



RE: NECPUC Retail DR Working Group Information Request and Update

Enel appreciates the opportunity to provide comments on the desirability/need for consistency in demand response/load management program design. Enel is encouraged that improved regional standardization of demand response programs will increase overall participation and improve grid reliability.

What are the common elements that should be considered in program design and/or as operational requirements for new programs? Of these elements, which program design elements and/or operational requirements are the most important to prioritize?

The most important program design element to prioritize is a proper incentive level to encourage customer participation. Many program participants are interrupting business processes or devoting resources to participate in demand response dispatches. Payments for the program should be at a level where participants can justify these disruptions to their normal business operations. Additionally, each customer has different capabilities when it comes to the duration, frequency, and lead time when responding to events. Ideally, different payment rates would exist to reflect this range in participation. Customers that can respond to a higher amount of dispatch hours and with a shorter lead time should be compensated at a higher rate than customers that can perform less frequently and with a longer lead time. This would ensure many participants can enroll and will compensate them fairly relative to the value they add to the program. Similarly, program rules should encourage participation for all customer sizes. For example, real-time telemetry can be costly to install, and often the investment does not make sense for smaller C&I loads who would be able to participate in the program otherwise.

Clearly defined, rules-based dispatch availability requirements are also an important design feature. Removing discretion by program operators helps ensure the right customer fit and ability to properly set expectations with customers before program enrollment. If program rules are too complex and customers do not understand them, they are less likely to participate.

What are the barriers to operating programs in multiple jurisdictions, and what types of program design standards would be most helpful in overcoming them?

There are a few operational procedures that can cause barriers for operating a program across multiple jurisdictions. For example, the ISO-NE programs cover all states and most utilities in the region. In order to participate in ISO-NE, customers need to have real-time metering installed and validated against utility data for accuracy. For an aggregator, this results in having to manage a separate process for each utility when it comes to managing meter upgrades and requesting interval data. Design standards that can require the same process for all utilities would streamline the enrollment process and ensure customers are participating as quickly as possible.



Beyond addressing the barriers identified in response to the above question, what are the benefits of improved regional standardization of demand response/load management programs? Describe and define any benefits and provide examples to the extent possible

Improved regional standardization would greatly simplify the program participation, potentially resulting in more enrollments and improved performance. Currently, participants need to work with multiple program administrators, enroll sites into different program management systems, and decipher the separate program rules. Regional standardization would reduce administrative costs for both participating customers and aggregators.

Another benefit of improved standardization would be better alignment of dispatch timing. There are currently many programs a customer can participate in between the ISO-NE wholesale market, utility Connected Solutions programs, and the MA Clean Peak Standard. All of these are important revenue streams, however, participating in one program can occasionally negatively impact a customer's participation in another program. For example, if they respond to an ISO-NE dispatch 5:00pm – 7:00pm on one day and a utility program dispatch is called the following day for 5:00 – 8:00pm, their performance in the ISO-NE dispatch will negatively impact their baseline for the utility program dispatch and ultimately result in less calculated performance by the utility despite real-time load reductions occurring, which disincentivizes these resources from fully participating. This can also cause customer confusion as to why their performance is not what they expected, and potentially not fully capture the benefit of the demand response performance.

Sincerely,

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