

May 1, 2023

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Dear Secretary Marini:

Acadia Center appreciates the opportunity to file reply comments in response to the April 5, 2023 *Joint Comments of Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid, NSTAR Electric Company d/b/a Eversource Energy, and Fitchburg Gas And Electric Light Company d/b/a Unitil On Metrics, And New Metrics Proposals* (“Joint Comments”) filed for approval by the Department of Public Utilities (“Department”) in D.P.U. 21-80, D.P.U. 21-81, and D.P.U. 21-82.

The performance metrics proposed in the Joint Comments offer a useful, but relatively limited, starting point in thinking about how best to track progress in the Companies’ grid modernization investments. Below, Acadia Center respectfully offers amendments to the Companies’ proposal.

Acadia Center recommends that the Department identify specific performance targets for many of the metrics that are currently listed as N/A in the Joint Comments, or to identify a timeline for implementing targets after sufficient data has been collected.

For example, for the “percent of customers who engage in the company portal that provides usage data and alerts”, the Companies state that this is a “customer decision outside of EDC control.”¹ In fact, there is a role for the Companies to play in making this data as accessible as possible and to inform customers about the benefits of using the portal. In contrast to the Companies’ position, the Hawaii PUC recently approved performance targets for Hawaiian Electric that suggest that metrics related to customer data access are in fact influenced by utility actions.² Under its Customer Engagement performance category, the Hawaii PUC established performance a metric for the “number and percent of customers that have used Green Button Connect My Data to enable sharing of information,” with a target as “equal to the percent of all customers with advanced meters installed.”³ The PUC also established a metric for the number and percent of customers that have used Green Button Download My Data, with a target “equal to the percent of all customers with advanced meters installed.”⁴ These metrics and targets suggest that there is a role for Hawaiian Electric to play in motivating customer access and usage of their energy data. In its original filings, National Grid

¹ Joint Comments, at 13.

² <https://www.hawaiianelectric.com/about-us/performance-scorecards-and-metrics/customer-engagement>

³ *Id.*

⁴ *Id.*

identified Green Button Connect My Data as a potential metric.⁵ Acadia Center recommends that the Department implement both metrics and targets related to customer data access and usage. A metric related to third-party access to customer data would also be useful.

Similarly, Acadia Center disagrees with the Companies' position that the percent of customers on a low-income rate that have signed up for usage alerts is a metric completely "outside of EDC control."⁶ Acadia Center believes there is a role for the Companies to play in meeting this metric.

There also appears to be an inconsistency between metrics that the Companies consider outside of their control and were therefore not included in the proposal (e.g. number of third-parties who successfully access customer data), and metrics that are purportedly outside utility control but nevertheless included in the proposal as report-only metrics (e.g. percent of customers on low-income rate that have signed up for usage alerts). Acadia Center recommends that the Department require report-only metrics such as these in order to help build the data that stakeholders have to track progress in meeting the grid modernization objectives.

In the description for the Companies' metrics related to the percentage of meters installed and the percentage of AMI network communications devices installed, the Companies note that they "will provide an update on a proposed target as the implementation process moves ahead."⁷ Acadia Center requests that the Companies provide a specific date by which a target will be selected if they are not currently able to provide a deployment target for each of these metrics.

Acadia Center strongly agrees with the statement from the Attorney General's Office that the Department should "direct the Companies to develop and propose performance metrics that measure whether customers are actually receiving the projected benefits from the Companies' grid-facing investments."⁸ Acadia Center recommends the adoption of metrics that were not included in the Companies' list of proposed metrics, including:

- Growth in DER hosting capacity
- Average interconnection speed per customer
- Total dollar value of deferred or avoided distribution and transmission investments as a result of grid modernization investments.
- System performance improvements as a result of AMI, including reducing peak demand (MW) compared to a baseline year and/or system average, and increasing system load factor (i.e. average load divided by peak load during a specific period of time).
- The number or percentage of customers who make customer data available to third-party entities.
- Customer AMI opt-out rates.
- Measurement of delivered ratepayer benefits over time from AMI deployment as compared to projected benefits in the Companies' benefit-cost analyses from their original filings.

⁵ D.P.U. 21-80-B/D.P.U. 21-81-B/D.P.U. 21-82-B, at 318.

⁶ Joint Comments, at 14.

⁷ *Id.*, at 13.

⁸ D.P.U. 21-80-A/D.P.U. 21-81-A/D.P.U. 21-82-A, at 28.

In their original filings, the Companies proposed several potential metrics that were not included in the final set of proposed metrics but which are nevertheless worth consideration. National Grid mentioned “(1) operational and program metrics related to (i) deployment, (ii) billing accuracy, (iii) outage management, and (iv) system operation and environmental benefits; and (2) customer metrics related to (i) awareness, (ii) enablement and empowerment, and (iii) Green Button Connect My Data.”⁹ Acadia Center would encourage the Department to consider implementation of these metrics.

Similarly, in its original filings, Eversource mentioned the following performance metrics: the number of AMI meters deployed per day or week; geographical AMI meter deployment percentages; the number of meters experiencing loss of communications; meter read rates and post-installation AMI meter issues, e.g. failed read; bandwidth of network routers and collectors; and latency statistics.¹⁰ Unitil proposed three performance metrics associated with its AMI Implementation Plan: (1) an AMI meter replacement metric, which would quantify the number of meters deployed with the ability to provide interval metering; (2) a customer engagement metric, which would measure the number of customers that have enrolled in the customer engagement system; and (3) a data sharing platform metric, which would measure the number of customers that have enrolled in the data sharing program.¹¹ Acadia Center recommends consideration of these metrics and/or a proposed timeline for consideration as the deployment timeline moves ahead.

The Companies proposed a metric for the “percent of EJ and low-income customers impacted by discrete (i.e., non-statewide) investments.”¹² Acadia Center requests that the Companies provide a more detailed definition of “impacted.”

Acadia Center also continues to recommend the following environmental justice-related performance metrics:

- Reliability and resilience metrics (e.g. SAIDI, SAIFI, CAIDI, MAIFI), each segmented by geographic area, income, and other census block data.
- Infrastructure deployment and success in meeting deployment timelines in environmental justice communities.
- Infrastructure maintenance in environmental justice communities.
- Number and percentage of low and moderate-income customers enrolled in demand response programs.
- Number and percentage of low and moderate-income customers accessing energy usage data each month.
- Number of low and moderate-income customers participating in time-of-use rates.
- Number of educational events on grid modernization and AMI specifically in environmental justice communities.

⁹ D.P.U. 21-80-B/D.P.U. 21-81-B/D.P.U. 21-82-B, at 318.

¹⁰ D.P.U. 21-80, Exh. ES-AMI-2.

¹¹ D.P.U. 21-80-B/D.P.U. 21-81-B/D.P.U. 21-82-B, at 52.

¹² Joint Comments, at 14.

- Number of completed communications campaigns to raise customer awareness about AMI.

Finally, Acadia Center continues to recommend the use of financial penalties for underperformance, which were not included in the Companies' proposal. The Commonwealth can no longer afford to just implement relatively simple report-only metrics and performance targets without any real consequences. For metrics with specific performance targets, a financial penalty for not meeting the target would provide a greater incentive for improved performance.

The planned grid modernization and AMI investments are vital for helping the Commonwealth achieve its climate and clean energy requirements, and failure to deliver the expected benefits proposed in the investment plans runs the risk of imposing additional costs without the commensurate benefits.

Other states have either implemented financial penalties or have committed to exploring them in a comprehensive way within the context of Performance-Based Regulation. A noteworthy example comes from Connecticut, where the Public Utilities Regulatory Authority recently issued an order that concludes Phase 1 of its PBR proceeding and commits to explore a broad suite of performance mechanisms—including reported metrics, scorecards, and financial penalties and other incentives—over the coming year.¹³ Acadia Center recommends that the Commission take a similarly comprehensive approach to exploring financial penalties and other incentives to further motivate improved utility performance outcomes.

Sincerely,

Oliver Tully
 Director, Utility Innovation Initiative
 Acadia Center
otully@acadiacenter.org
 860-246-7121 x202

Kyle Murray
 Senior Advocate and Massachusetts Program Director
 Acadia Center
kmurray@acadiacenter.org
 617-742-0054 x106

¹³ PURA Docket No. 21-05-15, PURA Investigation Into A Performance-Based Regulation Framework For The Electric Distribution Companies, April 26, 2023 Decision.