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Executive Secretary
Public Utilities Regulatory Authority
10 Franklin Square
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Regarding: Docket No. 21-05-15RE02 – PURA Investigation into Performance Mechanisms for a Performance-Based Regulation Framework

April 24, 2024

Please accept the following comments from Vote Solar, Conservation Law Foundation, Save the Sound, Acadia Center, and Neighborhood Housing Services of New Haven (collectively, "the Advocates"). We provide these comments in response to the Public Utility Regulatory Authority's ("PURA") Notice of Issuance of Straw Proposal and Notice of Request for Written Comments both issued on March 14, 2024, in Docket No. 21-05-15RE02 – PURA Investigation into Performance Mechanisms for a Performance-Based Regulation Framework ("Docket").

Proposed Design Principles

The Advocates agree with the Authority's proposal to make no changes to the proposed design principle that performance mechanism design be inclusive of direct and/or indirect utility control. We agree that utilities can exert meaningful influence over some outcomes even when they are not within their direct control. We reiterate the positions made in our December 15, 2023 comments[1].

Business Operations and Investment Efficiency Priority Outcome

We appreciate the Authority's proposal to include an Avoided Costs from Distributed Energy Resources ("DERs") and Non-Wires Solution ("NWS") Reported Metric. To assist with further development of such a metric, we offer the following context as it might be helpful for consideration.

As described in the National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources, DERs deployed in geographically strategic locations can help to defer and/or avoid transmission and distribution upgrades.[2] And by helping to meet demand growth through cleaner, distributed resources—or by avoiding demand growth altogether, such as through energy efficiency—DERs can avoid the emissions that may have otherwise been emitted, as well as costs associated with energy and generation capacity and ancillary services needed to meet a growth in demand. The Authority's Non-Wires Solutions program will provide more detail on the methodology for calculating the cost of the traditional, or business-as-usual, investment and comparing it to the costs and

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[1] https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/cda6628fb7a5c0c185258a86006cd51e/$FILE/RE02%20Dec%2015%20Comments.pdf

[2] *National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resource*s. National Energy Screening Project. August 2020.

benefits of the DER, or non-wires solution. For purposes of a potential reported metric for the avoided costs from DERs and NWS, the Authority should require the consideration of all potential costs and benefits of both DERs and traditional investments in order to provide an accurate assessment of the potential avoided costs. We recommend that the reported metric track both the dollar amount avoided by the DER or NWS project used to defer or eliminate traditional distribution system solutions, as well as the avoided costs as a percentage of the total cost of the traditional solution.

Distribution System Utilization Priority Outcome

In regards to our proposed System Efficiency Performance Incentive Mechanism ("PIM"), the Advocates continue to support the assertion that peak demand is an important metric for understanding the nature of customer load at a system-wide level. We understand the perspectives offered by the Office of Consumer Counsel ("OCC") and United Illuminating regarding beneficial electrification and its relationship to the increasing policy emphasis on electrifying transportation and heating for emission reductions may not be compatible with a peak demand reduction PIM specifically. Although the Authority does not propose performance incentive mechanisms to support the distribution system utilization priority outcome during the first cycle of PBR, we hope that the Authority will consider its implementation at a later date. In the interim, we support the Authority's proposal to include OCC's peak demand scorecard as the mechanism by which to provide such public tracking of peak demand. By collecting this information as a scorecard, this will provide the necessary data to later develop a performance metric specific to system efficiency.

The intention of the Grid Services Scorecard was to establish two targets: one for the number of DER systems participating in grid services programs and another for the percentage of DER systems actively engaged in delivering these services. The Advocates maintain our support for this scorecard, believing that setting targets would incentivize the timely integration of DERs into the grid, particularly for critical functions like peak demand reduction, frequency regulation, and voltage stabilization. We are willing to engage in further discussion to flesh out the development of such a scorecard, but also support, as an alternative, folding the Grid Services Scorecard into OCC's DER Services Metric because we believe they have similar objectives. Ultimately, tracking this information is preferable to overlooking it entirely. Gathering this data now will enable us to set targets and benchmarks for the future. We look forward to working with Authority staff and other stakeholders to assist in the development of DER Service Metrics.

Reliable and Resilient Electric Service

The Advocates appreciate the Authority's willingness to include a Major Storm Reported Metric and the effort that Authority staff put into the development of such a metric. The additional columns added to Major Storm Reports encompasses our original proposal and more. We commend Authority staff for adding additional columns that include the number of customers affected and restored, broken down by customer class. We also propose including an additional level of granularity into restoration beyond the binary data that is identified in the Straw Proposal. Although Eversource argues that they do not have control over which customers lose power due to major storms, they do have the ability to control the amount of time it takes to restore power, and the frequency in which customers lose power (i.e. storm preparation and response). Therefore, we encourage PURA to add additional columns to the Major Storms Reports that tracks the duration of the power outage and the frequency of power outages. In order

to maintain reporting consistency, the outage duration and frequency can also be reported using the average restoration time and frequency by customer class and zip code.

Social Equity

The objective of an Equitable Electric Vehicle Supply Equipment ("EVSE") Deployment Reported Metric is to ensure equitable distribution of EVSE infrastructure. With this objective in mind, we support the Authority's Underserved Communities Inclusion Metric. Submetric 5, EV Charging Program, that tracks the number of Level 2 EVSEs and Direct-current fast chargers installed and operational in underserved communities as a percentage of total EVSEs installed through the EV Charging Program is in line with the intention of our originally proposed metric.

We commend the Authority for its proposal to track the inclusion of customers living in underserved communities in various clean and renewable energy programs through an Underserved Communities Inclusion Metric. The metrics are consistent with the goal of achieving the social priority outcome, ensuring that environmental justice principles are appropriately integrated across utility administered programs.

Greenhouse Gas Reduction

The Advocates appreciate the Authority's willingness to further investigate a Beneficial Electrification PIM. The Advocates' December 15, 2023 filing included a recommendation for a PIM to incentivize greenhouse gas emissions avoided by the electrification of transportation and buildings. Tracking emissions reductions as a result of transportation and building electrification is an essential way of measuring progress towards Connecticut's climate and clean energy goals. Below, we describe several examples of relevant PIMs enacted in New York, which may serve as a model:

> The New York Public Service Commission ("PSC") approved a Beneficial Electrification Earnings Adjustment Mechanism ("EAM") in 2020 for ConEdison that measured GHG reductions provided by electric vehicles and heat pumps (NY PSC Case 19-E-0065/Case 19-G-066)[3]. This EAM incentivized the adoption of beneficial electrification technologies (e.g., electric vehicles and heat pumps), which help to lower lifetime CO2e (carbon dioxide or carbon dioxide equivalent) emissions on a marginal emissions basis. The PSC set specific minimum, midpoint, and maximum emissions performance targets for each year of the three-year term for the EAM. The EAM was upside-only, resulting in an ROE basis point increase depending on performance (with a 2 basis point minimum, 5 basis point midpoint, and 10 basis point maximum). At the end of the EAM term, the Beneficial Electrification EAM evolved into two different EAMs for ConEdison's 2023-2025 rate plan: 1) a Light-Duty Vehicle Emissions EAM, which incentivizes MtCO2e reductions from light-duty EV deployment in the company's service territory (see farther below), and 2) a Smart Building Electrification EAM, incentivizes MMBtu savings from heat pumps, building envelope improvements, and other building electrification solutions.

[3] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?Mattercaseno=19-E-0065

ConEdison's Smart Building Electrification EAM (2023-2025) tracks and incentivizes lifetime energy savings acquired through the utility's energy efficiency and heating electrification programs through building envelope upgrades, heat pumps, waste heat recovery, and advanced controls, measured in Lifetime Million BTU ("LMMBtu"). The EAM sets specific performance targets with minimum, midpoint, and maximum ROE basis point adjustments (NY PSC Docket 22-E-0064)[4].

Orange and Rockland's Environmentally Beneficial Electrification EAM incentivizes the reduction of carbon emissions by facilitating the deployment of heat pumps and building shell measures. The EAM provides ROE basis point adjustments depending on performance (NY PSC Docket 21-E-0074)[5].

National Grid's Building Electrification EAM incentivizes National Grid to reduce carbon emissions by facilitating the penetration of heat pump water heating and space heating technologies (NY PSC Docket 20-E-0380)[6].

In addition to incentives for building electrification, New York offers several potential models for transportation electrification incentives:

ConEdison's Light-Duty Vehicle Emissions EAM incentivizes efforts to accelerate light-duty EV adoption in order to reduce total lifetime CO2e emissions provided by the adoption of light-duty electric vehicles, measured in metric tons CO2e ("MtCO2e"). The EAM sets emissions targets and provides upside-only return on equity ("ROE") basis point adjustments (NY PSC Docket 22-E-0064)[7]

National Grid's Transportation Electrification EAM (2021-2024) provides upside-only ROE basis point adjustments based on the utility's performance in accelerating the adoption of light-duty EVs and reducing associated transportation emissions. (NY PSC 20-E-0380)[8].

Several utilities in New York have the potential to earn shared savings as a result of Make-Ready EV investments by installing Level 2 and/or DCFC charging infrastructure (NY PSC Docket 20-E-0380, Docket 20-E-0428, Docket 21-E-0074)[9,10,11].

The Advocates agree with the proposal to include Energy Intensity and Tons of Carbon Dioxide per Customer Reported Metrics within OCC's proposed GHG Emissions Scorecard. This holistic approach will offer an understanding of system level emissions, customer energy consumption, and customer emissions, aligning with the intention of transparency and accountability in energy management.

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[4] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=22-e-0064
[5] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=21-E-0074
[6] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=63186&MNO=20-E-0380
[7] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=22-e-0064
[8] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=63186&MNO=20-E-0380
[9] Id.
[10] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=20-E-0428
[11] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=21-E-0074

Customer Empowerment

We support the Authority's proposal for the additional submetric which would track the amount of load reduced by customer class as a result of Time-Varying Rate ("TVR") adoption. Tracking this information in addition to our originally proposed metric, the number of customers participating in TVR by customer class and the percentage of all customers participating in TVR by customer class will provide the data necessary to eventually set a target to convert these metrics into a scorecard at later date when Advanced Metering Infrastructure is more widely deployed.

The Advocates also agree with the Authority's proposal to adopt OCC's Customer Data Sharing Metric in addition to the adoption of our proposed metric for the number and percentage of customers that have viewed their data in an effort to promote visibility into their usage data.

The Advocates appreciate the Authority's inclusion of Community Engagement Metrics with community demographic metric information. Community engagement events in partnership with community-based organizations in target areas would strengthen opportunities for collaboration, feedback, and program participation. The utilities should provide event coordination assistance through financial incentives and dedicated staff capacity that can assist community organizations with event planning and logistics. The utilities have a short list of community partners through the energy efficiency programs that could be utilized as a starting point for relationships in the community, but that list should be notably expanded to ensure maximum reach in environmental justice communities.The CT Energy Network would also serve as a resource to build out the outreach list to support volunteer-run municipal energy task forces and locally trusted nonprofits. Specific events could include listening sessions, town halls, program enrollment support, tabling at events at community-based organizations, faith-based organizations, and other fair-style events. All community engagement events should be supported by best practices such as considering transportation to and from an event, childcare, translation services, providing meals, and direct payment or raffle for time spent at an event or completing a survey. These best practices at events could be used to ensure maximum community engagement and feedback. At community events, specific demographic data could be collected such as: homeownership or renting, participation in incentive or hardship programs, preferred language, household income, and average utility bill. The utilization of geographic heat maps could allow community participants who are reluctant to share a direct address, to point out where they live closest to on a map which would provide a deeper understanding of where participation is coming from and where it has been missed. This would be an additional opportunity for the community to be empowered by the visualization of data and usable information to better conduct future outreach.

Quality Customer Service

The Advocates agree with the Authority's recommendation to have the Customer Satisfaction Scorecard report the utilities' aggregate customer satisfaction survey data and the three main categories proposed by the OCC.[12] Utilizing census blocks in data reporting can enable more granular data analysis. The actual

[12] OCC recommended using customer satisfaction survey data to "highlight the customer experience with their EDC based on three different types of interactions: (1) call center; (2) interconnection process; and (3) service interruptions." Docket No. 21-05-15RE02, *Straw Proposal* at 71 (Mar. 14, 2024).

process of downloading Connecticut census blocks to utilize in data aggregation and visualization is not any different than downloading census tracts or census block groups. The specific location of the download is the same on the census.gov website, and utilizing census blocks in environmental justice communities can provide specific location data on where hotspots are for customer satisfaction.

Affordable Service

With the additional context and analysis provided by the Authority, the Advocates understand the decision to not propose an Affordable Service Performance Incentive Mechanism as it does not represent a substantial departure from the utilities' existing practices to demonstrate exemplary performance. We appreciate Eversource's willingness to work towards reaching residential customers in financial hardship. The motivation of our request for this performance incentive was for the utilities to escalate their efforts in addressing energy burden and affordability concerns. Therefore, we support the Authority's proposal of a Payment Arrangements Scorecard.

Reporting Considerations

The Advocates agree that PBR framework data should be reported in a format that is transparent and accessible to stakeholders and the public. We support the use of a public facing website with multiple access points, such as the Energize CT website, and other state agency webpages, as proactive dissemination of metrics through open data platforms increases transparency and accountability, and can also build trust. Hawaiian Electric has a publicly available portfolio of performance based regulation scorecards and metrics available on their website that can be easily accessed by the Hawaii Public Utilities Commission, utility partners and its customers[13]. Hawaiian Electric breaks down these portfolios into specific categories, making the search process more intuitive and seamless for those interested in specific data points. This approach is similar to what the Authority envisions, which would be reporting of all performance mechanisms by priority outcome. We recommend PURA reference this publicly available and accessible data repository as an example of how to build a comprehensive and transparent inventory of performance metrics for the utilities in Connecticut.

Respectfully submitted,

(signatories on page 7)

[13] https://www.hawaiianelectric.com/about-us/performance-scorecards-and-metrics

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