Spring Auction Results: Motion No. 016 Docket 25-08-03
[7] Available at: https://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/7ee67771749df2cd85258e500046ce49?OpenDocument
[8] Available at: https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/fbef8709a95dd5ce85258e440065da59/$FILE/Att%202b%20NRES%20Year%206%20Program%20Manual%20Proposed%20Redlines.pdf

small zero emission category have been exhausted, any leftover MW in the small zero emission category will solely roll over to the small zero emission category for the following year."

Notwithstanding the previous comment, Verogy suggests that any unallocated Small category budgetary or capacity allocation at the conclusion of the Year 6 Fall procurement be reallocated to the next most cost-efficient unawarded project(s) that can be awarded at full as-bid capacity until the entire Small program budget / capacity allocation is granted to eligible projects. The Small category has the highest price cap of the NRES program, so re-allocating budget or capacity from this category to either the Medium or Large category would be assigning program resources to a more cost-effective project while simultaneously enabling additional NRES Tariff awards to eligible projects. For these reasons, Veorgy asserts that allowing Small category budgetary or capacity allocation to be re-allocated to larger, more cost-efficient projects would achieve Program Objectives 1, 2 and 3.

c) SAM Customer Host Site Control

i. Comment: Section 4.4.4 of the NRES Year 6 Program Manual proposed by the EDCs[9] states, in part:

"For Projects where the SAM Customer Host is not the Owner of the Project Site, the Owner of the Project Site must attest that the SAM Customer Host: 1) has control of the Project Site or an unconditional right to obtain site control, 2) has authorized the Bidder, if different than the Customer Host, to submit a NRES BidBid for the Project Site, and 3) is authorized to participate in the NRES Program for the entire 20-year Tariff Term should the Bid be selected."

Verogy asserts that the requirement for a SAM Customer Host to have direct control, if not outright ownership, of a Project Site frustrates the intent of Public Act No. 23-102 Section 25 subsection (g) and places undue burden on property owners, SAM

[9] Available at: https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/fbef8709a95dd5ce85258e440065da59/$FILE/Att%202b%20NRES%20Year%206%20Program%20Manual%20Proposed%20Redlines.pdf

customers, and project developers seeking to allocate benefits to SAM customers from an NRES project sited on a parcel not owned by the SAM customer. Verogy believes that the intent of Public Act No. 23-102 Section 25 subsection (g) was to allow greater flexibility for siting SAM projects by removing the SAM site ownership requirement present in NRES Years 1 and 2 ***and*** in a broader scope removing SAM site control requirements altogether to enable optimal siting of projects that would deliver the greatest volume of program benefits to SAM customers. Notably, Public Act No. 23-102 Section 25 subsection (g) does not use the language "ownership" or "owned" but the more general term "customer's own premises". Rather than maximizing program flexibility, the EDCs imposed unnecessary site control requirements between the SAM customer and Owner of the Project Site that adds complexity to the Program and bid submission process.

Removing these site control requirements between the SAM Customer Host and the Owner of the Project Site would directly accomplish Program Objectives 1, 2 and 3.

3. <u>RECOMMENDED APPLICATION FEE</u>

i. <u>Comment:</u> Verogy asserts that the non-refundable NRES Bid Fee should remain at its current level of $450 and that the EDC recommended bid fee of $700[10] is unduly punitive to NRES program participants, especially small customers or developers. The EDC recommended non-refundable bid fee of $700 represents a 55% increase in a single year, far outpacing any real-world cost of labor increases, and would likely depress participation in the Small category, which has already seen a marked reduction in participation levels compared to previous years. Increasing the Bid Fee by 55% in a single year runs contrary to Program Objectives 1 and 5.

Notably, as more time elapses since the beginning of the NRES program the EDCs may experience a sort of windfall from forfeited Performance Assurance deposits of early NRES Tariffs. Verogy suggests that if needed, these forfeited Performance

[10]26-08-03 Joint Order No 19: https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/29bd86e4f90540e085258e440057974b/$FILE/26-08-03%20Order%2019.pdf

Assurance deposits could be used to offset program administration costs rather than dramatically increasing non-refundable Bid Fees.

4. <u>BUDGET ALLOCATION</u>

i. Comment: Verogy supports the re-balancing of NRES program budget to align with the 80% / 20% MW split between Eversource and United Illuminating. Verogy suggests that re-balancing the budget to align with the well-known MW split would simplify program design and help to achieve Program Objective 4.

Verogy thanks PURA for the opportunity to provide written comments for consideration in NRES Year 6 development.

Respectfully submitted,

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