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Request from: Public Utilities Regulatory Authority

Question:

Comment on the quality control measures employed by the EDCs to ensure the accuracy of active dispatch data used to calculate performance incentive payments. In particular, address how the EDCs validate such data in instances where DERMS data may contain material errors that require subsequent cleaning by EDC staff or CGB.

Response:

As Eversource's portfolio of demand response resources has grown, the Company has implemented a robust data quality assurance/quality control ("QA/QC") process for performance data review and incentive payment approval.

The process used by Eversource includes four major checks for data completeness and accuracy with multiple steps under each. The QA/QCsteps for ESS battery performance payments include:

1. Check Excel Formulas
    a. Verify fields being pulled correctly (customer info, ref ID, partner, state etc.)
    b. Verify incentives being calculated correctly
        i. Performance calculation (correct cells selected, averaged)
        ii. Customer vs. Partner Incentive verification
            1. Some battery partners receive a portion of the customer incentive.
        iii. Correct Incentive Rate
            1. Legacy Customers years 1-5 ($200 summer, $25 winter)
            2. Legacy Customers years 6-10 ($115 summer, $15 winter)
            3. NEW Standard ($267 summer, $33 winter)
            4. NEW Underserved ($400 summer $50 winter)
            5. NEW Low-income ($490 summer, $60 winter)
            6. Check if customer has claw back fee (Green Bank). If so, subtract from amount
2. Check Data Quality
    a. Verify data completeness (additional detail, in discussion of DERMS data challenges, below)
        i. Complete performance and customer information

        ii. Determine if any partner's performance differ greatly from previous years (higher or lower)
    b. Confirm Nameplate Match (performance is not greater than nameplate capacity)
    c. Check for Ref ID duplicates, and performance duplicates
    d. Check one-offs
        i. Review for specific customer issues that have come to light over the season, such as capacity additions, dual enrollments, etc.
3. Verify Payment Recipients
    a. Confirm incentive payments correctly assigned to customer, original equipment manufacturers ("OEM")/aggregator or other institution
4. Confirm all devices are associated with active Eversource customer accounts

If any issue is detected by Eversource's QA/QC processes, the DERMS vendor is notified. The Distributed Energy Management System ("DERMS") vendor then connects with the battery OEM provider whose data is in question and asks the OEM to backfill data that is missing or requires correction. Once backfill has been completed, a new payment file is issued and undergoes the same QA/QC process identified above.

DERMS Data Challenges

Data quality and completeness continues to be a challenging area for Demand Response programs like Energy Storage Solutions; Eversource is working closely with DERMS vendors to continue to improve to ensure timely, complete and accurate performance data. Without complete telemetry datasets for each customer enrolled in the program, Eversource cannot issue payments and must wait until a complete dataset has been received and validated by EnergyHub before it is delivered to Eversource. Eversource's residential DERMS vendor, EnergyHub, recognizes that the issue of telemetry data latency is key to prompt customer payments and has implemented measures to address this.

First, EnergyHub notes that telemetry data latency may occur due to factors outside of Eversource's or the DERMS provider's control, including intermittent customer Wi-Fi connectivity, proprietary limitations of battery OEMs, OEM cloud service interruptions, and other external conditions. Despite these factors, EnergyHub states that more than 99.3% of telemetry data is received within 48 hours following a dispatch event.

To address the small percentage of delayed or incomplete data, Eversource and EnergyHub have established a comprehensive data quality framework centered on three core commitments:

1. **Data Integrity** through bi-weekly data verification and backfill processes to identify and remediate missing telemetry;

2. **Partner Accountability** through contractual service level agreements ("SLAs") and other performance management mechanisms that hold participating OEMs accountable for data quality and timeliness; and
3. **Internal Invoicing Controls** through end-to-end validation and reconciliation of invoicing and customer incentive payment workflows.

Together, these processes are building a more robust QA/QC framework that supports the integrity, completeness, and timeliness of battery telemetry data used for incentive calculations and regulatory reporting.