STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

ANNUAL ENERGY STORAGE SOLUTIONS PROGRAM REVIEW – YEAR 6	:	DOCKET NO. 26-08-05
	:	NOVEMBER 10, 2026

WRITTEN EXCEPTIONS OF THE UNITED ILLUMINATING COMPANY

The United Illuminating Company ("UI") respectfully submits these written exceptions to the Public Utilities Regulatory Authority ("PURA"), in response to the Proposed Final Decision ("Draft Decision") issued on October 29, 2026, in the above-captioned docket. UI largely supports the Draft Decision with respect to the Year 6 updates to the Energy Storage Solutions Program (the "Program" or "ESS Program"), which are intended to better align the Program with the Program objectives ("Program Objectives") adopted in Docket No. 17-12-03RE03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Electric Storage (the "Storage Decision"). UI submits these exceptions to ensure the Program remains on track to achieve its deployment targets in a manner that is equitable, transparent, and consistent with PURA's objectives and regulatory requirements. Timely recovery of all prudently incurred costs remains a fundamental regulatory priority, and Program design and implementation decisions should consistently reflect this principle.

I. WRITTEN EXCEPTIONS TO THE DRAFT DECISION

A. Enrollment Incentive Clawback

UI takes exception to the Draft Decision's determination that an enrollment incentive clawback should apply broadly to all Construct 5 customers who disenroll from the ESS program before completing the ten-year enrollment term. Of the stakeholders that offered comment on the issue, CPower was the only party to affirmatively support the application of an enrollment

incentive clawback to both residential and commercial and industrial ("C&I") participants.[1] In contrast, the Connecticut Green Bank ("CT Green Bank") opposed a clawback for homeowner-owned residential projects[2], while the Alliance for Climate Transition ("ACT"), the Solar Energy Industries Association ("SEIA"), and the Coalition for Community Solar Access ("CCSA") opposed the broad implementation based on concerns that recovery costs could exceed the amounts collected from customers and an additional repayment obligation could discourage future participation.[3]

UI believes that a residential clawback mechanism is not necessary under Construct 5, which already substantially reduces upfront incentives and shifts participant compensation toward actual performance. Standard residential customers receive an enrollment incentive of only $30 per kilowatt-hour ("kWh"), and the Program Administrators ("PAs") identified the average enrollment incentive standard customers received through Construct 5 during Technical Meeting 1 as $642.74.[4] The PAs also noted that the establishment of collection, reconciliation, and the dispute-resolutions required for the implementation of this clawback would materially exceed the resulting ratepayer recovery. Residential customers may also unenroll from the Program due to relocation, property transfer, equipment failure, OEM insolvency, or other circumstances outside of their control. Implementing a repayment obligation in these circumstances not only increases customer risk unnecessarily, but it also increases the program complexity when Construct 5 was ultimately designed to protect ratepayers through by making a majority of the long-term compensation contingent upon consistent performance in the Program.

[1] See, Docket No. 26-08-05, CPower Written Comments, dated July 9, 2026, at 1 – 2.
[2] See, Docket No. 26-08-05. CT Green Bank Written Comments, dated July 9, 2026, at 1 – 2.
[3] See, Docket No. 26-08-05, Energy Storage Industry Commenters Written Comments, dated July 9, 2026, at 2 – 4.
[4] See, Docket No. 26-08-05, Program Administrators' ESS Presentation, dated August 7, 2026, at Slide 7.

UI recognizes that a more limited rationale may exist for C&I projects, where enrollment incentives can be materially larger and recovery may provide a more meaningful ratepayer benefit. Accordingly, UI recommends eliminating the clawback for residential homeowner-owned systems rather than broadly applying the clawback to all residential and C&I projects. This targeted approach would address PURA's ratepayer-protection concern without imposing a broadly unsupported requirement on residential participants, particularly where the stakeholder record does not demonstrate consensus that a residential mechanism is warranted.

B. Front-of-the-Meter ("FTM") Storage Tariff

UI supports the Draft Decision's direction to reestablish the Front-of-the-Meter Working Group. However, UI encourages PURA to establish the FTM Working Group in a separate proceeding outside of the annual ESS Program review process. UI stated in its Written Comments that ESS is a behind-the-meter ("BTM"), customer-participation program with established enrollment pathways, incentives, and dispatch constructs, whereas standalone FTM storage presents distinct issues related to wholesale participation, retail charging, metering and settlement, and grid-facing operations.[5]

The ongoing development of the Multipart Payment Framework ("MPF") in Docket No. 26-06-04 further demonstrates the benefit of addressing FTM storage through a separate FTM proceeding. UI's response to interrogatory CAE-003 explained that the proposed MPF is directed toward FTM resources and recommended that additional FTM compensation mechanisms, performance incentives, and operational requirements be evaluated through a dedicated FTM docket proceeding.[6] UI has also explained that the MPF's business and technical requirements remain under development and could affect billing, data management, program administration,

[5] See, Docket No. 26-08-05, UI Written Comments, dated July 9, 2026, at 5.
[6] See, Docket No. 26-08-05, UI Response to CAE-003, dated July 9, 2026.

settlement, and market operations. In its response to interrogatory CAE-046[7], UI therefore reiterated its recommendation for a stakeholder process to provide a practical, cost-effective, and scalable framework.

A dedicated FTM proceeding would provide an important alignment opportunity between the broader FTM storage framework contemplated by the Draft Decision with the MPF rather than developing potentially overlapping compensation mechanisms through separate proceedings addressing different underlying problems. A dedicated docket could evaluate the bidirectional retail tariff concept, MPF, WDAT/wholesale participation, and other potential FTM constructs together and determine where the approaches are complementary, mutually exclusive, or applicable to different FTM use cases. Such an approach would also allow PURA to evaluate these alternatives against common principles for measurable system benefits, ratepayer impacts, metering and performance validation, implementation costs, and administrative feasibility before directing the electric distribution companies ("EDCs") to implement a particular construct.

Accordingly, UI supports PURA in reestablishing the FTM Working Group outside of the ESS annual review process. The scope of that proceeding should incorporate the work already completed through prior ESS FTM working groups and Docket No. 25-01-15, while integrating the MPF record being developed in Docket No. 26-06-04. Establishing a separate proceeding would neither delay nor foreclose development of FTM storage in Connecticut. Rather, it would provide a single, transparent forum in which PURA and stakeholders could evaluate how the State's various FTM compensation and participation constructs interact, minimize duplicative or inconsistent program requirements, and establish an FTM framework that is legally, technically, economically, and operationally sound.

[7] See, Docket No. 26-08-05, ACT and SEIA Response to CAE-046, dated August 28, 2026.

C. FTM Working Group New Order No. 24

UI respectfully requests that PURA reconsider the Draft Decision's assignment of responsibility for the FTM Storage Tariff Working Group to the CT Green Bank and instead assign responsibility for the working group to the PAs. Consistent with the approach established for the FTM Working Group pursuant to Order No. 9 of the Docket 22-08-05 Final Decision, the proposed tariff may require detailed evaluation of billing-system capabilities, metering and settlement processes, cost recovery, and implementation timelines. The EDCs will be responsible for implementing many of these requirements, so the addition of the EDCs would help ensure that the working group's final recommendations reflect both policy objectives and the technical and operational considerations necessary for practical implementation.

Importantly, PA leadership would not diminish the role of the Connecticut Green Bank or other stakeholders in the development of the FTM framework. Rather, it would provide a collaborative structure in which the Connecticut Green Bank, developers, customers, market participants, and other interested stakeholders can contribute their respective expertise, while the EDCs will provide the technical and operational information necessary to evaluate the feasibility and implementation requirements associated with the alternatives under consideration.

Accordingly, UI submits that the PAs' leadership would provide PURA with a more efficient, informed, and implementation-focused stakeholder process, thereby supporting PURA's FTM storage objectives while helping to ensure that the resulting recommendations are technically feasible, administratively workable, cost-effective for ratepayers, and capable of timely implementation.

D. Standing Order Nos. 3 & 4 Alignment

Following discussions with the Program's EM&V vendor, Customized Energy Solutions, the Connecticut Green Bank, and Eversource, UI recommends aligning the due dates for Standing Orders Nos. 3 and 4 by applying the August 1, 2027, Annual Program Report deadline to the ESS Program's Three-year report. Given the overlap between the reports, including the evaluation of Program performance and updated benefit-cost analyses, aligning the deadlines would reduce duplicative efforts and ensure alignment between both reports.

Alignment on these orders is also important given the potential for updated Avoided Energy Supply Cost ("AESC") assumptions and counterfactuals that could materially affect the Program's BCA results. Prior ESS evaluations demonstrated significant changes in prospective BCA results following updates to the AESC, while the selection of AESC counterfactuals can also materially affect reported cost-effectiveness.

E. Standing Order No. 16 Date Considerations

UI respectfully requests that the due date for Standing Order No. 16 be revised to December 1 in future docket years. During the data compilation and review process for compliance with Standing Order No. 17 in Docket No. 25-08-05, the PAs identified a need for clarification regarding language added to the Standing Order in last year's Final Decision. Specifically, the Final Decision states that, "Program Administrators shall first apply any clawback fees against a project's eligible performance incentive payments before pursuing direct collection from the customer.". The PAs seek clarification as to whether the Active Dispatch incentive amounts must be finalized for the purposes of the filing, or whether estimates provided by the Connecticut Green Bank based on initial telemetry reports are sufficient.

If PURA requires the EDCs to finalize Active Dispatch incentive amounts prior to the filing, UI respectfully requests that the filing deadline be moved to December 1 in future docket

years. This additional time would allow the EDCs to complete the necessary review and validation of Active Dispatch performance incentive amounts, thereby improving the accuracy of the resulting customer clawback calculations.

II. CONCLUSION

UI appreciates the opportunity to submit these written exceptions and respectfully requests that PURA consider incorporating the above exceptions into the Final Decision.

Respectfully submitted,

THE UNITED ILLUMINATING COMPANY

By: *Alex E. Soter*
Alex E. Soter
Counsel
UIL Holdings Corporation
180 Marsh Hill Road
Orange, CT 06477
Phone: 203-836-4603
E-mail: Alex.Soter@avangrid.com

CERTIFICATION OF SERVICE

I hereby certify that on November 10, 2026, the foregoing document was filed with the Public Utilities Regulatory Authority, and copies of the foregoing document was served upon each person designated on the Authority's official service list in this proceeding in accordance with R.C.S.A. § 16-1-15.

By: *Alex E. Soter*
Alex E. Soter
Counsel