



Connecticut Public Utilities Regulatory Authority Finalizes 580 MW Energy Storage Program

July 2021

PURA Electric Storage Program, Docket No. 17-12-03RE03

Status: Final Decision

On July 28, the Public Utilities Regulatory Authority (PURA) issued a Final Decision for an Electric Storage Program to achieve 580 MW of customer-sited energy storage in Connecticut by 2030, to be launched in January 2022. The program:

- Provides declining block upfront incentives based on per kWh installed capacity
- Provides performance payments for response to events called by the electric distribution company
- 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

Program 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
				580 MW

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	Performance Payments
Commercial incentives vary by customer class - \$280/installed kWh for small commercial; \$280/installed kWh for large commercial; \$225/installed kWh for industrial	\$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 a ratepayer impact measure (RIM) test score of 1.4	\$50/kW for average capacity dispatched during for 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, or \$7,500 for residential customers and a value yet to be determined for C&I customers.	

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 permitted to retain capacity rights to energy storage projects, but not permitted to monetize them in the ISO-NE forward capacity market. 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 monetize capacity rights. All customers may participate in ancillary services markets.
- **Technology requirements** – Energy storage systems must have a minimum 70 percent round trip efficiency.

Program Administration

The Program will be administered jointly by the Connecticut Green Bank (“CGB”), which will manage program marketing, enrollment, and the upfront incentive, and the electric distribution companies (“EDCs”), which will manage the performance payment, or “active dispatch” program. The administrators are directed to coordinate on a single enrollment platform to collect customer information.

October Proceeding

PURA plans to initiate a 2021 Annual Review in August to review program design documents developed by the program administrators, to be approved no later than Oct 1, 2021. Key documents will include:

- Adjustments by the CGB of the upfront incentives for both residential and C&I customers, based on the Avoided Energy Supply Components in New England: 2021 Report
- A per project maximum for C&I customers developed by the CGB
- Final guidelines governing passive dispatch settings, including how the settings may be overridden to satisfy active dispatch and wholesale market obligations
- A list of eligible technologies

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 Public Act 21-53 (SB 952) explicitly calls for a FTM program. To remove an immediate barrier to FTM storage,



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PURA directed the electric distribution companies to replace demand charges for FTM storage with a revenue-neutral tariff to be effective by January 2022. PURA also directed the Connecticut Green Bank to develop and propose a path forward on an FTM program by June 2022.

For More Information

The Final Decision can be accessed here: [PURA Electric Storage Program](#)

ESA's policy summary of Public Act 21-53 (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](#)

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