

**THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

Docket No. _____

EnerNOC, Inc.

Petition for Approval of Use of Live, Online Reverse Auction in Electric Procurement

EnerNOC, Inc. (“EnerNOC” or “Company”) is a foreign (Delaware) corporation registered to do business in New Hampshire. EnerNOC hereby petitions the Commission to approve Eversource’s use of live, online reverse auctions for competitively procuring energy service as more fully explained below. In support of this petition, EnerNOC states as follows:

Background and Authority

1. EnerNOC is a subsidiary of Enel, a multinational power company and a leading integrated player in the global power, gas, and renewables markets. EnerNOC’s headquarters is in Boston. EnerNOC partners with enterprises and utilities to reduce costs, manage risks, increase sustainability, and maximize the value of emerging energy technologies through customized energy management strategies. As further detailed in the accompanying Pre-filed Direct Testimony, EnerNOC’s technology-enabled advisory solutions help large energy users and utilities create value through strategic energy procurement, energy management, and utility bill management services. Between EnerNOC and Enel’s North American renewables division, Enel Green Power North America, the Enel Group is one of the largest clean energy employers in New England and serves customers in New Hampshire, the United States, and internationally.

2. In Order No. 26,092, dated December 29, 2017 in Docket No. DE 17-113, the Commission approved a process for Eversource to solicit power from the competitive market following divestiture of its generation assets. The Commission also noted that the settlement

agreement entered into by Eversource, Commission Staff (“Staff”), the Office of the Consumer Advocate (“OCA”), and intervenors Exelon Generation Company, LLC and EnerNOC allowed “any party to file a petition to have the Commission review whether Eversource should change its energy service procurement process to take advantage of new technology or new products which may benefit customers.” Id. at 16.

3. The referenced settlement provision states as follows:

“[t]he Settling Parties agree that any party may, in the future, petition the Commission to amend the manner of ES procurement and supply should circumstances warrant a change and Staff, the OCA and Eversource agree to participate in such a docket. Eversource agrees to continue to evaluate procurement methods other than sealed bid RFP. The Settling Parties agree that any new proposed method, if approved by the Commission, shall be implemented as ordered by the Commission.” Hearing Exhibit 2 at 5 and 6.

4. While Docket No. DE 17-113 was occurring, Eversource was also involved with divesting its generation assets in Docket Nos. DE 11-250 and DE 14-238. In recognition of the importance of divestiture to the transition to competitively-procured energy service, in Order No. 26,506, the Commission held that the transition to competitively procured service could not occur until Eversource divested.

5. Eversource has now started obtaining its electricity supply through competitive procurements. For example, in Docket No. DE 18-002, the Commission approved Eversource’s first competitively-procured energy service for the power supply requirements of its customers for the four-month period beginning April 1, 2018. The Commission noted that this was Eversource’s first solicitation since it divested its fossil generation units. Order No. 26,104 at 1.

6. EnerNOC posits that now that divestiture has occurred and Eversource is able to competitively procure energy service, circumstances warrant an expansion of the types of competitive procurement methods regulated electric utilities, in particular Eversource, may use.

7. Pursuant to Commission Order No. 26,092, in Docket No. DE 17-113, approving the settlement, and pursuant to RSA 365:1, EnerNOC is petitioning the Commission to approve Eversource's utilization of live, online reverse auctions to procure full requirements energy service for its customers and in so doing, determine that a live, online reverse auction procurement method would better enable Eversource to comply with RSA CHAPTER 374-F and the requirement to provide reliable retail service at the lowest reasonable cost and RSA 378:7 and the requirement that rates, fares, and charges be just and reasonable.

Public Policy Supporting EnerNOC's Request

8. It has been a long-standing policy of New Hampshire to achieve lower electric rates for New Hampshire customers. In RSA 369-B:1, I, the legislature sought to restructure the electric industry to "provide retail electric service at lower costs." In RSA 374-F:1, I, the legislature stated that the "most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets". The legislature further stated that "[c]ompetitive markets should provide electricity suppliers with incentives to operate efficiently and cleanly, open markets for new and improved technologies, provide electricity buyers and sellers with appropriate price signals, and improve public confidence in the electric utility industry." RSA 374-F:1, II. In RSA 378:37, the general court declared that the energy policy of the State was to "meet the energy needs of the citizens and businesses of the state at the lowest reasonable cost while providing for the reliability and diversity of energy sources" (emphasis added).

9. Notwithstanding these legislative policies, the Commission has recognized that New Hampshire's retail electric rates are still among the highest in the country. See, e.g., Docket No. IR 15-124, *Investigation into Potential Approaches to Ameliorate Adverse*

Wholesale Electricity Market Conditions in New Hampshire, Order of Notice (April 17, 2015) at 2.

10. EnerNOC believes the live, online reverse auction is consistent with RSA 374-F:1 and RSA 378:37 and the Commission's desire to have competitive procurements and provide electricity to customers at the lowest reasonable cost.

11. EnerNOC believes that its live, online reverse auction platform also allows regulated electric utilities to better achieve the State's policy objective of reducing "costs to consumers while maintaining safe and reliable electric service." *Id.* Utilities can better achieve this policy objective because, in EnerNOC's opinion, the live, online reverse auction is more advantageous than the traditional, sealed bid type of procurement because it offers:

Price Discovery – Bidders see the prevailing low price in a live, online reverse auction. This price discovery drives competition and tends to reduce prices, thereby benefiting ratepayers.

Increased Transparency – EnerNOC provides a record of every online reverse auction bid and every communication in the auction process. This results in a highly auditable record for regulators to review. This transparency brings accountability and clarity to all parties and in EnerNOC's opinion, solidifies the confidence of consumer advocates, regulators, and ratepayers.

Process Efficiencies – EnerNOC's live, online reverse auctions tend to be a short duration event which provides bidders with quicker feedback on whether or not they had the lowest bid. This brevity may contribute to reducing risk premiums.

Convenient for Bidders – Technology-enabled auctions are widely used in the utility space, and as such, bidders have grown accustomed to utilizing these sourcing methods. EnerNOC has worked with hundreds of unique bidders across tens of thousands of auction events and has seen little to no attrition in bidder participation due to a change in procurement

method.

Competitive results – Using technology-enabled auction methods, EnerNOC has observed that our utility partners are pleased with outcomes compared to their market expectations.

Prevalence of the Use of Live, Online Reverse Auction

12. Live, online reverse auctions have been gaining prominence in the United States and beyond as a tool to secure the most competitive prices for energy service. Since its inception, the Regional Greenhouse Gas Initiative (“RGGI”) has conducted its quarterly, regional CO2 allowance auctions using EnerNOC’s technology-enabled services. Other state public utilities commissions have approved the use of this tool for its regulated electric utilities. For instance, as further described in the accompanying Pre-filed Direct Testimony, the Delaware Public Service Commission approved the use of live, online reverse auctions by Delmarva Power, and independent consultants have noted the positive results. At the federal level, the U.S. General Services Administration (“GSA”) has used EnerNOC’s reverse auction platform since 2001. The GSA formally embraced the live, online reverse auction method by launching a Government Managed Reverse Auction System on July 1, 2013.

EnerNOC’s Request

13. EnerNOC believes circumstances warrant the Commission approving Eversource to use a live, on-line reverse auction method for competitively procuring energy services. EnerNOC believes Eversource is now ripe to utilize live, online reverse auctions for its electricity procurements and that three procurement cycles will provide Eversource and the Commission with an adequate sample size for determining the best method for future

procurement. Because implementation, which includes pre-auction, auction, and post-auction deliverables, could be done in approximately a month or less from the time Eversource selects a vendor, EnerNOC believes procurements for Spring 2019, Fall 2019, and Spring 2020 can be reasonably targeted.

WHEREFORE, EnerNOC respectfully requests that the Commission:

- A. Approve and direct Eversource to utilize live, online reverse auctions to procure full requirements energy service for a minimum three procurements (Spring 2019, Fall 2019, and Spring 2020); and
- B. Grant such other and further relief as may be just and equitable.

Respectfully submitted,

EnerNOC, Inc.

By its Attorney,

NH BROWN LAW, PLLC

Date: September 7, 2018

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Certificate of Service

I hereby certify that a copy of the foregoing petition and supporting materials have been emailed this 7th day of September, 2018 to the Office of the Consumer Advocate and Public Service Company of New Hampshire d/b/a Eversource Energy.

Marcia A. Brown
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