

THE STATE OF NEW HAMPSHIRE
Before the
PUBLIC UTILITIES COMMISSION
DE 19-197
ELECTRIC AND NATURAL GAS UTILITIES
Development of a Statewide, Multi-Use Online Energy Data Platform
PREHEARING CONFERENCE MEMORANDUM

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty; Public Service Company of New Hampshire d/b/a Eversource Energy; Unitil Energy Systems, Inc. (UES); Liberty Utilities (EnergyNorth Natural Gas) Corp d/b/a Liberty; and Northern Utilities, Inc. (Northern) (collectively the “NH Utilities”), along with Clean Energy New Hampshire, the Office of the Consumer Advocate, City of Lebanon, and Mission:data Coalition, all of whom are parties to the April 28, 2021 Settlement Agreement (the “Settlement”) in this docket (all collectively, the “Parties”) respectfully provide this memorandum in advance of the prehearing conference scheduled for June 3, 2022 in the instant proceeding. The New Hampshire Department of Energy (“DOE”) joins in the relief requested, in part, as specified in Section II, d and f, and is neutral at this time with regard to other technical solutions. (The DOE is also a party to the referenced Settlement).

The intent and purpose of this memorandum is to: explain the Parties’ understanding of the Commission’s rulings and requests as contained in Order No. 26,589 (March 2, 2022) (the “Order”) in this docket; provide proposed means of addressing or satisfying those rulings and requests; and encourage an open exchange of information about the identified issues during the prehearing conference. It is the genuine hope of the Parties that through an informal discussion

with the Commission during the June 3, 2022 prehearing conference, the matters in issue will have clear, near-term resolutions.

I. INTRODUCTION

As described in the NH Utilities' April 1, 2022 motion requesting a prehearing conference, the Order approved the Settlement and among the items approved in the Settlement were: the establishment of the Governance Council for the statewide, multi-use online energy data platform ("Platform"); certain security and privacy measures and registration protocols for the Platform; Platform design; a trajectory for developing and issuing the RFPs necessary to execute the work of constructing the component parts of the Platform; a process for selecting a vendor to construct the Platform once costs are known, and finally; selecting and recommending to the Commission for review and approval of vendors to construct the Platform. As further described in the Order, in addition to approving the Settlement, the Commission also found "that additional Commission involvement prior to the issuance of an RFP is warranted to ensure that the bids result in a software development process that is successful and provides the lowest cost for implementation" (Order at 12), and enumerated a series of action items, mostly listed in "Section D: Commission Oversight", for the NH Utilities and the parties to the Settlement to undertake over the course of this year. These items are to culminate in the issuance of the RFPs, the selection process, and recommendations for construction of the Platform to the Commission.

Since the time the Order was issued, the Parties (and others) have completed the formation of the Governance Council and that body has begun the necessary preparation for designing the Platform. As part of those preparations, the Parties as members of the Governance Council discussed the requirements specified in the Order at length with a view toward assuring that the

Commission has the information necessary to complete its work, while also assuring that the development of the platform will not be unreasonably delayed. Based upon the review of the requirements of the Order, and with the intent of making the prehearing conference and subsequent work as efficient as possible, the Parties offer the below discussion of their understanding of the various items alongside proposed solutions. Each item is laid out by first listing the material as identified in the Order, and then offering the perspective and input of the Parties on its resolution.

II. REQUIREMENTS OF THE ORDER

a. Cost-Benefit Methodology

i. In the Order the Commission requires:

that the stakeholders initiate the development of a cost-benefit methodology before moving forward with requests for proposals. The development of the cost-benefit methodology will inform required cost-benefit analysis after the result of the requests for proposals is finalized. Such a cost-benefit analysis should inform not only whether the development of the state-wide data platform is reasonable and in the public interest, but should also enable a study to provide a prospective look at the rate-design that ensures costs are appropriately recovered from the beneficiaries of the state-wide data platform.

Order at 1-2. Additionally, page 16 of the Order states “After the RFP for the Data Platform is issued, the Commission requires that the parties provide a forward-looking benefit-cost analysis and recommend a rate design that reasonably aligns cost recovery across users and ratepayers with the benefits they receive.”

ii. In reviewing the Commission’s requirements around the cost-benefit review, it is not clear why developing the methodology (before RFP) is separated from performing the cost-benefit analysis (after RFP) since the method may evolve over time depending on the inputs to be evaluated and the final methodology may not match the one initially proposed. Further, it is the Parties’ hope and intent that this Platform will enable future

services, some of which may not yet be known. Accordingly, many of the benefits may be difficult or impossible to quantify today and some benefits or costs may not manifest until after the Platform is in operation. In addition, the law does not require that costs and benefits align nor that there be any specific cost-benefit ratio for the Platform, and the ability to charge third-party users for use of the Platform under RSA 378:54, I, may skew any analysis relating to how costs might be recovered from customers as authorized in RSA 378:54, II.

In light of the above, the Parties recommend that any cost-benefit analysis, if it is to be done, should be based on evaluations of similar data sharing programs already in existence. The Parties are aware of a comprehensive cost-benefit analysis conducted by Dunsky Energy Consulting (“Dunsky”) in Canada, see Attachment A, and have reviewed that study to determine whether its method, or something similar, would be applicable to New Hampshire. Having done that review, in the assessment of the Parties, the Dunsky analysis is applicable to the Platform, and the Parties have identified additional benefits not considered by Dunsky, specifically those that are related to additional functionality designed into the NH data platform as summarized in Attachment B to this memorandum. The Parties propose that rather than incur the potentially significant expense and delay of developing a new cost-benefit methodology or analysis, the Commission accept an analysis of the Parties in line with the Dunsky study using the list of factors set out in Attachment B. That attachment is an extract of the Dunsky analysis with additional factors to be considered by the Parties and applied to the Platform. Using that information, rather than developing a new method, will save time and cost and, in the

Parties' view, provide adequate information to the Commission about the costs and benefits of the Platform. As necessary, such an analysis should be conducted after responses to the RFP have been received.

b. Interface

- i.** The Order, at page 15, directs “the parties to develop a more detailed description of the data and functions needed for platform operation. The customer interface should be illustrated in a way that describes the customer or third-party experience with the API [Application Programming Interface]. An actual demonstration of the user experience with the Data Platform API would be most helpful.”
- ii.** Regarding the detailed description of data and functions, the Parties believe that the material set out in Appendix B to the Settlement sufficiently defined the data fields and functions of the Logical Data Model to be employed by the Platform’s APIs to allow for initial development of the minimal viable product (“MVP”). To the extent that additional specific information is needed for particular data fields or similar items beyond what is needed for the MVP, the Parties believe that the Governance Council process as provided for in the Settlement and the Commission and DOE’s regulatory roles are appropriate and sufficient for defining those needs. *See, e.g.,* RSA 358:50, II.
- iii.** With respect to the request for a demonstration of a customer interface, the Platform remains in the conceptual stage at present and detailed design work has not yet taken place. The actual design and operation of the interface will likely evolve as any RFP for design is developed, and it will evolve further when a vendor is selected after the RFP. Further, at present, cost recovery around any design work done is unclear. Accordingly,

in recognition of the evolution and refinement of the design, at this time the Parties believe this requirement would be best fulfilled by a “mock up” style presentation of an interface and the Parties are prepared to provide those mock ups as well as a description and demonstration of basic, high-level design elements during the prehearing conference on June 3, 2022. In the view of the Parties, this demonstration should be sufficient for the Commission to understand the basic user experience with the Platform once it is more fully developed. To the extent that additional specific information may be needed, the Parties believe the Governance Council process as provided for in the Settlement and the Commission and DOE’s regulatory roles are appropriate and sufficient for determining those needs.

c. Registration and Security

- i.** At page 14, the Order requires “additional detail on the registration process, to ensure compliance with current best [privacy and security] practices in the utility industry, as the parties prepare the RFP for Platform development”.
- ii.** Best practices for security and privacy are regularly evolving, and given the development timeline for the Platform, there will very likely be changes in requirements from what they are today. The NH Utilities have researched and proposed adequate security measures in Appendix C to the Settlement and have prepared a step-by-step visual depiction of the registration process. In the view of the Parties, the information provided in Appendix C to the Settlement is sufficient to demonstrate compliance with current best practices for security and privacy protection standards. Additionally, the NH Utilities will have Christopher Leigh, Director and Chief of Cyber Security, Compliance and IT from

Eversource present at the prehearing conference to answer questions related to industry best practices and the standards established in Appendix C of the Settlement. The Parties have also provided, as Attachment C to this memorandum, a step-by-step illustration of the registration process to demonstrate how the best practices embodied in Appendix C are implemented. Beyond what is provided, the Parties note that many members of the Governance Council, in addition to in-house staff of the NH Utilities involved with this docket, are regularly involved in matters pertaining to utility and customer information security.

d. Customer Survey

- i. At page 15 of the Order, the Commission requires:

Before embarking on additional design work on the Platform, each of the electric and gas utilities are directed to conduct customer surveys of a statistically valid representative sample of their New Hampshire customer classes to determine for each of the customer classes, the current level of customer interest and the likelihood of customers opting-in to the use of the data platform. The Commission encourages the utilities to use a professional survey management company to conduct the survey and to coordinate the survey effort across utilities to achieve consistency of approach and survey results. We also direct that the survey data collected through the survey be filed with the Commission in this docket.

- ii. Initially, in that the Platform does not exist at present, it is not clear to the Parties or to the DOE how to conduct a survey that would yield accurate information nor what value would be obtained from a survey of New Hampshire customers, even if the survey is properly constructed. Additionally, the cost of such a survey could be substantial. Given the unclear value proposition, it does not appear to the Parties and the DOE to be justified.

The Parties and the DOE view the Platform more as enabling a marketplace for products and services, and less as a forum for individual customer interactions. Service providers

will use the Platform to find and interact with customers to provide them services they may not even be aware of at present, or that simply cannot be offered in the absence of the kind of information the Platform would provide. Taken from that view, the value of a survey of individual customers is not clear to the Parties.

The Parties and the DOE respectfully recommend that the Commission either not require a survey at all, or accept the survey data and related information provided in Attachment D about the customer expectations regarding data sharing, and development of similar data sharing platforms elsewhere. This information, in lieu of a survey, should demonstrate the kinds of interests to be served by a platform such as the one envisioned for New Hampshire.

e. Software Survey

i. The Commission states, at pages 15-16 of the Order:

Further, before proposing the form of an RFP for the Platform, the parties should survey existing software, and software under development in other jurisdictions, to determine whether any costs can be saved through licensing existing technology. We request that the parties report on the status of any development or implementation of a similar data platform in utility service territories outside New Hampshire. The parties should use an approach aimed at reducing risks and costs in the software development process.

ii. As noted above relative to the customer survey, the Parties are able to provide information about the operation of similar platforms or data sharing methods implemented in other states to demonstrate how those are run and how they may provide information useful in the development process in New Hampshire. The Parties are already aware of various developments in other jurisdictions, including those in the table below:

State	Utility	GBC vendor	Notes
California	PG&E	In-house	Given that the California PUC ordered the creation of GBC by investor-owned utilities in 2013, very few GBC vendors existed at that time. The Parties do not believe the California utilities would be amenable to licensing their platforms, particularly as other vendors have entered the market in recent years.
	SCE	Combination of in-house and multiple vendors for various components	
	SDG&E		
	Silicon Valley Clean Energy	UtilityAPI	These community choice energy providers began offering GBC in 2020-2021.
	Peninsula Clean Energy		
Colorado / Minnesota	Xcel Energy	Franklin Energy	Xcel's GBC platform was released in late 2021, and little information is known about it at this time.
Colorado	Fort Collins Utilities	UtilityAPI	This GBC platform includes electricity and water usage data.
Illinois	Ameren Illinois Company	Combination of in-house and multiple vendors for various components	
	Commonwealth Edison	Combination of in-house and multiple vendors for various components	
Kentucky	Louisville Gas & Electric	Unknown	LG&E was ordered by the Kentucky PSC in 2021 to implement a certified GBC. It is unknown if a vendor has been selected.
Ontario, Canada	~60 electric and gas utilities	The Parties are aware of multiple vendors offering GBC in Ontario including	The Ontario provincial government mandated GBC implementation by November, 2023.

State	Utility	GBC vendor	Notes
		Harris, SAP, Screaming Power, UtilityAPI, EARTH Corporation, etc.	Implementation is underway and many utilities are just beginning to contract with vendors, so relatively little information is available at this time.
New York	Consolidated Edison	In-house	
	National Grid	UtilityAPI	Available since 2021
	NYSEG/RG&E (Avangrid Utilities)	Unknown	The New York PSC required all utilities with advanced metering to offer GBC, but NYSEG/RG&E have not yet announced the availability of their platform
Texas	Oncor, CenterPoint, TNMP, AEP Texas	Custom-built by IBM	Smart Meter Texas (SMT) supports Green Button data formats in its APIs but the authorization process is not compliant with the Green Button standard due to Texas's unique market structure.

In the end, the Parties intend to build upon existing software and processes to assure the most efficient development and deployment of the Platform possible. Given the above information, the Parties submit that information provided here satisfies this request and no further action is required.

f. RFP Review

i. The Order requires, at page 16, that the parties:

submit the RFP for the consultant to assist with the RFP process for the integration of the utility back-end and utility API to the Commission for review and approval prior to issuance. The Commission also requires the parties to submit the proposed RFP for the

platform development to the Commission for review and approval prior to issuance. Should the parties determine that other RFPs are needed, those must also be submitted for Commission approval prior to issuance.

- ii. In the experience of the NH Utilities, the Commission does not generally review and approve RFP documents before they are issued. Accordingly, it is not clear to the Parties what specific approval is contemplated by the Commission relative to the RFP document. The Parties submit that given the Commission's approval of the Settlement and Appendices, no further specific approval of the RFP document(s) should be needed. If, however, the Commission concludes that some additional approval is needed, the Parties submit that the Commission should approve the general framework and scope of the RFP rather than the specific terms of any RFP document. In addition, if RFPs are to be issued by the NH Utilities, then those RFPs will need to be approved by the purchasing entities within the NH Utilities to assure that they are consistent with utility processes for administering RFPs and tracking costs. Once approved by utility purchasing entities, the RFPs should not be changed to assure that they are issued and administered properly.

Further, while the Parties and the DOE appreciate that the Commission is looking to obtain the "lowest possible cost for developing the data platform," Order at 15, it is likely that the RFP will be structured to balance costs with other factors necessary for development of the Platform. As to those factors, they are generally set out in the Appendices to the Settlement and those, along with input from the Governance Council process, would form the basis for any RFP. Accordingly, the Parties and DOE ask the Commission to clarify that the selected/winning responses in any RFP process need not be the "least expensive" responses received.

g. Status Conference

- i. At page 17, the Order requires that “the parties should notify the Commission when they are ready to schedule a status conference to present customer survey data, technology surveys, customer interface demonstrations, methods for determining cost/benefit of data platform, and proposed RFPs.”
- ii. In light of the above, it may be that a status conference is not needed to address the information that the Parties may provide, particularly since waiting for a specific status conference may disrupt development schedules that could be underway. As an alternative to a status conference, the Parties propose that a recurring meeting be set for the Parties to apprise the Commission of the status of development, and the plans for next stages. Initially, the Parties would propose that such a meeting be held every other month.

h. Cost Recovery

- i. While the law specifies that the NH Utilities are allowed cost recovery for Platform costs, the NH Utilities believe that additional clarity is needed regarding the recovery of costs relating to any preliminary work identified by the Commission in the Order. The NH Utilities interpret the costs for these initial phases of work to be recoverable as this work is included with what the Settlement describes as “initial design and RFP development along with all consultant, operating and capital costs” that can be recovered from utility customers if reasonable, prudently incurred, and in the public interest. Settlement at 15. To the extent there is additional preliminary work as a result of the Order, the NH Utilities conclude that the Commission has already found this work and its costs to be prudent and

in the public interest. The NH Utilities request that the Commission grant permission to defer the costs of this phase of work as a regulatory asset (or otherwise make clear and explicit that the costs are appropriate for recovery), subject to future review for reasonableness, and final approval by the Commission for inclusion in rates.

Respectfully Submitted On Behalf of the Parties, and the DOE as specified above,



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CERTIFICATE OF SERVICE

I certify that I have caused copies of this Memorandum to be served on the service list in Docket No. DE 19-197

Dated: May 27, 2022.



Matthew J. Fossum