Energy Storage Solutions

Year 5

Annual Review

Summary Proposed Program Manual Modifications

August 1, 2026

Introduction

This report outlines certain Program modifications that have been jointly agreed upon by all three Program Administrators—Connecticut Green Bank, United Illuminating ("UI"), and Eversource--(collectively referred to as the Program Administrators or "PAs"). In places where the PAs are not in full agreement, the PAs have noted the differing opinions in the recommendations below. More substantial changes currently under consideration in this docket, such as bidirectional EVs, will necessitate significant revisions to the Program Manual. The PAs will collaborate to update the Program Manual following the issuance of a final decision.

Energy Storage Solutions ("ESS", or the "Program") was established on January 1, 2022 as a result of the Connecticut Public Utilities Regulatory Authority (the "Authority", "PURA") issuing a final decision on July 28, 2021 in Docket No. 17-12-03RE03 - PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Electric Storage ("Decision"), which established a nine-year electric storage program, which shall be available to all customers and customer classes within the service territories of Eversource and United Illuminating , collectively, the electric distribution companies ("EDCs") [1]. The Decision also established the EDCs and the Connecticut Green Bank ("Green Bank") as Program Administrators.

On December 17, 2025, the Authority issued a final decision in Docket No. 25-08-05 – ANNUAL REVIEW OF THE ELECTRIC STORAGE PROGRAM – YEAR 5, which included the following order, requiring the Program Administrators to provide the following as stated (emphasis added):

> *"Reference Decision, Dec. 21, 2022, Docket No. 22-08-05, Order No. 3, p. 38: No later than August 1, 2022, and annually thereafter until the ESS Program stops accepting new enrollments, the Program Administrators shall submit an annual report summarizing the Program results to date, including an updated BCA using AESC counterfactual one and an updated BCA calculator and including a CT specific RIM score,* ***and recommendations for any Program modifications to the ESS Program documents including the Program Manual, providing both a clean and a redlined version of all documents and an accompanying narrative document explaining how the recommended changes would help achieve the Program Objectives, which may also be the annual report, in the relevant Annual Review proceeding*** *(i.e., in Docket No. 23- 08-05 on August 1, 2023, etc.). …"*

This document constitutes the fifth Annual Program Administrator's recommendations for Program Manual modifications based on lessons learned from Year 5.

[1] Connecticut Public Utilities Regulatory Authority, Final Decision, Docket No. 17-12-03RE03: PURA Investigation Into Distribution System Planning of the Electric Distribution Companies-Electric Storage, issued Jul. 28, 2021

Summary and Narrative of Proposed Program Manual Modifications

1. Glossary, Clarifications, Redundancy, and Typographical Corrections

The PAs made several additions to the Defined Terms in Section 1 (*Program Glossary*"). Notably, to reduce word count, provide clarity and consistency, the Program Administrators created a defined term for "Eligible Providers" which encompasses Eligible Contractors, TPOs, Aggregators, Operators, and OEMs.

Throughout the Program Manual, edits were made to reference the new definition of Commercial Operation Date and Eligible Provider. Additionally, some clarifications were made to ensure the proper and sometimes unambiguous use of the terms "Customer", "System Owner", and "Participant". Other edits reduced word count, provided clarity, and/or reduced complexity throughout the Program Manual and t changes are made in the redline version. These changes help support Program objectives 3 and 5.

2. Relocation of Passive Dispatch Information

In the Year 5 Final Decision[2], the Authority ordered the Program Administrators to discontinue the enrollment of new Passive Dispatch customers on April 1, 2026. Since the Year 5 Program Manual was set for release in January 2026, the Year 5 Program Manual was required to include enrollment information for both Passive Dispatch and Construct 5, which led to the document being lengthy and difficult to understand. As new Passive Dispatch enrollment phased out in Year 6, much of the Passive Dispatch information throughout the Program Manual has been relocated to **Supplement A** to serve as reference for existing customers. These changes help support Program objectives 3 and 5.

3. Performance Incentive Payment Frequency and Clarification of Seasonal Payment Amounts

Due to technical restrictions within the Electric Distribution Companies' (EDC_ Distributed Energy Resource Management Systems (DERMS), the EDCs reported that it would be difficult to make a single annual payment of Performance Incentives to customers. The EDCs recommend reverting to two seasonal payments to Battery Energy Storage System (BESS) owners each year, and the Program Manual has been adjusted to reflect this. Pending PURA's approval, Green Bank will remove this option from the Customer Enrollment application workflow and notify any customers who have opted for a single payment[3] that they will receive two seasonal payments. As of July 28, 2026, there is 1 submitted project and 5 approved projects where customers have opted for a single annual payment rather than seasonal.

In the 25-08-05 Final Decision, PURA indicated that the Annual Performance Incentive would be allocated at 11% to the winter performance incentive and 89% for the summer incentive, which

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[2] https://www.dpuc.state.ct.us/dockcurr.nsf/4b3c728dd1c0d642852586db0069aa70/5dfd10f7c319dfec85258be90050bf9c/$FILE/240805-120424.pdf

[3] Refers to applications that have the *Performance Payment Frequency* field set to "Annual" rather than "Seasonal".

would result in Underserved and Low-income Payment Amounts of $49.50 (winter) / $400.50 (summer) and $60.50 (winter) / $489.50 (summer) per the average kW dispatched, respectively. For administrative simplicity, the Program Administrators propose using a whole number for the Underserved and Low-Income rates. This results in Underserved Customers receiving incentives in the amounts of $50 (winter) and $400 (summer). Low-income customers will receive $60 (winter) and $490 (summer) per average kW dispatched.

4. Enrollment

Edits were made in *Section 3: Enrollment* to clarify Enrollment types and methods. Clarifications include removal of Passive Dispatch/Construct 5 designations for certain enrollment types, clarification of interconnection requirements, and re-ordering of steps for accuracy. In the Self-Enrollment section, edits were made to clarify the use cases for self-enrollment, and to specify that customers of TPO systems cannot utilize this process because the self-enrollment process does not collect all of the information needed.

Additionally, a provision was added that the Green Bank may periodically modify the Customer Enrollment process in a manner that improves efficiency for users while maintaining the same required information for the Program.

Section 3.3 *Customer Enrollment Process – Transfers from ConnectedSolutions* was modified to allow for the transfer of projects from ConnectedSolutions into ESS. As these projects are much older they may not be able to meet all of the requirements of ESS and some accommodations needed to be made.

Section 3.10 *Transfer of Enrollment* was modified to require that the *original* property owner/occupant must notify the Program Administrators of the change in ownership (rather than the new occupant, who may not be aware of the BESS's enrollment in ESS). These changes help support Program objectives 3 and 5.

5. Eligible Providers and Payment Beneficiaries

Eligible Provider Definition and Requirements

As noted above, a defined term "Eligible Provider" was created to encompass Eligible Contractor, TPO, Aggregator, Operator, and OEM to simplify and shorten text throughout the Program Manual.

Insurance requirements for Eligible Contractors and TPOs were revised to provide flexibility to different business types in support of Program Objective 5. In the Green Bank's experience, all prospective Contractors and TPOs carry at least $1M in general liability insurance, but not all carry worker's compensation or auto insurance. The Program Administrators adjusted this requirement to only $1M in general liability insurance. The requirement to hold the appropriate insurance based on business need is already addressed in Section 4.3.5.11 ("Maintain all required insurance, licenses, registrations, and certifications as required by Energy Storage Solutions and by applicable local and state law"). These changes help support Program Objectives 3 and 5.

Eligible (Institutional) Payment Beneficiary

While no Eligible BESS Aggregators have joined ESS yet, the Program Administrators have held several conversations with prospective Aggregators and Operators. With the sunset of the Federal ITC Sec. 25D in 2026 and the increased interest in third party-owned BESS, the Green Bank and the EDCs have fielded an influx of questions from TPOs on how Performance Incentives are distributed. Some of these questions uncovered ambiguity about whether the Host Customer or System Owner is the default payment beneficiary for Performance Incentives. The Program Administrators clarified throughout the Program Manual that the System Owner (host customer or a third-party owner) is the default recipient of the Performance Incentive.

The Program Administrators believe that, in the interest of serving Program Objectives 1, 3, and 5, any entity that seeks to collect Performance Incentive payments for more than one customer (such as a bank, contractor, or other entity) should be formally recognized by Program Administrators as an Institutional Payment Beneficiary. This designation can apply to an Eligible Contractor, TPO, Aggregator, or OEM. In cases where a lender (who does not have a designated role in the Program) wishes to collect incentives on behalf of their loan customers, this designation will give customers peace of mind knowing they are trading their Performance Incentive streams to a reputable entity who has been assessed for experience and financial health.

The Program Administrators have re-worked the Direct Payment Beneficiary Form and provided a sample for PURA review. Once PURA issues a final decision and legal representatives from the EDCs and the Green Bank have reviewed and approved the form, the Program Administrators will convert this document to a webform to improve efficiency. These changes help support Program objectives 3 and 5.

6. Customer and Site Eligibility

Timeline to Qualify for an Enrollment Incentive

In the Year 4 Final Decision[4], the Authority approved a modification to Section. 4.1 ("*Customer and Site Eligibility*") to give customers one year to apply to the program in the case where their system was energized after January 1, 2022 but prior to the project's contractor or equipment being approved for the Program. This change simplified and clarified how and when customers can qualify for Passive Dispatch.

In the Year 5 Final Decision, the Authority approved an additional modification to Section. 4.1 ("*Customer and Site Eligibility*") to give Construct 5 customers up to 6 months from Approval to Energize date to apply for an Enrollment Incentive via their Eligible Contractor.

The Program Administrators revisited the intent of Section 4.1 ("*Customer and Site Eligibility*") and determined that it would be in the best interest of customers and ratepayers to simplify the time requirement for Enrollment Incentives. The Program Administrators propose applying the 6-month timeline to ***all*** enrollments, regardless of whether the Contractor, TPO, or Equipment Providers were approved. The Providers still need to be eligible in the Program and should apply and receive approval prior to selling and installing systems. A simple requirement to apply for an

[4] https://www.dpuc.state.ct.us/dockcurr.nsf/4b3c728dd1c0d642852586db0069aa70/5dfd10f7c319dfec85258be90050bf9c/$FILE/240805-120424.pdf

Enrollment Incentive within 6 months of Approval to Energize – regardless of the reason why it takes 6 months – will better serve Program Objective 3. These changes help support Program objectives 3 and 5.

Add-On Systems

As Passive Dispatch is no longer available to new enrollments, it presents a challenge to Legacy customers who want to add capacity to their existing BESS enrolled in Passive Dispatch. Since PURA has disallowed the approval of new kW capacity to a closed tranche, it is not feasible to add capacity to an existing system participating in a closed tranche and still maintain the original incentive rate. However, the ability to install two BESS at the same site but enroll in different VPP programs varies by OEM. As a result, the Program Administrators propose allowing add-on systems to participate in the Program on a case-by-case basis as long as the new capacity does not interfere with the existing capacity. This can be done through one of two ways:

1) the customer pays back the prorated upfront Passive incentive to the Green Bank then converts the Legacy enrollment to Construct 5 (or whichever current incentive rate is applicable at the time of application), or

2) the Green Bank calculates a blended Performance Incentive Rate based on the weighted average of the kWh capacity enrolled in Passive and Construct 5, as shown in the sample calculation below, where a hypothetical customer has **15 kWh** of Legacy capacity and seeks approval of **20 kWh** of Construct 5 capacity (**35 kWh** total):

$$((15_{\text{kWh}} / 35_{\text{kWh}}) * \$225) + ((20_{\text{kWh}} / 35_{\text{kWh}}) * \$300) = \mathbf{\$268/kW}$$

Change Orders

Similar to the Add-On System issue, customers who were approved in a now-closed legacy tranche but have not yet been installed may encounter issues if changing the scope of their project. In the event of a change order, an increase in system size (kW or kWh ratings) may be unavoidable. As a result, the Program Administrators propose an allowance for change orders to increase the kW or kWh from the original values within reason. Change orders that significantly increase the system size must convert the entire system to the current incentive rate. These changes help support Program objectives 3 and 5.

7. Legacy Passive to Construct 5 Conversion

As a result of PURA's approval of Motion 18 in Docket No. 25-08-05[5] on May 5th, 2026, the Program Administrators filed a compliance filing that included an updated version of the Program Manual[6] on May 19, 2026, residential Legacy Passive Dispatch customers will be given the ability to convert their Passive Dispatch incentive design to a Construct 5 (active dispatch) incentive

5 https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/f443e4a4254e016585258dee0065d70c/$FILE/25-08-05%20Motion%20No.%2018%20Ruling.pdf

6 https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/9036aa2a9762541e85258dfd004387b6?OpenDocument

design. The verbiage in Section 3.7 *Upfront Incentive Buyback and Transition to Construct 5* stayed largely intact from the May 19th, 2026 filing.

8. Operational Control

The proposed revisions to Section 5: *Operational Control* establish additional integration pathways and telemetry obligations for OEMs, BESS Operators, and Aggregators. While the Program Administrators and DERMS Providers prefer new integrations to follow the OpenADR standard, this can impose technical barriers for new BESS Operators and Aggregators. The Program Administrators at their discretion may propose an alternative communication protocol where an OpenADR integration is not feasible. The Program Administrators reserve the right to request that example telemetry files are shared during the new Participant review process to ensure adherence to Program data field requirements. Additionally, Program Administrators may audit a participating Operator or Aggregator for data quality and promptness concerns. Eligible Providers found in violation of Program telemetry requirements may be subject to a penalty fee. This adjustment would help support Program objectives 1 and 3.

Dispatching Event Services

Language relating to Legacy Passive Dispatch events and BESS response requirements have been removed from this section. This information can be found in Supplement A of the Program Manual.

9. Bidirectional Electric Vehicle Enrollment

As part of the Year 5 Final Decision, the Authority ordered the establishment of a Bidirectional Electric Vehicle Working Group (EV Working Group). The EV Working Group convened six meetings between March 6 and June 12, 2026. The findings and Program Recommendations of the EV Working Group are summarized in The Bidirectional EV Working Group Report, filed as part of Order 20[7].

The Program Administrators believe it would be simplest to incorporate the Program Recommendations for enrollment of Electric Vehicle Supply Equipment (EVSE) into the Program Manual through a Supplement. Supplement B includes relevant information related to the enrollment of EVSE in ESS but primarily serves as a placeholder for more detailed information, including EV Enrollment Terms and Conditions based on the outcome of the Year 6 Annual Review. Since the inclusion of EVSE is not fully approved by PURA at this time, and EVSE may require additional DERMS resources, the Program Administrators cannot create a Terms and Conditions document or an Eligible Equipment list at this time and will do so upon the Final Decision in Docket No. 26-08-05. This supports Program objectives 1 and 3.

10. Terms and Conditions and Data Release

As the Program Administrators are no longer accepting new enrollments for Passive Dispatch, the Legacy *Terms and Conditions* documents in Appendix B.1, Appendix B.2, and Appendix E have been removed from the Program Manual and replaced with reference links. These

7 https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/0529ac4be0eb8df385258e430068c9df?OpenDocument

documents are no longer used by new customers, but may occasionally be used for transfer customers, so they will remain preserved at energystorageCT.com. This change reduces confusion and eliminates 15 pages from the Program Manual.

11. New Technology Application

Conclusion

The Program Administrators continue to learn from customers, contractors, TPOs, OEMs, and other parties as it administers this novel program, working consistently and diligently to make meaningful changes that will improve stakeholder experience and maximize ratepayer return. The PAs appreciate the Authority's thoughtful consideration of these proposed changes to the Energy Storage Solutions Program Manual.