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Request from: UCONN

Question:

(Distributed Energy Resources and Firm Service) Refer to the response to UCONN-010 and UCONN-011 in which Eversource states that adoption of DER does not benefit the distribution system unless it entirely eliminates an obligation to provide firm peak backup.

a. Please identify any study or workpaper that supports this assertion.
b. Please explain whether a customer's contractual reduction in reserved firm capacity, a dispatchable curtailment obligation, a lower net coincident load at a constrained feeder or substation, or a non-wires alternative could defer a specified distribution investment and/or reduce grid demand even while some backup service remains necessary.

Response:

a. When the Company discussed the benefit to the distribution system, the Company is specifically referring to factors that impact a customer's utility bill impact. Given that distribution infrastructure already exists to serve the customer, the most effective way to avoid incremental costs to customers is to avoid or defer additional capacity upgrades to the system that are required to serve the customer. Therefore, if there are no planned capacity upgrades, no value can be attributed to DER from the distribution system perspective. The examples below illustrate this point:

    1. Adding a distribution battery to a system which has abundant load-serving and DER hosting capacity provides no incremental capacity value while there is no constraint to the system. In this scenario, if a load constraint were to be identified in the future, the Company can contract with said DER to operate in a manner that helps to offset the need. At that point, there would be a value which would be considered in an agreement with the DER

    2. Adding a distribution battery at a constrained substation could avoid capacity projects if the battery is operated by the Company in a manner that ensures discharge occurs during peak or constrained hours.

b. On a constrained system that has an identified capacity need, planning solutions or measures to resolve the violation in a safe, reliable manner will be considered by the Company and can defer an infrastructure investment. This happens in a variety of ways in the Company's planning cycle:

    1. The Company updates its forecasts annually. If, for example, customers on a station have significant participation in the Company's Demand Response (DR) or Energy Efficiency (EE) programs, the impact on the station recorded peak directly impact the Company's econometric (trend) forecast model, reducing the forecasted need.

    2. The Company forecasts the impact of EE, DR, and DER deployment on lowering system peaks. As a result, the forecasted Company need over the next decade is adjusted for all load-reducing impacts before the need for any project is assessed.

    3. Under the NWA program the Company will review solution measures to reduce the need for infrastructure projects that are identified after consideration of the reduced net load forecast (as discussed above). These can also include DR efforts or deployment of DER to resolve capacity violations.

    When customers, both DER and load, seek interconnection, these customers can avoid system costs associated with their interconnection by voluntarily limiting their interconnection capacity demand. A practical example of this is a DER developer that co-sites an energy storage system (ESS) with a 5 MW solar site, for example, and requests only 3 MW of export capacity while using the ESS to manage solar overproduction. Another example is an EV fast-charging site that adds ESS to request only half the installed charging demand as load during a constrained period. This allows customers to optimize their operations and reduce interconnection costs.