CAE-028

The United Illuminating Company **Witness: Logan Taricani**

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CAE-028 Q:

Decision, Dec. 17, 2025, Annual Energy Storage Solutions Program Review – Year 5, p. 10.
Explain why the EDCs did not raise technical concerns regarding the annual payment option during the previous annual review cycle, particularly given that the EDCs supported levelized performance payments at that time.

CAE-028 A:

During the Year 5 annual review proceeding, the EDCs' comments regarding Construct 5 were focused primarily on the broader transition from the passive dispatch framework to a more performance-based incentive structure, including support for levelized performance incentives and the elimination of passive dispatch for new participants. The EDCs viewed these changes as improving program simplicity, aligning incentives with delivered grid value, and reducing risks associated with the legacy passive dispatch construct.

The specific annual performance payment option was adopted by PURA as part of the final Construct 5 framework. Following issuance of the Final Decision and subsequent implementation planning, the Program Administrators engaged with program vendors and the Program's DERMS provider to evaluate implementation requirements. Through that process, the EDCs identified additional administrative, reporting, data management, and customer experience considerations associated with supporting both annual and seasonal performance payment methodologies. These considerations include system modifications identified by the Program's DERMS provider, Uplight, as discussed in UI's response to CAE-1.

Accordingly, the concerns identified by the EDCs reflect information obtained during implementation planning and operational evaluation following adoption of Construct 5, rather than a change in the EDCs' support for the Authority's broader transition to a performance-based incentive framework.