September 10, 2025

Public Utilities Regulatory Authority
Ten Franklin Square
New Britain, Connecticut 06051

RE: DOCKET NO. 25-02-14 RENEWABLE ENERGY TARIFF PROGRAM SUCCESSOR STUDY

The Clean Coalition submits these comments in Docket Number 25-02-14, in response to the August 26, 2025, request for comment on the Renewable Energy Tariff Program Successor Study. We strongly supports work by PURA to sustainably grow solar and solar+storage capacity in the state of Connecticut. Quickly deploying renewable capacity is critical to meeting the state's clean energy goals and providing residents and businesses alike a respite from high rates that may continue to rise. ***The Clean Coalition proposes a Feed-In Tariff ("FIT") with Market Responsive Pricing ("MRP") as the most streamlined and effective procurement tool to deploy distributed energy resources ("DER").*** A FIT can effectively serve as a compensation tariff for any configuration or customer class. Differentiated pricing for residential and non-residential deployments can properly compensate resources in a competitive manner, while acknowledging the differences in project type, size, configuration, and grid value.

FITs are powerful tools that leverage a standardized power purchase agreement (PPA) to bring clean local energy online quickly, reliably, and cost-effectively, avoiding common barriers that exist in other programs. Some procurement mechanisms fail to send the correct market signals for the value of renewable energy, storage, and locational value. FITs are ideal for sites in the built environment with little or no on-site demand, sites that have a large amount of available space to site a renewable energy system beyond what is needed to meet the full electrical demand of the facility, or properties where the split incentive problem exists between the owner and building occupant that makes monetizing a renewable energy system challenging.

One of the primary advantages of a FIT is the clear and upfront compensation structure. A fixed rate offers clarity about what the full cost of administering a FIT or FIT pilot will be prior to implementation. Whether a program is fully subscribed or only partially, the expected annual cost for the state is predictable for each year of the FIT contract, helping to prevent cost overruns. For a developer, having certainty about the long-term economic viability of a project prior to applying is advantageous. Many FOM projects rely on revenue from wholesale markets and are subject to price fluctuations and volatility, making it difficult to accurately predict revenue streams in the later years of a contract. We recommend a fixed-price contract model with a long-term contract of 15 years or longer to streamline FIT design and administration.

Description of the Clean Coalition

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources ("DER") — such as local renewables, demand response, and energy storage — and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER.

Setting a FIT Rate

The FIT Rate is the standard $/kWh rate that is paid to a deployed FIT project. The FIT Rate should be determined based on the value stack of a project. For example, we recommend considering the energy value, capacity value, avoided transmission value, avoided distribution value, environmental value, and considering societal benefits (including the value of achieving the state's policy objectives). An initial FIT Rate that is generous is likely to stimulate program participation but may not be sustainable as more capacity is added and costs overarch value added. While a high FIT Rate will ensure that less energy is produced with a given budget, a FIT Rate that is too low will not draw any interest from the market. It is worth noting that a FIT contract price high enough to trigger a strong market response can drive down renewable energy prices more rapidly over time. This is because as more system installers participate in the local market, increased experience, competition, and economies of scale will support lower FIT prices after the program's initial targets have been reached.

The Clean Coalition recommends pricing for solar only projects and separate pricing for solar+storage projects. Rather than relying solely on standalone adders, the higher costs and added value of solar+storage can be embedded directly into the Base FIT Rate. The price premium afforded to solar+storage projects reflects their enhanced operational value. By enabling time-shifted dispatch, these systems can support grid stability, reduce reliance on fossil peaker plants, and provide crucial reliability services during net peak periods. A unique FIT rate for solar+storage projects is designed to internalize the complexity and higher capital costs of paired systems, without requiring developers to independently navigate volatile market programs for additional compensation. This pricing clarity is particularly important for smaller developers and community-oriented projects. Embedded solar+storage pricing also sidesteps the challenges of layered program complexity while ensuring that dispatchable renewables are incentivized to meet emerging grid needs, including peak shaving and load shifting.

Adjusting the FIT Rate based on market conditions

Establishing the Base FIT Rate—or suite of rates—for a FIT pilot or program is ultimately a central design decision. Ideally, pricing will be set at a level that elicits a strong market response, fully subscribing the available capacity within the targeted timeframe. However, several situations may call for price adjustments to improve program effectiveness over time:

- **Sluggish market response**: If application volume slows significantly—leaving 20% or more of pilot capacity unfilled over several quarters—adjusting the Base FIT Rate may help increase participation.
- **Shifts in market conditions**: Rising equipment or interconnection costs, changes in tax credit availability, or evolving wholesale market prices may necessitate adjustments to maintain program competitiveness and fairness.
- **Predefined adjustment cadence**: Some FITs are designed with annual or periodic price reviews to ensure that rates remain aligned with evolving costs and goals.

Market Responsive Pricing

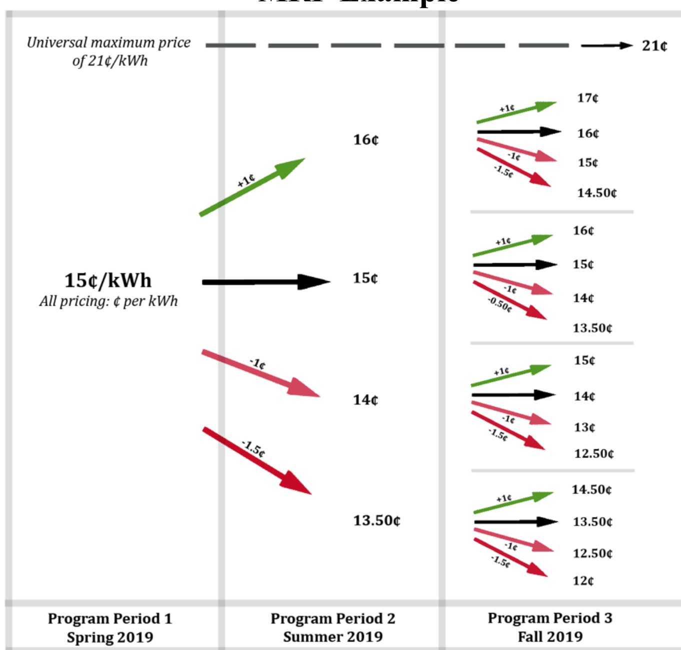
MRP is a simple yet effective pricing mechanism that dynamically adjusts the Base FIT Rate based on market response. It helps mitigate ratepayer risk while ensuring that project pricing remains aligned with real-world conditions. Typical MRP structures include:

- **Defined adjustment periods** (e.g., quarterly)
- **Thresholds for triggering a price change** (e.g., based on application volume or queue saturation)
- **Transparent adjustment formulas** (e.g., adjusting price $0.005/kWh)

At its core, MRP ensures that pricing evolves in response to developer interest. When application volumes are low, the Base FIT Rate increases incrementally to stimulate participation. When interest is high, the rate decreases to avoid over-subsidizing projects. Adjustments continue until the full capacity of the program is contracted. The figure below, from the Clean Coalition's 2019 FIT Design for the City of San Diego,[1] illustrates the potential MRP adjustments over the few first allocations of an LSE's FIT, with the price adjustments based on market response. The initial Base FIT Rate of $0.15/kWh can increase by as much as $0.01/kWh during quarters with low developer interest, up to a maximum price of $0.21/kWh, and can decrease by as much as $0.015/kWh depending on how high developer interest is.

[1] See pages 17-20 of the document. https://clean-coalition.org/wp-content/uploads/2019/09/San-Diego-Final-FIT-Design-Recommendations-31_wb-9-Sep-2019.pdf

MRP Example



MRP structure with quarterly adjustments and defined price bounds. Source: Clean Coalition, 2019.

One of the main advantages of MRP is that it removes the pressure to identify the "perfect" starting price. The FIT rate naturally aligns with the market over time. Pricing with MRP is fully transparent, resulting in market efficiency and a drive towards the lowest viable prices. Unlike auction-based procurement, MRP avoids risky speculation and underbidding by offering transparent, pre-set price adjustment rules. This approach helps ensure that FIT pricing remains effective across changing market conditions, without requiring continuous administrative intervention or full program redesign.

Pricing Adders

Pricing Adders are a mechanism for acknowledging different types of value that go beyond the compensated value in the base FIT rate. There are two general categories:

1. Compensated benefits, which reward project characteristics or operational behaviors that provide tangible value to the state, local municipalities, or the broader region.
2. Non-energy benefits, which capture social or environmental value that may be abstract or difficult to quantify.

A non-exhaustive list of both Tier 1 and Tier 2 adders can be found below to help PURA evaluate the true benefits and costs of distributed solar and solar+storage.

The incentives for compensated benefits can be easily calculated based on the value that each project creates for the grid, ensuring that compensation is only offered where benefits outweigh costs. On the other hand, non-energy benefits do provide tangible value streams but usually have no direct route for monetization. For example, deploying carport solar provides shade in an urban heat island and infill solar deployed on the built environment reduces the need to remote solar, preserving Connecticut's natural lands.

The table below provides a useful overview of different categories of non-energy benefits.

Table 3-3. Commonly Considered Non-Utility System Impacts

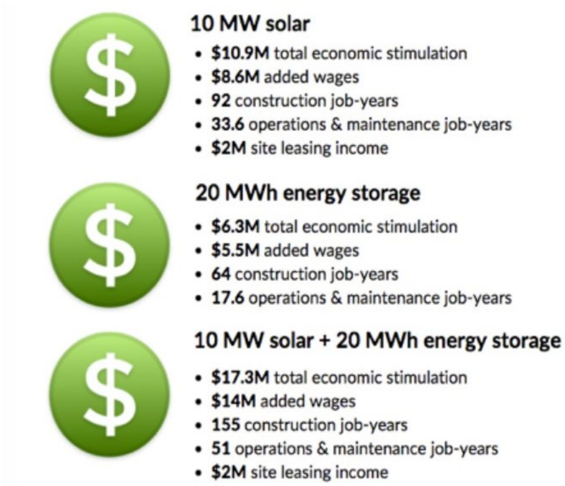
Non-Utility Impact	Description
Other fuel impacts	Impacts on fuels that are not provided by the relevant utility, for example, electricity (for a gas utility), gas (for an electric utility), oil, propane, gasoline, and wood
Host customer impacts	Host customer portion of DER costs and host customer non-energy impacts (NEI), such as impacts on productivity, comfort, health and safety, mobility, and more
Impacts on low-income customers	Impacts that are different from or incremental to non-low-income customer impacts such as energy affordability and poverty alleviation
Environmental impacts	Impacts associated with GHG emissions, criteria pollutant emissions, land use, solid waste, etc.; includes only those impacts not embedded in the utility cost of compliance with environmental regulations, which should always be treated as a utility system cost
Public health impacts	Impacts on public health; includes health impacts that are not included in host customer impacts or environmental impacts and includes benefits in terms of reduced healthcare costs
Economic development and jobs	Impacts on direct and indirect economic development and jobs
Energy security	Reduced reliance on fuel or energy imports from outside the state, region, or country

This table is presented for illustrative purposes and is not meant to be an exhaustive list or applicable in every jurisdiction.

Table from the National Energy Screening Project (NESP) 2020 National Standard Practice Manual for Benefit Cost Analysis for Distributed Energy Resources[2]

It is important to acknowledge the full range of benefits from each infill project to properly assess the value of a FIT, while noting that some will go uncompensated. It may be challenging to find funds, determine an appropriate adder, or an effective compensation mechanism, particularly when the benefits are abstract or not immediately evident. These benefits have a place in the total value stack but are not necessarily central in cost-effectiveness calculations. Two examples illustrate this point well: local economic benefits & community-scale resilience. A Clean Coalition analysis in 2020 of conditions in California found that adding a block of 10 MW of solar and 20 MWh of energy storage would bring $17.3 million in total economic stimulation to the region.[3]

[2] https://www.nationalenergyscreeningproject.org/national-standard-practice-manual/
[3] https://clean-coalition.org/community-microgrids/goleta-load-pocket/glp-economic-benefits/



Local economic benefits from deploying 10 MW solar / 20 MWh storage in Santa Barbara

The jobs created, financial investments, and taxes associated with infill projects bring short and long-term economic stimulation to the surrounding region. In addition, requirements for using local labor, paying prevailing wages, sourcing specific materials, or setting up an apprenticeship program are ways to increase the positive impact of a project.

Direct effects	Indirect effects	Induced effects
• Construction • Management • Administrative support • Truck drivers • Support crews • Maintenance • Legal and siting	• Equipment, tools, materials • Management • Supporting businesses: bankers that finance construction, contractors, manufacturers, equipment suppliers • Hardware store purchases and workers, spare parts and their suppliers	• Jobs and earnings resulting from the spending supported by the project, including benefits to grocery store clerks, retail salespeople, childcare providers, etc.

Chart categorizing local economic benefits of renewable energy projects

Some communities also negotiate community benefits agreements with project developers to ensure that a project deployed results in the financial betterment of the local community as well. Of the types of economic stimulation, a community benefits agreement has the most distinct and concentrated positive impact.

The second example, community resilience, is a long-term goal, making it a challenge to value progress. Technically, each deployment of distributed solar or solar+storage can support an electrical load and enhance grid reliability during blue sky conditions, but without a Community Microgrid configuration, FOM assets will power down during an outage and provide no resilience. The contribution to community-scale resilience of each deployment is tangible but can only be realized when the grid is configured properly. Central to each Community Microgrid is one or more assets with black start capabilities, which enables the microgrid to turn on without external power and stabilize after the macrogrid powers down. Once the Community Microgrid is functioning, an asset with grid forming capabilities is needed to maintain the islanded state. A properly configured energy storage system may serve one or both roles. The Tesla Powerwall/Powerpack is configured as a black start and grid forming asset at a residential level, for example. Inverter-based resources with these capabilities are more expensive due to the need for advanced inverters, software, and control systems. Compensating FIT projects for long-term community-scale resilience may not lead to immediate value creation, but doing so encourages project configurations needed for a Community Microgrid deployment down the road. For both community-scale resilience and economic stimulation, the benefits are not realized by the load serving entity, they accrue to local communities and ratepayers. A small incentive is one option to influence the type of projects being deployed under a FIT to ensure that each one is an investment in a local community in Connecticut.

Tier 1: Compensated Adders

- **Small Project Adder**

A small project adder acknowledges that the smaller a project is, the higher the installed cost will be, and encourages a greater number and diversity of projects to come online through the FIT. Including an adder for all projects below 500 kW and above the minimum size threshold of 100 kW will spur growth without incurring significant costs. This design is conceptually similar to the 10% Investment Tax Credit (ITC) bonus available under the Inflation Reduction Act (IRA) for small projects sited in low-income communities.

- **Dispatchability Adder**

The dispatchability adder compensates projects with paired energy storage for their ability to deliver scheduled energy in response to external signals. While the embedded solar+storage FIT pricing already represents the value of passive time-shifted energy (e.g., storing energy during periods of low wholesale prices and discharging stored energy during high-price periods), a dispatchability adder pays for active operational flexibility, such as following dispatch instructions from a load serving entity for peak shaving, local reliability, and potentially even some microgrid configurations. Including an adder for dispatchability in addition to a higher Base FIT Rate for projects with paired storage allows the FIT to compensate both passive and active grid support functions, creating stronger alignment with the specific grid needs.

- **Community Benefit Adder**

FIT projects deployed in DACs and vulnerable communities ("DVC)" are a form of economic development that support an equitable transition to clean energy and a modern grid, including by increasing the accessibility of DER.

- **Built Environment Adder**

A built environment adder supports infill installations by rewarding projects sited on rooftops, parking lots, and parking structures—areas that avoid impacts to open space, habitat, and agricultural land. These projects often qualify for categorical exemptions under the Connecticut Environmental Policy Act ("CEPA"), particularly when they involve minimal or no ground disturbance. This streamlined environmental review process makes built environment installations not only efficient to deploy but also among the most environmentally low-impact forms of energy development.

Tier 2: Non-Energy Benefits Adders

- **Brownfield Adder**

There is significant opportunity to deploy renewable energy systems on infill sites that are otherwise unusable due to contamination or hazardous conditions. Both brownfield sites and hazardous waste sites represent potential locations for FIT projects, especially where traditional redevelopment is infeasible.

- **Agrivoltaics/Dual Use Adder**

An additional incentive may help to spur FIT projects deployments on agricultural lands. Known as agrivoltaics, deploying renewable energy offers a way to use lands that may no longer be profitable for agriculture or where a dual use is possible and agriculture practices can be continued without a major impediment from the solar. Space under and between panels can exist for raising crops, animal grazing, or cultivating native habitats.[4] Agrivoltaics may even raise crop yields for certain types of plants by reducing direct sunlight exposure, such as broccoli, berries, mushrooms, root vegetables, leafy greens, and herbs tolerant of shade.[5]

- **Resilience Adder**

A Resilience Adder recognizes the long-term value of deploying DER that are configured to support community-scale resilience. While individual solar or solar+storage systems contribute to grid reliability under normal "blue sky" operating conditions, their ability to produce energy during outages depends on specific technical capabilities and network configurations.

Most FOM DER will power down during a grid outage unless they are part of a properly configured Community Microgrid. In these cases, resilience depends on the presence of one or more assets with black start and grid-forming capabilities—functions that can be enabled by energy storage systems and advanced inverters. These systems can maintain power in an islanded state and support critical infrastructure, but they require specialized equipment, software, and controls that increase upfront costs.

Compensating FIT projects that include this functionality, even if the full resilience value is not immediately realized, sends a market signal that supports long-term community

[4] https://www.nrel.gov/solar/market-research-analysis/agrivoltaics
[5] https://uslightenergy.com/agrivoltaic-farming-in-pa-what-crop-is-best-for-agrivoltaics/

preparedness**.** It also helps lay the technical foundation for future microgrid development. Encouraging these configurations now accelerates the deployment of distributed infrastructure that can eventually serve as anchor assets in Community Microgrids, increasing regional resilience to outages, wildfires, and other disruptions.

Interconnection

While FIT program pricing and program eligibility criteria are essential to attract developer interest, interconnection feasibility is the most significant hurdle that will determine how successful a program is. Although Connecticut does not publish direct cost or timeline comparisons between front-of-meter ("FTM") and behind-the-meter ("BTM") interconnections, we know that FTM projects—particularly those involving transmission-level interconnection—can be far more complex and time-consuming (sometimes exceeding four years) compared to streamlined BTM pathways. These extended costs and delays can jeopardize timely project completion, especially for projects needing full study or network upgrades. Allowing both FTM and BTM projects will increase resource and configuration diversity and allow developers to find cost efficiencies that are needed to make competitive pricing work.

Avoided Transmission Value

Tools exist to properly value DER, but many fail to account for the value of avoided transmission created by distributed solar and solar+storage. Each kWh of solar energy that is used onsite or is exported to the grid is typically used by neighbors, reducing the amount of energy that must be delivered via the transmission system. Reducing transmission utilization, especially during peak periods, provides a substantial value to the ratepayers in four forms:

1. Higher Efficiency Delivery: Delivering energy over tens or hundreds of miles is inefficient. The further an electron must travel, the more energy is lost and the more difficult it becomes to keep the grid balanced. Therefore, 1 kWh of transmission-interconnected energy is not equivalent to 1 kWh of delivered energy. In contrast, distributed solar and solar+storage is the most efficient way to produce and deliver energy.
2. Reduced Congestion: Congestion is costly, especially during peak times of the year. There is a clear correlation between reduced congestion and a more effective transmission of energy (e.g., lower line losses).
3. Optimal Market Outcomes: When the grid is highly congested, the normal delivery of low-cost energy from point A to point B may not be possible, resulting in a longer delivery pathway or higher cost energy being substituted. Less congested transmission lines enable the optimal outcome of the lowest cost energy to be delivered as expected.
4. The grid is designed to meet the annual peak demand. Higher peak demand—which can be understood as peak transmission utilization—necessitates a costly buildout of the

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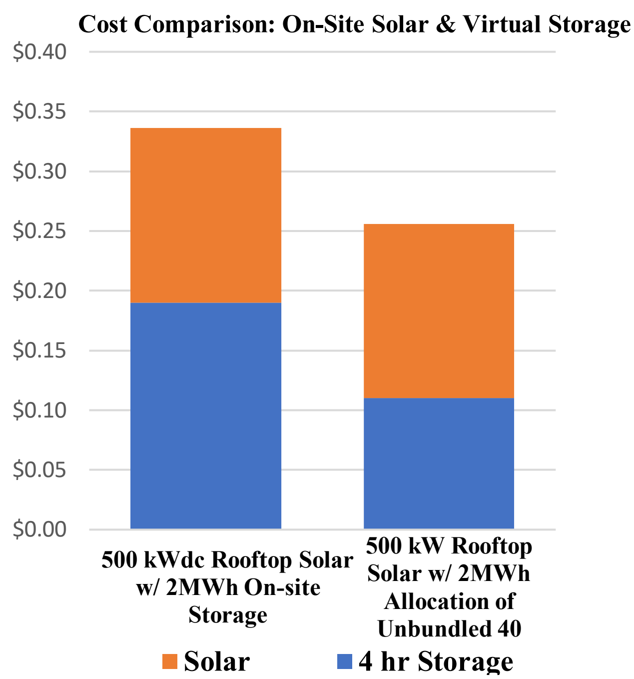
transmission system, which is shouldered by the ratepayers over the asset lifetimes Using the existing grid more efficiently, by deploying distributed solar and solar+storage, can save the ratepayers a substantial amount of money, putting a downward pressure on rates. Therefore, we strongly support including a distinct avoided transmission value in the solar and solar+storage value stack. Without an avoided transmission value, resources will be undercompensated, artificially depressing the value of DER and incorrectly making transmission-connected resources seem like a superior resources.

Virtually Paired Energy Storage

The Clean Coalition strongly supports options for paired solar+storage for both residential and non-residential customer classes. Storage vastly increases the value of straight solar energy. However, space quickly becomes a constraint when attempting to co-located solar and storage. The cost of storage has dropped drastically over the last decade, but it still represents the majority of a paired solar+storage project cost—particularly for smaller sized storage projects.

A virtual pairing option addresses both the siting constraints and cost issue, allowing deployments on the optimal solar locations while retaining the added value of time shifting energy via the energy storage. A large deployment of energy storage maximizes the value of the storage to the grid, especially when the storage is sited close to a distribution substation (where its functionality is the highest) and the benefit from economies of scale is substantial. Modeling a Community Solar project with a 4-hour battery, it was determined that deploying a large battery under a virtual pairing option may decrease the installed cost by as much as 25%, benefiting the ratepayers. See the chart below for more information on the benefit of economies of scale.



Conclusion

In conclusion, a well-designed FIT with MRP can help PURA achieve Connecticut's clean energy targets in a cost-effective and equitable manner. By ensuring clear compensation, addressing interconnection hurdles, and recognizing the full value of distributed solar and solar+storage, Connecticut can attract sustained developer participation while delivering ratepayer savings, community benefits, and long-term resilience.

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