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

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

March 27, 2025

Please accept the following comments from Vote Solar, Acadia Center, Conservation Law Foundation, and Save the Sound. We provide these comments in response to the Public Utility Regulatory Authority's ("PURA") Notice of Issuance of Revised Straw Proposal and Notice of Request for Written Comments both issued on February 27, 2025, Docket No. 21-05-15RE02 – PURA Investigation into Performance Mechanisms for a Performance-Based Regulation Framework.

1. A statement indicating support of, opposition to, or no position on the Revised Straw Proposal recommendations, including Reported Metrics, Scorecards, and PIMs. Such statement should explain the rationale for the position and identify or provide evidence supporting the position.

We generally support the revised straw proposal's continued emphasis on transparency and accountability for DER deployment, energy storage performance, and GHG emissions reduction. We believe several modifications are necessary to strengthen the straw proposal's effectiveness in advancing clean energy goals and establishing an equitable PBR framework. While the proposal maintains critical metrics related to clean energy deployment and grid modernization, the downgrading of several metrics from Scorecards to Reported Metrics and the modest incentive structures for upside performance may risk undermining the regulatory impact needed to accelerate clean energy adoption. Connecticut should strive to implement a strong but balanced foundation for its PIM framework from the get-go rather than risk a more uncertain initial phase.

2. Proposed modifications to the Revised Straw Proposal recommendations, if applicable, including a rationale to support the proposed modifications.

Distribution System Losses: System losses represent a significant opportunity for efficiency improvements. Tracking these losses transparently is crucial for identifying cost-effective improvements. The downgrade from Scorecard to Metric reduces regulatory attention on this

important issue. Setting clear scorecard targets could drive investment in loss reduction technologies that benefit both utilities and customers. There is strong momentum in Connecticut and around the region for a fulsome suite of technology solutions, both hardware and software, that can provide a path to improved performance on these scorecard technologies, including lower-voltage grid enhancing technologies (GET) and other grid modernizing investments.

Beneficial Electrification Proposal: Rather than merely investigating this as a potential metric, it should be established as a Scorecard with clear benchmarks to accelerate beneficial electrification of transportation and buildings, as originally proposed in our December 15, 2023 comments¹. The NY PSC has successfully implemented Beneficial Electrification EAMs. Evidence from ConEdison's Smart Building Electrification EAM (2023-2025), Orange and Rockland's Environmentally Beneficial Electrification EAM, and National Grid's Building Electrification EAM demonstrate that these mechanisms effectively drive GHG reductions and support climate policy goals. What's more, the interaction between beneficial electrification and peak demand reduction is absolutely essential, since the pace of electrification - especially on the buildings side - can and will substantially affect the magnitude and seasonality of system peaks, both in the near (~2030s) and long term (~2050).



¹https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/cda6628fb7a5c0c185258a86006c d51e/\$FILE/RE02%20Dec%2015%20Comments.pdf



Acadia Center analysis, from The Energy is About to Shift (2024) - Acadia Center and Clean Air Task Force: <u>https://acadiacenter.org/resource/the-energy-is-about-to-shift/</u>.

Time Varying Rates: Time varying rates are critical for managing peak demand and enabling customer flexibility. The downgrade to a Metric reduces emphasis on this important tool for grid optimization and customer empowerment. TVR and other dynamic rate structures must be fully embraced under this PBR framework to unlock substantial benefits and savings for customers and the system writ-large. This is especially important as mounting evidence suggests that TVR/TOU can deliver substantial bill and usage savings for low and moderate income customers. Several TOU rate offerings and pilot programs around the country have specifically analyzed the impact of TOU rates on LMI households in terms of both bills and usage. And while results are not uniform across every participating household, numerous studies show that, if designed carefully and supported with comprehensive customer education, TOU rates can help to reduce both bills and usage for LMI households.

For example, a TOU pilot program in Maryland analyzed low and moderate-income household responsiveness to TOU rates and showed that LMI households with TOU rates saw both bill savings and peak usage reductions over time.47 LMI customers across Maryland's three participating utilities saw annual average bill reductions between 4.4%- 9.6%. LMI customers also responded to the TOU prices by reducing their peak consumption by similar proportions compared to non-LMI households. If the average LMI bill reductions seen in the Maryland pilot were applied to low-income electric customers in Connecticut, customers could expect to see

substantial total annual bill savings. See further discussion in Acadia Center's analysis on bill-saving tools in New York, *New York's Household Energy Burden Imperative: Challenges and Solutions February 2025* (see esp. pages 17-19).²

Clean Energy Program Attrition: Program attrition directly impacts GHG reduction goals. Keeping this as a Scorecard would maintain stronger regulatory oversight of project completion rates.

DER Interconnection: The DER Interconnection PIM should encompass both Level 1 and Level 2 projects, rather than limiting financial incentives to smaller systems. This would drive more consistent performance improvements across the entire interconnection process, creating a unified standard of accountability. The approach presented in the revised Straw Proposal may create an artificial division that could lead to resource prioritization for smaller projects at the expense of larger ones. Since Level 2 projects represent significant clean energy capacity and often require substantial investments, they deserve the same performance guarantees.

Emissions Intensity Metrics for Residential and Commercial Customers: As described in our April 24, 2024 comments, these metrics provide customers with reference points for their energy use and related emissions, thus supporting informed energy decisions.³

3. Implementation considerations for Revised Straw Proposal recommendations.

We recommend the standardization of data collection. For metrics like GHG emissions reporting, clear standards and aligned methodologies are essential.

We recommend a phased implementation approach for new metrics like CEMI and CELID. A phased approach with retrospective analysis of historical data will provide benchmarks for upside incentives. The Hawaii PUC's implementation of CEMI and CELID metrics shows that these customer-centric reliability measures can be effectively integrated into regulatory frameworks, even without extensive historical data.

We recommend that all performance metrics have public facing dashboards that are accessible and understandable to consumers and advocates alike.

Implementation of equity metrics will require careful consideration to ensure these metrics drive meaningful change rather than merely document disparities. While the proposal includes several equity focused mechanisms, their effectiveness hinges on implementation details. We recommend that the Authority establish standardized definitions of EJ communities across

² https://acadiacenter.wpenginepowered.com/wp-content/uploads/2025/03/AC_WeAct_EnergyBurden_R5.pdf
³ https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/75c6cfec299f0ff285258b09005f49
c5/\$FILE/Advocates%20RE02%20Straw%20Proposal%20Comments.pdf

programs, develop clear methodologies for identifying and tracking participation from disadvantaged populations, create progressive benchmarks that drive improvement over time, and ensure transparent reporting with community input. These metrics should evolve from simply tracking disparities to establishing accountability mechanisms with specific targets for reducing inequities in clean energy program participation, reliability performance and benefits distribution. This requires moving from data collection to benchmark setting within a reasonable timeframe, while building community feedback loops that verify that metrics capture lived experiences across diverse communities.

4. Additional evidence and analysis not included in the Revised Straw Proposal, but relevant to Performance Mechanisms.

We do not have any additional feedback at this time but appreciate the opportunity for further engagement in this docket.

Respectfully submitted,

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