



May 19, 2022

Lisa A. Skumatz, Ph.D.  
Skumatz Economic Research Associates (SERA)  
762 Eldorado Drive  
Superior, CO 80027

RE: CT X1932 Demand Response EMV Support Study

Dear Dr. Skumatz,

Eversource Energy (“Eversource”) is pleased to submit these written comments regarding the draft report for the: CT X1932 Demand Response EMV Support Study (“Draft Report”), shared by NMR (“Evaluator”). Eversource received the Draft Report on May 6, 2022 with a request to provide comments by May 19, 2022. Per the Energy Efficiency Board Evaluation Road Map Process, these comments are for consideration for inclusion in the Final Report.

The objectives of the study were to produce kW savings estimates for United Illuminating and Eversource Demand Response (DR) programs, assess appropriateness of program design and improve program evaluability. The Draft Report presented key findings and recommendations on the four demand response programs and highlights additional value streams that can be claimed by existing and future demand response programs.

### **General Comments**

Eversource appreciates the Evaluator’s efforts to conduct a comprehensive assessment of the Connecticut demand response programs, particularly the Eversource ConnectedSolutions Window A/C DR program. Eversource anticipates incorporating the new information to be provided in the final reports to implement program improvements.

### **Comments on Methodology**

To assess the Eversource Window A/C DR program, the Evaluator gathered and processed the state-change data provided by manufacturers and converted the data into interval data by determining the runtime every 15 minutes. To estimate electric demand in the 15-minute period, the Evaluator applied the power draw based on the device model number in the

state change data. To estimate demand reductions for the six event dates in 2021, the Evaluator used a 10-of-10 baseline with symmetric additive adjustment which is the default settlement baseline for the ISO-NE energy market. Eversource finds the chosen analysis methodology to be reasonable given the available data for this program.

In addition, the Evaluator reviewed electric DR programs offered in other jurisdictions, including cost benefit assessment criteria in other states and additional value streams that CT DR program can potentially claim.

### **Comments and Questions**

Eversource has the following comments and questions.

**Section 5.6 Recommendations.** Eversource appreciates the recommendations provided to help improve future evaluability of the DR program. Recommendation 3 states that ThinkEco and Eversource should work with manufacturers to make their curtailment algorithms more aggressive. We note that ThinkEco is no longer in business to run the DR program and we are exploring alternative options for the Wi-Fi AC DR program. Can the Evaluator provide additional guidance in the Final Report on how to make curtailment more aggressive to increase load reductions with minimal impact on customer opt-outs?

**Section 6.10 Recommendations for Future Designs.** Eversource appreciates the Evaluators efforts to identify additional value streams for future DR programs.

Recommendation 1. The Evaluator recommended the Utilities to encourage the possibility of using a different cost effectiveness framework to allow additional value streams for the DR program. Eversource notes that DEEP has developed an updated approach to current cost effectiveness practices in CT. The DEEP recommended a new Connecticut Efficiency Test (CTET) that applies the principles of the Modified Utility Cost Test to all programs and captures program impacts on avoided greenhouse gas emissions and energy affordability. Eversource requests the Evaluators to account for the new cost effectiveness test framework in their analysis under Section 6.

Recommendation 2. The Evaluator recommends the Utilities consider bidding active DR resources into the ISO-NE markets. First, Eversource would like to clarify that these assets are currently eligible to participate in the FCM; where financially viable, customers,

aggregators, and CSPs can bid non-program demand reductions into the market and earn the associated revenue. The only caveat is the Connected Solutions program requires program assets to not dually report the same event to both Connected Solutions and ISO-NE; that would negate the economic benefits currently claimed by the programs (uncleared capacity-related benefits).

Additionally, three notes regarding financial and economic benefits to the customers and aggregators providing this demand flexibility:

- Could Table 27 include the Cleared Capacity, Cleared Capacity-DRIPe, and Cleared Reliability benefits to parallel the Uncleared values? Without financial or economic analysis in this report, perhaps that comparison could provide context on the trade-offs.
- If the program's events are bid into ISO's markets, the associated reconstitution of those events into system loads for forecasting transmission requirements could invalidate the Pooled Transmission Facility (PTF) benefits claimed by PAs, reducing economic benefits to ratepayers by 20%.
- The PAs do not currently own the FCM rights to those resources. Transferring those rights to the PAs would reduce revenue to customers and aggregators. To make them whole for the value they provide (and sufficiently compensate them to encourage future investments in DR capabilities), the programs would need to pay those revenues back to customers and aggregators. In what is essentially a zero sum game, the additional administrative burden would complexify cashflows without providing marginal benefit to ratepayers.

Please see attached Draft Report for other comments and minor edits, via tracked changes.

Thank you for the opportunity to provide comments.

Sincerely,

Romilee Emerick  
Supervisor, Evaluation | Energy Efficiency | Eversource  
Romilee.Emerick@eversource.com