Via Electronic Mail
July 9, 2026

Mr. Jeffrey Gaudiosi
Executive Secretary
Public Utilities Regulatory Authority
10 Franklin Square, New Britain, CT 06051

RE: CT Docket 26-08-05, Annual Energy Storage Solutions Review - Year 6

Dear Mr. Gaudiosi,

The Alliance for Climate Transition ("ACT"), the Solar Energy Industries Association ("SEIA"), and the Coalition for Community Solar Access ("CCSA") (collectively, the "Energy Storage Industry Commenters" or "Commenters") submit these comments in response to the Notice of Request for Written Comments issued by the Public Utilities Regulatory Authority ("PURA" or the "Authority") in Docket No. 26-08-05, Annual Energy Storage Solutions Program Review – Year 6 (the "Notice").

ACT is the trusted business voice of the climatetech and clean energy industry in the Northeast – convening companies, investors, and policymakers and advocating for pragmatic, business-informed policy so members can grow and deploy at scale.

SEIA is the national trade association for the solar and storage industry, leading the transformation to a clean energy economy. SEIA works with its 1,200+ member companies and other strategic partners to fight for policies that create jobs in every community and shape fair market rules that promote competition and the growth of flexible, reliable, low-cost solar power and storage.

CCSA is a national trade association originally founded to expand access to energy through community solar. Today, our mission is to empower every American energy consumer with the option to choose local, clean, and affordable distributed solar and storage, including community solar. We work with customers, utilities, stakeholders, and policymakers to develop and advance policies and best practices that ensure front-of-the-meter distributed solar and storage programs deliver benefits for customers, communities, and the grid.

The Commenters focus these comments on two questions raised in the Notice: the proposed enrollment incentive clawback, and the development of a retail time-of-use rate for standalone front-of-the-meter storage.

Introduction and General Comments

The Commenters appreciate the Authority's annual review of the ESS Program and its continued attention to whether the Program remains aligned with the objectives established in the Storage

Decision[1] and on track to meet its deployment targets.

Storage will play an increasingly important role in managing the costly impacts of peak demand and supporting the addition of solar and wind power to the grid. A central requirement for programs like this one is financeability. Sound policies and rate structures that fairly compensate projects for the benefits they provide to the grid, including retail components, are what make storage projects financeable in practice.

The Commenters represent a diverse set of ESS Program participants, and the value propositions, challenges, and business models across market segments vary considerably. Even so, there is strong agreement across that membership on the need for program continuity and predictability.

1. Enrollment Incentive Clawback

The Commenters thank the Authority for deferring the enrollment incentive clawback question to this year's program review, allowing stakeholders an additional opportunity to comment on whether a clawback makes sense for this program. The Commenters share the concerns the Program Administrators raised in their January motion for reconsideration and urge the Authority not to implement a clawback for this program. The cost of administering a clawback may exceed what it would recover, would not serve as an effective mechanism to prevent disenrollment, and the customers most likely to be subject to one are typically not at fault for their disenrollment.

1a. Do ratepayer benefits of a clawback outweigh costs to participants and administrators?

The Program Administrators explained this past January in their Joint Motion for Reconsideration and Clarification of the Motion No. 15 Ruling[2] that most standard customers receive $30 per kWh as an enrollment incentive, therefore making a typical enrollment incentive about $780 since average battery capacity for the program is 26 kWh. They estimate that administrative costs to implement any sort of clawback program would outweigh the costs that would be recovered.

For example, if a standard residential customer with a single 13.5 kWh battery disenrolled from the program after year 6, they would be required to return $156 under a clawback structure. Obtaining this amount years after the battery was enrolled in the program would require administrative resources to track disenrollment, calculate the clawback amount, conduct outreach to the individual customers/OEMs/third-parties who received the enrollment incentive, and receive the payment from the applicable party. Those administrative costs would flow back into the program costs and ultimately be recovered from ratepayers.

Removal of the clawback for underperformance under the Passive Dispatch construct was a critical program design change in last year’s annual review docket and is expected to increase participation in the program. Re-implementing a clawback, even if not tied to specific performance requirements, would unnecessarily increase risks to participants.

[1] Docket No. 17-12-03RE03, *PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Electric Storage*, Final Decision (Jul. 28, 2021) ("Storage Decision")
[2] Docket No. 25-08-05, *Annual Energy Storage Solutions Program Review – Year 5*, Program Administrators' Joint Motion for Reconsideration and Clarification of the Motion No. 15 Ruling (filed Jan., 2026)

1b. Does a clawback actually protect ratepayers, or does it mainly create chilling effects on enrollment?

A clawback that costs more to administer than it recovers does not merely fail to protect ratepayers, it risks costing them twice over. First, as discussed above, the clawback's administrative cost exceeds what it would recover. Second, implementing one anyway would likely suppress enrollment. Customers weighing whether to install a battery and enroll in the program would face a policy under which participation carries a repayment risk in the event of manufacturer bankruptcy, and an unresolved risk in the event of the participant moving or a change in battery ownership. That risk is difficult to price into a purchase decision, and prospective participants may respond by discounting the enrollment incentive's value or declining to enroll at all. A clawback aimed at protecting ratepayers could instead cost them twice, once in the administrative expense of running it, and again in the storage deployment it deters limiting overall program and ratepayer benefits.

The Notice states that the enrollment incentive was conditioned on continued participation in the ESS program over the 10-year enrollment term, but not conditioned on performance in the active dispatch portion of the program. In other words, the clawback would apply to a project that disenrolls from the program but not for a project that remains enrolled but does not participate in any active dispatch events. Functionally, there is no difference between those two situations and therefore the former should not be subject to a clawback. As described below, loss of performance payment revenue from non-performance is the most effective motivator of battery participation over duration of enrollment. Clawbacks from disenrollment or non-performing batteries would hamper program efficacy.

We expect that disenrollment from the ESS program will be rare. Under Construct 5, the vast majority of compensation is provided through performance payments to ensure ratepayers are paying for value that is provided. Because the enrollment incentive is very modest – as little as $380 for a single battery – and the enrollment process requires substantial effort to complete in order to actually receive the enrollment incentive (approval as an eligible contractor or TPO, completing enrollment application with the Connecticut Green Bank, and connecting the battery to the DERMS), it is highly improbable that an entity would enroll customers merely to receive the enrollment incentive and then subsequently unenroll the customers. The Authority should consider pausing evaluation of any penalties—whether on the customer, installer, or TPO provider—attached to the enrollment incentive unless participation data confirms a penalty is necessary to stem disenrollments. Given that ESS was overhauled as of this past April, there has not been sufficient time to evaluate the need for such a clawback.

From a financial perspective, it is the loss of performance payment revenue that is the more effective deterrent to disenrollment. For most systems, the lost performance revenue from a single year will exceed the total enrollment incentive. If a customer is willing to disenroll and forego that performance revenue, a clawback of the prorated enrollment incentive is not going to meaningfully deter disenrollment. If the clawback is not serving as a meaningful deterrent nor is cost-effective for ratepayers, it is doubtful that a clawback would provide benefits to ratepayers.

2. How responsibility for repayment should be allocated in cases of early disenrollment?

As stated above, we do not believe that a clawback is necessary, effective, or cost-beneficial. If a clawback were instituted, it should apply to the entity that received the enrollment incentive and should be prorated for the remaining years in the enrollment term.

3. Whether such a requirement should apply universally or be limited to particular customer classes or incentive thresholds?

A clawback should not be applied to any participants. For C&I Priority and Standard Residential customers the enrollment incentive amount is very modest at $10/kWh and $30/kWh respectively. Grid Edge Residential customers receive a higher $130/kWh enrollment incentive that can result in a $1,700-$3,400 payment. Despite this higher enrollment incentive, implementing a clawback for grid-edge customers would be inconsistent with the ESS Program objectives.

Program Objective #4 is to "Prioritize delivering increased resilience" to low-and-moderate income households, environmental justice communities, public housing authorities, medical customers, critical facilities, and grid-edge customers who experience more frequent and longer duration outages.[3] This objective is distinct from the program objectives regarding providing benefits to the electric grid and a positive net present value for ratepayers. Implementing a clawback that may only apply to grid-edge customers would unnecessarily increase participation risk and serve as an impediment towards delivering increased resilience for grid-edge customers.

Delivering on Program Objective #4 is based on deploying batteries to those customers, which is independent from the batteries performance during active dispatch events. Applying a clawback provision to these customers would inject the uncertainty discussed above but to a higher degree, given the higher inventive level, subjecting the customers and grid areas most in need of battery deployment to the greatest disincentive.

2. Front-of-the-Meter Storage Retail TOU Rate

The Commenters appreciate the Authority's decision to more closely examine the gap identified in Docket No. 25-02-14.[4] The Commenters agree that the EDCs' Wholesale Distribution Access Tariffs (WDATs) facilitate FTM storage to purchase energy for sale into wholesale markets, but that they do not facilitate standalone FTM storage to purchase and sell energy solely at retail rates. A bidirectional rate design for FTM storage may open new pathways by which FTM could deliver value to Connecticut ratepayers and the region. Therefore, the Commenters would strongly support the Authority directing the EDCs in a future proceeding to develop bidirectional TOU rates for standalone FTM storage to support its effective integration and operation.

In this proceeding, the Authority should work towards a rate under which standalone FTM storage can both purchase energy from, and sell energy to, the EDCs as a retail counterparty, with each direction of flow priced on cost-based and time-differentiated terms. Unlike the WDAT, which by design is a one way tariff, the value of a bidirectional TOU concept lies in completing both halves of the transaction

[3] Docket No. 17-12-03RE03, *PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Electric Storage*, Final Decision (Jul. 28, 2021); reaffirmed in Docket No. 25-08-05, *Annual Energy Storage Solutions Program Review – Year 5*, Decision (Dec. 17, 2025).

[4] Notice, at 3 (noting that "the record in Docket No. 25-02-14, *Renewable Energy Tariff Programs Successor Study*, indicated that the WDAT framework is limited in scope" and "do[es] not provide a mechanism for FTM storage resources to purchase energy from the EDCs at retail") (citing PURA Corresp., Feb. 27, 2026, Docket No. 25-02-14, at 106).

together under one tariff to ensure that the signals to inject and withdraw energy from the system minimizes cost and maximizes benefit, allowing for the efficient operation of the energy storage facilities. This would include developing rates for supply, transmission, local delivery, and potentially other charges.

That said, the Authority does not need to design this rate from a blank page. The rate architecture that FERC accepted in the EDCs' WDAT filings provides a proven template on which to build for a retail rate: a storage only customer class; voltage differentiated cost allocation limited to the substation and primary distribution facilities a primary connected facility actually uses; time of day demand charges derived from a probability of peak study; and a cost based fixed customer charge. The Commenters recommend that the retail rate adopt this architecture for local delivery, while building out a bidirectional rate structure for supply and transmission as discussed in the sections below.

Because the Authority has indicated that an incremental incentive is not contemplated at this time, the retail rate should recognize any potential costs from storage operation, as well as the benefits. Whether Connecticut ratepayers realize the system benefits and long-term cost control that FTM storage can provide depends on the retail rate being designed to encourage storage to operate in such a way to provide those system benefits.

2a. Rate structure

The Commenters propose a bidirectional rate design that both charges or compensates energy storage for injections or withdrawals based on the impact on the system. During high stress hours, the tariff would charge withdrawals at a high price and credit injections at a high price. During low stress hours, the tariff would charge withdrawals at a low price and credit injections at a low price.

For the energy supply portion of the rate, we propose mirroring wholesale LMPs, billed hourly, with hourly exports credited at LMP. Hourly pricing is a well accepted construct in retail markets that aligns the costs imposed on a project with the costs it causes. The Commenters are explicit that this is a supply side design. Consistent with the WDAT design, the distribution portion of the rate should contain no volumetric delivery charge; volumetric charges should be limited to supply and to whatever nonbypassable charge treatment results from the threshold analysis described above.

For the local delivery portion of the rate, we recommend aligning with the WDATs. Projects should incur demand charges based on the timing and magnitude of charging from the grid. Similarly for transmission, we recommend that these charges be based on demand and not a volumetric basis, as the EDCs incur these charges based on peak demand.

We also recommend that projects be able to receive a negative demand value (i.e., receive compensation) for discharge during the monthly ISO New England peaks. There is precedent for such a mechanism in Illinois where Commonwealth Edison allows an individual customer's Peak Load Contribution (PLC) and Network Peak Load Contributions (NSPL) to be negative. The negative PLC and NSPL reduces the utility's capacity and transmission obligation and results in a credit to the customer for their contribution to the reduction.[5]

[5] PJM Interconnection, L.L.C., Open Access Transmission Tariff, Attachment M-2 (ComEd), *available at* https://agreements.pjm.com/eTariff/transformedTariffs/oatt/Sections/18111.html.

This mechanism is not an incentive and does not disturb revenue neutrality. Monthly regional network load peaks drive Connecticut's transmission cost allocation and compensating resources for discharging during those hours reduces the network load and the state's cost allocation. Crediting verified peak hour performance passes through an actual, measurable cost reduction to Connecticut ratepayers. The credit should settle against metered performance in the identified peak hour, not against forecast peaks. This will ensure the rate remains revenue neutral as resources would only be compensated for the actual rate benefits delivered.

On capacity, a standalone FTM facility participating in wholesale markets can monetize capacity value through the Forward Capacity Market, and no attribute should be compensated twice across the retail and wholesale channels. The Commenters note, however, that many distribution connected facilities taking service under a retail tariff may not participate directly in wholesale markets, and for those facilities the retail construct is the only channel through which capacity value can be recognized. The Authority may wish to preserve, as a stakeholder process topic, whether EDC administered compensation options should be available for capacity contribution, whether through enrollment in existing or successor demand response programs or through a netting style crediting construct for verified peak performance. The Commenters do not press a specific mechanism here; the design principle is simply that each attribute is compensated once, through whichever channel the facility actually uses.

As it relates to revenue neutrality, the inputs for this retail tariff must be rebuilt on the EDCs' PURA-authorized retail revenue requirements and retail cost of service studies rather than the FERC Form 1 basis, FERC approved depreciation rates, and FERC cost of capital used in the WDAT cost support. Revenue neutrality can only be measured against the correct jurisdiction's costs.

Lastly, the Commenters would recommend that the Authority explicitly add an additional item to the scope of the proceeding: the treatment of volumetric nonbypassable charges, including the Systems Benefits Charge, FMCC, CTAC, EAC, and treatment under the revenue decoupling mechanism. The WDAT revenue requirement excludes these charges as a matter of jurisdiction. A retail customer cannot simply be exempted from statutory charges, but applying volumetric public policy charges to storage charging produces double payment: the same energy pays these charges once when the storage facility charges and again when it is delivered to the ultimate retail consumer. The Commenters recommend the Authority direct the EDCs to evaluate, as part of rate development, a demand basis or net throughput basis for applying these charges to the storage class. No other single design decision will do more to determine whether a revenue neutral retail rate is commercially workable.

2b. Alignment with the EDCs' WDATs;

The coordination principle established in the discussion of revenue neutrality applies directly here. The retail TOU periods do not need to replicate the WDATs' wholesale TOU periods. What they need to produce, together with the WDATs, is a rate structure that functions as one system: the cost of charging during low-cost retail windows should be meaningfully lower than the compensation available for discharging when electricity matters most to the grid. That spread, rather than the precision of alignment between retail and wholesale period definitions, is what determines whether an FTM storage project is commercially viable.

The Commenters do recommend one consistency requirement: the retail and WDAT peak definitions should not actively conflict. A facility should never face a retail window that labels an hour off peak while the WDAT labels the same hour peak, because conflicting signals produce incoherent dispatch.

2c. Metering requirements*:*

Metering requirements for the retail TOU rate should be kept simple. Under the WDAT, jurisdiction requires separately metering Wholesale Charging Load and Station Service Load. Under a pure retail construct, everything at the meter is retail service. However, there may be certain charges that are only appropriate to be applied to station service load and not charging load. We therefore encourage further exploration of whether separate metering is required in order to apply certain charges only to station service and not charging load. Adding a second meter would increase project cost and complexity and should only be required if it is not possible to determine station service load by netting the charging and discharging energy at the retail meter.

Standalone FTM storage should not be required to install separate metering equipment where existing single-meter arrangements can already support the rate. Existing AMI interval data is sufficient to administer TOU demand billing and hourly LMP settlement. Where a facility has an interconnection approved meter in place, re-metering should not be required.

2d. Eligibility criteria for participation

The Commenters recommend eligibility be defined as standalone, front-of-the-meter, distribution connected energy storage, with no minimum size threshold. This matches the scope the Authority identified and the gap in the record from Docket No. 25-02-14.[6]

The class customer charge should follow the WDAT logic of recovering only customer account costs actually caused by the class. The Commenters note that the WDAT cost support nets the uncollectible accounts expense out of the customer charge basis, and we recommend the same treatment here. A small class of sophisticated commercial counterparties should not be allocated the retail system's bad debt.

2e. Stakeholder process and EDC timeline

Several of the technical questions raised in this docket require a thorough stakeholder process to resolve; a well-designed retail rate is a precursor to a successful market, so we encourage the appropriate level of process to ensure a good outcome. That process should be substantive enough to let parties work through complex technical issues with the depth those issues require. A written comment cycle alone would not be sufficient for questions like TOU period definitions and coordination with the WDATs, which benefit from direct engagement between the EDCs and the parties who will operate under the resulting rate.

The Commenters request a stakeholder process that allows parties to engage on the specific components of the proposals as they are developed. A technical conference, or a comparable working session format, would allow the EDCs and stakeholders to work through implementation issues directly.

[6] Notice, at 3

The Commenters recommend the Authority establish a clear timeline with established deadlines that provides ample time for stakeholder engagement while also keeping the tariff development process progressing steadily forward. We recommend the following timeline:

- Authority Order establishing a docketed proceeding to develop FTM bidirectional retail rates - August 15, 2026
- 30-day public comment period on Order - closing September 15, 2026
- Authority Order directing EDCs to develop tariff proposals in 90 days - October 1, 2026
- EDC tariff proposals - due December 31, 2026
- 30-day public comment period on proposals - closing February 1, 2027
- In-person technical conference - February 15, 2027
- Final Authority Order establishing tariffs & implementation date - March 31, 2027

The Commenters thank the Authority for your consideration and commitment to advancing cost-effective energy storage solutions as a key part of Connecticut's clean energy, affordability, and grid resilience objectives. Now more than ever, state leadership is vital, and storage is key to our clean, reliable and affordable energy future.

Sincerely,

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