

Via Electronic Mail

February 2, 2021

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301

**RE: Docket No. DE 17-189; Liberty Utilities (Granite State Electric) Corp.
Petition to Approve Battery Storage Pilot Program**

Director Howland:

This letter is a response to the January 22, 2021 filing of Liberty Utilities (“Liberty”) in the above-captioned proceeding, including the Technical Statement of Ms. Heather M. Tebbetts (“Technical Statement”). Liberty’s filing requests that the Commission, by either secretarial letter or other summary order, adopt Liberty’s interpretation of a provision of the Settlement Agreement approved in the above referenced docket.

On January 17, 2019, the Commission conditionally approved implementation of Liberty’s proposed battery storage pilot program.¹ The program’s goal is to achieve customer savings through peak load reductions.² The program is designed to proceed in two phases, with Phase I focusing on utility-owned batteries and Phase II launching a customer and third party-owned “Bring Your Own Device” (“BYOD”) battery program for peak load reduction.

In its letter coming almost exactly two years after the Commission approved the Settlement Agreement, and after requesting two separate extensions of time for Phase I of the Pilot, at last Liberty indicates that it is coming close to deploying 100 batteries in residential homes, with customers taking service under Rate D-11 as required for the program.³ However, Liberty now states that it is experiencing additional challenges arising on the customers’ side,

¹ See DE 17-189 Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities, *Order Approving Settlement Agreement and Pilot Implementation Program, Order No. 26,209* (Jan. 17, 2019) (“Settlement Order”).

² *Id.* at 37.

³ Technical Statement at 1.

including complaints and difficulties related to technical aspects of operating residential solar plus storage for dispatch during peak events and in conjunction with time-of-use rates, such as the impact of snow.⁴

As an initial matter, we note that these customer challenges were foreseeable - and, in fact, foreseen - and could have been readily addressed and avoided by a third-party residential distributed energy resource (“DER”) provider with experience in these matters. Indeed, in the Joint Testimony filed by Sunrun and ReVision Energy in this proceeding, Witness Justin Barnes indicated that DER solutions are a core competency of DER providers like Sunrun but fall outside the core competencies of a monopoly utility like Liberty.⁵ Mr. Barnes stated that “the use of utility-owned assets for an NWA project runs contrary to the idea of NWAs in the first place”⁶ and recommended that “if the Commission permits any utility ownership of storage assets, one of the chief objectives should be to develop data on how utility ownership compares to non-utility ownership.”⁷ Mr. Barnes further recommended that cost-effectiveness, operational performance, and customer satisfaction should be among the metrics for evaluation.⁸ Moreover, Mr. Barnes stated that risks for Liberty ratepayers would be reduced where third-party aggregators operated a BYOD program, because third-party aggregators with expertise in DER operation, performance, and aggregation would assess, mitigate, and absorb risk.⁹ Mr. Barnes explained that the costs of a BYOD program would be adjusted downward in the event of BYOD systems failure to perform, but that this insulation from risk of performance failure is not the case for utility-owned systems.¹⁰

The Joint Closing Statement of ReVision Energy and Sunrun (“Closing Statement”) similarly stated that “[t]he BYOD component of the Pilot allocates risk to private markets and is grounded in enabling competitive market participants to educate and engage customers, deploy battery storage assets, and optimize the operation of these assets to meet customer needs and Liberty’s grid management and cost reduction goals.¹¹ The Closing Statement stated further that “[p]rivate non-utility solar and storage developers have proven expertise in marketing, installing, and managing customer-sited resources” and warned against imposing on ratepayers the risk of a monopoly utility’s inexperience with managing such customer-sited resources.¹² Although supportive of the BYOD portion of the pilot, including the opportunity to demonstrate that a utility such as Liberty and a DER provider can work together hand-in-hand to maximize ratepayer benefits, Sunrun accordingly declined to sign the Settlement Agreement because of “underlying concerns about the Settlement Agreement’s endorsement of a utility ownership model for BTM storage assets and the phased structure of the Pilot to exclude BYOD participation in Phase 1.”¹³

⁴ *Id.* at 1-4.

⁵ *See Barnes Test.* at 8:18-20.

⁶ *Id.* at 27:15-16.

⁷ *Id.* at 32:2-5.

⁸ *See id.* 32:5-6.

⁹ *See id.* 35:11-13; 39: 9-19.

¹⁰ *See id.* 40: 3-11.

¹¹ Closing Statement at 4-5.

¹² *Id.* at 6.

¹³ *Id.* at 5.

While Sunrun is not surprised that Liberty has encountered technical difficulties, extensive delays, and dissatisfied customers, given that Liberty lacks expertise in customer education around DER as well as DER deployment, operation and management, the extensive delays these setbacks have caused in the overall two-part program approved by the Commission are highly disconcerting.

Liberty now states that the software programming for the Tesla batteries it has deployed under this pilot has been modified since the Commission granted approval for this pilot and that “the programming of the batteries now provides that customers may only see what the batteries are doing on their smartphone app, but they never have any control over the batteries.”¹⁴ Liberty explains that “[t]he above arrangement is in place because Staff suggested during recent technical sessions that Order No. 26,209 may be read to require customers with solar to charge their batteries only from their solar installations and not the electric grid” based on a certain interpretation of the Settlement Agreement.¹⁵ Liberty contests what it describes as Staff’s “suggested interpretation” of the Settlement Agreement that “Order No. 26,209 maybe read to require customers with solar to charge their batteries only from their solar installations and not the electric grid.”¹⁶ Liberty states that it “does not believe that suggested interpretation is correct because the language limiting solar customer’s [sic] ability to charge from the grid is only applicable when the Company does not have control of the batteries, which is never the case as purposely provided by the programming.”¹⁷ Liberty asks that the Commission “expeditiously affirm the language in the Settlement Agreement that provides that when the Company has control of the batteries it can charge them from the grid as needed.”¹⁸ Liberty further states that it has control over the customers’ batteries “twenty-four hours per day, 365 days per year for all customers participating in the program.”¹⁹

Without taking a position regarding how the Settlement Agreement should be applied as to the Liberty-owned batteries in Phase I of the pilot program, Sunrun requests that to the extent the Commission issues an order or otherwise responds to Liberty’s request, the Commission make clear that Phase II of the pilot will be treated wholly separately in regard to utility control, and the utility will under *no* circumstances take control of any customer’s battery. To be clear, as long as the BYOD aggregator ensures the fulfillment of established performance expectations, the utility should never be given license to control customer batteries at all (much less 24/7). Under a BYOD model, the utility sends a dispatch signal either to a DER aggregator or through a DERMS platform to the BYOD device. There is no basis for a utility to control a customer’s battery for any portion of time under a BYOD model. Indeed, maximum customer control is a selling point to participants under the BYOD model.

In addition, and for the avoidance of doubt, Sunrun is not requesting any interpretation of the Settlement Agreement to allow customer batteries to charge from the grid under the BYOD

¹⁴ Technical Statement at 2.

¹⁵ *Id.* at 2.

¹⁶ *Id.* at 2.

¹⁷ *Id.* at 2.

¹⁸ *Id.* at 4.

¹⁹ *Id.* at 4.

Phase II portion of the pilot. There is no need for such an interpretation. There have been substantial delays by Liberty, which have resulted in significant delay of Phase II, without any learnings being gained, except that utility ownership of DERs is unwise. Sunrun hereby respectfully requests that the Commission remove the requirement that Phase II launch only after the successful completion of Phase I, in consideration of the substantial delays. As a result, other jurisdictions have in the interim launched and proven out the concept of the Phase II BYOD pilot as applied to their states, thereby demonstrating that there is no need to wait for Liberty to complete Phase I.²⁰

Furthermore, making the launch of Phase II of the pilot not contingent on the successful completion of Phase I will allow the state to demonstrate the core objective of the pilot program: that residential DER can save costs system-wide for Liberty ratepayers by reducing peak costs. Ratepayers should not have to wait any longer to receive the benefit of these reduced costs. De-linking the launch of Phase II from successful completion of Phase I will also allow the Commission to compare the efficiency of a BYOD program that takes advantage of DER providers' expertise in DER management to the utility-ownership model, which Liberty's latest request further underscores the problems associated with utility ownership and management of DERs, as anticipated by Sunrun and Revision.

For the foregoing reasons, Sunrun respectfully requests that in its order or such other response to Liberty's January 22, 2021 filing, the Commission make clear that under Phase II of the pilot Liberty will have no control over customer and third-party-owned batteries. In addition, Sunrun requests that the Commission modify Order No. 26,209 to make clear that Phase II of the pilot shall not be contingent upon successful completion of Phase I.

Sunrun appreciates the Commission's consideration of these comments and respectfully requests the Commission adopt the recommendations provided herein.

Sincerely,

/s/ Chris Rauscher

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²⁰ See, e.g., National Grid Massachusetts, *Program Materials for Connected Solutions for Small Scale Batteries*, available at <https://www.nationalgridus.com/media/pdfs/resi-ways-to-save/program-materials-for-connectedsolutions-for-small-scale-batteries-ma.pdf>; Green Mountain Power, *Bring-Your-Own-Device*, <https://greenmountainpower.com/rebates-programs/home-energy-storage/bring-your-own-device/>.

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