



# STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY  
TEN FRANKLIN SQUARE  
NEW BRITAIN, CT 06051

DOCKET NO. 21-08-05

ANNUAL REVIEW OF THE ELECTRIC STORAGE  
PROGRAM – YEAR 1

December 8, 2021

By the following Commissioners:

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**DECISION**

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# **DECISION**

## **I. INTRODUCTION**

### **A. SUMMARY**

In this Decision, the Public Utilities Regulatory Authority (Authority or PURA) approves, with modification, certain documents developed and proposed by The Connecticut Light and Power Company d/b/a Eversource Energy (Eversource), The United Illuminating Company (UI; collectively, Eversource and UI are referred to as the electric distribution companies, or EDCs), and the Connecticut Green Bank (CGB; collectively, the EDCs and the CGB are referred to as the Program Administrators) to administer the statewide electric storage program (Electric Storage Program, or Program) available to all customers and customer classes within the service territories of the EDCs.<sup>1</sup>

### **B. BACKGROUND OF THE PROCEEDING**

On July 28, 2021, the Authority issued its Final Decision in Docket No. 17-12-03RE03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Electric Storage (Storage Decision) establishing the Electric Storage Program pursuant to Public Act 21-53 (PA 21-53) and §§ 16-11, 16-19, 16-19e, and 16-244i of the General Statutes of Connecticut (Conn. Gen. Stat.), and in accordance with the Interim Decision dated October 2, 2019 in Docket No. 17-12-03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies (Equitable Modern Grid Decision). The Authority initiated the instant proceeding to review the Year 1 Program design documents and other key compliance filings and to address other topics regarding Program implementation, as necessary.

### **C. CONDUCT OF THE PROCEEDING**

On August 11, 2021, the Authority issued the Notice of Proceeding in the above-captioned proceeding.

On or before October 4, 2021, the Program Administrators filed Motion Nos. 8 through 12 requesting Authority approval of compliance with Order Nos. 5, 6, 8, and 9 of the Storage Decision. The CGB filed a benefit-cost analysis (BCA) in compliance with Order No. 7 of the Storage Decision on October 4, 2021. On October 15, 2021, the Program Administrators filed Motion Nos. 13 through 16 requesting Authority approval of its compliance with Order Nos. 2 through 4 and 10 of the Storage Decision, including proposed program guidelines filed in compliance with Order No. 2 as Motion No. 14 (Proposed Program Guidelines). Additionally, the EDCs filed compliance with Order No. 12 on October 18, 2021. Finally, the CGB filed Motion No. 18 requesting the Authority approve its compliance with Order No. 13 on November 10, 2021.

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<sup>1</sup> This Decision specifically addresses the documents submitted in compliance with Order Nos. 2 through 6, 8, 9, 10, and 13 of the Storage Decision. Accordingly, the Decision contains the Authority's final ruling on Motion Nos. 8 through 16 and 18. This Decision also contains the Authority's final ruling on Motion No. 28 in Docket No. 17-12-03RE03. The Authority will issue separate rulings on any remaining motions for Authority review and approval.

On October 15, 2021, the Northeast Clean Energy Council (NECEC), together with the Energy Storage Association (ESA), and the Office of Consumer Counsel (OCC) filed comments on the Program Administrators' compliance with Order Nos. 5 through 9.

On October 19, 2021, the Authority issued a Notice of Request for Written Comments on the Program Administrators' compliance with Order Nos. 7 and 12, the Proposed Program Guidelines, and other key documents filed with Motion Nos. 8 through 12 and 14. Contemporaneously, PURA issued a Notice of Technical Meeting to discuss the written comments received by the Authority on or before November 2, 2021. On November 2, 2021, the Authority received four sets of written comments. Subsequently, the Authority held the publicly noticed Technical Meeting on November 9, 2021, allowing for final stakeholder comments to be submitted by November 16, 2021. On November 16, 2021, the Authority received four additional sets of comments.

The Authority issued a Proposed Final Decision on November 24, 2021 and provided an opportunity for Participants to file Written Exceptions and present Oral Argument.

#### **D. PARTIES AND INTERVENORS OR PARTICIPANTS**

A listing of all Participants to this proceeding is appended hereto as Appendix A.

## **II. LEGAL AUTHORITY**

Section 2 of PA 21-53 directed the Authority to “develop and implement one or more programs, and associated funding mechanisms, for electric storage resources connected to the electric distribution system.” Pursuant to PA 21-53, in addition to Conn. Gen. Stat. §§ 16-11, 16-19, 16-19e, and 16-244i (see, Section II of the Storage Decision), the Authority established the Program in the Storage Decision. Furthermore, Section 2(d) of PA 21-53 permits the Authority to select the CGB, DEEP, or the EDCs to implement the Program as directed by the Authority.

Herein, the Authority reviews the Program design documents developed by the Program Administrators pursuant to the direction provided in the Storage Decision, along with other key compliance ordered, including the final incentive levels calculated by the Program Administrators in accordance with Section V.E.1. of the Storage Decision. Storage Decision, p. 44.

### III. ELECTRIC STORAGE PROGRAM OBJECTIVES

In the Storage Decision, the Authority adopted the following seven (7) objectives (Program Objectives) to guide the Program Administrators in the development and implementation of the Program:

- 1) Provide positive net present value to all ratepayers, or a subset of ratepayers paying for the benefits that accrue to that subset of ratepayers;
- 2) Provide multiple types of benefits to the electric grid, including, but not limited to, customer, local, or community resilience, ancillary services, peak shaving, and avoiding or deferring distribution system upgrades or supporting the deployment of other distributed energy resources;
- 3) Foster the sustained, orderly development of a state-based electric energy storage industry;
- 4) Prioritize delivering increased resilience to: (1) low-to-moderate income (LMI) customers, customers in environmental justice or economically distressed communities, customers coded medical hardship, and public housing authorities as defined in Conn. Gen. Stat. § 8-39(b); (2) customers on the grid-edge who consistently experience more and/or longer than average outages during major storms; and (3) critical facilities as defined in Conn. Gen. Stat § 16-243y(a)(2).
- 5) Lower the barriers to entry, financial or otherwise, for electric storage deployment in Connecticut;
- 6) Maximize the long-term environmental benefits of electric storage by reducing emissions associated with fossil-based peaking generation; and
- 7) Maximize the benefits to ratepayers derived from the wholesale capacity market.

Storage Decision, pp. 5-7.

Accordingly, the Authority relied on the Program Objectives to guide its review of the Program Administrators' compliance with the Storage Decision. The Authority limited its review to ensuring compliance with the Storage Decision and providing clarity to stakeholders regarding Program implementation. Pursuant to the Storage Decision, the Authority will initiate a proceeding annually (Annual Review) "to review key metrics and ... to make small, strategic adjustments, as necessary, to ensure: (1) continued alignment with the Program Objectives; and (2) that the Program is on track to meet its three-year program cycle deployment targets." Storage Decision, p. 43. The Storage Decision further states that, "Key Annual Review filings shall be submitted on or around August 1st ...including, but not limited to: an annual report, including Program results and recommendations for Program modifications as discussed in Section V.F." *Id.* The Authority further clarifies that modifications to the Program Guidelines and other Program rules shall not occur outside of the Annual Review process without good cause and that all changes to the Program Guidelines and other Program rules may not take effect without explicit approval by the Authority through the applicable proceeding, unless otherwise directed by PURA.

Finally, the Authority reaffirms that the above listed Program Objectives shall guide the Program Administrators in their administration of the Electric Storage Program.

## IV. PROGRAM DESIGN

### A. PROGRAM OVERVIEW

Public Act 21-53 established statewide energy storage deployment goals, namely: (1) 300 MW by December 31, 2024; (2) 650 MW by December 31, 2027; and (3) 1,000 MW by December 31, 2030. Further, Section 2 of PA 21-53 directed the Authority to develop the Program authorized in the Storage Decision, while Section 3 authorized DEEP to competitively procure energy storage projects. In the Storage Decision, the Authority established a total Program deployment target of 580 MW by the end of 2030. The Storage Decision further authorized three-year Program cycles with interim goals of 100 MW by 2025 and 300 MW by 2028, as shown in Table 1.

**Table 1: Electric Storage Deployment Targets**

CUSTOMER CLASS	2022-2024	2025-2027	2028-2030	TOTAL
Residential	50 MW	100 MW	140 MW	290 MW
Commercial and Industrial	50 MW	100 MW	140 MW	290 MW
<b>Total</b>	<b>100 MW</b>	<b>200 MW</b>	<b>280 MW</b>	<b>580 MW</b>

Storage Decision, p. 8.

### B. BENEFIT-COST ANALYSIS

On October 4, 2021, the CGB filed a final Program BCA pursuant to Order No. 7 of the Storage Decision. In the Storage Decision, the Authority found that the cost-effectiveness of the Program shall be measured through the following five cost tests: (1) total resource cost test (TRC); (2) program administrator cost test (PACT); (3) participant cost test (PCT); (4) societal cost test (SCT); and (5) ratepayer impact measure (RIM), which measures any potential cost shift to non-participants. Storage Decision, p. 30. Specifically, the Authority directed the CGB to propose upfront incentives that deliver a RIM of 1.4 over the first three-year Program cycle to ensure the Program will deliver on the stated Objectives, specifically the first Program Objective to provide positive net present value to all ratepayers. *Id.* Accordingly, the CGB's BCA incorporated proposed modifications to the Program design to support the Program Objectives and achieve the requisite RIM in its Order No. 7 compliance. The BCA results shown in Table 2 include the CGB's proposed revisions.

**Table 2: CGB BCA**

Sector → Cost Test ↓	Residential	Non-Residential	Total
RIM	1.26	1.55	1.39
PCT	0.97	1.04	1.00
PACT	1.63	1.94	1.77
SCT	1.32	1.59	1.44
TRC	1.32	1.60	1.45

Order No. 7 Compliance, BCA, p. 16.

## 1. CGB Proposed Revisions

To deliver a RIM equal to 1.4, the CGB proposed the following modified upfront incentives that would also encourage participant interest by maintaining a PCT greater than one (1). In the Storage Decision, the Authority directed the CGB to assume that (1) all electric storage devices are standalone (i.e., not paired with solar photovoltaic (PV) systems) and (2) 50 percent of total Program capacity is able to be monetized through the Forward Capacity Markets (FCM) of the Independent System Operator of New England (ISO-NE). Storage Decision, p. 34. The Authority directed the CGB to allow the following four specific categories of customers to retain and monetize project capacity rights as an incentive to enable the public policy goals outlined in the Program Objectives: (1) customers on the grid edge; (2) critical facilities; (3) commercial or industrial customers replacing existing fossil fuel generators; and (4) small businesses. *Id.*, pp. 21-24. Further, the Authority authorized upfront incentive caps for all customers; residential projects would be capped at 50 percent of total installed cost or \$7,500, while non-residential projects would be capped at 50 percent or a per project maximum. *Id.*, pp. 10 and 14.

In developing modified incentive structures, the CGB proposed several key revisions to the underlying assumptions. First, the CGB proposed to assume that all storage devices are paired with solar PV rather than standalone.<sup>2</sup> Order No. 7 Compliance, p. 17. To support the revision, the CGB referenced a study showing that all residential battery storage systems in Connecticut and 94.4 percent nationally are paired with solar PV, while the EDCs estimated that approximately 95 percent of battery storage systems participating in the Massachusetts ConnectedSolutions program are paired with solar PV. CGB Response to CAE-4, p. 1. Further, the CGB noted that only paired systems are currently eligible for investment tax credit (ITC) benefits and assuming that all systems are paired with solar PV would raise the PCT to one. *Id.*

The Authority accepts the CGB's revision to assume that all battery storage projects are co-located with solar PV insofar as it does not impact the RIM, but instead provides a more accurate measure of participant benefits by taking the ITC into account. The Authority's intention in directing the CGB to assume battery storage systems were standalone was to ensure that the benefits associated with any co-located solar PV projects, for which there are separate ratepayer-funded programs, were not counted twice – once in justifying the renewable energy programs authorized in Docket Nos. 21-08-02, Annual Residential Renewable Energy Tariff Program Review and Rate Setting, and 21-08-03, Annual Non-Residential Renewable Energy Tariff Program Review – Year 1, pursuant to Conn. Gen. Stat. § 16-244z, and another in justifying the cost-effectiveness of this Program. The Authority's understanding, based on the benefit-cost analyses previously provided in Docket No. 17-12-03RE03 and in compliance with Order No. 7, is that the benefits of co-located solar PV systems are not double counted; thus, the Authority adopts this revision, as it is in line with its previous direction and provides a more accurate PCT ratio.

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<sup>2</sup> In its letter in lieu of written exceptions, AmeriZone, LLC raised concerns with the level of changes recommended by the CGB in its Order No. 7 Compliance. AmeriZone Letter in Lieu of Written Exceptions, pp. 1-2. The Authority understands AmeriZone's concerns and addresses the rationale for the individual changes herein. Moving forward, the Authority will pay special attention to these categories of assumptions to ensure that the Program incentive level is appropriately set.

Next, the CGB proposed to cap the amount of Program capacity able to be monetized through the FCM. Order No. 7 Compliance, p. 4. The CGB asserted that only small business customers would likely pursue FCM benefits, as the other eligible customer categories would likely prefer to retain high reserve capacity to increase resilience instead. Id.; CGB Response to CAE-3, p. 1. Further, the CGB estimated that small businesses would account for approximately 12 percent of installed Program capacity and reducing the assumed FCM participation level accordingly contributes to an increased RIM in support of the Program Objectives. CGB Response to CAE-3, pp. 1-2. Therefore, the CGB proposed to limit the amount of Program capacity eligible to participate in the FCM to 25 percent. Id. In support, NECEC/ESA asserted that customers eligible to participate in the FCM will likely represent a small portion of Program capacity and prioritize resilience instead of FCM revenues. NECEC/ESA Correspondence, dated October 15, 2021, p. 2.

The Authority finds the new evidence provided by the CGB in this proceeding sufficiently compelling to justify lowering the assumed FCM participation level PURA previously directed the Program Administrators to use from 50 percent to 25 percent. However, as the projects that are eligible for FCM participation represent key customer segments crucial to the success of the Program (e.g., providing resilience benefits to customers on the grid edge), the Authority reaffirms that the Program Administrators shall explicitly encourage deployment from the four categories listed above through targeted marketing and other efforts, as directed in Section V.C. of the Storage Decision. The Authority will use 25 percent deployment among these categories of customers as a *benchmark* against which to measure success; however, the Program Administrators shall not limit participation by such categories of customers if 25 percent is exceeded.<sup>3</sup> If the 25 percent benchmark is exceeded, the Authority may consider revising the incentive levels in subsequent years of the Program.

Finally, the CGB did not propose a nominal upfront incentive cap for non-residential customers, proposing to limit the maximum available incentive to 50 percent of installed cost. Proposed Program Guidelines, p. 33. The CGB stated that the variety of commercial and industrial customer use cases makes it difficult to determine typical project sizes and propose an appropriate incentive cap. CGB Response to CAE-2, p. 2. Further, the CGB posited that since all storage capacity receiving upfront incentives provides grid benefits, per-project incentive caps may not be necessary. Id. However, if a per-project cap were to be instituted, the CGB proposed limiting system size to 1.5 times a facility's peak demand. Id. NECEC/ESA supported removing the non-residential incentive cap as larger projects that are likely to be pursued by such customers require higher upfront incentives. NECEC/ESA Correspondence, dated October 15, 2021, p. 3.

The Authority agrees that an incentive cap equal to 50 percent of installed cost upfront is currently sufficient. The Authority directs the Program Administrators to closely monitor the size of the non-residential projects accepted into the Program, and to alert the Authority if larger projects begin taking an outsized portion of the 50 MW assigned to non-residential systems in the first three-year Program cycle.

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<sup>3</sup> See, Section V.A.5.a. for additional information.

### a. Upfront Incentive Adders

In the Program BCA developed pursuant to Order No. 7 of the Storage Decision, the CGB included proposed upfront incentive adders for low-income customers and customers in underserved communities. Such adders were developed pursuant to the CGB's compliance with Order No. 6, filed as Motion No. 11, along with a process to verify the eligibility of such customers as directed in the Storage Decision. See, Storage Decision, p. 51. Further, in support of the Authority's goal to deploy 40 percent of residential installations in low-income households statewide and in underserved communities, the CGB proposed to target 10 percent of residential deployment in low-income households and 30 percent in underserved communities. Order No. 7 Compliance, p. 3; Motion No. 12, pp. 11-13. Accordingly, the CGB proposed separate incentive levels for each category of residential customer (i.e., Baseline, Low-Income, and Underserved Community) to achieve the deployment and RIM targets. CGB Response to CAE-9, p. 1.

To support the proposed deployment targets, the CGB provided data from the Residential Solar Investment Program (RSIP) showing that between January 2012 and July 2021, approximately 9 percent of projects were in Low-Income households and 29 percent were in Underserved Communities. Id., p. 2. The CGB also noted that the RSIP included a low-to-moderate income incentive that was significantly above the baseline incentive level.<sup>4</sup> CGB Response to CAE-10, p. 2. Further, the CGB noted that the Residential Tariff Program similarly targets 40 percent deployment in low-income and distressed municipalities, supported by adders of \$0.025/kWh and \$0.0125/kWh respectively. Id., pp. 2-3. For consistency, the CGB proposed a Low-Income adder of \$200/kWh, double the amount of the Underserved Community adder of \$100/kWh, for total Low-Income and Underserved Community upfront incentives of \$400/kWh and \$300/kWh, respectively. Order No. 7 Compliance, p. 3. The CGB stated that it believes such incentive levels will be sufficient to incentivize Program deployment in support of the Authority's Objectives. CGB Response to CAE-10, p. 2.

The Authority appreciates the CGB's proactive work to structure the upfront incentive levels to support the Program Objectives and to mirror the Residential Tariff Program. The Authority finds the deployment targets and corresponding incentive adders for Low-Income customers and Underserved Communities appropriate for use in Program Years 1 through 3. Further, the Authority fully supports the Program Administrators' goal to go beyond the 40 percent target if possible. While the Authority understands that if such goal is realized the RIM may drop below the 1.4 target, reaching greater deployment in low-income and underserved communities would achieve other crucial policy objectives fully aligned with the Program Objectives, a goal supported by DEEP. See, DEEP Letter in Lieu of Written Exceptions, p.1. The Authority will evaluate changes to these adders and metrics in future Annual or Program Review proceeding.

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<sup>4</sup> The RSIP low-to-moderate performance-based incentive was approximately 2.5 times the baseline performance-based incentive.

### i. Low-Income and Underserved Community Definitions

In the Storage Decision, the Authority authorized upfront incentive adders to prioritize electric storage deployment in low-income households and underserved communities, which align with the Residential Tariff Program established in the Interim Decision dated February 10, 2021 in Docket No. 20-07-01, PURA Implementation of Section 3 of Public Act 19-35, Renewable Energy Tariffs and Procurement Plans. Storage Decision, p. 11. Specifically, the Authority authorized the CGB to offer an upfront incentive adder to: (1) households whose income does not exceed 60 percent of the state median income; and (2) households in underserved communities using the environmental justice community definition in Conn. Gen. Stat. § 22a-20a, which includes distressed municipalities pursuant to Conn. Gen. Stat. § 32-9p, and public housing authorities.<sup>5</sup> Id., pp. 11-12. The Authority also stated that CGB may offer an upfront incentive adder to multi-unit dwellings that are eligible as residential customers and shall incorporate any relevant findings from the Residential Tariff Program. Id., p. 13. Subsequently in the Interim Decision dated October 6, 2021 in Docket No. 21-08-02 (Year 1 Residential Tariff Decision), the Authority approved residential tariff rates and corresponding Low-Income and Distressed Municipality Adders for eligible renewable energy project applications received in calendar year 2022, which clarified the eligibility criteria for such incentive adders. See, Year 1 Residential Tariff Decision, p. 14.

In Motion No. 11, which seeks Authority approval of a methodology to verify customer eligibility for the low-income customers and customers in underserved communities, the CGB defined Underserved Communities as distressed municipalities and multifamily affordable housing as contemplated by Conn. Gen. Stat. § 16-244z. Motion No. 11, pp. 4-5.

At the Technical Meeting, stakeholders expressed support for aligning the low-income and underserved community incentive adder eligibility criteria with the criteria included in the Year 1 Residential Tariff Decision. Tr. 11/9/21, p. 94. While the Low-Income definition is identical in both the Year 1 Residential Tariff and Storage Decisions, the Residential Tariff adder for underserved communities includes only distressed municipalities, as defined by the most recent list developed by the Connecticut Department of Economic and Community Development (DECD), while the Electric Storage adder also includes census blocks for which 30 percent or more of the population consists of low-income persons who are not institutionalized and have an income below 200 percent of the federal poverty level.<sup>6</sup> For simplicity and consistency in administering the Year 1 Residential Tariff and Electric Storage Programs, and based on the assumption presented in this docket by the CGB that nearly all residential electric storage

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<sup>5</sup> Conn. Gen. Stat. § 22a-20a defines Environmental Justice Community as “a United States census block group, as determined in accordance with the most recent United States Census, for which thirty percent or more of the population consists of low-income persons who are not institutionalized and have an income below two hundred percent of the federal poverty level; [or] a distressed municipality, as defined in subsection (b) of section 32-9p.” See, Department of Economic and Community Development, Distressed Municipalities, [https://portal.ct.gov/DECD/Content/About\\_DECD/Research-and-Publications/02\\_Review\\_Publications/Distressed-Municipalities](https://portal.ct.gov/DECD/Content/About_DECD/Research-and-Publications/02_Review_Publications/Distressed-Municipalities).

<sup>6</sup> See, Interim Decision dated October 6, 2021 in Docket No. 21-08-02, pp. 13-14, [http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/988aeb38bbad4d678525876600662497/\\$FILE/210802-100621.pdf](http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/988aeb38bbad4d678525876600662497/$FILE/210802-100621.pdf)

projects are expected to be paired with solar, the Authority finds it necessary and appropriate to revise the Underserved Communities incentive adder eligibility criteria to align with the Residential Tariff Program.

Accordingly, the Low-Income incentive level shall be available to households with incomes below 60 percent of the state median, while the Underserved Community incentive level shall be available to customers that reside in an economically distressed municipality, as defined by the most recent list developed by the Connecticut DECD. In future years, the Authority intends to explore the appropriateness of also including the census tracts encompassed in the Environmental Justice Community definition in Conn. Gen. Stat. § 22a-20a.

Further, pursuant to the Notice of Docket Process dated October 26, 2021 in Docket No. 21-08-02, the Authority will engage stakeholders to inform the implementation of Public Act 21-48, An Act Establishing an Energy Efficiency Retrofit Grant Program for Affordable Housing, which amended Conn. Gen. Stat. § 16-244z(b) to expand eligibility for the Residential Tariff Program to multifamily affordable housing (MFAH). The CGB may deem MFAH properties eligible to receive the Underserved Communities incentive level, and units within such a property may be considered as equivalent installations with respect to the 40 percent incentive adder target. However, the Authority notes that it may be necessary, at a later date, to consider additional Storage Program participation guidelines for MFAH based on the outcome of the Authority's investigation in Docket No. 21-08-02.

As such, the Program Administrators shall incorporate the above direction as necessary in all Program documents. Moving forward, the Authority encourages the Program Administrators to continue to ensure that the Program rules align, to the extent possible, with the Residential Tariff Program, and Electric Storage Program Objectives, and any subsequent PURA decisions. As appropriate, the Program Administrators should propose changes to the Program rules to accomplish this alignment.

## **ii. Low-Income Verification Process**

As noted above, Order No. 6 directed the CGB to propose a methodology to verify customer eligibility for the Low-Income and Underserved Community adders. See, Storage Decision, p. 51. The CGB proposed to verify customers in Underserved Communities based on the list maintained by DECD. Motion No. 11, p. 4. For Low-Income customers, the CGB proposed to implement a process similar to the one used in the RSIP, whereby contractors verified customer eligibility by collecting one item from three categories of documents for all household members with income. Id.; CGB Response to CAE-11, pp. 1-2. For contractors with less than 50 projects per year in the RSIP, the CGB audited 50 percent of projects, including a review of the relevant documents obtained by the contractors. CGB Response to CAE-11, p. 2; Tr. 11/9/21, pp. 72-73. For contractors with more than 50 projects per year, the CGB audited 15 percent of projects. Id. For the Storage Program, the CGB stated it would accept additional documents to verify Low-Income eligibility, pursuant to the Storage Decision, and modify its audit process based on the number of contractors and projects. CGB Response to CAE-11, pp. 2-3.

The Authority approves CGB's proposed methodology to verify eligibility for qualifying Low-Income customers and customers in Underserved Communities. The Authority will evaluate changes to the verification processes in future Annual proceedings. To ensure customer protection and inform any future Program modifications, the Authority directs the CGB to file a description of its contractor audit process for customers receiving the Low-Income or Underserved Community adder no later than March 1, 2022 in Docket No. 22-08-05. Last, the Authority encourages the Program Administrators to leverage the eligibility verification processes for the Residential Tariff Program adders to the extent possible.

## **2. NECEC/ESA Proposed Revisions**

In their October 15, 2021 comments, NECEC and ESA highlight that the administrative costs used in the CGB's Program BCA calculations potentially incorrectly assign costs attributable to future projects deployed under the Program to the projects deployed through the first three-year Program cycle, resulting in a suppressed RIM for the first Program cycle. NECEC/ESA Correspondence, dated October 15, 2021, pp. 2-3. Accordingly, NECEC and ESA "propose that the Authority alter that calculation such that those fixed administrative costs would be assigned proportionally to the first three-year Program cycle's percentage of the total Program MW participating in a given year." Id.

After review of the compliance filings provided by the Program Administrators, it is clear that the estimated administrative costs filed by the EDCs are preliminary. See, Tr. 11/9/21, pp. 60-62. Further, the administrative cost estimates provided to date lack specificity. See, Id.; See also, CGB Response to CAE-6, Program Administration Anticipated Cost Detail (rev). As such, the Authority is not inclined to alter the current estimates included in the CGB's BCA downward. However, the Authority agrees with NECEC and ESA that the RIM calculation should reflect actual administrative costs as accurately as possible moving forward. Accordingly, the Authority directs the Program Administrators and the evaluation, measurement, and verification consultant to review the issue raised by NECEC and ESA, and to provide any commentary or recommendations with the revised Program BCA filed annually in compliance with Order No. 22. As discussed below, the Authority will carefully monitor the 2022 Program deployment and will evaluate any necessary Program changes through Docket No. 22-08-05.

## **C. FINAL COMPENSATION STRUCTURE**

Based on the foregoing analysis, the Authority approves the incentive structure and levels as proposed by the CGB pursuant to Order Nos. 5 and 6 of the Storage Decision, as well as the associated incentive calculation methodologies. Table 3 shows the upfront incentives available for residential customers during the first Program cycle. Table 4 shows the upfront incentives available for commercial and industrial customers.

**Table 3: Residential Customer Upfront Incentives (2022-2024)<sup>7</sup>**

Incentive Step	Installed Capacity (MW)	Estimated Number of Installations	Baseline (\$/kWh)	Underserved Community (\$/kWh)	Low-Income (\$/kWh)
1	10	2,000	\$200	\$300	\$400
2	15	3,000	\$170	\$255	\$340
3	25	5,000	\$130	\$195	\$260
<b>Total</b>	<b>50</b>	<b>10,000</b>			

Order No. 7 Compliance, p. 3.

**Table 4: Commercial and Industrial Upfront Incentives (2022-2024)<sup>8</sup>**

Installed Capacity (MW)	Small Commercial (\$/kWh)	Large Commercial (\$/kWh)	Industrial (\$/kWh)
50	\$200	\$175	\$100

Order No. 7 Compliance, p. 3.

The upfront residential incentive shall be calculated using the lower of the following formulas:<sup>9</sup>

- (1) Electric storage system usable (nameplate) energy capacity (kWh) \* \$200/kWh;
- (2) 50 percent of electric storage system total installed cost; and
- (3) Maximum per project incentive of \$7,500.

The CGB previously proposed the inclusion of additional formulas. However, the CGB, NECEC, and ESA all support the removal of these formulas to ensure no unintended bias against longer duration batteries and to achieve the overall Program Objective of program simplicity. NECEC/ESA Correspondence, dated October 15, 2021, p. 3; Order No. 5 Compliance, BCA, p. 3.

The upfront commercial and industrial incentive shall be calculated using the lower of the following formulas:

- (1) Electric storage system usable (nameplate) energy capacity (kWh) \* \$200/kWh; and
- (2) 50 percent of electric storage system total installed cost.

Eligible Small Commercial customers are Commercial and Industrial (C&I) customers with peak demand less than 200 kW. Proposed Program Guidelines, p. 32. Eligible Medium Commercial customers are C&I customers with peak demand between 200 kW and 500 kW. Id. Large Commercial customers are C&I customers with peak demand greater than 500 kW. Id.

<sup>7</sup> Upfront incentives are defined based on nameplate energy capacity (kWh).

<sup>8</sup> Upfront incentives are defined based on nameplate energy capacity (kWh).

<sup>9</sup> Section V.4.b. of this Decision directs the Program Administrators to make a minor change to the nomenclature used to describe the upfront incentive calculation methodologies.

Table 5 provides a summary of the performance-based incentives for projects deployed under the first Program cycle, with performance incentives available for the first ten years after deployment. The below table splits the performance incentive by year, with higher incentives available to customers in the first five years after deployment and lower incentives available to customers in the latter five years. The CGB explained that this bifurcation of incentives by year was necessary to achieve the target RIM of 1.4. Tr. 11/9/21, pp. 49-50. NECEC and ESA supported the lowering of the performance-based incentive in the out years (6-10) in the event that it was necessary to meet the required RIM of 1.4. NECEC/ESA Correspondence, dated October 15, 2021, p. 4.

**Table 5: Performance-Based Incentives (All Customer Classes 2022-2024)**

Years 1-5		Years 6-10	
Summer (\$/kW)	Winter (\$/kW)	Summer (\$/kW)	Winter (\$/kW)
\$200	\$25	\$115	\$15
\$225 annual		\$130 annual	

Order No. 7 Compliance, p. 4.

## V. PROGRAM IMPLEMENTATION

### A. PROGRAM GUIDELINES

On October 15, 2021, the Program Administrators filed Motion No. 14 seeking Authority approval of the Proposed Program Guidelines developed pursuant to Order No. 2 of the Storage Decision. Further, Motion Nos. 13, 15, and 16 sought Authority approval of compliance with Order Nos. 10, 3, and 4 of the Storage Decision, respectively, which are contained within the Proposed Program Guidelines filed under Motion No. 14.

As noted in Section I., the Authority received two rounds of stakeholder comments regarding the Proposed Program Guidelines, first on November 2, 2021 and another on November 16, 2021. Additionally, the Authority held a Technical Meeting to discuss the Proposed Program Requirements. As an initial matter, the Authority agrees with many of the sentiments expressed by NECEC in their November 2, 2021 comments (Second NECEC Comments) submitted in the instant proceeding, including the desire to ensure simplicity in the ultimate Program design and rules. Further, the Authority also generally agrees with many of the comments provided by stakeholders, including the OCC, requesting additional clarification. The Authority finds that the Program Administrators have not only complied with the Authority's Order Nos. 2 through 4 and 10 from the Decision in Docket No. 17-12-03RE03, but have done so admirably in the amount of time provided. However, some sections of the Proposed Program Guidelines and specific rules require further consideration and modification; in many instances, such changes are as simple as clearly stating a known rule.

The Authority also agrees with and appreciates NECEC's and ESA's appeal to carefully watch deployment to ensure that the Program deployment targets are reached. The Authority reaffirms its commitment to a full review of the 2022 Program deployment through the second Annual Review process in Docket No. 22-08-05, during which the

Authority may consider whether the current incentive rates are sufficient to meet the stated deployment targets and Program Objectives.

Subject to the modifications discussed herein, the Authority hereby approves the Program Administrators' compliance with Order Nos. 2 through 4 and 10, filed as Motion Nos. 13 through 16, as incorporated into the Proposed Program Guidelines. The Authority directs the Program Administrators to make the required modifications outlined below and to file the final Program documents for Authority review and approval on or before December 20, 2021. **The Authority will accept comments on the Program documents submitted on December 20, 2021 until 4:00 pm on December 28, 2021.**

Further, as detailed in Section V.7., the Authority defers to the Program Administrators to address additional comments and requests for clarification made by stakeholders that the Authority does not explicitly address below. The Program Administrators shall clearly indicate any changes to the final Program documents made pursuant to the direction provided in Section V.7. in their December 20, 2021 filing.

Last, to better align the nomenclature of the Proposed Program Guidelines with the Residential Tariff Program documents, the Authority directs the Program Administrators to revise the document name to the "Program Manual."

## 1. Enrollment

### a. Commercial Operation Date

Under the Customer Enrollment Steps and Milestones included in Section 4.1 of the Proposed Program Guidelines, Milestone 5, Execute Interconnection Security Agreement, states in part, that "[t]he Supplier must submit a completed Interconnection Security Agreement to the Program Administrator during the Construction Phase, at which point the project incentive funds will be reserved for 12 months..."<sup>10</sup> Proposed Program Guidelines, p. 7. The summary table of the Milestone Deadlines included later in the Proposed Program Guidelines further confirms that the Commercial Operation Date must be "[w]ithin 12 [m]onths from [the] Executed ISA [(Interconnection Security Agreement)]." *Id.*, p. 9. In the Second NECEC Comments, NECEC provided the following comments regarding Milestone 5:

The Milestone Deadlines require that resources reach Commercial Operation Date within 12 months of executing an ISA. Given persistent global supply chain challenges, this timeframe will be difficult for many projects to comply with. We recommend allowing 18 months from executed ISA to Commercial Operation Date, with the option to reserve an additional 6 months with a refundable deposit.

Second NECEC Comments, p. 2.

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<sup>10</sup> The Authority notes that the quote continues on to say "...12 months (both public and private)." The Authority is unaware of any "private" incentive funds associated with the Program. The Authority recommends that the Program Administrators either delete the reference, if it was unintentionally included, or add additional context for clarity.

On November 16, 2021, CPower Energy Management (CPower) submitted written comments agreeing with NECEC that the deadline for the commercial operation date (COD) should be extended to 18 months. CPower Correspondence, dated November 16, 2021, p. 1.

Based on the comments provided by CPower and NECEC, the Authority finds that adopting an 18-month COD deadline, in line with NECEC's recommendation, is appropriate for Year 1 of the Program. The Authority will reevaluate deadlines for COD during the second Annual Review in Docket No. 22-08-05 to determine whether the global supply constraints may be alleviated before the start of Year 2 of the Program.

### **b. Inspection Failures and Delays**

Section 4.5.2 of the Proposed Program Guidelines outlines the consequences for failed or delayed inspection submissions. See, Proposed Program Guidelines, p. 11. In the Second NECEC Comments, NECEC agrees with these terms "but requests an exception to the 30-day limit for prolonged delays that are outside of a Program participant's control." Second NECEC Comments, p. 3. The Authority agrees that this is a reasonable addition. As such, the Authority directs the Program Administrators to add NECEC's requested stipulation to Section 4.5.2 providing the CGB with sole discretion to determine the reasonableness of the request to extend the 30-day limit.

### **c. Unsubscribing from the Program**

Section 4.6 of the Proposed Program Guidelines describes the process for unsubscribing from the Program. Proposed Program Guidelines, p. 11. As part of unsubscribing, the Program Administrators propose to require "proof of decommissioning." Id. The Second NECEC Comments note that this requirement is unnecessary as a project may unsubscribe from the Program and continue to operate, so long as the appropriate monies are returned to ratepayers through the Program Administrators. Second NECEC Comments, p. 3. The Authority concurs. The Program Administrators shall make the appropriate changes to address NECEC's comments regarding Section 4.6 of the Proposed Program Guidelines, requiring proof of decommissioning only if necessary.

Further, in their November 2, 2021 written comments, the OCC notes that the disposal provisions required to be included in the Program documents by the Storage Decision (see, Section V.H.) do not exist. OCC Written Comments, dated November 2, 2021, pp. 6-7. Section V.H. of the Storage Decision stated the following:

The Program Administrators shall require that the decommissioning of any electric storage system participating in the Program be completed by the operations and maintenance provider of the system, or by the original engineering, procurement, and construction (EPC) contractor. The Program Administrators shall include any language formalizing such a requirement in the Program Design Documents...

Storage Decision, p. 48.

The Program Administrators shall include a section on system disposal in line with the direction provided in Section V.H. of the Storage Decision in the Program Manual submitted to the Authority no later than December 20, 2021.

#### **d. Transfer of Enrollment**

Section 4.7 of the Proposed Program Guidelines governs the transferability of enrollment under the Program. Proposed Program Guidelines, p. 11. Under Section 4.7, the Program Administrators propose to require new occupants of a residence or facility to re-apply to participate in the Program. In the Second NECEC Comments, NECEC opined that the requirement to reapply "...may create significant difficulties, especially in the residential segment" and that "[t]he incentive should be viewed as tied to the resource, not the host customer." Second NECEC Comments, p. 3. The Authority concurs; the Authority finds no reason to require the new occupant to re-register. In their written exceptions, the EDCs agreed, but proposed that: (1) a new occupant acquiring the participating system notify the EDC of the change in ownership via a simple transfer form; and (2) if a seller removes the participating system and the new occupant wants to enroll in the Program, they be required to submit a new application. Eversource and UI Written Exceptions, pp. 4-5. The Authority approves the transfer of ownership requirements proposed in the EDCs' written exceptions, and directs the Program Administrators to amend Section 4.7 accordingly, shifting the liability of returning the prorated portion of the upfront incentive to the new occupant.<sup>11</sup> The Authority directs the EDCs to submit the Ownership Transfer Form with the Program Manual filed no later than December 20, 2021.

## **2. Eligibility**

### **a. Sole Participation in Active Dispatch**

Section 5 of the Proposed Program Guidelines states that "[s]ystems installed prior to January 1, 2022 are not eligible for the Program." Proposed Program Guidelines, p. 13. In the Second NECEC Comments, NECEC notes that this language directly contravenes the language included by the Authority in the Storage Decision, which states "[s]ystems installed prior to January 1, 2022 shall only be eligible for the performance incentive portion of the Program." Second NECEC Comments, p. 3; Storage Decision, p. 19. Further, in their written comments dated November 2, 2021, CPower notes that language addressing the eligibility of systems deployed before January 1, 2022 is also included in Section 7 of the Proposed Program Guidelines, and that the language in Section 7 similarly contradicts the explicit language included in the Storage Decision. CPower Written Comments, dated November 2, 2021, p. 3. Similarly, Becker and Becker (Becker) seek clarification of the language governing systems installed before January 1, 2022. Becker Written Comments, dated November 2, 2021, p. 2.

First, the Authority directs the Program Administrators to incorporate its explicit language cited above into the Program Manual. The Program Administrators did not

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<sup>11</sup> It is reasonable to expect that some portion of the value of the upfront incentive is transferred to the new occupant. Thus, it is similarly reasonable for the new occupant to assume the financial obligation to return the prorated upfront incentive in the event that they exit the Program.

present any new evidence or commentary to justify a departure from the Authority's direction. The Authority appreciates that such direction may have been lost in compiling the Proposed Program Guidelines. Nonetheless, the Authority reminds the Program Administrators that any departure from PURA's explicit direction requires Authority approval, and likely necessitates some level of public process.

Second, the Authority clarifies the intention of disallowing existing projects into the Program, but allowing existing projects into the Active Dispatch portion of the Program. Projects that are already financed and deployed did so without the guarantee of additional funding through this Program. The purpose of the Program's upfront incentive is to lower the overall cost of deploying electric storage so that the benefits of such systems can be realized for individual customers and all ratepayers. Systems that are already deployed do not require the overall cost of the system to be lowered as the system is already deployed. However, for systems already deployed, it may still be beneficial to all ratepayers to ensure that the potential system benefits are realized. In Eversource's territory, existing battery storage programs have the option to participate in the ConnectedSolutions program;<sup>12</sup> however, the Authority is unaware of a similar program in UI's service territory. Further, the current performance-based incentive provided by the ConnectedSolutions program of \$225 per average kW over the summer period is similar to the performance-based incentives authorized in Section IV.B.3. above.

Based on the foregoing inputs, the Authority is comfortable allowing systems that are installed prior to January 1, 2022 to participate solely in the Active Dispatch portion of the Program. Additionally, as a program similar to ConnectedSolutions does not exist in UI's territory and as the performance-based incentives for the Storage Program are similar to those for the ConnectedSolutions Program, the Authority is also comfortable allowing all new storage systems applying for the Program through Year 1 to participate only in the Active Dispatch portion of the Program. To be clear, while the systems will be eligible for the performance-based incentive, they will not be eligible for the upfront incentive. The Authority directs the Program Administrators to explicitly model the BCA for storage systems that only participate in the Active Dispatch portion of the Program and to provide any recommendations for amending the incentive levels for such participation in Year 2 of the Program in the second Annual Review in Docket No. 22-08-05.

Last, Becker specifically seeks clarification of the definition of the use of "installed". Becker Written Comments, dated November 2, 2021, p. 2. The Authority clarifies that its intention in using the term "installed" was to include systems that are currently operational and connected to the distribution system. The Authority directs the Program Administrators to incorporate the above clarification as necessary throughout the Program Manual.

#### **b. HES Requirement**

Section 5.1.2 of the Proposed Program Guidelines requires a home energy efficiency audit or similar assessment for all residential storage systems under the Program. Proposed Program Guidelines, pp. 13-14. Section III.D. of the Storage

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<sup>12</sup> See, <https://www.eversource.com/content/ct-c/residential/save-money-energy/manage-energy-costs-usage/demand-response/battery-storage-demand-response>.

Decision stated that “[t]he CGB may establish rules requiring residential customers installing standalone storage systems to complete the EDC-administered Home Energy Solutions (HES) or Home Energy Solutions – Income Eligible (HES-IE) assessment...” Storage Decision, p. 19. In the Second NECEC Comments, NECEC notes that residential storage projects co-located with solar PV projects participating in the RSIP or the new Residential Tariff Program also have requirements to perform an energy efficiency audit; thus, the requirement in Section 5.1.2 is unnecessary. Second NECEC Comments, p. 3. The CGB noted that approximately 3,000 RSIP projects started during the COVID-19 pandemic have been permitted to file an Energy Audit Customer Certification Form, which allows them to delay the audit but promise to complete it in the future. CGB Written Exceptions, p. 2. The CGB therefore proposed to require RSIP customers that do not have an energy audit on file (i.e., filed an Energy Audit Customer Certification Form) to provide documentation showing that the audit was completed.

The Authority generally agrees with NECEC that an energy audit is not necessary for residential storage projects co-located with solar PV projects, particularly as the Program BCA authorized above assumes 100 percent of all residential storage systems are co-located with solar PV (see, Section IV.B.1.). However, so long as an explicit exemption to the requirements of Section 5.1.2 is provided to storage systems co-located with solar PV projects participating under the RSIP or the Residential Tariff Program, the Authority finds that the requirements of Section 5.1.2 potentially provide electric-system and emissions benefits to all ratepayers through the deployment of energy efficiency measures, helping to achieve the first and sixth Program Objectives, while achieving the fifth Program Objective to lower barriers to entry. Accordingly, the Authority directs the Program Administrators to adopt the above exemption as part of Section 5.1.2. The Program Administrators may also require RSIP customers without an energy efficiency audit on file to provide documentation showing that an audit has been completed.

### **c. Technical Requirements**

#### **i. Round Trip Efficiency**

Section 5.2.1 of the Proposed Program Guidelines details the technical requirements for electric storage technologies eligible to participate in the Program, specifically stating that eligible storage technologies must have a minimum 85 percent round-trip efficiency. Proposed Program Guidelines, p. 14. As noted by NECEC in the Second NECEC Comments, and echoed by CPower in its November 16, 2021 correspondence, this requirement is inconsistent with the Storage Decision. Second NECEC Comments, p. 4; CPower Correspondence, dated November 16, 2021, pp. 1-2. Section III.D.4. of the Storage Decision states: “Storage technologies shall be considered (and approved or not approved) for inclusion as eligible based on their ability to satisfy program requirements and objectives, including, but not limited to, the following...70 [percent] roundtrip efficiency or greater.” Storage Decision, p. 28.

While the Authority recognizes that some ambiguity in the language included in the Storage Decision may exist, PURA clarifies that it considered the pros and cons of different roundtrip efficiency requirements in Docket No. 17-12-03RE03 and determined that a minimum requirement of 70 percent or greater was sufficient. Accordingly, the Authority directs the Program Administrators to revise the roundtrip requirement in

Section 5.2.1 of the Program Guidelines to 70 percent in the Program Manual. The Authority encourages the Program Administrators to file a motion for clarification in the future if the Authority's language or intention is unclear, as otherwise changes to the Authority's direction may be interpreted as a failure to comply.

### **i. Meter Wiring**

As noted above, Section 5.2.1 of the Proposed Program Guidelines details the technical requirements for eligible storage technologies. As part of Section 5.2.1., the Program requires that all projects should be capable of islanding from the grid during outage events, and that the wiring diagram submitted for each project indicate how islanding during outage events be accomplished. In the Second NECEC Comments, and again during the Technical Meeting, NECEC asserted the following:

[The islanding requirement] is not appropriate for commercial and industrial ("C&I") customers. C&I customers are highly diverse and energy storage installations are complex. The added cost in wiring a C&I storage installation for islanding would likely render many projects uneconomic. Unlike residential customers, many C&I customers do not install energy storage for resiliency purposes, but for a myriad of other use cases, including demand charge management.

Second NECEC Comments, p. 4; Tr. 11/9/21, pp. 112-113.

In their November 16, 2021 comments, both CPower and AmeriZone, LLC (AmeriZone) indicated their support for NECEC's proposal regarding the removal of the islanding requirements for C&I customers. CPower Correspondence, dated November 16, 2021, pp. 1-2; AmeriZone Correspondence, dated November 16, 2021, p. 2. NECEC also proposed limiting the definition of islanding to the ability to provide power to the customer during an outage. NECEC Written Exceptions, pp. 1-2.

The Authority held a robust stakeholder conversation in Docket No. 17-12-03RE03 on the various benefit streams of customer-sited battery storage, with considerable attention paid to resilience benefits in particular. The Authority's Framework for an Equitable Modern Grid in Docket No. 17-12-03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies, which initially indicated the Authority's intention to open Docket No. 17-12-03RE03, lists customer resilience as the first benefit stream of electric storage. Docket No. 17-12-03RE03, Interim Decision dated October 2, 2019, p. 14.<sup>13</sup> After the occurrence of Tropical Storm Isaias in August 2020, customer resilience became an even bigger focus of the Authority's efforts in Docket No. 17-12-03RE03 and justification for the Program authorized in the Storage Decision. Specifically, Tropical Storm Isaias was discussed in both the Straw Electric Storage Program Design and the Storage Decision. Docket No. 17-12-03RE03, Notice dated January 5, 2021, p. 2; Storage Decision, pp. 5-6. Further, resilience is included as part of two Program Objectives authorized in the Storage Decision, the second Program

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<sup>13</sup> See,

[http://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/0e5fc32986954bf78525875200798b44/\\$FILE/171203-100219%20InterimDecision.pdf](http://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/0e5fc32986954bf78525875200798b44/$FILE/171203-100219%20InterimDecision.pdf).

Objective to provide multiple types of benefits and the fourth objective to prioritize delivering increased resilience.

Under the current program design, customer resilience benefits do not exist without enabling the deployed energy storage system to island. In the absence of customer resilience, storage systems deployed under the Program primarily provide peak shaving benefits, with all other benefit streams accruing as a byproduct of the storage system operating in a way that maximizes such peak shaving benefits.<sup>14</sup> In short, the requirement for eligible storage systems to have the ability to island furthers the second Program Objective to provide multiple types of benefits, while omitting such requirement does not.

Based on the emphasis on customer resilience benefits throughout the development of the Storage Program and due to the alignment of the islanding requirement with the second Program Objective, the Authority declines to remove the requirement for storage systems to have the ability to island under the Program. For clarity, the Authority limits the definition of islanding to satisfy the Program Objective to provide increased customer resilience; specifically, the storage system must be able to provide back-up power to the customer within a reasonable time in the event of an outage. The Authority understands and appreciates that this requirement may result in additional costs borne by C&I projects. Accordingly, the Authority will carefully watch the deployment under the C&I portion of the Program. If C&I project deployment begins to lag, the Authority may consider revising this requirement for future Program years.

#### **d. Technology Updates**

Section 5.2.2 of the Proposed Program Guidelines describes the frequency with which the Program Administrators will provide the Authority with an updated list of eligible storage technologies and a general process by which new storage technologies may apply for and receive eligibility. Proposed Program Guidelines, pp. 15-16. Section III.D.4. of the Storage Decision states that:

In order to ensure robust and sustained Program participation, the Authority directs the EDCs to qualify as many commercially available inverters and storage systems as possible. The EDCs shall provide annual compliance updates through the annual Program review docket on the device qualification status, including a list of all known qualified and non-qualified technology. The EDCs shall also maintain a single list of eligible electric storage technologies, to be updated on an ongoing, rolling basis. Storage technologies shall be considered (and approved or not approved) for inclusion as eligible based on their ability to satisfy program requirements and objectives...

Storage Decision, p. 28.

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<sup>14</sup> Customer resilience is distinct from other customer benefits, such as demand charge reduction, as resilience benefits achieve a public policy objective and is not financial in nature. As such, customer resilience was included in the list of benefits to be considered in achieving the second Program Objective, whereas other customer benefits were not.

In their November 2, 2021 written comments, both NECEC and OCC requested additional specificity regarding the process for new technologies to gain eligibility. OCC Written Comments, dated November 2, 2021, p. 6; Second NECEC Comments, pp. 4-5. Specifically, NECEC “recommend[ed] that the EDCs be required to review applications for eligibility within a set timeframe and, if the EDC rejects an application, be required to submit a detailed explanation for application rejection to the Authority.” Second NECEC Comments, pp. 4-5. Further, CPower requested that when a new system is determined to be eligible, the Program Administrators update the Program documents and provide notice to stakeholders. CPower Correspondence, dated November 16, 2021, pp. 3-4.

First, the Authority clarifies that while specific compliance providing the Authority with an updated list of eligible technologies need not be provided through the applicable Annual Review dockets until the appropriate time outlined in the Storage Decision, the EDCs should not only “maintain a single list of eligible electric storage technologies, to be updated on an ongoing basis,” but should also make such list available on both EDCs’ websites, the CGB’s website, and the EnergizeCT website. Such list should also be updated in the Program Manual and on all four websites as soon as practicable after a new technology is deemed eligible. The Authority reads this as the intention behind the language included in Section 5.2.2; however, for clarity, the Authority directs the Program Administrators to explicitly incorporate the above direction into the Program Manual.

Second, the Authority declines to adopt specific language limiting the amount of time the Program Administrators have to review and approve applications for new technology eligibility. As the technology eligibility application will be considered along with the Program application, the Program Administrators have already provided general guidance on the expected timing of approval elsewhere in the Proposed Program Guidelines (see, Section 4, Proposed Program Guidelines). However, the Authority agrees that it is necessary, at a minimum, for a dispute resolution process to be outlined. The Authority also concurs that requiring the EDCs to submit a detailed explanation for rejecting a technology eligibility application will promote transparency. As such, the Authority directs the following process for technologies determined to be ineligible: (1) the EDCs shall provide the applicant with a written description of why the storage technology was deemed ineligible upon making such determination; (2) the EDCs shall file with its annual compliance pursuant to Order No. 12 of the Storage Decision all written descriptions provided to technology applicants deemed to be ineligible not previously filed as part of an Order No. 12 compliance filing; (3) technology applicants deemed ineligible may provide evidence demonstrating that the EDCs’ determination was incorrect in Annual or Program Review docket in which the relevant Order No. 12 compliance is filed; (4) the Authority will address any incorrectly disqualified technologies in the appropriate Annual Review docket; (5) incorrect disqualifications may lead to penalties assessed to the EDCs for non-compliance as the Storage Decision clearly directs the “EDCs to qualify as many commercially available inverters and storage systems as possible.” Storage Decision, p. 28.

Last, the Proposed Program Guidelines references a “Battery Technology Approval Form,” which has not been submitted into the proceeding to date. Accordingly, the Authority directs the Proposed Program Guidelines with the final Program documents to be submitted no later than December 20, 2021.

### **e. Required Documentation for Eligible Contractors**

Sections 5.3.1.1 and 5.3.2.2 of the Proposed Program Guidelines outline the documentation required to be provided by eligible Contractors and third-party owners, respectively, as part of the Program application process. Proposed Program Guidelines, pp. 16-20. The data requirements of these sections are somewhat governed by the data collection and evaluation, measurement, and verification reporting requirements included in Sections V.D. and V.F. of the Storage Decision. See, Storage Decision, p. 42 and 45-46.

In the Second NECEC Comments, NECEC highlighted several data and reporting requirements that they claim “may prove challenging” to produce for project developers. Second NECEC Comments, p. 5. In its written exception, Sunrun agreed with NECEC that requiring a third-party owner (TPO) contract to show a price prior to a rebate along with expected performance payments would be challenging. Sunrun Written Exceptions, pp. 1-2. In both their November 2, 2021 and November 16, 2021 comments, CPower raised similar and additional concerns regarding the ability of project developers to produce the requisite documentation. CPower Written Comments, dated November 2, 2021, pp. 4-5; CPower Correspondence, dated November 16, 2021, p. 2. Further, in their written exceptions, CPower specifically proposed that the Program Administrators approve contractor/TPO applications in a reasonable amount of time to ensure they have access to the enrollment platform on a similar timeframe. CPower Written Exceptions, pp. 3-4.

The Authority appreciates the detailed feedback provided by NECEC and CPower in their comments. The Authority’s general preference is towards collecting all the data listed in Sections 5.3.1.1 and 5.3.2.2 of the Proposed Program Guidelines, to ensure that PURA, OCC, DEEP, along with policymakers and ratepayers, have all available data to make informed decisions not only for future years of the Program, but on related public policy matters more generally. However, the Authority does not want to create unnecessary barriers to program participation, as it violates the fifth Program Objective to lower barriers to entry. Accordingly, the Authority defers to the Program Administrators’ judgement to refine Sections 5.3.1.1 and 5.3.1.2 based on stakeholder comments. More specifically, the Program Administrators may amend Section 5.3.1.1 and 5.3.1.2 in line with NECEC, Sunrun, and CPower’s requests so long as any refinements still allow the Program to meet the data and reporting requirements outlined in the Storage Decision and the Program Objectives; the Authority encourages the CGB to collect data in a way that presents the lowest barriers to participation. Further, the Authority finds that contractor and TPO applications received in the same week should generally be approved at the same time, unless such applications are deficient. For transparency, the Authority requests a list of all approved contractors and TPOs be filed as compliance no later than March 1, 2022.

### 3. Operational Control

#### a. Minimum Control and Monitoring & Operational Agreement

Section 6 of the Proposed Program Guidelines provides a high-level overview of the operational control model, and associated requirements, planned for the Program, including minimum control and monitoring parameters. Proposed Program Guidelines, pp. 26-27. Section 6.1. of the Proposed Program Guidelines discusses the “operational agreement to manage the system dispatching and implement the right of charging strategy” that storage projects will enter into with the appropriate EDC and provides an overview of the general standards and “dispatching services” that will be a part of such agreement. Proposed Program Guidelines, pp. 27-28.

In the Second NECEC Comments, NECEC highlighted three concerns regarding these parameters: (1) that near-real time telemetry should not be interpreted as any more granular than 15-minute intervals; (2) that real-time/same day dispatch should not count against the active dispatch performance of a system, but that the system should be compensated if it performs; and (3) that the override parameters are “nebulous” and “inject considerable uncertainty into project economics.” Second NECEC Comments, pp. 5-6. During the Technical Meeting, Sunrun raised similar concerns. Tr. 11/9/21, pp. 106-108. Further, during the Technical Meeting, CPower similarly proposed reconsidering the real-time/same day dispatch requirement, and NECEC reiterated its concerns regarding this requirement. CPower Written Comments, p. 7; Tr. 11/9/21, pp. 114-115.

The Authority agrees with the comments provided by NECEC and Sunrun regarding both the telemetry and override minimum control and monitoring parameters included in Section 6 of the Proposed Program Guidelines. Regarding telemetry, while the Authority has expressed its desire for operational data at “the most granular level possible” (see, Storage Decision, p. 42), it is clear from both the record in this docket and Docket No. 17-12-03RE03 that 15-minute interval data is the most granular data that can be required without creating undue restrictions. As such, the Program Administrators may clarify that 15-minute interval data satisfies the near-real time requirement.

Regarding compensation for same day dispatch, the Authority agrees with NECEC’s position as articulated in the Second NECEC Comments and echoed by Sunrun during the Technical Meeting; the Authority directs the Program Administrators to explicitly adopt NECEC’s position stated in the Second NECEC Comments and to clarify throughout the Program Manual as needed.

Last, regarding the override provision of Section 6 of the Proposed Program Guidelines, the Authority agrees that the requirements as currently written are vague. Relatedly, in their November 2, 2021 written comments, the OCC notes that a draft operational agreement was not provided with the Proposed Program Guidelines, and requests that the “key terms” of that agreement be added to the final Program documents. OCC Written Comments, dated November 2, 2021, p. 2. While Section 6.1 currently provides some of the requested “key terms” at a high level, the Authority concurs with OCC that significantly greater detail is required to ensure the successful implementation of the Program. Indeed, much of the discussion and requests for clarification regarding Section 6 and other sections of the Proposed Program Guidelines, including concerns around the override parameters, may have been alleviated by the inclusion of a draft operational agreement.

Accordingly, the Authority directs the EDCs to file for the Authority's review and approval of a draft operational agreement by December 15, 2021. Such agreement shall clearly define the parameters around events that would trigger the override provision of the agreement. In their written exceptions, the EDCs proposed to use existing information from Eversource's ConnectedSolutions terms and conditions, adding clarification specific to the Storage Program as necessary. Eversource and UI Written Exceptions, pp. 5-6. The Authority generally finds the EDCs' proposal appropriate, so long as the Program Manual, operational agreement, or accompanying frequently asked questions (FAQs) address the following: (1) if and how the override parameters apply differently to TPO systems; (2) how customers will be notified that an override event will occur/is occurring; and (3) whether and how such override parameters would also override the passive dispatch settings for that day and/or subsequent days.<sup>15</sup>

### **b. Emergency Conditions**

Section 6.2 of the Proposed Program Guidelines discusses "emergency conditions" and indicates that "[a]n Emergency Action Plan should be established." Proposed Program Guidelines, p. 28. The use of "emergency" in Section 6.2 is confusing as "emergency" is used elsewhere in the Proposed Program Guidelines to refer to inclement weather and major storm events. Adding to the lack of clarity, Section 6.2 follows a discussion of potential override parameters to "maintain safety and reliability," which could also be defined as "emergency" events. The Authority's current understanding is that Section 6.2 refers to a third category of "emergency", specifically an "emergency" event that occurs at the residence or facility at which the storage system is located independent from the two categories of emergencies discussed above. Based on that understanding, it remains unclear what the requirements of the Emergency Action Plan are and what purpose it serves; in places it seems to be a document that would govern the operation of the battery during "emergency conditions", in other places it seems to be the on-site safety protocols that occupants and first responders would follow during these conditions.

The Authority appreciates the importance of safety and emergency preparedness. However, without further clarity, the Authority is not comfortable authorizing the inclusion of Section 6.2 in the Program Manual. If the purpose of Section 6.2 is to establish on-site safety protocols, it is unclear why the project developer would be responsible for developing these, as the Authority is unaware of any current requirements for solar PV installations or storage systems to do so. To this point, Sunrun stated the following during the Technical Meeting: "a lot of those conversations already happen with the municipalities as part of the permitting process, and...go through fire code review." Tr. 11/9/21, p. 109. If the purpose of Section 6.2 is to establish operating parameters for the storage system to be defined for "emergency conditions," the Program Administrators would need to provide examples of best practices and/or specific guidance on preferred or suggested parameters. The EDCs asserted that electric storage system suppliers should "own responsibility to provide customers required actions for emergency conditions," and stated that they would suggest customers notify their EDC customer

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<sup>15</sup> See, e.g., CGB Response to CAE-8. While not entirely analogous, CAE-8 provides an example of how to define the impact to the passive dispatch settings during grid safety and reliability events.

service center during an emergency event if the Company is required to disconnect service. Eversource and UI Written Exceptions, p. 7.

Based on the foregoing, the Authority finds the EDCs' proposed customer recommendations sufficient and declines to adopt Section 6.2 as initially drafted. Accordingly, the Program Administrators may include simplified language regarding the EDCs' related recommendations included in their written exceptions in the Program Manual filed on December 20, 2021.

#### **4. Program Dispatch and Incentive Structure**

##### **a. Data Sharing Agreement**

Section 7 of the Proposed Program Guidelines includes a list of "Program Requirements" developed by the EDCs. Proposed Program Guidelines, p. 29. Included in that list is "a real-time data sharing agreement." *Id.* The same line references "Appendix A" for an example of the data sharing agreement. The Authority believes that the reference should instead be to "Appendix B." If the Authority's understanding is correct, PURA finds that sufficient information regarding the data sharing agreement has been provided and authorizes Appendix B for use in the Program. The Authority directs the Program Administrators to modify Appendix B to incorporate language specific to the Program, and to provide the updated version with the Program Manual.

##### **b. Passive Dispatch and Upfront Incentives**

Section 7.1 of the Proposed Program Guidelines provides details on the passive dispatch parameters and the calculation methodology for the upfront incentive payments. Proposed Program Guidelines, pp. 30-33. Order No. 3 of the Storage Decision directed the Program Administrators to develop rules guiding the distribution of the upfront incentive payments. Storage Decision, p. 51. Section IV.B.3. of this Decision provides an overview of, and approves, the methodologies that will be used to calculate the upfront incentives.

On October 27, 2021 the Authority issued interrogatories CAE-3 through CAE-11 to the CGB requesting clarification and additional context on several matters related to their October 15, 2021 compliance filings. Among those interrogatories, CAE-8 requested information on the parameters around an "emergency event that permits customers to deviate from the passive dispatch parameters." The CGB provided a detailed answer in response, including suggested direction for the Authority to provide. See, CGB Response to CAE-8. The Authority finds that the CGB response to CAE-8 provides reasonable recommendations that advance the clarity of the Proposed Program Guidelines and Program rules overall. Accordingly, the Authority directs the Program Administrators to adopt CGB's recommendations and clarifications in the Program Manual.

### i. Upfront Incentive Calculation

In their November 2, 2021 written comments, both Becker and CPower requested clarification as to whether the upfront incentive will be paid out based on 100 percent of the storage system's nameplate capacity or 80 percent, as the latter is the percentage that will be used for the passive dispatch portion of the Program. Becker Written Comments, dated November 2, 2021, p. 2; CPower Written Comments, dated November 2, 2021, p. 6. Upon review, the Authority believes the source of confusion is the use of the term "usable" in the formula description. However, the same Section states earlier "80 [percent] of the usable energy capacity [in] the Passive Dispatch Program", which leads the Authority to interpret the intention of the Program Administrators to use the full nameplate capacity (termed "usable energy capacity") in calculating the upfront incentive. If the Authority's understanding is correct, PURA directs the Program Administrators to omit the word "usable" from the descriptions of the upfront incentive calculation methodologies, and to explicitly state in Section 7.1 that the full nameplate capacity, not 80 percent, will be used to calculate the upfront incentive.

Last, in their November 16, 2021 comments, NECEC proposed the following redline edits to clarify how eligibility will be determined for the different C&I upfront incentive levels (in reference to p. 32 of the Proposed Program Guidelines):

Commercial and Industrial customers are eligible for upfront incentives, administered by CGB, as defined in Table 4. The non-residential up-front incentive utilizes a single block with differentiation between small commercial, large commercial, and industrial customer types. **The applicable small commercial, large commercial, and industrial customer peak demand upfront incentive level will [be] determined based on a customer's "peak demand," defined as the average of the customer's most recent 12-months of monthly demand, where monthly demand will be the highest 30-minute interval demand each month. In the event this calculation is not possible (e.g., interval data is not available), the Program Administrators may use the billing demand in a customer's utility bill.**

NECEC Correspondence, dated November 16, 2021, p. 1.

The proposed methodology for determining commercial customer demand is similar to the methodology for determining distribution demand under Eversource's Rate 37.<sup>16</sup> To ensure consistency across C&I customers within and between both EDCs, the Authority finds NECEC's proposed redline edits reasonable. The Authority directs the Program Administrators to adopt NECEC's proposal outline above, and to include the proposed redline language in the final Program Manual.

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<sup>16</sup> See, <https://www.eversource.com/content/docs/default-source/rates-tariffs/rate37.pdf>, p. 3.

## ii. Passive Dispatch Enrolled Capacity

Section 7.1 of the Proposed Program Guidelines states that customers must enroll 80 percent of the total energy capacity (i.e., “usable energy capacity”) in the Passive Dispatch program, leaving 20 percent of capacity for “customer resilience.” Proposed Program Guidelines, p. 31. NECEC proposed that the usable energy capacity calculation factor account for a 10 percent operating reserve. Second NECEC Comments, p. 6. CPower agreed with NECEC that the usable capacity reflect an operating reserve. CPower Correspondence, dated November 16, 2021, p. 3. Sunrun also concurred, and further noted that batteries have technical limitations that prevent them from fully discharging, and requiring 80 percent enrollment in Passive Dispatch would leave customers with less than the intended 20 percent reserve capacity. Sunrun Written Exceptions, p. 1.

The Authority finds that guaranteeing a 20 percent operating reserve is appropriate to support the Program Objective to provide customer resilience. Accordingly, the Authority directs the Program Administrators to account for an operating reserve when determining the usable energy capacity in order to provide customer with a 20 percent backup reserve.

## iii. Uniform Dispatch

Section 7.1 of the Proposed Program Guidelines states, “the [energy storage system] must discharge 80 [percent] of its usable energy capacity uniformly over 5 hours to meet the passive dispatch requirement.”<sup>17</sup> Proposed Program Guidelines, p. 31. NECEC stated the following in the Second NECEC Comments:

The requirement for uniform dispatch restricts the ability for the battery to capture other revenue streams (and perhaps deliver additional benefits). This requirement essentially eliminates the ability to perform demand charge management, which is a major customer value. NECEC recommends revising this to require for the battery to discharge 80 [percent] of its usable capacity over the Passive Dispatch period, regardless of when the dispatch occurs.

Second NECEC Comments, p. 6

NECEC further asserted that their recommendation would still deliver the anticipated Program benefits over the passive dispatch window, but also proposed that the CGB conduct a BCA evaluating the impact of non-uniform dispatch to inform the Year 2 Annual Review. Id.; NECEC Written Exceptions, p. 1. In their November 16, 2021 comments, CPower expressed support for NECEC’s position, stating that the requirement to uniformly dispatch over the passive dispatch window “interferes with a customer’s ability to manage its demand charge.” CPower Correspondence, dated November 16,

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<sup>17</sup> The Authority notes that the timing of the passive dispatch window is not mentioned in Section 7.1 of the Proposed Program Guidelines. While the Authority understands that the window may be changed at a later date, PURA recommends that the Program Administrators add this timing into Section 7.1 for clarity, with any appropriate caveats.

2021, pp. 2-3. Additionally, Sunrun stated that a uniform dispatch may create problems for participants with DC-coupled storage systems co-located with solar PV systems as the total solar plus storage production during the passive dispatch period may exceed the inverter capacity. Sunrun Written Exceptions, p. 1. Sunrun proposed that uniform dispatch be preferred, but systems to be allowed flexibility for events impacted by inverter capacity limitations. Id.

The Authority is sympathetic to the assertions of NECEC, CPower, and Sunrun. All else being equal, the Authority's intention is to provide customers with as much flexibility as possible while still meeting the Program Objectives and providing customer resilience benefits (see, Section V.2.c.i.). Notwithstanding, the Authority does not find evidence to support the conclusion that the proposed change in the passive dispatch rules would result in the same level of benefits. Docket No. 17-12-03RE03 documented in detail the drivers of the benefit categories included in the Program BCA. As was explored in that docket, the ultimate Program BCA is highly dependent on the timing of storage dispatch as the greatest ratepayer benefit are derived from dispatch during just a few hours in the year. Any change to the timing of dispatch under the Program is likely to change the Program BCA. The Authority recognizes that allowing the proposed modification to the passive dispatch rules may well result in a slight change to the Program benefits when considering all systems in the aggregate. However, the recommended change would almost certainly decrease the Program BCA through increased Program costs associated with additional demand charge mitigation. The Authority similarly finds limited record evidence evaluating the impact on the Program BCA of providing additional flexibility to DC-coupled systems.

Ultimately, in the absence of an analysis demonstrating the impact on the Program BCA and due to the importance of the Program BCA in achieving the first Program Objective to provide positive net present value to all ratepayers, the Authority declines to amend the uniform dispatch requirement of the passive dispatch parameters.<sup>18</sup> The Authority encourages the Program Administrators and all stakeholders to provide the requisite analysis to justify the recommended changes to the Storage Program. Additionally, the Authority specifically directs the Program Administrators and the evaluation, measurement, and verification consultant to review the issues raised by NECEC and Sunrun, and to provide additional analysis and any commentary or recommendations with the revised Program BCA filed annually in compliance with Order No. 22. .

#### **iv. Performance Requirements**

Section 7.1 of the Proposed Program Guidelines also states that, "non-performance in passive events during this period, will result in non-compliance with program requirements and the customer will be required to return a prorated portion of the un-earned incentive as determined by CGB." Proposed Program Guidelines, p. 32. Several stakeholders, including the OCC, NECEC, and CPower, requested clarification

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<sup>18</sup> The Authority also notes that while the requirement to uniformly dispatch attenuates the demand charge benefits available to C&I customers, any customer with load that would allow them to receive demand charge benefits over the passive dispatch window will still have their demand charges mitigated to some degree.

of this clawback provision. See, OCC Written Comments, dated November 2, 2021, p. 2; Second NECEC Comments, p. 7; and CPower Written Comments, dated November 2, 2021, p.10.<sup>19</sup> More specifically, NECEC requested clarification and made the following recommendation:

NECEC recommends that Program participants be considered compliant with Passive Dispatch rules if they dispatch at 90 [percent] of expected capacity over a Program year. If, in a single year, a resource does not achieve 90 [percent] compliance, the Program participant would be required to return 10 [percent] of the Upfront Incentive (i.e., the equivalent of one year in the ten-year term) in each year of non-compliance.

Second NECEC Comments, p. 7.

NECEC further recommended that exceptions for good cause be allowed. In their November 16, 2021 comments, CPower supported NECEC's recommended clarification. CPower Correspondence, dated November 16, 2021, p. 3.

The Authority finds NECEC's recommended clarification, including the addition of an exception for good cause, to be reasonable and necessary, and directs the Program Administrators to adopt the above approach in the Program Manual with the following modifications. First, eligibility for an exception for good cause shall be at the sole discretion of the CGB, who shall ensure that any non-compliance with the passive dispatch Program requirements is tracked and taken into account in future Program BCAs once data is available. Second, the Authority directs the Program Administrators to add language in the Program Manual addressing how they will ensure that non-compliant systems make the requisite payments.

### **c. Active Dispatch and Performance Incentives**

Section 7.2 of the Proposed Program Guidelines provides details on the performance incentive levels and active dispatch parameters. Proposed Program Guidelines, pp. 33-35. Order No. 4 of the Storage Decision directed the Program Administrators to develop guidelines for the active dispatch program, with incentives paid based on the average per-event reduction across all events in a given season. Storage Decision, pp. 15-17 and 51. Rather than the ConnectedSolutions event timing contemplated in the Storage Decision (i.e., 3-hour events between 2:00 pm and 7:00 pm), the Program Administrators proposed 1-to-3-hour events that could occur between 9:00 am and 9:00 pm. Proposed Program Guidelines, p. 34. The CGB stated that such timing would allow the EDCs to provide ancillary services in addition to peak shaving. Tr. 11/9/21, p. 13.

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<sup>19</sup> CPower's initial request for clarification was focused on the 10-year program timeframe, whereas OCC and NECEC's comments were more specifically focused on the mechanics of the clawback provision.

NECEC asserted that the proposed event timing may not provide storage systems sufficient time to re-charge and respond to an active dispatch event following a passive dispatch event. Second NECEC Comments, p. 7. To prevent such situations from occurring, NECEC proposed a dispatch window from 1:00 pm to 9:00 pm. *Id.* CPower supported the NECEC proposal, noting that systems co-located with solar that dispatched in the evening would not be able to dispatch at 9:00 am the following morning. CPower Correspondence, dated November 16, 2021, p. 3.

While the Authority appreciates that lengthening the active dispatch window could provide ancillary service benefits, PURA finds that there is insufficient evidence to show that the potential benefits outweigh the uncertainty created by modifying the event timing. Accordingly, the Authority directs the Program Administrators to revise the active dispatch window to 12:00 pm to 9:00 pm., to balance the desire to lengthen the window to potentially provide ancillary service benefits with developers' concerns. Further, as discussed in Section V.A.3.a, the Program Administrators shall revise Section 7.2 to adopt NECEC's proposal to not count same day event performance against the seasonal performance measurements. The final Active Dispatch parameters are shown in Table 6.

**Table 6: Proposed Storage Program Active Dispatch Parameters**

	Summer	Winter
<b>Season Dates</b>	June 1 – September 30	November 1 – March 31
<b>Number of Events</b>	30-60	1-5
<b>Event Duration</b>	1 - 3 hours	1 - 3 hours
<b>Timing</b>	12:00 pm – 9:00 pm	12:00 pm – 9:00 pm

#### **d. Active Dispatch Incentive Rates and Average Performance**

Section 7.3 of the Proposed Program Guidelines explains the performance incentive calculation methodology. Proposed Program Guidelines, pp. 35-36. To ensure compliance with the active dispatch requirements, the Program Administrators proposed to require 15-minute interval data for the entire demand response season. *Id.*, p. 35. During the Technical Meeting, the CGB stated that it would consider developing a reasonable standard to accommodate minor lapses in data reporting. Tr. 11/9/21, p. 108.

NECEC noted that if strictly interpreted, the requirement to provide 15-minute interval data could disqualify a customer from receiving performance incentive payments for any missing data. Second NECEC Comments, p. 8. Sunrun similarly expressed concern that a lack of data for any part of the year could result in nonreceipt of the performance payment. Tr. 11/9/21, pp. 107-108. NECEC proposed that during any missing 15-minute interval data, system performance should be assumed to be zero. Second NECEC Comments, p. 8. CPower supported NECEC's proposal. CPower Correspondence, dated November 16, 2021, p. 3.

The Authority agrees with stakeholders that a minor lapse in data reporting should not require a customer to forfeit an entire season of performance incentives. The Authority directs the Program Administrators to adopt the NECEC proposal to assume zero performance when data is not reported in the Program Manual. Last, the Program

Administrators may propose additional standards for data reporting to ensure sufficient data collection in their December 20, 2021 submission. Any additional standards proposed by the Program Administrators shall be clearly identified.

#### **e. Incentive Payment Process**

Section 7.4 of the Proposed Program Guidelines describes the payment process for both the upfront and performance incentives. Proposed Program Guidelines, pp. 36-37. Specifically, Section 7.4 states that the EDCs will pay the performance incentives in an annual lump sum, as directed by the Authority in the Storage Decision. *Id.*; Storage Decision, p. 15. However, CPower noted that Section 7.4.2 states that the EDCs will pay the performance incentives following the Summer and Winter seasons, and accordingly requested clarification about payment timing. CPower Written Comments, p. 7. At the Technical Meeting, Eversource stated that customers would receive the performance incentive six to eight weeks after the season. Tr. 11/9/21, p. 31.

The Authority clarifies that its direction in the Storage Decision should have read: “an annual, lump-sum payment **for each season.**” Accordingly, the Authority hereby directs the Program Administrators to modify Section 7.4 and 7.4.2 to state that customers will receive performance payments six to eight weeks following the end of the Summer and Winter seasons, including the date of the end of each season (i.e., September 30 and March 31). Further, the Program Administrators shall provide customers with such information in all relevant Program documents.

### **5. Storage Configuration Considerations**

#### **a. ISO-NE Market Participation Process**

Sections 8.1 through 8.3 of the Proposed Program Guidelines describe storage configuration requirements regarding ISO-NE capacity rights. Pursuant to the Storage Decision, certain customers are eligible to request capacity rights from the CGB. Section IV.B. Order No. 10 directed the CGB to propose an ISO-NE market participation verification process in an effort to understand how such participation interacts with the Program’s passive and active dispatch settings. Storage Decision, pp. 26 and 52. On October 15, 2021, the CGB filed Motion No. 13 for Authority approval of its compliance with Order No. 10 contained within the Proposed Program Guidelines.

Eligible projects under each customer category would be required to inform the Program Administrators during the application process whether they intend to participate in the ISO-NE FCM, and accordingly request the capacity rights. Proposed Program Guidelines, pp. 39-40. Further, critical facilities, C&I customers with fossil fuel generators, and small business customers would be required to submit a resiliency plan to demonstrate how their system would be recharged when grid-charging is otherwise unavailable. *Id.* C&I customers with fossil fuel generators would further be required to provide proof that their fossil fuel generator will be decommissioned. *Id.*, p. 40. To verify ISO-NE participation, the CGB proposed to require system owners or aggregators to submit a self-certification stating the days and hours they participated in a market. *Id.* The Program Administrators proposed to cap the amount of capacity eligible to participate in ISO-NE markets at 25 percent. *Id.*

CPower proposed that customers who do not provide notice during the application phase retain the right to participate in the future so long as they provide notice to the Program Administrators. CPower Written Comments, p. 8. Regarding ancillary services markets, CPower proposed revising the language to allow participation “provided that such participation does not prevent them from being treated as load reducers for purposes of developing the load forecast used in calculating the Installed Capacity Requirement.” *Id.* The OCC similarly requested clarification that participants may only request capacity rights through the application process. OCC Written Comments, pp. 4-5. Further, the OCC proposed additional reporting requirements for customers that participate in ISO-NE markets, including the compensation received and compensation mechanisms. *Id.*, p. 5.

AmeriZone proposed removing the 25 percent ISO-NE market participation cap, asserting that the cap would contradict the Authority’s Program Objectives to address resilience for certain customers. AmeriZone Correspondence, dated November 16, 2021. The CGB and NECEC/ESA both asserted that actual participation would likely be lower than 25 percent. CGB Order No. 7 Compliance, p. 4; NECEC/ESA Correspondence, dated October 15, 2021, p. 2.

In granting certain categories of customers the ability to request capacity rights, the Authority’s intent was to support the Program Objectives to increase local and community resilience and to prioritize delivering increased resilience to critical facilities and customers on the grid edge who experience more and/or longer than average outages during major storms. Storage Decision, p. 21. As the CGB and NECEC/ESA asserted that actual participation would likely be less than 25 percent, the Authority finds that continued access to capacity rights is not likely to significantly impact the RIM, particularly in the near term. To provide the targeted customer classes with continued access to potential ISO-NE benefits, the Authority directs the Program Administrators to annually provide eligible customers an opportunity to request capacity rights from the CGB, so long as they provide the required documentation at that time.

Further, as proposed by the OCC, the Authority directs the Program Administrators to amend Section 8.2 to include the following in the seasonal self-certification of market participation: (1) whether the customer participated in ISO-NE markets; (2) the market they participated in; (3) the days and hours of such participation; (4) the compensation received for each event; and (5) whether the compensation is from a third-party aggregator or directly from the market net of administrative fees. *See*, OCC Written Comments, dated November 2, 2021, p. 5; OCC Letter In Lieu of Written Exceptions, p. 2.

Finally, as discussed in Section IV.B., the Authority directs the Program Administrators to remove the 25 percent capacity cap on FCM participation. The Authority will review FCM participation data from Program Year 1 to consider whether an FCM participation cap is warranted.

## **b. Customers on the Grid Edge**

Section 8.1.1. of the Proposed Program Guidelines describes the eligibility requirements for grid edge customers to qualify to request ISO-NE FCM capacity rights from the CGB. Proposed Program Guidelines, p. 39. Section 8.1.1. further states that maps of qualifying circuits will be located on each EDC's website. Pursuant to Order No. 8 of the Storage Decision, on October 1, 2021, Eversource and UI filed Motion Nos. 8 and 9, respectively, for Authority approval of such grid edge maps. Eversource provided an estimated budget to develop and maintain its proposed Grid Edge Criteria Circuit Map, approximating \$133,000 in 2021 for development and \$10,500 annually for maintenance. Eversource Response to CAE-12. UI estimated \$19,550 in initial development costs for its proposed Grid Edge Map and \$10,350 in annual maintenance costs. UI Response to CAE-14.

The Authority approves the EDCs' Grid Edge Circuit Maps and accompanying maintenance plans. However, the Authority defers final approval of the proposed costs, and will view the prudence during the appropriate RAM proceeding, as discussed in Section V.B.3.

## **6. List of Eligible Electric Storage Systems**

Order No. 12 of the Storage Decision directed the EDCs to provide a list of all electric storage systems that are eligible for the Program. Storage Decision, p. 52. The Program Administrators included the requisite list as Appendix A to the Proposed Program Guidelines. On October 18, 2021, the EDCs submitted a compliance filing indicating that its compliance with Order No. 12 was included in the Proposed Program Guidelines.

CPower and Becker proposed including specific technologies in the EDCs' proposed list. Further, Becker also requested that all electro-chemical systems capable of communicating with the EDCs' dispatch platforms be considered eligible. Becker Comments, pp. 2-3. Several stakeholders also noted in their written exceptions that the current list of eligible technologies pertains almost exclusively to residential storage systems. See, NECEC Written Exceptions, p. 2; SolarConnecticut (SolarConn) Written Exceptions, pp. 1-2; CPower Written Exceptions, p. 5; and AmeriZone Letter in Lieu of Written Exceptions, p. 3. SolarConn further recommended that the Program Administrators review and include all applicable storage systems included on the California Energy Commission's Solar Equipment List. SolarConn Written Exceptions, p. 2.

The Authority reiterates that the list included in Appendix A to the Proposed Program Guidelines should include all systems that are capable of communicating with the EDCs' DERMS, including systems for use in both residential and C&I applications. The EDCs shall evaluate all systems noted by Participants, including those listed on the California Energy Commission's Solar Equipment List, for inclusion with the Program Manual to be filed December 20, 2021.<sup>20</sup> The Program Administrators shall transmit the final list of eligible systems via email to their relevant contacts within the electric storage industry, along with the approved Battery Technology Approval Form, in January 2022.

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<sup>20</sup> See, CPower Written Exceptions, p. 5; AmeriZone Letter in Lieu of Written Exceptions, p. 3; Becker Written Comments, dated November 2, 2021, p. 2; etc.

## 7. Other Changes and Clarifications

The Authority limited the scope of Sections A.1. through A.6. above to those issues on which PURA determined that explicit direction was necessary. Notwithstanding the following stipulations, the Program Administrators may address or incorporate any additional requests for clarification, recommendations, or other commentary raised by stakeholders in the correspondences and written comments submitted on November 2, 2016 and November 16, 2021 not explicitly covered by the Authority, at their discretion. First, any modifications to the Proposed Program Guidelines incorporated into the Program Manual shall be made to ensure that the Program better achieves the Program Objectives. Second, the Program Administrators shall either address through the Program Manual or the Program FAQs the following from the November 2, 2021 written comments: OCC's comments on Section 7.1 of the Proposed Program Guidelines; NECEC's additional comments on Sections 4.2, 4.4, and 5.2; CPower's additional comments on Sections 4.1, 4.4, and 5.3; and Sunrun's written exceptions on usable energy capacity, uniform dispatch, and TPO contract requirements. OCC Written Comments, dated November 2, 2021, p.3; Second NECEC Comments, p. 4; CPower Written Comments, dated November 2, 2021, pp. 1-6; CPower Written Exceptions, pp. 1-4; and Sunrun Written Exceptions, pp. 1-2. Last, the Program Administrators shall clearly indicate any changes to the Program Manual and other Program documents made pursuant to this section in its December 20, 2021 filing.

### B. PROGRAM ADMINISTRATION

#### 1. Marketing

Order No. 9 of the Storage Decision directed the CGB to develop a communication and promotion plan (Marketing Plan). Storage Decision, p. 51. Further, the Storage Decision directed the CGB to conduct a targeted communication and outreach campaign to recruit specific categories of customers to the Program, including customers in environmental justice communities, customers on the grid edge, critical facilities, facilities with existing fossil fuel generators, and small business customers. *Id.*, p. 41. On October 4, 2021, the CGB filed Motion No. 12 for Authority approval of its proposed Marketing Plan, developed in coordination with the EDCs. The CGB stated that it plans to first distribute information about the Program to all customers prior to targeting specific customer classes and technology applications. Tr. 11/9/21, pp. 33-34. The CGB also stated that it would focus its general marketing efforts on residential customers that installed solar PV through the RSIP. Tr. 11/9/21, p. 35. The CGB further explained that their targeted marketing to low-income and underserved communities would utilize emails to recruit customers that have already participated in the RSIP and received the low-income incentive under the RSIP. *Id.*, pp. 35-36.

The Authority finds the Program Administrators' proposed Marketing Plan in compliance with the Storage Decision. Further, the Authority appreciates the CGB's planned efforts to ensure the Program achieves its stated target of deploying 40 percent of systems in low-income and Underserved Communities. In an effort to improve transparency, the Authority directs the CGB to submit examples of any marketing emails sent to potential Low-Income customers and customers in Distressed Municipalities at the time of first issuance.

### **a. Stakeholder Resources**

In addition to Program Design Documents, Order No. 2 of the Storage Decision directed the Program Administrators to provide stakeholder resources, including an FAQs document. Storage Decision, pp. 41 and 51. In response to CAE-1, the Program Administrators identified a full list of stakeholder resources being developed pursuant to the Storage Decision as follows:

- (1) Proposed Program Guidelines;
- (2) Press Release to announce Program launch;
- (3) Program Training for contractors;
- (4) Interim webpage with general Program information;
- (5) EDC and EnergizeCT webpages with Program information;
- (6) Webinars providing general information starting in November 2021;
- (7) Sell Sheets for various segments to provide sales/educational information;
- (8) Final Program webpage with all relevant Program information;
- (9) Videos/Program Guides to help educate customers;
- (10) Case Studies of 2022 customer installations; and
- (11) Demonstration Projects to spread knowledge of batteries.

Program Administrator Response to CAE-1.

The CGB further stated that it is developing FAQs as part of its stakeholder resources. Tr. 11/9/21, pp. 55-56.

The Authority appreciates the Program Administrators' proactive approach to ensuring a successful Program launch in January 2022 in support of the Program Objectives. The Authority directs the Program Administrators to file with the Authority the dates, times, and locations (including web links) of the webinars to be held in calendar year 2021 and the first quarter of 2022 no later than January 28, 2021, or one week before the first webinar, whichever occurs first.

## **2. EM&V**

On August 13, 2021, the Program Administrators filed Motion No. 1 for Authority approval of their compliance with Order No. 1 of the Storage Decision, which directed the Program Administrators to submit "a proposed RFP to retain a third-party [evaluation, measurement, and verification (EM&V)] Consultant for the first three-year program period." Storage Decision, p. 53. The Authority approved the EM&V Consultant RFP on September 10, 2021 subject to select modifications, which the CGB subsequently incorporated and refiled as correspondence on September 20, 2021. On November 10, 2021, the CGB notified the Authority that, in consultation with the EDCs, DEEP, and the OCC, it selected Guidehouse as the EM&V Consultant for the first Program cycle and would begin finalizing a contract and working on program metrics. See, CGB Correspondence, dated November 10, 2021.

The Authority appreciates the Program Administrators' efforts to thoroughly evaluate and select an EM&V Consultant to support the Program Objectives. The Authority looks forward to reviewing the proposed Program metrics, calculation methodologies, and data requirements developed by the Program Administrators in consultation with Guidehouse pursuant to Order No. 16 of the Storage Decision.

### 3. Order No. 13

The Storage Decision directed the Program Administrators to “work together ... to use a shared platform or integrated systems that collect(s) customer information” with a common customer interface between service territories. Storage Decision, p. 39-40. Accordingly, Order No. 13 of the Storage Decision directed the Program Administrators to file the name and description of the customer enrollment platform and details regarding the customer application process. *Id.*, p. 52 The CGB filed Motion No. 18 on November 10, 2021 on behalf of the Program Administrators requesting approval of compliance with Order No. 13.

In Motion No. 18, the CGB stated that it is building a Salesforce-based customer enrollment platform (Platform) in collaboration with the Craftsman Technology Group, who built and maintains the CGB’s Commercial Property Assessed Clean Energy (CPACE) platform. Motion No. 18, p. 1. The Platform would allow (1) contractors and TPOs to become eligible to participate; and (2) suppliers to submit upfront incentive applications on behalf of customers enrolling in the Program. *Id.* The CGB estimated Year 1 costs of approximately \$750,000 and Year 2 and 3 costs of \$600,000 per year for systems design and maintenance, including software licensing. *Id.*, pp. 3-4. The estimated costs also include a visualization platform to aggregate and anonymize various Program and external data to create a visual representation of Program metrics, estimated at \$300,000 in Year 1 and \$250,000 in both Years 2 and 3. *Id.*, p. 4.

The Authority approves the Program Administrators’ compliance with Order No. 13 under the assumption that similar information specific to each EDC will be provided in compliance with Order No. 18 of the Storage Decision. The Authority’s approval of the Order No. 13 compliance is limited to an acknowledgement that the proposal satisfies the Program Administrators’ compliance obligation, it should not be construed in any way as pre-approval of the costs associated with the customer enrollment platform and associated enrollment processes. The Authority will review the prudence of the actual costs incurred in the relevant RAM proceeding, as discussed in the below Section.

### 4. Program Administration Costs

The CGB provided program administration costs through 2033 associated with capacity deployed through the first Program cycle (i.e., 100 MW deployed in 2022 through 2024), estimated to be approximately \$15.6M. CGB Response to CAE-6, Attachment A. The EDCs provided estimated program administration costs through 2022 associated with all capacity deployed through the Program (i.e., 580MW deployed in 2022 through 2030), which totaled \$25.6M for Eversource and \$27.8M for UI. *Id.*, See also, Tr. 11/9/21, pp. 60-62 and 84-86.

NECEC and ESA noted that the estimated administrative costs accounts for approximately 26 percent of total Program costs included in the RIM test. NECEC/ESA Correspondence, dated October 15, 2021, pp. 2-3. The OCC also observed that the estimated administrative costs are high and requested that the Program Administrators provide further details. OCC Written Comments, dated November 2, 2021, p. 7. Further, the OCC requested that the EM&V Consultant costs be subject to a hard cap, rather than

the five percent of total Program costs for any three-year Program cycle authorized in the Storage Decision. Id.

The Authority generally agrees with the comments provided by NECEC, ESA, and the OCC that the estimated administration costs appear high. Despite these high administrative costs, and including them, the CGB confirmed that the expected RIM for the first Program cycle is 1.4. Tr. 11/9/21, p. 63. It is, however, still in the public interest for the Program administrative costs to be minimized as a reduction in these costs will result in increased net benefits to all ratepayers. As such, the Authority directs the Program Administrators to minimize their administrative costs to the extent possible.

Further, the Authority reminds the Program Administrators that each of them (i.e., UI, Eversource, and CGB) individually bear the burden of proving the prudence of all administrative costs associated with the Program. To demonstrate prudence, the Program Administrators will need to provide sufficiently detailed cost information and evidence to support the finding that all efforts were taken to minimize costs, including, but not limited to, evidence that: (1) reasonable competitive procurement processes were held;<sup>21</sup> (2) existing internal resources were leveraged to the extent possible; (3) investments in new resources were selected with current and future investments, programs, and public policies in mind; and (4) unnecessary costs were avoided.<sup>22</sup> Out of an abundance of caution, the Authority is in no way pre-approving the estimated Program administrative costs provided to date; the approval of any Program administrative costs will be done through the appropriate RAM proceeding, as discussed further in the below subsection.<sup>23</sup>

Last, based on estimated administrative costs provided in the Excel workbook titled, "Program Administration Anticipated Cost Detail (rev)", it appears that a flat cap of \$1.1 million is being applied to the Program EM&V budget. See, CGB Response to CAE-6, Program Administration Anticipated Cost Detail (rev). The Authority confirms this interpretation.

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<sup>21</sup> The information submitted by the EDCs in their written exceptions provides an example of some of the information that should be provided to demonstrate that reasonable competitive procurement processes were held. See, Eversource and UI Written Exceptions, p

<sup>22</sup> At the Technical Meeting, Eversource requested that the Authority "address its standard of review for the costs that will be incurred." Tr. 11/9/21, pp. 91-92.

<sup>23</sup> As an initial matter, the Authority provides the following, additional feedback regarding Eversource's estimated administrative costs, specifically its "Other Expenses" category. See, CGB Response to CAE-6, Program Administration Anticipated Cost Detail (rev); See also, Tr. 11/9/21, p. 61. The Storage Decision states that "[t]he CGB shall be responsible for...marketing and outreach," explicitly omitting the EDCs. Storage Decision, p. 39. As marketing and outreach are assigned to the CGB, the EDCs are not eligible for cost recovery of marketing activities associated with the Program. Notably, UI did not include any marketing expenses in its estimated administrative costs. "[T]hird-party engineering support expenses" are also included in Eversource's "Other Expenses" category. CGB Response to CAE-6, Program Administration Anticipated Cost Detail (rev); Tr. 11/9/21, p. 61. As noted above, in order to seek recovery of such expenses, Eversource must provide sufficient evidence to demonstrate prudence, including, but not limited to, clearly showing that existing internal resources were leveraged to the extent possible. Last, in order for the Authority to consider cost recovery of any "Other Expenses," detailed cost information for each subcomponent must be provided, e.g., third-party engineering support services, vendor fees, API connection fees, etc. See, Tr. 11/9/21, p. 61-62.

### a. RAM Filing Clarification

On November 17, 2021, the EDCs filed a motion requesting that the Authority clarify several points in the Storage Decision (Motion No. 28). The Authority grants Motion No. 28 and provides further clarification herein.

First, the EDCs asked the Authority to clarify whether EDC payments to the CGB are to commence upon final approval of costs in the RAM proceedings. Motion 28 pp. 3-4. Following Authority approval of the costs in the RAM proceedings, the EDCs' payments to the CGB should commence on the first month electric rates reflect the recovery of such costs from ratepayers. For example, Authority approved costs in the upcoming RAM proceedings (i.e., 22-01-03 and 22-01-04) would be reflected in rates effective May 1, 2022. Accordingly, EDC payments to the CGB would commence on that date.

Second, the EDCs asked for language clarifying the standards of documentation for program cost recovery. *Id.* Page 49 of the Storage Decision sets forth what documents the Program Administrators must submit in order to recover program launch and Year 1 administration program costs. To reiterate, the Program Administrators must submit in the applicable RAM proceedings by January 15, 2022, a line-item estimate of all costs requested to be included in rates. The standards of documentation for program launch and Year 1 administrative costs shall apply to cost recovery for all Program years. Furthermore, the CGB is responsible for submitting its documentation directly to the Authority in the RAM proceedings, allocating its costs between the EDCs as directed in the Storage Decision.

Finally, the CGB's expenses are not exempt from a prudence review since its expenses will be passed through to ratepayers. The standard for the CGB's prudence review will not deviate from the standard applied to the EDCs, and the CGB will carry the burden of proof in the prudence review of its expenses, as noted above. However, as articulated in the Storage Decision, the CGB may submit a performance-based recovery proposal in which it must demonstrate that any expenses beyond those which are prudently incurred must be in-line or below what could be reasonably expected to be incurred by a 3<sup>rd</sup> party program administrator.

### C. OUTSTANDING PROGRAM MATTERS

In addition to the Year 1 Program design documents and other key compliance discussed herein, there are several outstanding Storage Decision compliance filings that have not yet been addressed by the Authority. For any outstanding items not discussed in this Decision, the Authority will issue additional Motion rulings as necessary to ensure the successful launch of the Electric Storage Program on January 1, 2022. As stated in the Notice of Proceeding, **stakeholders will have two weeks to comment** on remaining motions for Authority review and approval of **compliance filings associated with the Storage Decision**. Accordingly, comments on compliance with Order Nos. 15 through 17 of the Storage Decision are due **no later than 4:00 pm on December 29, 2021**. The Program Administrators shall include as many of the outstanding compliance filings with both this Decision and the Storage Decision in the final Program Manual as reasonable, either in the Program Manual itself or as an appendix.

Order Number	Responsible	Description	Due Date
2021			
15	Program Administrators	Resiliency Plan template and proposed application process	12/15/2021
16	Program Administrators	Program metrics, associated calculation methodologies, and data requirements for verifying Program performance based on the established metrics	12/15/2021
17	Program Administrators	Comprehensive Data Privacy and Security Plan for the Program	12/15/2021
2022 and later			
18 <sup>24</sup>	EDCs	Comprehensive description of the EDCs' respective existing DRMS and DERMS platforms, including but not limited to a description of the procurement process and timeline, upfront and ongoing system costs, and a description of how the costs for such systems are paid for by ratepayers	1/1/2022
19	CGB	Proposed program modifications based on the results of its conversations with FTM electric storage stakeholders, DEEP, the EDCs, and wholesale market participants, including relevant BCAs specific to FTM electric storage systems <sup>25</sup>	6/1/2022
20	CGB	Proposal to better optimize the emissions reductions achievable through the Program	8/1/2022
21	Program Administrators	Proposal for Program modifications that will enable the Program to better complement or otherwise support the managed charging programs in the EV Charging Program	8/1/2022
22	Program Administrators	Annual report summarizing the Program results to date, including an updated BCA, and recommendations for any Program modifications	8/1/2022
23	Program Administrators	Provide the OCC, DEEP, and the Authority with means to access the performance data (e.g., battery output, ratio of dispatch responses to calls, etc.) of participating energy storage systems on a downloadable basis	1/1/2023
24	Program Administrators	Publish a website containing all relevant Program data	1/1/2023
25	Program Administrators	Submit the EM&V Consultant's full report on the established Program metrics	6/15/2024

#### D. PROGRAM REVIEW

Pursuant to the Storage Decision, during the first two years of each Program cycle (e.g., 2022 and 2023) the Authority will conduct an Annual Review beginning on or around August 1 of each year to review key metrics and make strategic adjustments to ensure: (1) continued alignment with the Program Objectives; and (2) that the Program is on track

<sup>24</sup> The Authority clarifies that the EDCs' compliance with Order No. 18 of the Storage Decision shall be filed as compliance and does not need to be submitted as a motion. The costs associated with the systems identified in such compliance will be reviewed in the appropriate rate proceeding.

<sup>25</sup> The CGB's filing will also address the tariff applicable to FTM systems, pursuant to the ruling to Motion Nos. 19 and 20 dated December 8, 2021.

to meet its deployment targets. Storage Decision, p. 43. During the last year of each Program cycle (e.g., 2024), the Authority will conduct a full Program Review, including an evaluation of the existing Program design. *Id.* As several program design elements will not be implemented until after Program launch, the 2022 Annual Review will be more substantive in nature. Specifically, the Authority will address the following outstanding issues in 2022:

- (1) Proposal to increase the emission reduction benefits associated with the Program;
- (2) FTM electric storage system incentives and tariffs; and
- (3) Program modifications to support the managed charging programs in the EV Charging Program.

## **VI. CONCLUSION AND ORDERS**

### **A. CONCLUSION**

The Authority approves, with modification, certain documents proposed by the Program Administrators to administer the Electric Storage Program available to all customers and customer classes within the service territories of the EDCs. Pursuant to the Storage Decision, the Program will launch on January 1, 2022. The Authority also addresses the documents submitted in compliance with Order Nos. 2 through 6, 8, 9, 10, and 13 of the Storage Decision. Accordingly, the Decision contains the Authority's ruling on Motion Nos. 8 through 16 and 18, as well as its ruling on Motion No. 28 in Docket No. 17-12-03RE03.

### **B. ORDERS**

For the following Orders, the Company shall file an electronic version through the Authority's website at [www.ct.gov/pura](http://www.ct.gov/pura). Submissions filed in compliance with the Authority's Orders must be identified by all three of the following: Docket Number, Title and Order Number. Compliance with orders shall commence and continue as indicated in each specific Order or until the Company requests and the Authority approves that the Company's compliance is no longer required after a certain date. All Orders requiring Authority review and approval shall be submitted as a motion.

1. No later than December 10, 2021, the Program Administrators shall file for Authority review and approval any proposed changes to the Program name and/or branding.
2. No later than December 20, 2021, the Program Administrators shall submit for Authority review and approval all final Electric Storage Program documents not currently under review by PURA, including the draft operational agreement.<sup>26</sup> The

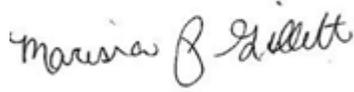
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<sup>26</sup> In its motion ruling approving the Program Administrators' filing in compliance with Order No. 3 of this Decision, the Authority will provide a date by which the Program Administrators shall file all final Program documents, including the Program Manual. The Program Administrators shall include as many of the

Proposed Program Guidelines shall be renamed the Program Manual. The Authority will accept stakeholder comments on this filing and the associated motion **until 4:00 pm on December 28, 2021**. Additionally, the Authority will accept comments on compliance with Order Nos. 15 through 17 of the Storage Decision **until 4:00 pm on December 29, 2021**.

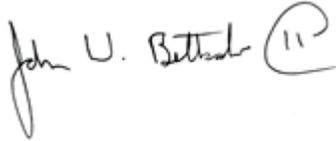
3. No later than January 28, 2022, or one week before the first webinar, whichever occurs first, the Program Administrators shall file with the Authority the dates, times, and location (including web links) of any webinars to be held in the first quarter of calendar year 2022.
4. No later than January 31, 2022, the Program Administrators shall transmit an email to their relevant contacts within the electric storage industry to inform them of the final list of eligible systems, along with the approved Battery Technology Approval Form. The Program Administrators shall file the transmitted email as compliance.
5. No later than March 1, 2022, the CGB shall file a description of its contractor audit process for customers receiving the Low-Income or Underserved Community adder in Docket No. 22-08-05.
6. No later than March 1, 2022, the Program Administrators shall file as compliance a list of all approved contractors and TPOs.
7. No later than March 1, 2022, the EDCs shall file compliance describing how customers taking service under the Residential Renewable Energy Solutions buy-all tariff could participate in the Electric Storage Program.
8. No later than August 1, 2022, the Program Administrators shall file the results of its BCA modeling for storage systems that only participate in the Active Dispatch portion of the Program in Docket No. 22-08-05. The Program Administrators' filings should also include any recommendations for amending the incentive levels for such participation in Year 2 of the Program.
9. No later than August 1, 2022, and annually thereafter, the Program Administrators shall submit its compliance with Order No. 22 of the Storage Decision, incorporating the direction provided in Sections IV.B.2. and V.A.4.iii. of this Decision.
10. At the time of first issuance, the CGB shall file examples of any marketing emails sent to potential Low-Income customers and customers in Distressed Municipalities.

This Decision is adopted by the following Commissioners:



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Marissa P. Gillett



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John W. Betkoski, III



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Michael A. Caron

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



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Jeffrey R. Gaudiosi, Esq.  
Executive Secretary  
Public Utilities Regulatory Authority

December 8, 2021

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Date

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