Connecticut Public Utilities Regulatory Authority
Proposes 580 MW Energy Storage Program
July 2021

PURA Electric Storage Program, Docket No. 17-12-03RE03
Status: Draft Order

On July 1, the Public Utilities Regulatory Authority (PURA) issued a Proposed Final Decision for an Electric Storage Program to achieve 580 MW of customer-sited energy storage in Connecticut by 2030. The program:

- Provides declining block upfront incentives based on per kWh installed capacity
- Provides performance payments for response to events called by the utility
- Sets interim targets of 100 MW by 2024 and 300 MW by 2027
- Directs utilities to replace demand charges for front-of-the-meter energy storage systems with revenue-neutral tariffs

Note: The below is a summary of the Proposed Final Decision issued by PURA on July 1, 2021. It is not established policy and may undergo revision before the final order is issued.

Program Deployment Targets

<table>
<thead>
<tr>
<th>CUSTOMER CLASS</th>
<th>2022-2024</th>
<th>2025-2027</th>
<th>2028-2030</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>50 MW</td>
<td>100 MW</td>
<td>140 MW</td>
<td>290 MW</td>
</tr>
<tr>
<td>Commercial and Industrial</td>
<td>50 MW</td>
<td>100 MW</td>
<td>140 MW</td>
<td>290 MW</td>
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</tbody>
</table>

The target of 580 MW is based on a recommendation from ESA and NECEC to target the 2 percent of most expensive hours of demand.

The program seeks to achieve the deployment of the energy storage resources through a combination of performance payments and upfront incentives.
Upfront Incentives

| Commercial incentives vary by customer class - $280/installed kWh for small commercial; $280/installed kWh for large commercial; $225/installed kWh for industrial | Performance Payments | $225/kW for average capacity dispatched during summer season (30-60 3-hr events) |
| Residential incentives will be adjusted from $280/installed kWh to achieve target benefit-cost ratio | $50/kW for average capacity dispatched during winter season (5 3-hr events) |
| Residential incentives will decline as capacity blocks are met | Must allow electric distribution company or third-party operator to actively dispatch |
| All incentives capped at 50% of total installed project cost |

Eligibility Requirements

- **Passive Dispatch** - In order to achieve an upfront incentive, storage system owners and operators are required to enroll in a “passive dispatch” setting to receive the upfront incentive, which would put the battery on automatic charge and discharge cycles. Passive dispatch settings may be overridden to meet wholesale market obligations.

- **Wholesale markets** – As the default arrangement, participants are required to transfer rights to participate in the ISO-NE forward capacity market to the utility. However, certain customers - customers on the grid edge, critical facilities, C&I customers with existing fossil fuel generators, and small business customers – may petition to retain capacity rights. All customers may participate in ancillary services markets.

- **Technology requirements** – Energy storage systems must have a minimum 80 percent round trip efficiency.

Front-of-the-Meter

The program does not include front-of-the-meter (“FTM”) energy storage systems connected to the distribution system that are not located at customer premises. However, PURA acknowledge that SB 952 (now Public Act 21-53) explicitly calls for a FTM program. To remove an immediate barrier to FTM storage, PURA directed the electric distribution companies to replace demand charges for FTM storage with a revenue-neutral tariff. PURA also directed the Connecticut Green Bank to develop and propose a path forward on an FTM program by August 2022.

For More Information

The Full Draft Order can be accessed here: [PURA PFD Electric Storage Program](#)

ESA’s policy summary of SB 952 can be accessed here: [Connecticut Sets Energy Storage Deployment Target of 1,000 MW by 2030](#)

ESA’s 2019 report on incentive programs can be accessed here: [Energy Storage Incentive Programs](#) For more information, please contact State Policy Director Julian Boggs at [j.boggs@energystorage.org](mailto:j.boggs@energystorage.org).