Date Filed: October 09, 2026

Witness: Sasha P. Lazor and Marianne H. Eichler
Request from: Public Utilities Regulatory Authority

Question:

(OFFICER VARIABLE COMPENSATION—FINANCIAL AND STRATEGIC METRICS) Application, Ex. CLP-EMPLOYEE-1, Tables 8 and 9. For the 2025 performance year, provide:

a. the scoring curve, threshold, target, maximum, and actual score for Non-GAAP earnings per share (EPS) and dividend growth;
b. the individual initiatives comprising "Strategic Financial Initiatives and Regulatory Outcomes";
c. the target, actual result, weight, and score assigned to each such initiative;
d. the resulting contribution of each financial subcomponent to the overall 2025 funding-pool factor; and
e. any pre-existing analysis quantifying the asserted CL&P customer benefit from the financial component, including any effect on borrowing costs, credit metrics, cost of capital, customer bills, or capital-investment costs.

Response:

This question continues to improperly intermingle the two independent processes applicable to the Company's variable pay compensation framework, which are (1) the process to determine the annual funding pool and the Board of Trustee's determination of variable pay for the CEO; and (2) the process to determine how each individual's actual payout percentage is determined for every other employee in the business. Below are data points and references to better explain and detail the process with each subsection denoted as to whether it applies to the first or second process.

a. The scoring curve for Non-GAAP earnings ***as it pertains to establishment of the Funding Pool and variable pay compensation for the CEO*** is included in the Company's response to UPA-005[i].

Metric	Threshold	Target	Maximum
Non-GAAP Earnings Per Share	$4.59	$4.71	$4.80

(b) through (d)

The initiatives and outcomes comprising "Strategic Financial Initiatives and Regulatory Outcomes," and their actual results, are discussed in the Company's annual proxy statement provided as Attachment CIEC-015, Attachment 1, at pages 56, through 57, excerpted below for ease of reference. The referenced "Strategic Financial Incentives and Regulatory Outcomes ***pertain only to establishment of the Funding Pool and the CEO***. These goals do not pertain to individual contributors, unless specifically identified for a particular employee.

• STRATEGIC INITIATIVES AND REGULATORY OUTCOMES:

Goal	Outcome
Effectively manage onshore construction for Revolution Wind.	• Eversource completed the onshore substation construction of the Revolution Wind project ahead of schedule. We expect this milestone to accelerate the commencement of commercial operations for the wind farm and reduce the Company's financial exposure. The project successfully challenged the stop-work order issued by the U.S. Department of the Interior's Bureau of Ocean Energy Management in the U.S. District Court for the District of Columbia, permitting construction to resume in October. The project also prevailed when a second stop-work order was issued. A second stop-work order was also overturned by the court on January 12, 2026, and the project team is working on final construction and commissioning of the project.
Execute regulatory initiatives across three states, including the Yankee Gas Service Company and Public Service Company of New Hampshire rate cases and various capital tracker and performance mechanisms.	• We have filed to recover and/or received regulatory approval for nearly 98 percent of deferred storm costs, an effort that is expected to result in nearly $2.0 billion of deferred storm cost recovery, another major milestone in improving our balance sheet condition. The Company played an active role in support of Connecticut passing legislation to securitize storm costs for The Connecticut Light and Power Company. The Company filed to recover nearly $1 billion of deferred storm costs in Connecticut in 2024-2025 to catch up on nearly all previous storms. The Company also filed for storm cost recovery in Massachusetts and New Hampshire and is awaiting approval. The Company implemented significant enhancements to streamline our storm response efforts, cost efficiencies, reporting capabilities, and oversight that will accelerate future regulatory prudence filings. • The Company received a final decision on the Yankee Gas Services Company rate case that resulted in an approved revenue increase of approximately $100 million, a return on equity of 9.32 percent, and enabled timely recovery of critical safety and regulatory capital investment programs. The Public Service Company of New Hampshire rate case yielded a rate increase of approximately $100 million with annual inflationary performance-based regulation rate mechanism that provides for an annual rate adjustment through July of 2029 and a return on equity of 9.50 percent. Each of these rate cases was a successful effort supporting continued earnings growth and providing the framework for future investment. In addition, the Company has been diligently engaging with stakeholders on timely recovery of capital investment outside of the full rate cases cycle, mitigating the need for more frequent rate cases while minimizing cost increases for customers. • We successfully negotiated a settlement agreement for NSTAR Gas Company with the Massachusetts Attorney General's office (MA AGO) that resulted in a $10 million rate adjustment and Gas System Enhancement Program in base rates. • The Company reached a settlement with the MA AGO for Eversource Gas Company of Massachusetts to allow for future recovery of approximately $65 million, net of acquisition and integration costs, while resolving the long-standing pension and Resiliency Tree Work cost recovery items.
Advance strategies to improve the Connecticut political and regulatory environment, while strengthening Massachusetts and New Hampshire stakeholder relations.	• Our ongoing effort to engage key Connecticut stakeholders and share how utilities operate and finance their business contributed to the development of Connecticut Senate Bill 4 addressing energy bill affordability. Changes in the Connecticut regulatory structure, including the appointment of new commissioners and increasing the committee membership to five commissioners, signaled a more balanced and constructive regulatory environment and led to further investor confidence in the financial condition of the Company. We have significantly increased our stakeholder engagement, including bringing stakeholders to Eversource facilities for tours. All of these interactions offer the unique opportunity to educate stakeholders on our business, and how we conduct our operations, allowing settlement and rate case procedures to be more tangible for intervenors, as well as public communication.
Grow the transmission business through competitive solicitations.	• Evaluation of competitive transmission offers is being embedded into our transmission strategy, including ISO-New England (ISO-NE) and NE-NY processes for further growth investment. The Company submitted a bid in response to ISO-NE's request for transmission infrastructure to be constructed enabling generation from Maine to be delivered into southern New England. We are streamlining project development processes to ensure efficient coordination for timely siting, permitting, procurement, engineering and construction which allows for a more flexible and robust annual capital planning process.

Goal	Outcome
Improve corporate-wide cost structure and financial condition.	• We have executed a supply chain management effectiveness initiative which has reduced inventory and improved processes, tools and training, resulting in lower cost supply operation while sustaining optimal performance. • The Company implemented a $1.2 billion At-the-Market share issuance program and issued approximately seven million shares resulting in net proceeds of $465 million.
Complete the divestiture of Aquarion Water Company.	• The Company received an unfavorable regulatory decision from the Connecticut Public Utilities Regulatory Authority (PURA) on the sale of Aquarion Water Company. The Company appealed the PURA decision and, on January 14, 2026, a Connecticut court held that PURA acted illegally and remanded the matter back to PURA for further proceedings. On March 6, 2026, PURA issued a proposed final decision approving the sale of Aquarion. PURA has scheduled release of its final decision for March 25, 2026. There can be no assurance that PURA's final decision will be consistent with the proposed final decision. The Company is evaluating the conditions of that approval as well as other strategic opportunities to avoid further debt and equity issuances. Eversource's FFO to debt ratio is currently approximately 14 percent and in excess of the 13 percent Moody's threshold.
• The Committee determined this goal to have attained a 175 percent performance result.	

e. As discussed in the Company's response to OCC-196,[ii] and OCC-197[iii], Table 8, in Exhibit CLP-EMPLOYEE-1, correlates to the ***first stage*** of the annual variable pay procedure. Specifically, Exhibit CLP-EMPLOYEE-1, at 31, at lines 15-18, explains that Table 8 "provides the target goals set by Eversource in 2024 and 2025 applicable to the decision as to whether the variable pay pool should be funded. These goals are solely for the purpose of determining whether the variable pay pool should be funded."

Accordingly, all of the referenced "Strategic Financial Incentives and Regulatory Outcomes ***pertain only to establishment of the Funding Pool and variable pay compensation for the CEO***. These goals do not pertain to individual contributors, except as modified or applied to distribution operations for the work distribution employees perform for customers.

Prior Referenced Response:

[i] UPA-005 Question:

(OFFICER VARIABLE PAY—FUNDING POOL) Application, Ex. CLP-EMPLOYEE-1, pp. 30–35. The referenced exhibit states that the enterprise variable-pay pool is funded based on corporate financial and operational performance and provides the applicable metrics and weights. Without repeating those descriptions, provide the complete 2025 calculation showing:

a. the threshold, target, and maximum scoring or payout curve for each metric;
b. actual 2025 performance;
c. the score or performance factor assigned to each metric;
d. the resulting financial score and operational score;
e. the resulting overall pool funding percentage/factor;
f. the dollar amount of the pool at target and the actual amount funded;
g. whether the funded pool was fully distributed;

h. any amount retained, returned, forfeited, or otherwise not distributed;
i. how the funded amount was allocated among business units; and
j. how amounts available to each business unit or manager were translated into individual awards.

UPA-005 Response:

This question continues to improperly intermingle the two independent processes applicable to the Company's variable pay compensation framework, which are (1) the process to determine the annual funding pool and the Board of Trustee's determination of variable pay for the CEO; and (2) the process to determine how each individual's actual payout percentage is determined for every other employee in the business aside from the named officers. Below are data points and references to better explain and detail the process with each subsection denoted as to whether it applies to the first or second process.

(a) The threshold, target, and maximum scoring or payout curve for each metric. Each year, the Eversource Energy Board of Trustee's evaluates the corporation's performance in the prior calendar year against a set of pre-designated performance metrics and assigned ratings. Based on that evaluation, the Board of Trustee's makes a determination that variable pay compensation will be funded for the year. In addition, the Board of Trustees determines the variable pay compensation for the CEO, which is also granted on the basis of the corporation's achievement of those same pre-designated performance goals. Thus, the threshold, target and maximum ranges for each performance goal in CLP-EMPLOYEE-1, at pages 30-35, pertain exclusively to the ***funding process*** and to the determination of variable pay for the CEO. These performance metrics and assigned ratings ***do not apply*** to any other individual employees, except for the CEO, whose compensation is determined by the Board of Trustee's Compensation Committee.

Metric	Threshold	Target	Maximum
Financial Performance (70%)			
Non-GAAP Earnings Per Share	$4.59	$4.71	$4.80
Dividend Growth	$2.97	$3.00	$3.03
Strategic Growth Initiatives			
Strategic Growth Initiatives	Regulatory filings, storm cost recovery, and strategic positioning		
Operational Performance (30%)			
Reliability Average Months Between Service Interruptions (MBI)	15 Months	21.3 Months	22 Months
Restoration System Average	70 Minutes	63.7 Minutes	62 Minutes

Restoration Duration (SAIDI)			
Safety Rate	1.25 Rate	0.85 Rate	0.75 Rate
Gas Emergency Response	93.0%	98.2%	99.2%
% Candidate Slate	50.0%	59.5%	65.0%
Sustainability Ranking	65.0%	87.0%	107.0%
Key Strategic Customer and Clean Energy Operational Results			
Enhance the Customer Experience	Advanced Metering Infrastructure rollout, Energy Efficiency programs, stakeholder and community engagement and data security programs		
Clean Energy Execution	Non-pipe alternatives, execution of Massachusetts Grid Modernization, geothermal and decarbonization projects		

(b) through (e)

For 2025, the Board of Trustees Compensation Committee approved corporate performance at 145% of target based on the following computation:

Table 1
Targeted and Actual Performance

Threshold	**Target**	**Maximum**	**Financial**	**Payout**	**Approved**
Metric 50%	100%	200%	Results	Factor	Weighting
Financial Performance					
2025 Non-GAAP Earnings Per Share $4.59	$4.71	$4.80	$4.76	155%	60%
Dividend Growth $2.97	$3.00	$3.03	$3.01	131%	10%
3.85%	5.00%	5.94%			

Key Strategic Financial and Regulatory Results

Strategic Financial Initiatives and Regulatory Outcomes	Regulatory filings, storm cost recovery and strategic positioning				175%	30%
Operational Performance						
Reliability Average Months Between Service Interruptions	15 Months	21.3 Months	22 Months	21.0 Months	95%	25%

(MBI)						
Restoration System Average Restoration Duration (SAIDI)	70 Mins.	63.7 Mins.	62 Mins.	66 Mins.	63%	25%
Safety Rate	1.25 Rate	0.85 Rate	0.75 Rate	0.87 Rate	95%	8.33%
Gas Emergency Response	95%	98.2%	99.2%	98.0%	94%	8.33%
% Candidate Slate	50.0%	59.5%	65.0%	64.3%	187%	8.33%
Sustainability Index	65.0%	87.0%	107.0%	102.6%	178%	8.33%
	Key Strategic Customer and Clean Energy Operational Results					
Enhance the Customer Experience	Advanced Metering Infrastructure rollout, Energy Efficiency programs, stakeholder and community engagement and data security programs				165%	8.33%
Clean Energy Execution	Non-pipe alternatives, execution of Massachusetts Grid Modernization, geothermal and decarbonization projects				160%	8.33%
Financial Performance at 159% (weighted 70%)						
Operational Performance at 113% (weighted 30%)						34%
Overall Performance						**145%**

Subpart (b) asks for "actual 2025 performance." Table 1 provides the "actual 2025 performance" for the corporation, for the purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (c) asks for the "score or performance factor assigned to each metric." Table 2 provides the "score or performance factor assigned to each metric," for the corporation, for purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (d) asks for the "resulting financial score and operational score." Table 1 provides the "resulting financial score and operational score" for the corporation, for the purposes of the Funding Pool decision. Table 1 does not pertain to any individual employee in the enterprise other than the CEO.

Subpart (e) asks for the "resulting overall pool funding percentage/factor." Table 2 provides the "resulting overall pool funding percentage/factor" for the corporation, for the purposes of the Funding Pool decision. Table 2 does not pertain to any individual employee in the enterprise other than the CEO.

As noted in Table 2, the "overall pool funding percentage/factor" is 145%.

f. Subpart (f) of the question asks about "the dollar amount of the pool at target and the actual amount funded. Based on the overall results of the corporation against the pre-established goals, the corporation's performance was calculated as 145% of target for 2025, reflecting the Company's strong performance and the executive team's execution of the Company's Operating Plan.

The 2025 overall funding pool percentage is used to set the variable pay compensation of the CEO. The CEO's variable pay component was based on the 145% of target factor. For the other Named Executive Officers, their variable pay compensation was paid out at 145% of target, *in the aggregate,* for the group of five officers, although individuals in the group received different percentages depending on their individual performance.

Similarly, for the vice presidents, their variable pay compensation was paid out at 145% of target, *in the aggregate,* for the entire group, although individuals in the group received different percentages depending on their individual performance. The 145% performance achievement does not apply at any other level of the organization for establishing pay-outs to individual contributors.

For performance in 2025, the Chief Financial Officer established the funding pool shown below, which was above target:

2025 Variable Compensation Target	**2025 Actual Variable Compensation Paid Out to Employees**
$80,308,863	$101,113,911

g. Subpart (g) of the question asks whether the funded pool was fully distributed. Once the funding pool is established (at $101,113,911), all amounts were paid out across the organization because variable pay compensation is part of total employee compensation and is not used or diverted for other purposes once the pool is established. Once funded, the dollars are distributed to employees or "individual contributors" across the organization in accordance with the allocation process that is handled by the Eversource Energy Human Resource Department.

h. Subpart (h) asks whether any amount (of the funding pool) is retained, returned, forfeited, or otherwise not distributed. As answered in subpart (g), none of the variable compensation funded pool was retained, returned, forfeited or otherwise not distributed. To the contrary, each year, variable pay compensation is accrued in the operating budget for every business unit, reflecting the expectation that variable pay compensation will be paid out to employees. Generally, variable compensation is budgeted at target levels as this is the level of total compensation that the Company would expect to pay if every employee met the expectations of their job positions exactly as anticipated for the individual job position. In this case, the Company is requesting to include the target level in rates as representative of the amount of variable pay compensation that the Company will pay to employees on a year-to-year basis, although in the test year 2025, Eversource paid out greater than the target level to employees and may do so again in the future.

i. With respect to how the funded amount is allocated among business units, the process starts with a bottom-up assessment of target funding levels. For each eligible employee, Eversource multiplies the employee's base salary times the employee's variable compensation target (i.e. $100,000 times 10% = $10,000) to define the eligible variable compensation dollar target. This calculation is conducted for each eligible department of the Company to define the target dollar amount for each department.

Once the funding pool is set, the eligible funding pool is distributed to each department on the basis of the department's employee count and the identified pay-out level associated with the funding pool approved by the CFO, correlating to the target amounts for that department.

j. With respect to how amounts available to each business unit or manager are translated into individual awards, funding pools are allocated to each department/manager through the Company's Workday Human Resources Information System (HRIS). Through this system, managers enter recommendations for grants to eligible employees in their departments, in conjunction with their performance assessments of those employees (only up to the amount of the funding pool for that department). Through the Workday system, these recommendations are rolled up to the Executive Vice President of each respective organization for review, consultation and final approval. This process was described in the Company's response to UPA-010[i].

k. All eligible individual employees or "contributors" below the six Named Executive Officers, have individual scorecards delineating the individual's performance goals for the calendar year. These individual performance goals are not designed to correlate directly or tie to the corporation's performance goals, nor are there any weightings that apply to individual employee goals. All of the corporation's goals, whether financial or operational, are part of the corporation's service mission to customers and are furthered by the efforts of our employees across the organizations. Therefore, individual goals are designed to support corporate objectives to provide safe and reliable service to customers with rigorous cost control and responsible management. The performance of each employee is reviewed by the respective manager and decisions are made within the various levels of management as to how the funding pool for that department will be allocated among its own contributors. Employees are ranked by their level of contribution and the variable pay is paid out to employees on the basis of the contribution level assigned by management. The Company's response to OCC-201, Attachment 1, shows the allocation of variable pay compensation across the base of employee contributors.

[ii] OCC-196 Question:

(VARIABLE PAY) Please refer to Exhibit CLP-EMPLOYEE-1, p. 32, Table 8. Please explain in detail each of the metrics, including the components of the "Enhance the Customer Experience" and "Clean Energy Execution" metrics, and how each was met to earn variable pay.

OCC-196 Response:

Please refer to the response to CIEC-015i. There are two stages to the Company's variable pay program. In the first stage, there is an annual determination ***to fund variable pay compensation and at what level***. This is a determination made by the Board of Trustees, which views the determination on a holistic, enterprise-wide basis because – when the decision is made to fund the variable pay compensation component – it is a decision that will apply across the entire Eversource Energy enterprise for all employees of every division and operating unit. This determination is made by the Board of Trustees based on a pre-determined mix of financial and service-based objectives. This stage is described in detail in CIEC-015, Attachment 1 (2026 Proxy Statement), at pages 48-52, reflecting a weighting of approximately 70% financial objectives and 30% service-related objectives.

The second stage of the Eversource Energy variable pay program is the determination of ***what individual employees have earned in the prior performance year*** in relation to their specific performance goals.

Table 8 in Exhibit CLP-EMPLOYEE-1, correlates to the first stage of the annual variable pay procedure. Specifically, Exhibit CLP-EMPLOYEE-1, at 31, at lines 15-18, explains that Table 8 "provides the target goals set by Eversource

in 2024 and 2025 applicable to the decision as to whether the variable pay pool should be funded. These goals are solely for the purpose of determining whether the variable pay pool should be funded."

Thus, the referenced metrics of "Enhance the Customer Experience" and "Clean Energy Execution" are metrics evaluated at the enterprise-wide level, not metrics that generally determine what individual employees "earn" for a given performance year.

With respect to the metric "Enhance the Customer Experience," the proxy statement discusses the five separate initiatives that comprise the goal. See, CIEC-015, Attachment 1 (2026 Proxy Statement), at page 51-52, excerpted in relevant part, below:

• ENHANCE THE CUSTOMER EXPERIENCE:

Goal	Outcome
Efficiently execute the Massachusetts Advanced Metering Infrastructure project.	• We made significant progress on our Massachusetts AMI throughout 2025. The Company completed construction of the enhanced AMI field network required to utilize all of the meter data in western Massachusetts and the eastern Massachusetts scope is advancing as planned. Meter installations began in western Massachusetts in July of 2025, with the completion of meter installations expected across the state for all 1.4 million customers at the end of 2027. • Our OMNI project implemented an industry leading SAP Customer Relations and Billing and Cloud for Customer software for some of our Massachusetts gas customers. Phase II is in progress for our electric and remaining gas customers in Massachusetts. • We constructed and launched the Grid Edge Modernization lab to enable the Company to provide community stakeholders, the media and our employees with a firsthand look at the technology the Company has in place for our customers.
Enhance strategies to improve the execution of the Emergency, Storm and Business Continuity Response and Stakeholder Communication Plans.	• At Eversource, customer and operational security is of critical importance, and we have completed the following enhancements to safeguard this data: ◦ Commenced the transition to a third-party co-location for data centers to reduce operational risk and support future growth; ◦ Hardened physical access to our existing Connecticut data centers to enhance protection of confidential information.
Educate customers regarding energy costs and impacts of decarbonization.	• We developed ratepayer affordability campaigns to promote education of customer bills and the impact of usage to our electric and gas customers. A new customer bill design, based on surveys of gas customers, was rolled out in Massachusetts in November 2025. We also focused on budget billing and energy efficiency options for our customers.

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COMPENSATION DISCUSSION AND ANALYSIS

Goal	Outcome
Advance the Company's commitment to equity with customers, communities and key stakeholders.	• We engaged community partners with support and information on our business and programs, and the Company purchased approximately $47 million in historic and affordable housing tax credits which support important projects in key communities across Connecticut. The Company received the United Way Pioneer Valley Champions Award for its development of an Environmental Justice mapping tool.
Execute the approximately $900 million Energy Efficiency Plan budget for Connecticut, Massachusetts and New Hampshire.	• To support increased energy efficiency goals in Connecticut, Massachusetts and New Hampshire, we executed the $900 million Energy Efficiency Plan with increased focus on equity and customer centric electrification. We implemented other initiatives including electric vehicle charging, innovation pilots, battery storage, and federal projects.
• The Committee determined this goal to have attained a 165 percent performance result.	

The extent to which this 2025 goal was achieved, and this goal's "weighting" in CIEC-015, Attachment 1 (2026 Proxy Statement), at page 48, excerpted in relevant part, below:

Enhance the Customer Experience	Advanced Metering Infrastructure rollout, Energy Efficiency programs, stakeholder and community engagement and data security programs	165%	8.33%

With respect to the metric "Clean Energy Execution," the proxy statement discusses the extent to which the 2025 goal was achieved and the goal's "weighting." See, CIEC-015, Attachment 1 (2026 Proxy Statement), at page 40, excerpted in relevant part, below:

- **Clean Energy Execution:** We successfully advanced our initiatives in supporting clean-energy projects:
  - Successfully completed the final year of the 2022-2025 Massachusetts Department of Public Utilities authorized grid modernization plan, including the deployment of over 3,000 monitoring and control devices in Massachusetts substations and distribution lines. Placed into service over $68 million of capital for Grid Modernization.
  - In 2025, Eversource broke ground on the $1.8 billion Greater Cambridge Energy Program, an innovative package of transmission and distribution upgrades to meet expected increases in electric demand, support key industries driving Massachusetts' economy, and enable electrification and decarbonization.
  - Reported strong performance on our Networked Geothermal Pilot in Framingham, Massachusetts through the winter and summer seasons, and received a commitment for U.S. Department of Energy (DOE) funding to support an Expansion Loop with the potential for an additional 180 customers of all types.

The extent to which this 2025 goal was achieved, and this goal's "weighting" in the Annual Program appears in the table on page 48:

Clean Energy Execution	Non-pipe alternatives, execution of Massachusetts Grid Modernization, geothermal and decarbonization projects	160%	8.33%

The detailed discussion of this goal, and the five separate initiatives that comprise the goal, appears on page 52:

• **CLEAN ENERGY EXECUTION:**

Goal	Outcome
Integrate gas and electric systems planning to promote the ability to assess reliable non-pipe alternatives (NPA) enabling electrification.	• During 2025, Eversource implemented a formal structure and framework to assess the viability of NPA to electrify customer heating needs without compromising reliability of the underlying gas infrastructure and increasing ratepayer burden. The NPA framework, a model tariff and cost recovery proposal were filed with the Climate Compliance Plan.
Execute the recently approved Massachusetts Electric Sector Modernization Plan to enable a clean energy future in support of state policies.	• Eversource successfully completed the final year of the 2022-2025 Massachusetts Department of Public Utilities authorized grid modernization plan. We deployed over 3,000 monitoring and control devices in Massachusetts substations and distribution lines which increased the visibility and control of the grid to improve reliability and integrate distributed energy resources to meet or exceed regulatory commitment.
Plan, develop and build transmission infrastructure to facilitate the interconnection of clean, renewable energy projects.	• In 2025, Eversource broke ground on the $1.8 billion Greater Cambridge Energy Program, an innovative package of transmission and distribution upgrades to meet expected increases in electric demand, support key industries driving Massachusetts' economy, and enable electrification and decarbonization. The project, which includes a first-of-its-kind underground substation, required ongoing close partnership with the Cambridge Redevelopment Authority, the real estate owner, and other public and private partners to achieve siting approval.
Expand the development of utility-owned solar and geothermal technology.	• In 2025, the Company advanced its Control Room of the Future initiative by deploying the first distribution management system (DMS) into service in Massachusetts. The DMS will provide control room operators visibility reflecting the impact of solar generation, electric vehicles and other factors impacting power flow across the grid and enable self-healing automation to dynamically restore customers by re-routing power flows within one minute of the start of an outage. • Our geothermal pilot demonstrated strong geothermal system performance through the winter and summer seasons. We received a grant for the expansion loop in Framingham, Massachusetts on the geothermal project from the DOE.
Execute Distributed Energy Resource (DER) initiatives in Massachusetts.	• We advanced our DER Initiatives in line with the Massachusetts DPU four-year mandate by continuing project planning for future construction of approved major clean energy interconnection hubs to enable renewable energy projects.
• The Committee determined this goal to have attained a 160 percent performance result.	

[iii] OCC-197 Question:

(VARIABLE PAY) Please refer to Exhibit CLP-EMPLOYEE-1, p. 32, Table 8. One of the metrics includes "execution of Massachusetts Grid Modernization." Please explain how this assisted Connecticut customers.

OCC-197 Response:

As discussed in response to OCC-196, in Exhibit CLP-EMPLOYEE-1, correlates to the first stage of the annual variable pay procedure. Specifically, Exhibit CLP-EMPLOYEE-1, at 31, at lines 15-18, explains that Table 8 "provides the target goals set by Eversource in 2024 and 2025 applicable to the decision as to whether the variable pay pool should be funded. These goals are solely for the purpose of determining whether the variable pay pool should be funded."

As a multi-state, multi-line of business organization, the corporate and customer-based metrics applicable to the enterprise-wide *funding determination* appropriately include "execution of the Massachusetts Grid Modernization" because execution of the Massachusetts Grid Modernization program is important to the overall goals of the Eversource Energy enterprise.

At the second stage where *individual performance* and the associated *earned variable pay* is determined, individual performance is assessed only on the aspects of the business in which employees are specifically involved. For example, the performance of a Connecticut field employee would *not* be based on the "execution of Massachusetts Grid Modernization." However, an employee that provides regulatory support across all three jurisdictions may have an individual performance goal pertaining to the "execution of Massachusetts Grid Modernization," although this portion of the employee's variable pay would be charged to the Massachusetts electric company, not CL&P. Work performed by employees on a shared basis among operating companies is appropriately allocated among those entities for financial reporting and rate recovery purposes.