STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY

ANNUAL REVIEW OF STATEWIDE SHARED CLEAN ENERGY FACILITY PROGRAM REQUIREMENTS – YEAR 8	**:**	**DOCKET NO 26-08-04**
	:	**SEPTEMBER 14, 2026**

RESPONSE TO AUTHORITY'S REQUEST FOR WRITTEN COMMENTS ISSUED AUGUST 25, 2026

Verogy Holdings, LLC ("Verogy") respectfully submits the following written comments to questions issued by the Public Utilities Regulatory Authority ("The Authority") dated August 25, 2026, intended to align the SCEF program with Program Objectives[1] and other Connecticut climate goals.

Please find Verogy's comments below:

1. **PROCUREMENT PRICE CAPS**

   a) Comment: Verogy asserts that since the issuance of the SCEF Year 7 Final Decision on December 17, 2025, there have been significant changes to circumstances entirely outside of the control of SCEF 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 began increasing module 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

[1] The objectives (Program Objectives) outlined in the Year 5 SCEF Final Decision include:
1. Annually and cost-effectively procure up to 50 megawatts of SCEFs, as defined in Conn. Gen. Stat § 16-244z;
2. Provide savings to specific categories of customers, particularly customers with low- to moderate-income (LMI), low-income service organizations, and customers who reside in environmental justice communities; and
3. Lower or eliminate barriers to entry for Subscriber Organizations, if and when possible.

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

module price is less certain at this time). Depending on the exact design and equipment spec of a non-canopy SCEF 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 SCEF Year 7 price cap amounting to a price cap of $192.09 - $196.66/MWh.

Beyond the imposition of the Section 232 Tariffs, Verogy suggests that other factors, either entirely or largely outside of the control of SCEF Project Developers, justify further price cap increases. These include increasing interconnection costs with no effective way to 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. Lastly, the cost of financing for these renewable energy projects (along with all infrastructure projects) has significantly increased driven primarily through the precipitous rise of interest rates—as of the date of this filing the US 10-year Treasury exceeded 5% in intraday trading (a ~20% increase over a one-year period).

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

Verogy notes that results from the Eversource Year 7 SCEF procurement indicate that competition, not price caps, will likely provide the upper bound of selected bid prices for SCEF Year 8. Notwithstanding the Year 7 SCEF results, increasing price caps to account for verifiable changed circumstances such as the Section 232 Tariffs, the Middle East conflict, and the cost of financing will ensure program viability in Year 8.

2. BUDGET REALLOCATION

a) Comment: Verogy supports re-allocating the combined $15,574,645.44 SCEF budget to the standard 80/20 share between Eversource and United Illuminating service territories. Verogy asserts that doing so would provide more program funding for a larger number of viable SCEFs

in the geographically larger Eversource territory without posing a threat to SCEF Year 8 viability for projects sited in the United Illuminating territory which was undersubscribed in the Spring SCEF Year 7 procurement. Notably, Verogy asserts that any unallocated program budget or capacity following the conclusion of the SCEF Year 7 Fall United Illuminating procurement should also be re-allocated using an 80/20 split between Eversource and United Illuminating, rather than exclusively rolling forward to the Year 8 United Illuminating budget and capacity limits.

3. BID PREFERENCES

a) Comment: Verogy suggests that the current bid preference levels of 40% for solar canopy projects and 20% for landfill or brownfield projects are appropriate and should be maintained for SCEF Year 8.

However, Verogy asserts that landfill or brownfield SCEFs should be able to bid above any general program price cap so long as the evaluated bid price is below general price cap in the same manner solar canopy projects. Verogy's rationale for this suggestion is three-fold. First, this paradigm is already in place for SCEF Canopy projects. Treating Bid Preferences differently depending on the technology type causes confusion for Subscriber Organizations contrary to Program Objective 3 in the same way that having different price caps for different project types caused confusion in previous program years as PURA alluded to in its SCEF Year 6 Final Decision in Docket 24-08-04 dated December 11, 2024 (see Section III.C.2.c of Year 6 Final Decision[3]). Second, the Brownfield & Landfill bid preferences are location-based Bid Preferences intended to drive SCEF deployment to previously disturbed sites (with little alternative use) and away from greenfield sites. Therefore, Landfill and Brownfield SCEFs have the same "unique environmental benefits" as Solar Canopies cited by PURA in its SCEF Year 5 Final Decision filed December 6, 2023 in Docket 23-08-04 (see Section III.C.2.c of Year 5 Final Decision[4]). Third, similar to Solar Canopies, SCEFs sited on Landfill & Brownfield sites carry additional costs compared to greenfield projects. For example, Landfill SCEFs must utilize specialized racking & monitor gas wells while Brownfield SCEFs may be required to conduct site remediation and dispose of contaminated soils appropriately.

[3] SCEF Year 6 Final Decision
[4] SCEF Year 5 Final Decision

Therefore, Brownfield & Landfill SCEFs should be able to bid above an existing price cap in order to streamline the SCEF program design, drive SCEF deployment toward pre-disturbed areas, increase project type diversity and offset the additional costs carried by Landfill or Brownfield SCEFs thereby accomplishing Program Objectives 1 & 3.

To justify the 20% bid preference and the ability for Landfill or Brownfield SCEFs to bid above the general price cap, Verogy refers The Authority to its 2024 confidential Appendix B filings submitted to DEEP during the SCEF Year 5 procurement. These filings included Appendix B submissions for one landfill (SCEF5-8747) and one greenfield (SCEF5-8754) project. Since these projects were bid into the same auction period, they were developed under similar market conditions. As can be seen in section B2.1 of the respective confidential Appendix B filings, the anticipated cost of the Landfill project was 18.4% higher than the anticipated cost of the greenfield project, almost identical to the 20% bid preference. However, despite having an 18.4% higher build cost, the Landfill project was subject to the same effective price cap as the greenfield project. Verogy asserts that as market conditions evolved since Program Year 5 and inflation continued to drive up build costs, the general price cap has become prohibitive for Landfill or Brownfield projects, thus requiring that these projects be able to bid above the general price cap in a manner similar to Canopy projects for the reasons stated above.

Verogy notes that should the annual budgetary program cap be retained it would provide protection against ratepayer impact if Brownfield and Landfill projects were allowed to bid above the general program price cap.

4. PROGRAMMATIC CHANGES

a) Comment: As stated in its comments submitted June 24, 2025, in the subject docket, Verogy asserts that the slope restrictions specific to the SCEF program should be removed entirely.

Verogy asserts that removing the SCEF program-specific siting restrictions would in fact better align the SCEF and NRES programs, as the NRES program does not have any program-specific siting requirements. In its response to CAE-3 in the subject docket, DEEP states that “Projects participating in SCEF are more akin to grid-scale projects because there

are no requirements that the projects be sited close to load, unlike the Nonresidential Renewable Energy Solutions program." Verogy suggests that while DEEP's assertion may hold true for Small and even some Medium NRES projects up to 1 MWac, where NRES systems are often sited on customer premises, many Medium and nearly all Large NRES projects are off-site SAM projects, with Beneficial Account load being physically distant to the Project Site. In reality, nearly all NRES projects exceeding 1 MWac are physically identical to SCEF projects in that they are land-based off-site projects, and therefore similar to "grid-scale projects" yet are not beholden to any program-specific siting criteria.

Further, as described in Verogy's previous comments in the subject docket, the SCEF-specific siting criteria ultimately decrease the number of viable SCEF Project Sites (or decrease the capacity deployable at a given Project Site) even for projects that would be in full compliance with existing extra-programmatic permits and requirements such as the CT DEEP Construction Stormwater General Permit or Connecticut Siting Council permits. Verogy notes that all SCEF (and NRES) projects over 1 MWac must already go through review by DEEP specifically (amongst other reviews) in order to be permitted. Therefore, since DEEP must already review SCEF projects, maintaining any SCEF program-specific siting criteria is duplicative and ultimately to the detriment of in-state distributed generation deployment, and removing this requirement from the SCEF program specifically does not undermine DEEP's existing permitting authority.

Lastly, as with nearly any review processes, it is ultimately more cost and time-efficient to have only a single review process rather than duplicative processes. Requiring only one review process would reduce the administrative costs and time of the SCEF program to the benefit of Connecticut taxpayers and ratepayers.

Therefore, in order to align the NRES and SCEF programs for similar projects, increase deployable distributed generation capacity, and streamline the permitting process of all SCEF projects without undermining DEEP's existing permitting authority, Verogy asserts that the SCEF program-specific siting requirements be removed entirely.

5. PROGRAMMATIC ISSUES

i. Comment: Notwithstanding any commentary above, Verogy strongly asserts that the budgetary program cap imposed in SCEF Year 7 creates a barrier of entry for projects that would otherwise be eligible for the SCEF program and economically feasible under the program price caps and statutory annual procurement limit of 50 MWac, running contrary to Program Objectives1 & 3. 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"[5] (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 SCEF 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 more clear that the purpose of the megawatt cap for the SCEF and NRES

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

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 such measures, was to reduce ratepayer costs.[6] When in fact, the most significant cost increase faced by Connecticut ratepayers is caused by a dearth of in-state energy supply and lack of additional generation capacity development. Ultimately, by effectively replacing the megawatt program cap, The Authority contradicts plain statutory language and legislative intent which has the effect of increasing the cost of electricity for Connecticut ratepayers.

Beyond running counter to statute and clean energy goals, the Eversource SCEF Year 7 procurement results[7] clearly demonstrate that the budgetary cap is acting as a barrier to entry to otherwise viable SCEFs. Without any budgetary or capacity allotment from terminated projects, Eversource would have been allocated 40 MWac of procurement capacity. However, the budgetary allotment of $9,864,740.81 was enough to support only 30.97 MWac of actual SCEFs, meaning that without the budgetary allotment from terminated projects, approximately 9 MWac of eligible and cost-competitive SCEFs would have been denied an award, an amount equating to 22.5% of Eversource's 40 MWac capacity allotment. See Attachment 1 accompanying this filing for reference.

Verogy asserts that The Authority should entirely remove the budgetary program cap and revert exclusively to a megawatt cap for SCEF Year 8, as the budgetary cap hampers Program Objectives 1 & 3 and was established without proper authorization or process.

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[6] 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 2024.4 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."

[7] Eversource Docket 25-08-04 Motion for approval Orders 9 & 10

I certify that a copy of this submission has been filed with the Authority as an electronic web filing and is complete. Verogy thanks the Authority for the opportunity to provide written comments for consideration in the SCEF Year 8 program development.

Respectfully submitted,



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