

February 16, 2023

Mr. Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051

Re: 21-05-15 PURA Investigation Into A Performance-Based Regulation Framework For The Electric Distribution Companies. Phase 1 Staff Straw Proposal.

Dear Mr. Gaudiosi:

Acadia Center appreciates the opportunity to submit written comments in response to the Phase 1 Staff Straw Proposal (Straw Proposal) in Public Utilities Regulatory Authority (PURA) Docket 21-05-15, "Investigation Into A Performance-Based Regulation Framework For The Electric Distribution Companies."

Acadia Center supports the recommendations made in the Straw Proposal and looks forward to the continuation of the PBR proceeding as it moves into Phase 2. Acadia Center agrees with the proposed direction and planned topics for further investigation during Phase 2.

Regulatory Goals and Priority Outcomes

The Regulatory Goals and Priority Outcomes as described in the Straw Proposal reflect many discussions, comments, and workshops during Phase 1 that incorporated feedback from a diverse set of stakeholders. Those goals and priority outcomes lay a strong foundation for a more detailed assessment of potential reforms to existing regulatory tools, as well as implementation of new mechanisms, that will occur during Phase 2. Acadia Center does not have any recommended modifications to the list of Priority Outcomes.

Regulatory Mechanisms

Acadia Center agrees with the outline of regulatory mechanisms that should be explored in further detail in Phase 2. Both reforming existing mechanisms (e.g. the Multi-Year Rate Plan) and establishing new mechanisms (e.g. scorecards and performance incentives) should be considered, and Acadia Center appreciates PURA's willingness to consider all relevant policy tools as it works to implement PBR. As Phase 2 gets underway, Acadia Center recommends that PURA establish working groups to dive into each major regulatory mechanism category and make any necessary recommendations for reform, which can then be considered by the larger group of stakeholders.

Acadia Center agrees with the proposed principles for performance metric design. Staff recommends that PURA explore scorecards for a minimum of three priority outcomes, beginning with Efficient Business Operations, Quality Customer Service, and GHG Reduction. Although it is valuable to avoid an overly complex process, Acadia Center recommends that scorecards, at a minimum, be explored for every one of the priority outcomes. While some priority

outcomes and metrics may already be appropriate for performance incentives and penalties, collecting performance data in scorecards for all outcomes will be valuable, regardless of whether there are performance incentives associated with each outcome at this stage in the process.

Distribution System Planning

Acadia Center believes that an Integrated Distribution System Planning proceeding is essential for Connecticut to meet its climate and clean energy goals. States such as New York, California, Maine, and Hawaii have undergone or are currently undergoing robust distribution system planning efforts. Acadia Center agrees with Staff that exploring DSP best practices and lessons learned is important and that any DSP process should complement the new Non-Wires Solutions program. However, it is important to keep in mind that a DSP proceeding is a major undertaking in and of itself, and while Comprehensive and Transparent System Planning is a priority outcome for PBR, it may eventually be appropriate to establish a separate DPS proceeding, distinct from the PBR proceeding.

Sincerely,

Oliver Tully
Director, Utility Innovation and Reform
otully@acadiacenter.org
860-246-7121 ext. 202