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Mr. Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority
Department of Energy and Environmental Protection
10 Franklin Square
New Britain, CT 06051

Re: Docket No. 17-12-03RE03 - PURA Investigation into Distribution System Planning of the Electric Distribution Companies –Electric Storage

Dear Mr. Gaudiosi:

The U.S. Energy Storage Association hereby submits the attached responses to the Authority's February 4, 2021 Interrogatory Requests in the above-captioned docket.

Please feel free to contact State Policy Director Julian Boggs at jboggs@energystorage.org should you have any questions.

Sincerely,

Julian Boggs
State Policy Director
Energy Storage Association

Docket No. 17-12-03RE03
Q-CAE-4
February 19, 2021
Witness: Julian Boggs
Request from: Public Utilities Regulatory Authority

Question: Straw Proposal, Table 3, p. 8. Propose upfront incentive capacity (MW) blocks and associated incentive levels for non-residential energy storage systems. Propose an upfront incentive cap in dollars ($). Propose changes to the performance incentive included in the Straw Proposal to account for any changes in the upfront incentive. Provide eligibility requirements and justification for all recommendations.

Answer: ESA generally aligns with the response put forth by the Northeast Clean Energy Council (NECEC). ESA supports the proposal put forth by NECEC for the following upfront incentive capacity blocks and associated incentive levels for non-residential ESS.

Capacity Block Size	Upfront Incentive for <1.5 MWh	Upfront incentive for 1.5 MWh - 2 MWh	Upfront Incentive for >2 MWh
10 MW	$280/kWh	$240/kWh	$200/kWh
15 MW	$220/kWh	$195/kWh	$170/kWh
25 MW	$175/kWh	$150/kWh	$130/kWh

As NECEC states, costs of deployment meaningfully decrease above 1.5 MWh as a number of soft costs associated the installation of an ESS remain relatively fixed, allowing for reduced incentive levels. Larger capacity block sizes for C&I systems than residential systems are appropriate because system sizes are larger.

ESA recommends an overall incentive cap of $1.6 million, based on a project size of 8 MWh, with the incentive cap declining proportionate to incentive level in each capacity block. 8 MWh, which is roughly half the size allowed under the New York Bridge Incentive program (15 MWh), would allow the Program to take advantage of cost reductions from larger systems while preventing a single project from taking an entire capacity block.

Lastly, ESA supports the eligibility requirements proposed by NECEC to give each system receiving an upfront front incentive the option of one of the following:

- Enrollment in a time-of-use rate, which encourages charging during off-peak hours and dispatch during on-peak hours, while allowing customers to effectively target customer peaks,
- Participation in wholesale markets, which can reduce emissions and increase Demand Reduction Induced Price Effect (DRIPE) benefits, or
- Agreement not to charge during certain hours of the day correlated with higher emissions.

Energy Storage Association
Docket No. 17-12-03RE03
Q-CAE-5
February 19, 2021
Witness: Julian Boggs
Request from: Public Utilities Regulatory Authority

Question: Discuss whether and how the program compensation level (i.e., both the upfront incentive level and the performance payment level) for non-residential behind-the-meter projects should be different from the compensation level for front-of-the-meter projects. Include any recommended differences in incentive capacity block, incentive levels, or incentive cap in response to CAE-04.

Answer: ESA agrees that program compensation level should be different for large front-of-the-meter projects. However, there are a number of confounding factors impacting revenue streams and thus appropriate incentives and compensation for front-of-the-meter projects. Key Capture Energy has put forth an incentive and compensation structure that may be appropriate for its own projects. If the Authority determines that it is appropriate to include non-customer-sited front-of-the-meter configurations, a robust discussion about incentives & compensation for those systems is warranted to account for various sizes and levels of interconnection of energy storage systems, as well as overall program design choices.

Energy Storage Association
Docket No. 17-12-03RE03
Q-CAE-6
February 19, 2021

Witness: Julian Boggs
Request from: Public Utilities Regulatory Authority

Question: The Connecticut Light and Power Company d/b/a Eversource Energy (Eversource) discussed a potential "operational control" model for any energy storage program at the February 1, 2021 Technical Meeting in the above-referenced proceeding. During that discussion, Eversource distinguished between operational control and direct control, stating that it requests operational control but not direct control similar to the Massachusetts ConnectedSolutions program. Discuss any concerns with this proposed "operational control" model and whether such a model would inhibit future ISO-NE market participation, specifically in light of FERC Order No. 2222 implementation.

Answer: ESA aligns with the response submitted by the Northeast Clean Energy Council ("NECEC"). Broadly, the operational control model proposed by Eversource has been used successfully in Massachusetts and other states and would not inhibit future ISO-NE market participation. However, other design elements of the Straw Proposal, including transfer of capacity rights to the Connecticut Green Bank, prohibition on energy market participation, and Passive Dispatch settings would inhibit future ISO-NE participation, as have been discussed in the responses of Stem to CAE 1 and CAE 2.