CAE-032

The United Illuminating Company **Witness: Robert Whelan**
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CAE-032 Q:

Explain whether any changes to ISO New England market rules or FERC regulations would be necessary before a standalone FTM storage resource could participate under a revenue-neutral retail bidirectional TOU tariff. If so, identify each required change and explain why it is necessary.

CAE-032 A:

UI does not believe changes to ISO New England market rules[1] or FERC regulations[2] would necessarily be required for a standalone front-of-the-meter ("FTM") storage resource to participate under a revenue-neutral retail bidirectional TOU tariff. ISO-NE has already implemented substantial revisions to its market rules pursuant to FERC Order No. 841 to accommodate energy storage participation in wholesale electricity markets.

However, the Company's response depends on how the proposed tariff is structured and what is meant by "participate" under a revenue-neutral retail bidirectional TOU tariff. To the extent the tariff is limited to establishing retail rates, charges, and terms associated with a storage resource's purchase of electricity and use of distribution service, UI is not aware of any specific ISO-NE market rule or FERC regulation that would require modification.

If, however, the tariff contemplates compensation for products or services that are subject to FERC jurisdiction, including wholesale energy, capacity, ancillary services, or similar wholesale market products, any such transactions would remain subject to applicable FERC-approved tariffs and market rules. In that circumstance, additional review of the relevant ISO-NE and FERC requirements would be necessary to determine whether the proposed tariff structure is consistent with existing jurisdictional boundaries. As UI previously noted in Docket No. 25-01-15[3], transactions involving participation in ISO-NE wholesale markets occur pursuant to FERC-approved tariffs and rates.

Accordingly, absent a more detailed tariff proposal, UI cannot identify any specific ISO-NE market rule changes or FERC regulatory changes that would be required to implement a revenue-neutral retail bidirectional TOU tariff.

[1] ISO-NE: FERC Order No. 841: Day-Ahead State of Charge
[2] FERC Order No. 841
[3] UI Written Briefs Docket No. 25-01-15 FTM Storage Program May 2, 2025