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Public Utilities Regulatory Authority
Ten Franklin Square
New Britain, Connecticut 06051

Re: **Docket No. 26-08-05 - Annual Energy Storage Solutions Program Review – Year 6**

Dear Commissioners:

The Office of Consumer Counsel ("OCC") submits these written comments in response to the Public Utilities Regulatory Authority's ("Authority") Notice of Request for Written Comments, as issued in the above-referenced docket on August 12, 2026. OCC offers the following comments for the Authority's consideration.

1. Recommended Programmatic Changes

The Authority's Notice, through prompt 1, requests written comments on the Program Administrators' annual report and proposed modifications. More specifically:

a. ***Whether the Program Administrators' recommended changes would advance the objectives of the ESS Program and, if so, how***.

Overall, OCC agrees that the Program Administrator's proposed changes would advance the objectives of the ESS program. The recommendations are largely necessary restrictions, clarifying changes, and updates to align with the removal of passive dispatch from the program under Construct 5, advancing objectives 3 and 5 of ESS. Supplement B: EVSE Enrollment and the updates to the New Technology Application serve to phase in integration of bidirectional EV as it is pending PURA approval. This integration of bidirectional EVs could provide an opportunity for greater grid reliability and peak shaving and may contribute to overall storage deployment goals via inclusion of vehicles as mobile storage resources.

The annual report also identifies the C&I sector as critical to achieving the ESS program's overall MW goals. However, it notes that the C&I pipeline remains constrained by both a lack of new applications and delays in bringing approved projects into commercial

operation. Given the importance of commercial projects to overall program performance, OCC agrees that close monitoring of the C&I pipeline must be prioritized. If C&I application rates do not improve by the Year 7 annual review, a more detailed and concrete process for identifying and addressing barriers to both new applications and project completion would be beneficial. The recommendation should also provide specific actions and timelines for addressing the identified barriers.

b. If any proposed changes do not advance the Program's objectives, identify the specific concerns and recommend alternative approaches

Although OCC agrees that the proposed changes advance program objectives, OCC takes this opportunity to highlight a few areas of concern. To provide flexibility to different business types, the Program Administrators recommend adjusting the insurance requirements for Eligible Contractors and TPOs from $1 million in general liability, auto insurance, and workers compensation to only $1 million in general liability insurance. ESS Program Manual Redlines, p. 40. OCC seeks clarification as to whether this adjustment has the potential to shift any risk towards customers or ratepayers.

OCC also seeks further clarifications on proposed updates to legacy system size requirements and add-ons. While OCC does not object to the concept of enabling legacy systems to increase capacity through add-ons and size adjustments due to change orders, OCC cautions that the current incentive rate raises the question of how the Program Administrators will discern increases within reason to avoid exploitation of these allowances. OCC also questions whether the proposed blended performance incentive rate for add-ons, which would retain legacy customer enrollment, aligns with the reasoning to phase out passive dispatch compared to the option to convert the legacy enrollment to Construct 5.

OCC reiterates its long-held view that ratepayer-funded incentives should be tied to performance. However, in recognition of the lower enrollment incentive available through Construct Five and the administrative complexities involved in enforcing the clawback, OCC would not oppose the Program Administrator's proposal to limit the clawback mechanism to only C&I commercial priority customers and third party owned residential systems. *See* ESS Joint Technical Meeting, August 7, 2026. Such a framework would allow for more targeted enforcement of the mechanism, likely reducing administrative burdens while also maintaining protection against inefficient use of ratepayer funds.

2. <u>Bidirectional EV Participation</u>

Through prompt 2, the Authority requests stakeholder input on both the Bidirectional EV Report and the EDCs' recommended interconnection changes for bidirectional EVs. More specifically:

a. Whether participation in the ESS Program provides greater overall benefits to ratepayers than participation in Connecticut's managed charging program for bidirectional EVs, assuming participation would be limited to a single program.

OCC concurs with the assumption that participation at this time should be limited to a single program. Allowing a customer to participate in both programs may result in duplicative incentives, where a participant receives two incentives for providing similar benefits. For the purposes of bidirectional EV demand response, it seems that ESS and Managed Charging approach the same behavior choice from opposite directions: one incentivizes customers to shift charging to off-peak times, while the other incentivizes customers to dispatch during demand response events. In practice, however, the two are inherently linked, as engaging in dispatch necessarily precludes simultaneous charging. This potential for duplicative incentives should be addressed before dual-program implementation is established. At this time, however, OCC does not have sufficient information or cost-benefit data to determine which program would provide greater overall benefits to ratepayers. Additional information regarding the costs, benefits, participation levels, and expected ratepayer impacts of bidirectional EVs is needed before OCC can reach such a conclusion.

b. Whether eligibility should initially be limited to commercial bidirectional EVs or whether residential bidirectional EVs should also be eligible beginning in Program Year 6.

OCC agrees with the report's recommendation to initially limit eligibility to commercial bidirectional EVs. A focus on commercial bidirectional EVs may offer greater potential for near-term impact, particularly given the importance of the commercial sector to achieving ESS' overall goals. As discussed in the report, residential customer usage patterns are highly individualized, and are less predictable than commercial customer. Bidirectional EV Report, p. 28. Residential DERM integration capabilities and the technological complexities associated with residential bidirectional EVs indicate that inclusion of light duty V2G is premature at this time. *Id.* at 61. Limiting program edibility to commercial bidirectional EVs could allow the program to continue supporting residential bidirectional EVs as an emerging resource while aligning efforts with the larger objective of increasing meaningful C&I participation and deployment.

c. Whether residential bidirectional EVs should be eligible at this time, and, if not, suggest what milestones or conditions should be satisfied before they are incorporated into the ESS Program.

At this time, OCC supports limiting eligibility to commercial bidirectional EVs. At a minimum, it seems prudent to await completion of the Bidirectional Energy IES pilot to ensure that the resulting data and lessons learned can meaningfully inform the development and expansion of bidirectional EVs within the ESS program. OCC reiterates that guardrails against

collecting duplicative incentives for similar behaviors must be established to promote efficient use of ratepayer funds prior to eligibility expansion. The appropriate conditions and milestones should remain iterative, as more conditions are likely to emerge as experience is gained through the pilot and the commercial sector.

d. ***Whether the Report's recommended technical requirements, including DERMS integration, telemetry requirements, UL certification requirements, and ISO 15118-20 communications standards, are appropriate given current market readiness, interoperability, implementation costs, and expected ratepayer benefits***.

Overall, OCC agrees with the recommended technical requirements for bidirectional EVs within the ESS program. The PA's recommendation to enroll the EVSE (rather than the specific EV) and to maintain the current ESS telemetry requirements for bidirectional EVs seems reasonable at this time to support program flexibility. However, OCC cautions against the potential future removal of the reporting requirement, which requires stored kWh data to be provided at 15-minute intervals. *Id*. at p.51. While OCC understands that there may be practical complications regarding consistency with the 15-minute reporting intervals, we caution against its removal, as telemetry delays could hinder troubleshooting and program performance.

e. ***Whether any additional modifications to the ESS Program or the proposed bidirectional EV interconnection process are necessary to facilitate cost effective participation while maintaining Program integrity and protecting ratepayers***.

OCC appreciates the Authority's focus on cost-effective program design to protect ratepayers. As additional benefit and cost information becomes available, ongoing assessment of the RIM value will be important to identify any further efficiencies that can be deployed. Additionally, given the goal of the successor solar tariff programs is to also incentivize pairing solar and storage to leverage grid benefits of solar, it will be necessary to align program goals and structure to ensure the highest net benefit at lowest cost is achieved in both programs.

OCC appreciates the opportunity to submit these written comments and thanks the Authority and PAs for their continued work on the EES Program.

Respectfully submitted,

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