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Witness: Edward A. Davis and Kimberly R. Parsons
Request from: UCONN

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.

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 viewing 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. However, UCONN is the beneficiary of numerous program benefits that Eversource offers to large commercial customers. For example, Eversource is a longstanding partner in advancing UCONN's research-related, healthcare, and mission-critical operations through energy efficiency and demand management. In fact, UCONN is one of Eversource's largest commercial and industrial 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.

In addition, 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 approximately 295 energy efficiency projects for UCONN, delivering more than $2.1 million in C&LM incentives funded by Eversource's customers. 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.