August 12, 2026

VIA ELECTRONIC FILING

Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority
Ten Franklin Square
New Britain, CT 06051

RE: Docket No. 26-08-03 – Annual Non-Residential Renewable Energy Solutions Program Review, Year 6 - *Energy Storage System and Fuel Cell Energy Facility at the Cherry Street Complex in Bridgeport*

Dear Mr. Gaudiosi:

NuPower Cherry Street FC LLC ("NuPower") and The United Illuminating Company ("UI", together the "Parties") hereby submit this letter to the Public Utilities Regulatory Authority ("PURA" or the "Authority") to inform PURA about the outcome of the Parties' mediation process with PURA's Office of Education, Outreach, and Enforcement ("EOE"). Upon the conclusion of mediation with EOE, the Parties have agreed to the conditions specified in this letter as it pertains to NuPower's battery energy storage system ("BESS") to be co-located with its existing fuel cell facility (together the "Project") located at the Cherry Street Complex at 375 Howard Street in Bridgeport. Specifically, the Parties have reached a consensus on the (1) interconnection requirements for the Project and (2) the compensation rate *e.g.*, UI tariff, under which NuPower will sell energy generated by the Project to UI.

The Project

The Project consists of a 440 kilowatt ("kW") HyAxiom fuel cell and a 2 megawatt ("MW") BESS. The 440 kW fuel cell provides electricity to the Cherry Street Lofts Apartment Complex and the 70,000 square foot Great Oaks Charter School (together the "Cherry Street Complex"). Any excess energy produced by the fuel cell is net-metered to UI. The fuel cell also provides thermal energy to the school throughout the year by means of a thermal loop system that is heated as a byproduct of the HyAxiom fuel cell's production of electrical power.

On November 18, 2020, the Authority found that pursuant to Conn. Gen. Stat. § 16-1(a)(20), the fuel cell facility qualified as a Class I renewable energy source. The fuel cell was accepted into the Low Emissions Renewable Energy Credit ("LREC") Program, and it is subject to a 15-year contract under which NuPower sells Renewable Energy Certificates ("RECs") generated by the facility to UI. The BESS will participate in the Energy Storage Solutions ("ESS") Program, a statewide program administered by the Connecticut Green Bank along with the electric distribution companies that provides customers with incentives to install energy storage and use it to the benefit of the grid and electric customers. While the primary purpose of the BESS will charge from the fuel cell, it will have incidental capability to charge from and discharge to the grid. As a condition to its participation in the ESS Program, the BESS is required to have the capability to periodically discharge to the grid during passive and active dispatch events to earn

incentives or compensation. Additionally, during grid outages, the BESS will serve as a back-up source of power for the Cherry Street Complex.

It is UI's understanding that the use of the fuel cell and battery storage system together will meet the requirements for the location to remain eligible to continue taking service under Rate GST with the applicable NE Rider, and to perform under the terms of its existing LREC contract, based on NuPower's representations. UI reserves the right to change this position if UI learns that any incidental charging or discharging of the battery system exceed the requirements to comply with ESS program incentives.

Interconnection Requirements

The Parties have agreed that the Project will have a multi-meter configuration, where each system will have its own meter. The fuel cell system will maintain its master-metered configuration that aggregates two feeders and a REC meter, thereby allowing the measuring of RECs generated by the fuel cell system, the supplemental service sold to NuPower, and the kilowatt hours purchased by UI. The BESS will have its own revenue grade meter that will measure production. The agreed Project configuration will ensure the accurate accounting of loads and exports for each system. The Project is subject to the applicable PURA approved interconnection processes and studies.

Project Compensation Rates

As previously discussed, NuPower sells the fuel cell facility's net output and RECs to UI. More specifically, RECs are sold under the terms of the LREC Program contract and net-metered energy is sold under the terms of the Distributed Generating Facility Net Energy Rider NE (the "NE Rider"). This rider is available to any distributed generating facility on a customer's premises with installed nameplate capacity of 500 kW or less if fueled by a Non-Class I renewable energy resource. As a 440 kW Class I renewable energy source, the fuel cell facility is eligible for the NE Rider. The Parties have agreed that consistent with applicable law and the policy goals of the LREC and ESS programs,[1] after the installation of the BESS, there will not be a change in the fuel cell facility's designation as a Class I renewable energy source and its eligibility for the specified

[1] Conn. Gen. Stat. § 16a-3m authorizes the Commissioner of Energy and Environmental Protection to issue one or more solicitations for zero-carbon electricity generating resources, including but not limited to Class I renewable energy resources and energy storage systems. *See* Conn. Gen. Stat. § 16a-3m(d). The Zero Carbon Request for Proposals ("RFP") issued pursuant to Conn. Gen. Stat. § 16a-3m, among others, requested proposals for "Paired and Co-located Energy Storage Eligible Projects" and defined these projects as energy storage systems that store energy produced by a "Qualified Zero Carbon Energy" resource, which includes Class I renewable energy resources, as defined in Conn. Gen. Stat. § 16-1(a) that produce no emissions. *See* RFP from Private Developers for Zero Carbon Energy, Issued February 11, 2026. Therefore, as contemplated in the energy procurement statutes, the pairing or co-location of a fuel cell system with an energy storage system, does not result in the former losing its Class I renewable energy source status. This practice is also consistent with court precedent, in which the Superior Court of Connecticut clarified that a fuel cell did not lose its categorical tax exemption as a Class I renewable energy source merely because it included ancillary equipment. "It is absurd to adopt an interpretation of § 12-81 that results in a fuel cell sacrificing its categorical tax exemption just because it includes an HSRG." *See FuelCell Energy, Inc. v. Town of Groton*, No., 2021 WL 6551795, at *4 (Conn. Super. Ct. Dec. 22, 2021), *aff'd*, 350 Conn. 1, 323 A.3d 268 (2024).

tariff. Accordingly, NuPower will continue to sell the fuel cell facility's RECs under the terms of its contract, and it will continue to net-meter energy in accordance with the NE Rider.

The Parties thank EOE for their assistance throughout this mediation process. Should you have any questions concerning this letter, please do not hesitate to contact me.

Very truly yours,

Daniel R. Canavan

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Harris Beach Murtha, on behalf of
NuPower Cherry Street FC, LLC

Harrison Robbins-Pesce

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