

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

ELECTRIC DISTRIBUTION UTILITIES

**Investigation into Compensation of Energy Storage Projects for Avoided Transmission and
Distribution Costs**

Docket No. IR 20-166

**COMMENTS BY PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A
EVERSOURCE ENERGY**

INTRODUCTION

The New Hampshire Public Utilities Commission (“Commission”) in its secretarial letter of June 24, 2021, has provided an additional opportunity to comment following a May 27, 2021 technical session on topics included, but not limited to: (1) the impact of pending changes to the Open Access Transmission Tariff (“OATT”) relating to load reconstitution; and (2) the relevant impacts of Senate Bill 91 (“SB 91”), once enacted.¹ Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) is pleased to provide responsive comments. Eversource agrees that is appropriate for the Commission to consider all potentially relevant factors in its investigation of compensation for energy storage projects. The Company provides its perspective on these additional factors within its comments, but does not, at this time, find that either the pending changes to the OATT or the adoption of SB 91 should substantially influence any Staff analysis or recommendation in the instant matter, nor fundamentally impact how energy storage projects can avoid actual transmission and distribution costs. Therefore, the Company also does not find that these additional factors significantly alter the scope and purpose of the investigation in this proceeding.

As stated in the Company’s prior comments in this proceeding, opportunities for energy storage to avoid actual transmission and distribution costs as a non-wires alternative (“NWA”) that defers traditional system investments will need to be done within approved and evolving system planning processes that are inclusive of multiple technologies and achieve an objective of identifying the option that constitutes the best technical fit and least cost solution. Related to this point, the Company has developed a Distribution System Planning Guide which provides

¹ On June 25, 2021, Governor Sununu signed HB2 (2021) which, among other things, created the New Hampshire Department of Energy (“DOE”) and transferred many of the functions and responsibilities of the Commission, as well as much of the Commission’s Staff, to the DOE. For purposes of these comments, references to the “Staff” are intended to refer to the DOE staff members participating in this investigation regardless of whether they were previously part of the Commission.

specific detail on system design considerations, including energy storage NWA solutions, and which was filed as part of the Company's Least Cost Integrated Resource Plan (LCIRP) filing in Docket No. DE 20-161.

Eversource also continues to expect that the benefits of energy storage in a bring your own device ("BYOD") program will be maximized through existing program designed as detailed in Eversource's previous comments. More specifically, the Company has extensive experience developing and implementing behind-the-meter ("BTM") storage programs in its territories, and reiterates the need for operational control to remain with the Company to ensure that the storage units do not cause any harm to the distribution system, but rather extract the maximum value from these devices while maintaining or improving reliability of the distribution grid.

Furthermore, allowing the Company to retain operational control of these assets would create cost savings and synergies by leveraging existing resources such as energy efficiency ("EE") implementation and marketing staff, the DERMS platform, EM&V protocols, and EE incentive contracts in addition to building off existing EE customer and contractor relationships. For these reasons, the Company continues to maintain that it is uniquely qualified to implement and manage a BYOD energy storage program.

Further detail regarding the Company's positions referenced above can be found in sections 1 (pages 2-10) and 4 (pages 15-24) of the Eversource comments filed to this docket on January 11, 2021.

The Company provides its detailed perspectives and assessment on each of the items for which Staff has requested comments below, but encourages Staff, the DOE, and the Commission (as appropriate) to continue this investigation with the goal of informing effective energy storage policies that benefit New Hampshire customers

OATT

In 2020, discussions began among the New England Participating Transmission Owners ("PTOs") regarding the treatment of BTM generation in the calculation of Regional Network Load ("RNL"). The PTOs agreed that ISO New England tariff language regarding the calculation of RNL and Monthly RNL was unclear with regards to the treatment of BTM generation. The PTOs developed a proposal to revise the tariff to clearly state that generation not participating in the ISO New England wholesale energy market should be a load reducer and not reconstituted when calculating Monthly RNL.

In early 2021, the PTOs, acting through the Participating Transmission Owners Administrative Committee ("PTO-AC"), brought the proposal to the NEPOOL Transmission Committee ("TC"), NEPOOL Markets Committee ("MC"), and the NEPOOL Participants Committee ("NPC"). The proposal was overwhelmingly supported at the April 27, 2021 TC, May 11, 2021 MC, and June 3, 2021 NPC meetings. The PTO-AC filed the proposal with FERC on July 1, 2021 with a requested effective date of September 1, 2021.

The proposed changes to the OATT are necessary to remove ambiguity from the tariff and by the practical reality that insufficient data is available to support the reconstitution of all BTM

resources. The proposed changes are also expected to more closely align the allocation of transmission costs among Network Customers with current transmission planning practices and likely enhance the benefit of BTM generation. However, the ultimate impact of BTM generation on wholesale transmission costs will depend on several factors and transmission cost allocation under the revised OATT will remain only one, potentially narrow, source of value for energy storage systems.

SB 91

While the Company recommends robust participation and input from the utilities for the rulemaking process articulated in section 374-H:2 of SB 91, as well as a collaborative process inclusive of all stakeholders, the requirement for a rulemaking process relative to the installation, interconnection, and use of energy storage systems does not appear to have any direct impact upon this investigation. Rather, the results of this investigation, once complete, may be informative for such later rulemaking. Additionally, the investigation authorized by SB 91 appears to be substantively the same as the current investigation being undertaken in this proceeding. The goal of this investigation is to develop informed positions on the value of energy storage and appropriate compensation structures for such storage. To the extent the Company provides any comment on the immediate impact of SB 91, it is only to note that SB 91 does not appear to infringe upon the goal of this investigation, which is independent of the requirement to conduct a rulemaking process.

Section IV of SB 91, in Eversource's view, similarly has limited bearing on the investigation in this proceeding. The Company does not recommend speculation on the implications of the pending study commission regarding expanding the statute, 362-A:3, to create a state-run intrastate wholesale market for 1-5MW resources – particularly since the scope of the pending study largely pertains to having distributed energy resources reduce RNL and using the savings in transmission costs to provide subsidies to the generators that cause the reduction. As discussed in the prior comments on proposed changes to the OATT, transmission cost allocation is only one source of value for energy storage systems and the net impact of energy storage on transmission costs is subject to many factors. The study commission is required to issue a report on its findings by November 1, 2021. Eversource will be reviewing the report and will submit comments at that time on its assessment of how any proposal coming from that report would affect consumers.

Eversource is appreciative of this additional opportunity to provide information to assist Staff's dedicated inquiry into this matter.