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

Comments from Vote Solar, Acadia Center, Conservation Law Foundation, and Save the Sound

Regarding: Docket No. 21-05-15RE02 – PURA Investigation into Performance Mechanisms for a Performance-Based Regulation Framework

October 2, 2023

Enclosed please find the completed assessment and supplemental comments from Vote Solar, Acadia Center, Conservation Law Foundation, and Save the Sound. We provide the attached assessment and comments in response to the Public Utility Regulatory Authority's Notice of Request for Written Comments issued on September 13, 2023, in the above-referenced docket.

In reviewing the existing and newly proposed metrics, we identified concerns that warrant further comment to clarify our ranking decisions. We want to highlight the distinction between metrics and performance incentive mechanisms – when considering what to measure, it is essential to assess whether the information meets a threshold, as metrics should provide meaningful insights and be relevant to the goals they are trying to achieve. Not every measured aspect requires an incentive. Some metrics are for informational purposes, while others should trigger incentives. More simply put, actions taken by a utility should be a metric; achieving an outcome should be a performance incentive mechanism ("PIM").

Individual measurements within a larger group of metrics (e.g., SAIDI, SAIFI) should not be directly incentivized. Instead, the focus should be on a PIM that applies to the overall group of metrics, ensuring a comprehensive approach to performance improvement. To prevent selective focus on easier-to-achieve metrics, PURA should consider implementing measures that require utilities to meet a minimum threshold in all relevant areas before receiving incentives. For example, United Illuminating included three existing performance mechanisms, (1) SAIFI, (2) SAIDI, and (3) CAIDI. All three are mapped to the priority outcome of reliable and resilient electric service. These three individual PIMSs should be consolidated, and the utility should have to meet a certain threshold across all three metrics in order to receive a performance incentive. This can simplify incentive structures and prevent utilities from gaming the system by focusing solely on easy-to-achieve metrics. Achieving a PIM should necessitate meeting a minimum threshold in each metric, fostering a balanced approach to service quality that discourages cherry-picking easy wins.

There are apparent inconsistencies across what is reported by both utilities that hinders the ability to compare performance. Simplified and standardized reporting can enhance the comparability of data between utilities. While there are some similarities in what is being reported as included in the mapped existing performance mechanism, it is essential to ensure that the data aligns, making it possible to gauge performance relative to peers, both in-state and out-of-state. Inconsistencies in reporting can be a

disservice to regulatory bodies like PURA and OCC, as it makes it challenging to assess the industry's overall performance and address issues effectively

Respectfully submitted,

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