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Witness: Andrew C. Belden, Stephen J. Bruno, Edward A. Davis and Kimberly Parsons
Request from: UCONN

Question:

(Rate Design & Tariff Structure) Please provide copies of all workpapers, calculations, and analysis Eversource used in evaluating how current rate design impacts customers' ability to reduce their grid demand during monthly peak load hours or on-peak periods through active load management or through the adoption and operation of DER.

Response:

Please refer to the Company's response to UCONN-18[i]. The fundamental exercise in this rate proceeding is for Eversource to present the cost of service required to provide customers with an essential service that must be delivered with a high degree of reliability at an affordable price for all customers. In that context, there are two fundamental realities that apply: (1) the business of delivering safe and reliable power to customers is an infrastructure-centric endeavor; and (2) the costs of building, maintaining, reinforcing and upgrading that infrastructure are borne across a wide range of customer classes that make differing use of the system and that have differing methods and capabilities to pay for that use.

The rates that the Company has proposed in this proceeding were developed using the Company's actual costs incurred and established methods to allocate those costs across the customer base in accordance with the use of the system. Utility rates are, by definition, designed to be collectively applied across a broad disparity of customers, including residential customers. In that context, the Company does not propose to set rates in a manner that would allow one customer segment to shed cost responsibility for the service they are requiring and using, nor does it design rates to promote customer avoidance of cost responsibility. Thus, the evaluation of "how current rate design impacts customers' ability to reduce their grid demand during monthly peak load hours or on-peak periods through active load management or through the adoption and operation of DER," is fundamentally a customer-side evaluation. The Company's central focus is designing rates that are fair, reasonable and appropriate for all customer segments, with all customer segments having a reasonably comparable responsibility for system costs.

Prior Referenced Responses:

[i] UCONN-018 Question:

(Rate Design & Tariff Structure) Explain how the proposed rate design provides University of Connecticut and UConn Health with economically efficient price signals while recognizing their continuous, research-related, healthcare, and mission-critical operations.

a. Identify any optional rates or programs available for flexible load, demand response, energy storage, or system-peak reductions.
b. Identify any alternative rate designs considered for such customers and explain why each was accepted or rejected.

UCONN-018 Response:

a. Eversource is wholly aware that the service it is providing to customers is an essential service that must be delivered with a high degree of reliability at an affordable price for all customers. In that context, there are two fundamental realities that apply: (1) the business of delivering safe and reliable power to customers is an infrastructure-centric endeavor; and (2) the costs of building, maintaining, reinforcing and upgrading that infrastructure are borne across a wide range of customer classes that make differing use of the system and that have differing methods and capabilities to pay for that use. In that context, the rates that the Company has proposed in this proceeding were developed using the Company's actual costs incurred and established methods to allocate those costs across the customer base in accordance with the use of the system. Eversource deeply respects the mission of both UCONN as an educational institution and UCONN Health as a research-related and healthcare institution, and the integrity of those institutions in meeting that mission. However, utility rates are, by definition, designed to be collectively applied across a broad disparity of customers, including residential customers. This means that, attempting to craft "optional rates or programs available for flexible load, demand response, energy storage, or system-peak reductions," will typically create costs for some other customer segment, most notably, residential customers. Consequently, these types of initiatives are ones that make more sense when undertaken by the specific customer seeing those types of initiatives as beneficial to their economic interests.

b. The Company did not consider creating a special rate or rate structure for educational institutions or healthcare institutions.

   Eversource is a longstanding partner in advancing UCONN's research-related, healthcare, and mission-critical operations through energy efficiency and demand management. UCONN is one of Eversource's largest commercial and industrial (C&I) participants in the Conservation & Load Management (C&LM) programs offered through the Energize Connecticut initiative. As a key strategic customer, UConn works closely and participates in monthly meetings with dedicated Eversource Energy Efficiency Account Executives and Consultants to identify opportunities, develop projects, and maximize participation in available energy efficiency programs.

   Across UCONN's Storrs campus, regional campuses, hospitals, and health centers, Eversource provides technical assistance, engineering support, project development expertise, and C&LM incentive funding. Over the past 3+ years alone, Eversource has supported **295 UCONN energy efficiency projects**, delivering more than **$2.1 million in C&LM incentives funded by ratepayers**. These projects span a broad range of Energize Connecticut offerings, including custom energy efficiency projects, lighting and equipment rebates,

building system optimization initiatives, and incentives for new and replacement high-efficiency equipment. UConn also participates in Eversource-supported **Active Demand Response** programs, helping reduce peak demand, enhance grid reliability, and lower system costs at **five sites**.

Beyond C&LM program delivery, Eversource supports workforce development and energy innovation through its involvement with **UCONN's Southern New England Industrial Training and Assessment Center** (ITAC). As a **funding partner and advisory board member**, Eversource provides strategic guidance and collaborates with faculty to help develop the next generation of energy efficiency professionals. Eversource employees also mentor graduate students and support senior engineering capstone projects through technical consultation and project review.