



2025 Annual Review

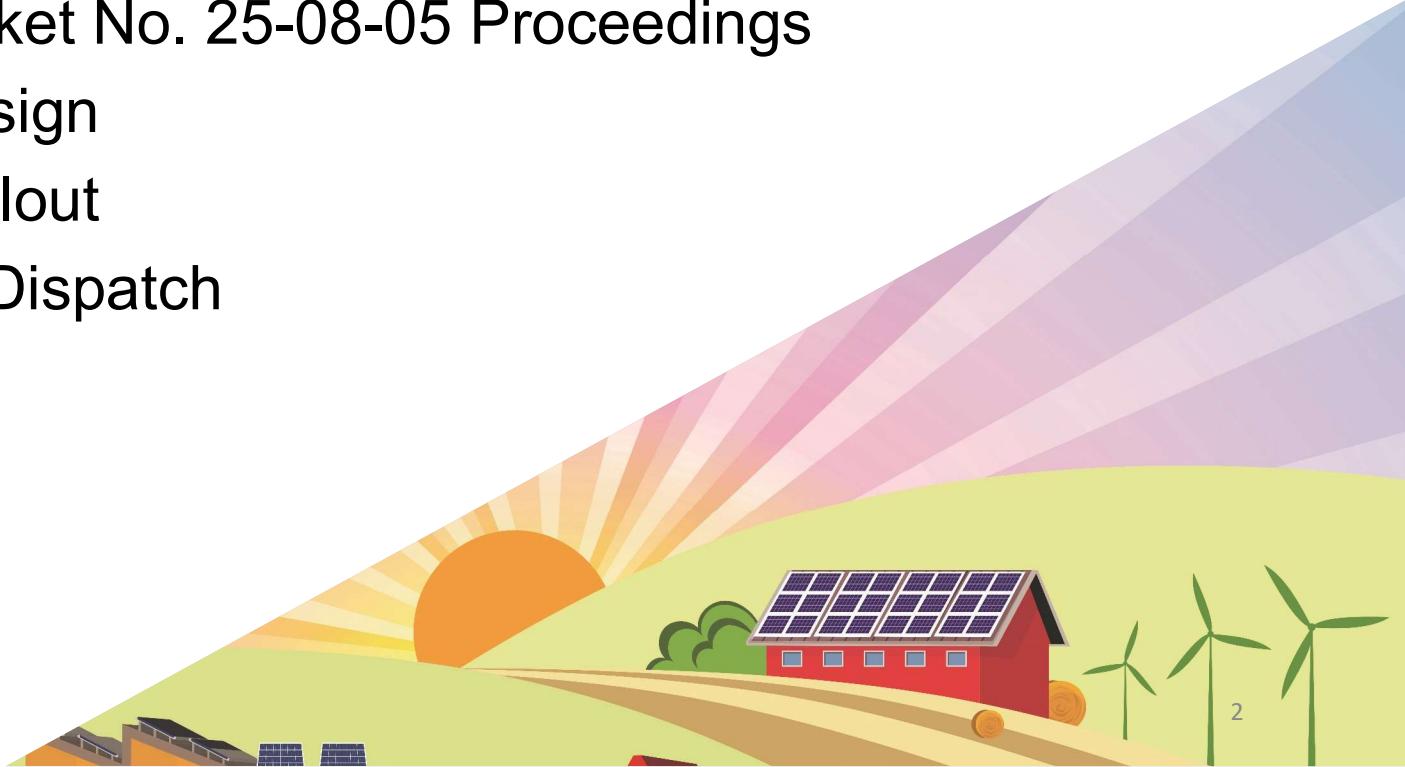
1/21/2026



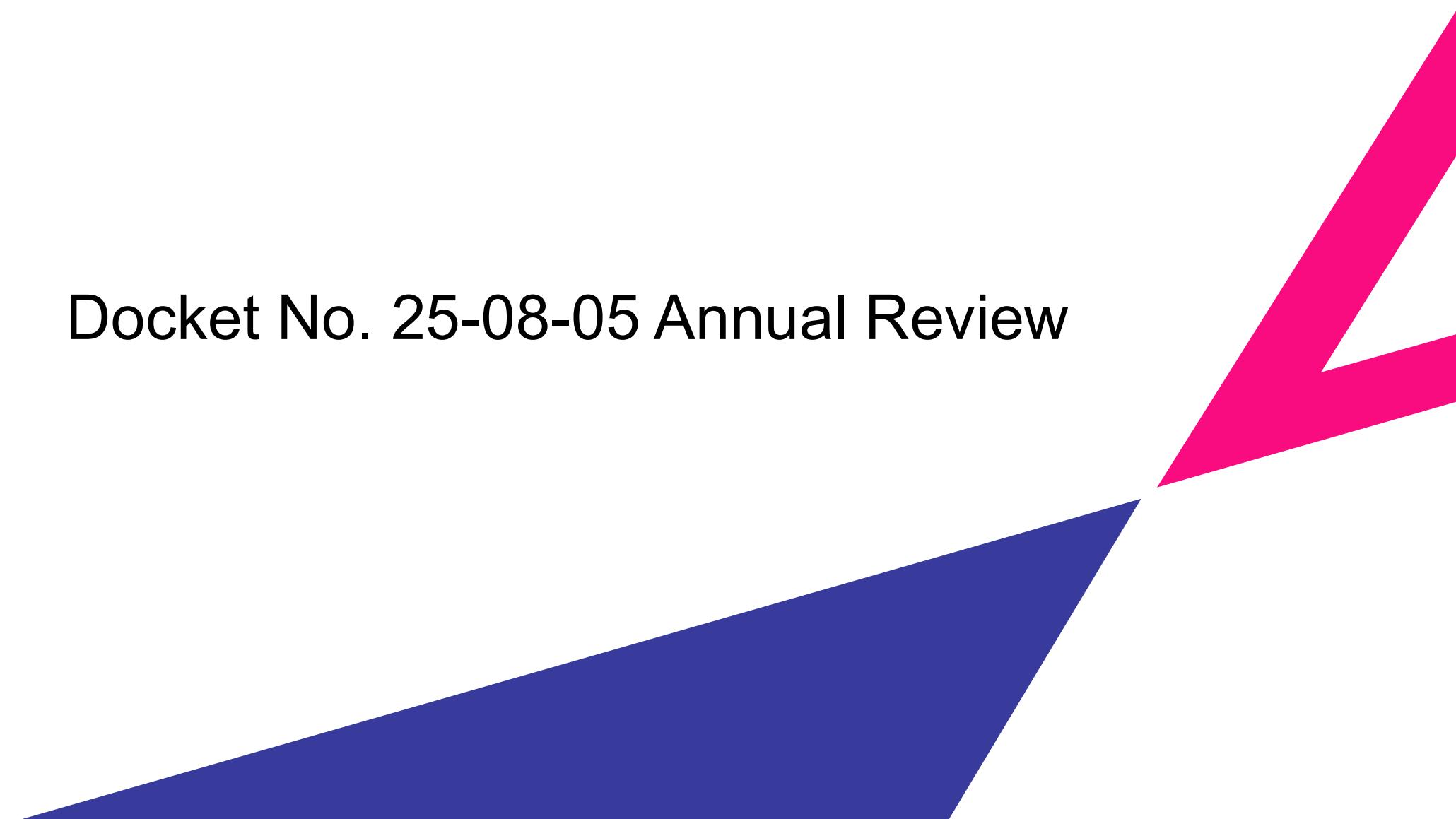
Agenda



- Summary of Docket No. 25-08-05 Proceedings
- “Construct 5” Design
- “Construct 5” Rollout
- Legacy Passive Dispatch
- Questions



Docket No. 25-08-05 Annual Review



Docket No. 25-08-05 Annual Review



- **June 9th:** first set of Written Comments issued
 - Requested comments on redesigning the incentive model, decreasing the commercial project attrition rate, and inoperable systems
- **August 1st:** revised Program Manual submitted
- **December 17th:** Final Decision issued
 - Complete redesign to “Construct 5” incentive structure, which solves for potential *future* problems with attrition and inoperable systems.

What did the Annual Review Cover?

- Passive Dispatch Performance + Claw-backs
- Program Design (Construct 5)
- Non-export Interconnection
- Commercial project attrition rates
- Inoperable systems (SunPower)
- Established Bidirectional Electric Vehicles (EVs) Working Group (WG)

Overarching themes: ratepayer return and customer experience



Legacy Passive Program Design

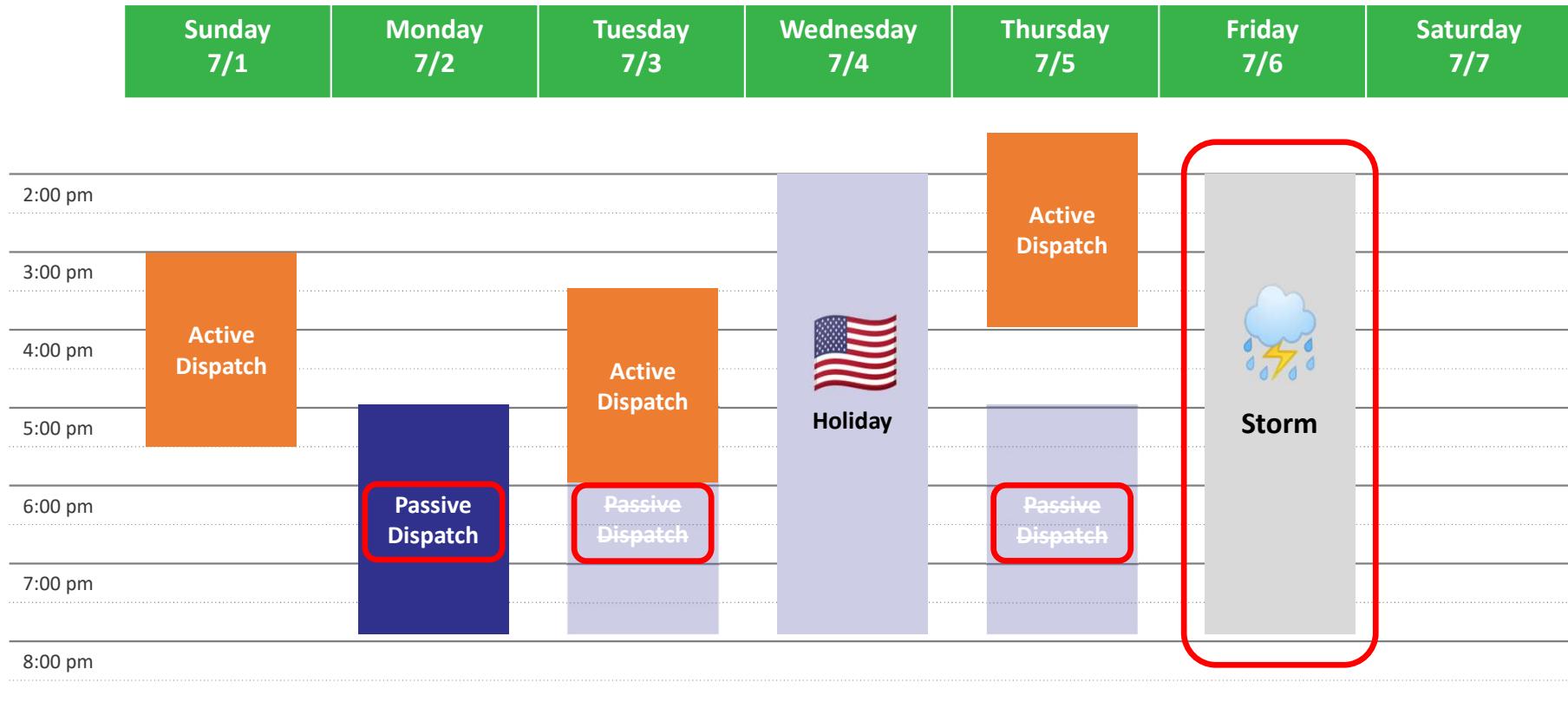
Incentive Applications Approved Before April 1st, 2026

- Customer Classes:
 - Residential customer classes: Standard, Underserved, and Low-Income Households
 - Commercial/industrial customer classes: Small, Medium, Large (based on demand)
- Systems installed through this program can receive two incentives:

Program Element	Design Item	Summer	Winter
Performance-Based Incentive (Active Dispatch)	Events per Season	30 to 60	1 to 5
	Months	June through September	November through March
	Event Duration	1 - 3 hours	1 - 3 hours
	Anticipated Dispatch Window	Noon to 9 PM (All Days)	Noon to 9 PM (All Days)
Upfront Incentive (Passive Dispatch)	Events per Season	All non-holiday weekdays (~60)	N/A
	Months	June, July & August	N/A
	Event Duration	3 Hours	N/A
	Anticipated Dispatch Window	5 PM to 8 PM	N/A

Passive and Active Dispatch

Incentive Applications Approved Before April 1st, 2026



Legacy Passive Residential Incentive Levels

Incentive Applications Approved Before April 1st, 2026



Upfront Incentive Levels* -

Capacity Block (MW)	Standard	Underserved	Low-Income
10	\$250/kWh	\$450/kWh	\$600/kWh
15	\$212.5/kWh	\$450/kWh	\$600/kWh
25	\$162.5/kWh	\$450/kWh	\$600/kWh
Grid-Edge Adder	+50%	+50%	+50%

Performance Incentive Levels

Summer, Years 1-5	Winter, Years 1-5	Summer, Years 6-10	Winter, Years 6-10
\$200/kW	\$25/kW	\$115/kW	\$15/kW

**Residential Upfront Incentive capped at \$16,000 or 50% of total cost (whichever is less)*

Passive Dispatch Performance Calculation

Incentive Applications Approved Before April 1st, 2026



A = Sum of Passive event scores for season

Scoring for each passive dispatch hour:

$$\frac{kWh \text{ discharged over passive dispatch hour}}{\frac{1}{3} * (Available kWh - 20\% * BESS Nameplate Capacity)}$$

If score calculated above is greater than 2, it will be capped at 2.

Score for 3 Hour Passive Event:

$$\{Hour 1 Score\} + \{Hour 2 Score\} + \{Hour 3 Score\} = Score \text{ for Passive Event (max score of 3)}$$

Passive Dispatch Performance Calculation

Incentive Applications Approved Before April 1st, 2026



The entire calculation used to score **Passive Dispatch Season Performance** is:

$$\text{Passive Dispatch Season \%} = \frac{A + B + C + D}{E}$$

A = Sum of Passive event scores for season

B = Passive dispatch hours replaced by Active events

C = All Passive dispatch hours canceled by the Program Administrators that were not replaced by an Active dispatch event

D = All Passive dispatch event hours called, and all Active dispatch event hours called to replace a Passive dispatch event in which a battery could not perform because it was responding to an OEM-Triggered Severe Storm event, provided the Dispatch hour was not also canceled by the Program Administrators

E = Total potential Passive dispatch hours for the season

See [Passive Dispatch Webinar](#) from February 5th, 2025

Passive Dispatch Webinar Recording

Located Under Contractor Resources on the Program Website

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energystoragect.com

ENERGY STORAGE FOR HOMES



Introducing **Energy Storage Solutions**, an energy storage program designed to help Eversource and UI customers install energy storage at their home or business.

Commercial Property Owners...

An informational webinar was held on Oct. 30 to discuss the program. [The recording is available here.](#)

Data Dashboard Updates



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**ENERGY STORAGE
FOR HOMES**



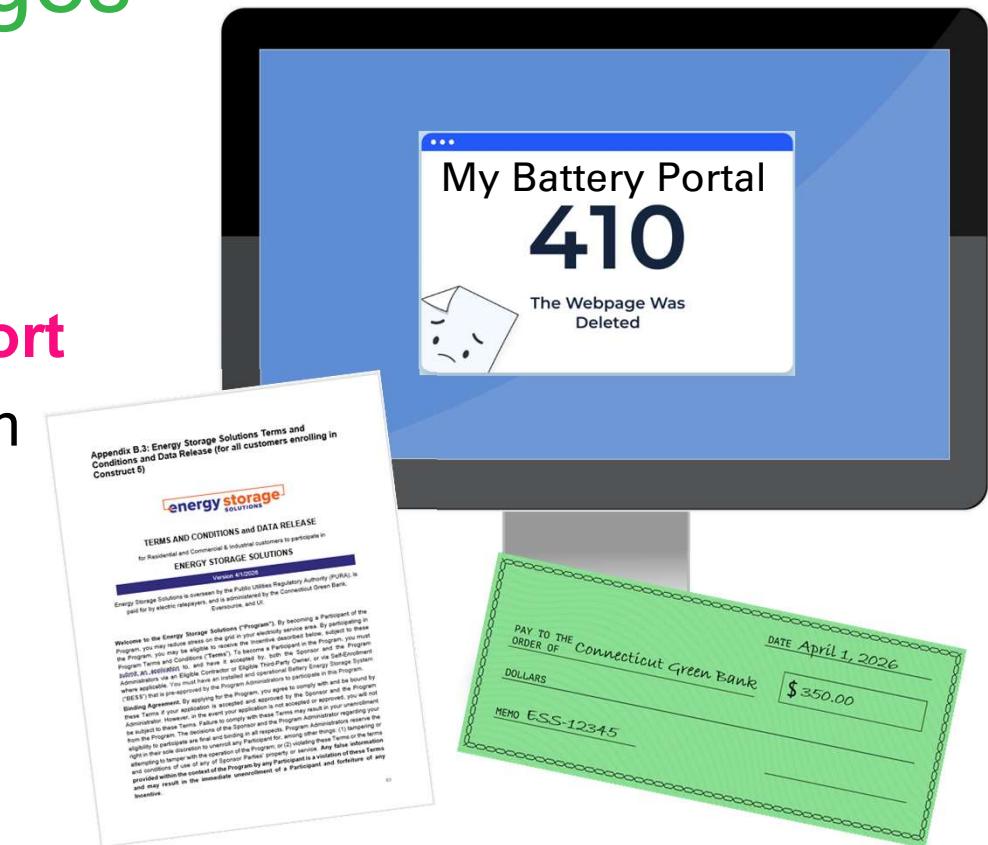
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Commercial Property Owners...

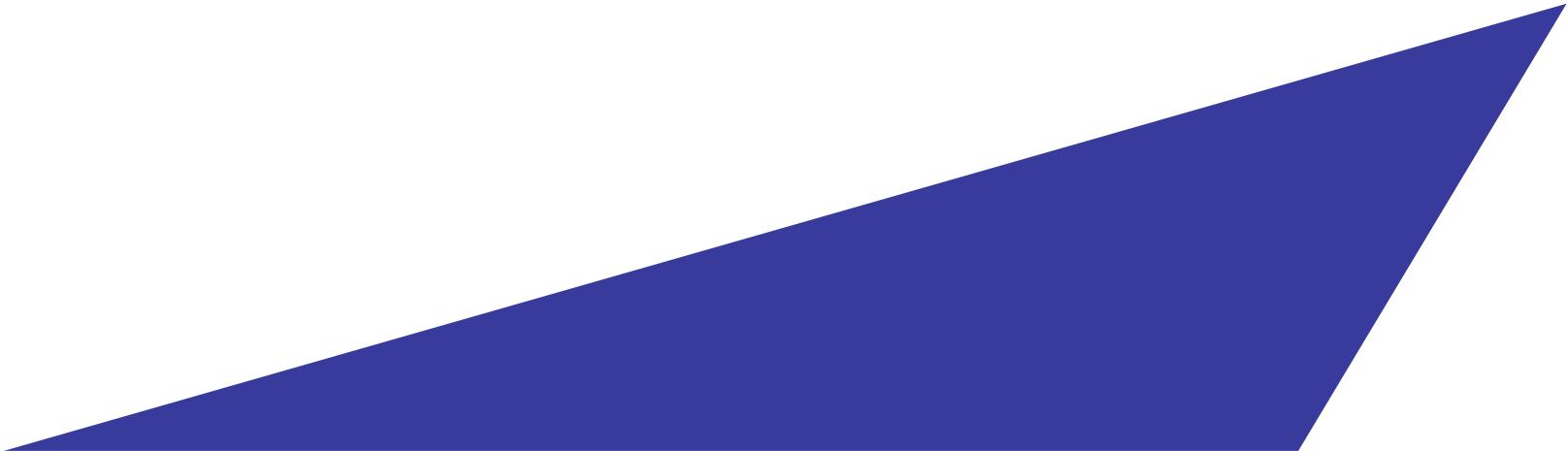
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Other Program Changes

- \$350 C&I application fee
- System Inoperability
- IX after 12/31/25 **must be export**
- New Incentive Beneficiary Form
- Single streamlined Terms and Conditions document



“Construct 5” Program Design



What is “Construct 5”?



April

1

- Name is a temporary designation, derived from the various options for redesigning Energy Storage Solutions in Docket 25-08-05 Decision
- **Performance-based** like other nationwide VPP programs
- No Passive Dispatch for new customers
- Maintains an **Enrollment Incentive** for Residential and Priority Commercial customers – no claw back
- No Tranches or Steps – all remaining capacity will be reassigned on April 1
- Will maintain the **same benefits and improve resilience** while **de-risking ratepayer funds**

What is “Construct 5”?

- Enrolling in “Construct 5” means:
 - Customer **will not** be enrolled in Passive Dispatch
 - Customer **may** receive an Enrollment Incentive
 - Customer **will** be enrolled in Active Dispatch
 - Customer **must** remain enrolled for 10 full years
 - Participation in individual Active Dispatch events is **optional**
 - Dispatch season timeframe **remains the same**:
 - Summer: **June through September**
 - Winter: **November through March**
 - No claw back for poor performance
 - No Tranches or Steps. Rates will be reviewed annually by PURA.
 - “Customer-led” Active-Only enrollment still available, but will have narrower use case

Enrollment Incentives

- **Same look and feel** of the Upfront Incentive – upfront discount, same application and payment process, different values
- Contractor must apply on homeowner's behalf **within 6 months of interconnection approval** (or 1 year of contractor becoming eligible)
- New name to differentiate from Passive Dispatch Upfront Incentive
- Available to **all Residential** (including Multifamily Affordable Housing*) and **Priority Commercial** customers

*Defined in ESS Program Manual and RRES Program Manual

Enrollment Incentive Rates

Customer Category	Enrollment Incentive Rate*
Residential (Non-Grid Edge)	\$30/kWh
Residential (Grid Edge)	\$130/kWh
Commercial (Non-Priority)	N/A
Commercial (Priority)	\$10/kWh

*Enrollment incentives are defined based on rated energy capacity (kWh)

Performance Incentives

Same structure, different rates for New Customers starting 4/1/26:

Customer Class	Years 1 – 5	Years 6 – 10
Small or Medium C&I	\$325/kW	\$175/kW
Large C&I	\$275/kW	\$175/kW
Standard Residential	\$300/kW	
Underserved Residential*	\$450/kW	
Low-Income Residential*	\$550/kW	

*Applies based on Customer Class at the time of application. Performance incentives are based on average kW-AC contribution during the season, determined by actual system performance during events as indicated by inverter data, not nameplate capacity.

Incentive Comparisons – 15 kWh Resi

10 kW / 15 kWh	Current Structure				"Construct 5"				Total
	Upfront	Performance	Total	Enrollment	Performance				
Standard	\$ 3,188	\$ 5,814	\$ 9,002	\$ 450	\$ 10,800	\$ 11,250			
Standard - Grid Edge	\$ 4,781	\$ 5,814	\$ 10,595	\$ 1,950	\$ 10,800	\$ 12,750			
Underserved	\$ 6,750	\$ 5,814	\$ 12,564	\$ 450	\$ 16,200	\$ 16,650			
Underserved - Grid Edge	\$ 10,125	\$ 5,814	\$ 15,939	\$ 1,950	\$ 16,200	\$ 18,150			
Low Income	\$ 9,000	\$ 5,814	\$ 14,814	\$ 450	\$ 19,800	\$ 20,250			
Low Income - Grid Edge	\$ 13,500	\$ 5,814	\$ 19,314	\$ 1,950	\$ 19,800	\$ 21,750			

Incentive Comparisons – 30 kWh Resi

20 kW / 30 kWh	Current Structure				"Construct 5"			
	Upfront	Performance	Total	Enrollment	Performance	Total		
Standard	\$ 6,375	\$ 11,627	\$ 18,002	\$ 900	\$ 18,000	\$ 18,900		
Standard - Grid Edge	\$ 9,563	\$ 11,627	\$ 21,190	\$ 3,900	\$ 18,000	\$ 21,900		
Underserved	\$ 13,500	\$ 11,627	\$ 25,127	\$ 900	\$ 27,000	\$ 27,900		
Underserved - Grid Edge	\$ 16,000	\$ 11,627	\$ 27,627	\$ 3,900	\$ 27,000	\$ 30,900		
Low Income	\$ 16,000	\$ 11,627	\$ 27,627	\$ 900	\$ 33,000	\$ 33,900		
Low Income - Grid Edge	\$ 16,000	\$ 11,627	\$ 27,627	\$ 3,900	\$ 33,000	\$ 36,900		

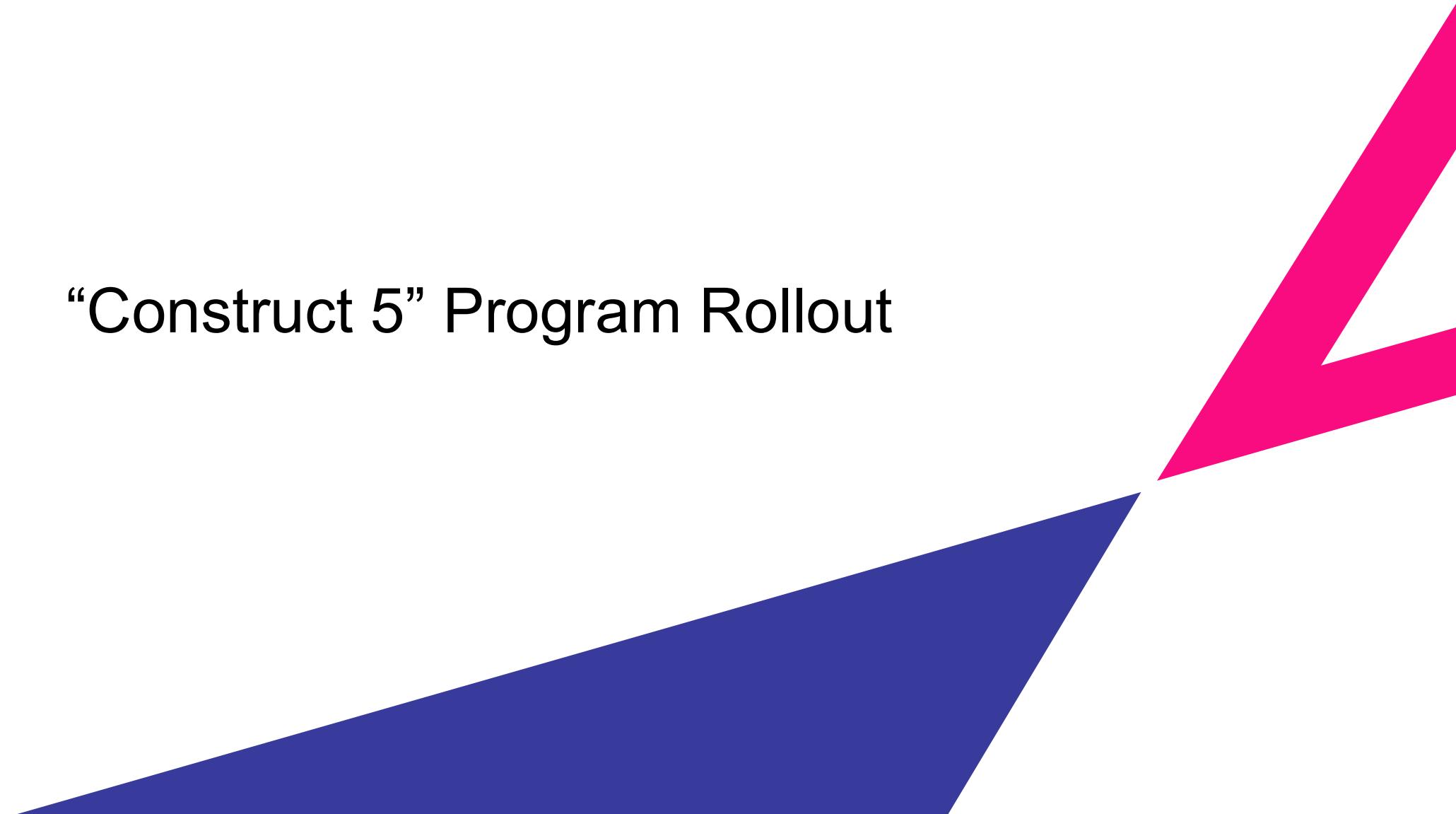
Incentive Comparisons – 500 kWh C&I

200 kW		Current Structure			"Construct 5"			
500 kWh	Upfront	Performance	Total	Enrollment	Performance	Total		
Small	\$ 113,750	\$ 193,791	\$ 307,541	\$ 5,000	\$ 273,494	\$ 278,494		
Small - Priority	\$ 113,750	\$ 193,791	\$ 307,541	\$ 5,000	\$ 273,494	\$ 278,494		
Medium	\$ 79,625	\$ 193,791	\$ 273,416	\$ -	\$ 273,494	\$ 273,494		
Medium - Priority	\$ 99,531	\$ 193,791	\$ 293,322	\$ 5,000	\$ 273,494	\$ 278,494		
Large	\$ 45,500	\$ 193,791	\$ 239,291	\$ -	\$ 244,957	\$ 244,957		
Large - Priority	\$ 56,875	\$ 193,791	\$ 250,666	\$ 5,000	\$ 244,957	\$ 249,957		

Incentive Comparisons – 3.7 MWh C&I

1854 kW	Current Structure			"Construct 5"			
	3708 kWh	Upfront	Performance	Total	Enrollment	Performance	Total
Small		\$ 518,473	\$ 1,437,152	\$ 1,955,625	\$ 37,080	\$ 2,028,233	\$ 2,065,313
Small - Priority		\$ 518,473	\$ 1,437,152	\$ 1,955,625	\$ 37,080	\$ 2,028,233	\$ 2,065,313
Medium		\$ 405,678	\$ 1,437,152	\$ 1,842,830	\$ -	\$ 2,028,233	\$ 2,028,233
Medium - Priority		\$ 507,098	\$ 1,437,152	\$ 1,944,250	\$ 37,080	\$ 2,028,233	\$ 2,065,313
Large		\$ 337,428	\$ 1,437,152	\$ 1,774,580	\$ -	\$ 1,816,602	\$ 1,816,602
Large - Priority		\$ 421,785	\$ 1,437,152	\$ 1,858,937	\$ 37,080	\$ 1,816,602	\$ 1,853,682

“Construct 5” Program Rollout



Rollout Timeline

- **Now:** new Resi + C&I sell sheets available (cobranded versions available)
- **Late January:** 2026 Program Manual to be published
- **February:** think about when you want to shift sales strategy to new incentives
- **March:** Green Bank will show new Application forms in Contractor training (invites to follow)
- **March 31:** last day to submit a new application for current incentive design (rejections will be given reasonable time to resubmit)
- **April 1:** all projects submitted will be considered “Construct 5” (regardless of incentive noted in contract)

Questions?

Appendix



Tranche Capacity

Customer Class	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Residential	50 MW	50 MW	50 MW	0 MW	150 MW
Commercial and Industrial	50 MW	113.9 MW	126.1 MW	140 MW	430 MW
Total	100 MW	163.9 MW	176.1 MW	140 MW	580 MW
Note: On April 1, 2026, any remaining Tranche capacity will be reassigned to Construct 5.					

Legacy Program Elements

Customer Description	Passive Dispatch	Active Dispatch
Residential or Commercial – Fully Enrolled (Legacy)	<ul style="list-style-type: none"> Will receive upfront incentives Required to participate in Passive Dispatch events according to established guidelines. 	
Priority Customers ¹⁰¹¹ – Residential or Commercial – Fully Enrolled (Legacy)	<ul style="list-style-type: none"> Will receive upfront incentives, including applicable adder(s) Required to participate in Passive Dispatch events according to established guidelines. 	<ul style="list-style-type: none"> Will receive performance incentives As a pay-for-performance program, participation in Active events is optional⁹
Residential or Commercial – Legacy Active Dispatch Only ¹²	<ul style="list-style-type: none"> Will <u>not</u> receive Upfront Incentives Will <u>not</u> participate in Passive Dispatch events 	

Legacy Program Elements

Program Element	Design Item	Summer	Winter
Passive Dispatch	Declining-Block Upfront Incentive	Varies by Program step, customer type, and building type. See "Passive Dispatch and Upfront Incentives" section	
	Events per Season	All non-holiday weekdays (~60) unless overridden for Active or Emergency event.	N/A
	Months	June, July & August	N/A
	Event Duration	3 Hours (uniform dispatch)	N/A
	Anticipated Dispatch Window	Between 5 PM and 8 PM	N/A
	Reserve Capacity	20% Required Reserve	N/A
Active Dispatch ¹⁶	Flat Block Performance Incentive	Varies by customer size based on peak demand. See "Active Dispatch and Performance Incentives" section	
	Events per Season	30 to 60	1 to 5
	Months ¹⁷	June through September	November through March
	Event Duration	1 to 3 hours	1 to 3 hours
	Potential Dispatch Window	12 PM to 9 PM (All Days)	12 PM to 9 PM (All Days)
	Reserve Capacity	OEM Minimum recommended capacity	

Construct 5 Program Elements

Customer Description	Active Dispatch
Residential Customers (standard and grid-edge) ¹³¹⁴	<ul style="list-style-type: none">• May receive Enrollment Incentives where applicable• Will receive Performance Incentives• As a pay-for-performance program, participation in Active events is optional
Commercial Customers (non-Priority)	<ul style="list-style-type: none">• <u>Will not</u> receive Enrollment Incentives• Will receive Performance Incentives• As a pay-for-performance program, participation in Active events is optional
Commercial Priority Customers ^{13 14}	<ul style="list-style-type: none">• May receive Enrollment Incentives where applicable• Will receive Performance Incentives• As a pay-for-performance program, participation in Active events is optional

Construct 5 Program Elements

Program Element	Design Item	Summer	Winter
Construct 5 – Active Dispatch	Enrollment and Performance Incentives	Varies by customer type, grid-edge eligibility, and building type. See “Section 6: Program Dispatch and Incentive Structure” for additional details.	
	Events per Season	30-60	1-10
	Months	June through September	November through March
	Event Duration	1 to 3 Hours	1 to 3 Hours
	Anticipated Dispatch Window	12 PM to 9 PM (All Days)	12 PM to 9 PM (All Days)
	Reserve Capacity	OEM minimum recommended capacity	

What about Outages?

- Many battery systems have software that prevents discharge when major weather events are predicted by NWS
- The utility will cancel any planned events
- No dispatch in April, May, or October
- Approximately 5 events called between November to March

