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 BUREAU OF ENERGY AND TECHNOLOGY POLICY OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

The Bureau of Energy and Technology Policy (BETP) of the Department of Energy and Environmental Protection (DEEP) respectfully submits these written exceptions to the Public Utilities Regulatory Authority's (PURA or the Authority) Notice of Written Exceptions in the above-referenced docket.

DEEP is supportive of the direction the Authority is taking the Energy Storage Solutions Program (ESS Program) in the Proposed Final Decision (PFD). DEEP is particularly supportive of the strong focus on the benefits to all ratepayers. Maintaining the move toward a predominately performance-based program ensures that ratepayers only pay when there is measurable grid value.

I. Bidirectional EV Charging

The inclusion of bidirectional EV charging within the ESS Program is a terrific step forward in moving toward a modern grid. DEEP is supportive of starting with commercial bidirectional EV charging systems with a compensation level at the existing small/medium performance incentive rate as well as the provision prohibiting dual enrollment in the managed charging program for the reasons stated in the proposed final decision.

II. FTM Storage Working Group

DEEP supports the reestablishment of the FTM Storage Working Group, with a focus on better identifying and quantifying Connecticut-specific avoided cost values on the distribution and transmission system. While DEEP does not take a position on whether a legislative change is necessary for the Authority to implement a FTM storage program in light of recent legislative changes in Public Act 25-173, DEEP welcomes the opportunity to participate in the FTM Storage Working Group to evaluate whether such a program could be in the interest of ratepayers.

Although supportive of the establishment of the working group, DEEP wishes to bring some concerns to the Authority's attention to ensure that the Authority provides clear direction to the working group. DEEP is strongly supportive of the Authority's clear threshold requirement of programs being in the interest of all ratepayers. While DEEP appreciates the Authority's requirement of a benefit to cost ratio using the CT-RIM of 1.4, DEEP has been, and continues to be, concerned about the use of the Avoided Energy Supply Costs in New England (AESC) to evaluate the benefits and set the compensation levels for storage.[1]

The AESC is a regional study that the six New England states collaboratively put together to study the benefits of energy efficiency programs that exist in all six states and have historically been implementing similar measures. A regional study of the benefits in this context is reasonable as we are a part of a regional grid and making similar investments where a uniform evaluation leads to efficient outcomes. A regional study avoids individual states valuing measures merely to shift costs to the other states to claim a benefit. The regional nature of the AESC is core to its

[1] *See generally* DEEP, Docket No. 25-08-05, *Annual Energy Storage Solutions Program Review – Year 5* (Sept. 5, 2025), available at: https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/9c756e8b00f6edf885258cff0046a0b7/$FILE/Docket%20No.%2025-08-05%20Written%20Comments%20(9-5-25).pdf.

value. The AESC works by creating a baseline model using a shared set of assumptions from across the six New England States for twenty to thirty years. The AESC then creates a counterfactual by removing energy efficiency from the entire region. This allows a program, which is effectively regional in scope, to be evaluated as such. The delta between the base case and counterfactual establishes the benefits across a range of metrics. The largest benefits are capacity, transmission, and distribution as benefits derive largely from peak avoidance. In the AESCs to date, the transmission and distribution are exogenous to the modeling. An important aspect of the AESC is that the profile of energy efficiency and penetration is reasonably consistent across the region with a significant impact on the peak while not being exclusively on the peak. The impacts on the energy market, the capacity market, and transmission and distribution system can be reasonably assured due to the passive nature of the investments and the consistent behavior of the measures.

The usefulness of the AESC begins to break down, however, when it is used to evaluate measures that deviate from the conditions for which the AESC was designed. Active demand measures such as battery storage will not be diffusely implemented, will have varied profiles, and will be implemented to varying degrees across the region. Additionally, the benefits of storage have extraordinarily high coincidence with the peak where the overwhelming share of the benefits are assumed in the AESC. The AESC is not tuned to measure the benefits under these conditions. Applying the benefits derived of the first avoided unit from a Connecticut storage facility after removing the entire region's energy efficiency over an extended period of time will have a tendency to show very high benefits that are likely overstated. DEEP believes some caution or more conservative forecasts of benefits is appropriate to protect ratepayers.

DEEP's concern about over estimating benefits is supported by the Authority's experience in the non-wires solutions dockets. *See* Docket Nos. 25-08-08 and 26-08-08. The Authority ultimately concluded that identifying cost effective non-wire alternatives required program reforms to successfully implement an effective program. Docket No. 26-08-08, Notice of Docket Closing and Procedural Order. DEEP has some concerns about establishing a general FTM tariff using the AESC under these circumstances. DEEP recommends that the working group could begin the work of identifying an appropriate method for establishing a CT-RIM that can reasonably identify a reliable benefit stack that will ensure that any potential program is in the interest of all ratepayers. In particular, DEEP requests that the Authority direct the working group to identify the information that is needed in order to identify storage locations that can achieve distribution and transmission benefits. The AESC assumes generic savings for distribution and transmission. For ratepayers to achieve the full benefits that storage has to offer, more information needs to be available to direct storage to the best locations. The distribution companies need to be active partners in making a potential FTM storage program successful. DEEP recognizes that there are potential significant benefits from front-of-the-meter distribution connected storage and DEEP looks forward to participating in the working group.

III. Data Dashboard

DEEP would like to acknowledge the excellent work done by the program administrators in building the data dashboard. The detailed information made available to understand the program and see the performance of the units involved is worthy of significant praise. DEEP supports the added information the Authority is directing to be included as further improvements.

IV. Conclusion

DEEP appreciates the Authority's time and careful consideration of these impactful matters and its consideration of these exceptions.

Respectfully submitted,

DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION,
Bureau of Energy & Technology Policy

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been furnished to the service list in compliance with Conn. Agencies Regs. § 16-1-15.

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Commissioner of the Superior Court