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October 4, 2023

Via Electronic Mail Only

New Hampshire Department of Energy
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: INV 2023-001 – DOE Energy Procurement Investigation
Eversource Responses to DOE Set 2 Questions

Dear Department of Energy:

On behalf of Public Service Company of New Hampshire, d/b/a Eversource Energy (“Eversource”), please find attached Eversource’s responses to the Set 2 Questions issued by the Department of Energy (“DOE”) in this investigative proceeding on September 20, 2023.

Please note that certain of the responses include confidential information related to specific bidders and/or bids submitted, to market-sensitive proxy price calculation inputs, or to the number of customers and related load estimates for specific community power aggregations, and the unredacted versions of those responses should not be publicly disclosed.

This filing is being made electronically only and paper copies will not follow. If you should have any questions, please feel free to contact me.

Sincerely,

/s/ David Wiesner

David K. Wiesner
Senior Counsel

Attachments

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-001

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding interactions with wholesale suppliers related to a default service solicitation:

Do suppliers inform your utility whether they do or do not intend to bid on a solicitation?

- a. If so, how far in advance of the solicitation do suppliers inform your utility of their intent?
- b. What, if any, reasoning is provided by suppliers to your utility regarding their decision to bid or not?
- c. As applicable, please provide specific reasoning by bid opportunity in the last five years.

Response:

The Request of Proposals (RFP) for Power Supply for Energy Service are issued approximately one month prior to bids being due. Although suppliers typically ask questions after the RFP is issued, the Company is available to engage with suppliers throughout the year on either a formal or informal basis. Clarifying questions from suppliers usually focus on the posted data (e.g., historical customer counts and migration, load information, ICAP tags, etc.) to the [Energy Supplier Information website](#) to help inform their bids. Key contact information for the Company is maintained on that website.

About 10 days prior to bids being due, the Company sends a reminder email and then approximately 5 days prior to bids being due, the Company asks suppliers regarding their intention to participate in the forthcoming RFP. Suppliers generally respond with their bidding intentions, but they do not always respond nor do they always provide an explanation if they decide not to bid.

Recently stated reasons by suppliers for not participating were attributed to ongoing market volatility and the uncertainty associated with charges related to the Mystic Cost of Service Agreement.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-002

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding interactions with wholesale suppliers related to a default service solicitation:

Does your utility conduct any formal or informal interviews with suppliers for feedback regarding their participation or lack of participation in solicitations?

- a. If so, what feedback has been received in the last five years?
- b. As applicable, please provide specific feedback by solicitation in the last five years.

Response:

Please see the Company's response to DOE 2-001. The Company does not conduct formal interviews with suppliers either before or after competitive solicitations, although the Company encourages suppliers to engage with the Company throughout the year on either a formal or informal basis.

**Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE**

**Date Request Received: September 20, 2023
Data Request No. DOE 2-003**

**Date of Response: October 04, 2023
Page 1 of 1**

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding interactions with wholesale suppliers related to a default service solicitation:

Is there an informal opportunity for suppliers to provide feedback outside of typical solicitation processes?

- a. If so, how do suppliers identify exceptions, express concerns, or otherwise provide feedback on future or past solicitations?
- b. As applicable, please provide specific feedback provided by suppliers, by date, in the last five years.

Response:

Please see the Company's responses to DOE 2-001, 2-002, and 2-004.

**Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE**

**Date Request Received: September 20, 2023
Data Request No. DOE 2-004**

**Date of Response: October 04, 2023
Page 1 of 1**

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding interactions with wholesale suppliers related to a default service solicitation:

Please provide a list of requested exceptions in the last five years by solicitation and indicate whether the exception was granted, rejected, or addressed in another manner. For each requested exception, please identify the name of the bidder/supplier making the request and whether they ultimately submitted a bid.

Response:

The Company has received two requested exceptions, as described in CONFIDENTIAL Attachment DOE 2-004.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-005

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding the solicitation / RFP process:

Please provide the complete timeline for default service solicitation from the time in which first notification of the RFP is posted up to contract execution by the New Hampshire Public Utilities Commission (Commission). (Please detail all intermediary steps, including notices requests for questions or comments, reply deadlines, timelines between bid receipt and review, etc.)

Response:

Please see the Company's timeline for its December 2023 solicitation, which is typical for default service procurements as previously conducted by the Company:

- Thursday, November 2, 2023: Issue RFP
- Tuesday, November 28, 2023: Reminder to suppliers of RFP due date
- Wednesday, December 6, 2023: Contact suppliers regarding intent to submit offers
- Friday, December 8, 2023: Communicate expectations to NHDOE
- Tuesday, December 12, 2023: Final Offers Due - 10 AM - Financial Assurance In-Place
- Tuesday, December 12, 2023: Bids reviewed and evaluated: 10 AM - 11 AM
- Tuesday, December 12, 2023: Discussion for winning bids to be selected 11 AM - 12 AM
- Tuesday, December 12, 2023: Presentation to Senior Management for approval 1-1:30 PM
- Tuesday, December 12, 2023: Confirmation to winning suppliers - 3 PM
- Wednesday, December 13, 2023: Transaction Confirmations Executed
- Thursday, December 14, 2023: NHPUC Filing
- Tuesday, December 19, 2023: NHPUC Anticipated Hearing
- Thursday, December 21, 2023: Requested NHPUC Decision
- Thursday, February 1, 2024: Service Begins

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-006

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding the solicitation / RFP process:

Has any element of the timeline for default service solicitation changed in the last five years? If so, please explain the nature and timing of the changes.

Response:

No, the typical timeline for a default service solicitation has not changed over the past five years.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-007

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding the solicitation / RFP process:

Has the Commission ever rejected a default service auction bid put forth by your utility (i.e., after the utility has selected the supplier and bid)?

Response:

No, the Commission has not rejected a default service auction bid and related contract submitted for approval by the Company.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-008

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding the solicitation / RFP process:

In your view, does the existing procurement period timeline make any of the ISO-NE charges difficult for suppliers to estimate for purposes of submitting a bid? Does the existing procurement period timeline make any of the ISO-NE charges difficult for your utility to construct the threshold/proxy price.

Response:

The Company does not have visibility into how suppliers may estimate or project any ISO-NE wholesale market prices or other load cost components, nor how suppliers may incorporate any such estimates or projections into their bids.

The existing procurement period timeline allows the Company to calculate its proxy price as it has been historically determined. For further information on how the proxy price is calculated, please see the Company's response to DOE 2-011.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-009

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding bids received by your utility:

Please provide all actual bids received, by bidder, customer group, and solicitation, during the last five years. For each bid, please identify the name of the bidder/supplier, the number of tranches proposed, the applicable customer group, the applicable solicitation, and any exceptions/conditions.

Response:

Please see CONFIDENTIAL Attachment DOE 2-009.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-010

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding bids received by your utility:

Please share your utility's threshold/proxy price for the last five years of solicitations for each customer class, including all associated workpapers used to calculate the price.

Response:

Please see CONFIDENTIAL Attachment DOE 2-010.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-011

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding bids received by your utility:

Please explain how each component of the threshold/proxy price is calculated.

Response:

Eversource independently prepares a “proxy” supplier price using the Company’s internal analysis to evaluate the reasonableness of the offers received. The proxy price is prepared on the same date that suppliers’ bids are due so that the Company is using the most current and analogous market information to analyze the reasonableness of the offers received. While a sound competitive solicitation process properly run and with robust participation are the most preferred attributes of any open procurement, a consistently calculated proxy price provides a reference point that facilitates analysis of the degree of market reflectiveness, and therefore reasonableness, of the offers received through that process. Eversource uses the approach described below to develop such proxy prices.

Eversource calculates the cost of energy and capacity components and then applies a multiplier to account for other cost elements. The energy component represents forward energy prices for the relevant six-month period, and the capacity component represents known regional forward capacity market costs. The multiplier—a representation of other wholesale load cost elements, including ancillary services, ISO-NE administrative costs, uplift charges, and supplier margins and risk premiums, as developed from recent winning bids received in recent procurement solicitations—is applied to the energy, then the capacity cost components (including estimates for Mystic COS and Inventoried Energy Program (IEP) charges) are added and the result provides an estimate of where supplier offers are expected to fall, which allows the Company to assess the market-reflectiveness of bids received with a reasonable degree of certainty.

The proxy price helps to define a “zone of reasonableness” for bids received, but it does not necessarily set a ceiling price on the bids that the Company may find to be reasonable and acceptable under the circumstances of the specific procurement for which it is developed.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-012

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding community power aggregation:

Please provide migration reports for the last five years that separate supply served under an aggregation from other third-party supply. Please maintain the existing migration breakdown by customer group, rate schedule, and period for both customer count and load.

Response:

Customer Migration Reports are filed with the Commission quarterly under Docket No. DE 06-125. The Company's migration reports aggregate competitive supply data with community power supply data, without breaking that data out between suppliers and aggregators. Prior to the second quarter of 2023, there were no Eversource customers served by community power aggregations in New Hampshire. The migration reports are posted on the Company's website, which may be viewed through the following link: [New Hampshire Wholesale Supply | Eversource](#).

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-013

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding community power aggregation:

Please provide the following information, by customer group and rate schedule, for each existing aggregation within your utility's service territory:

- a) Number of customers
- b) Load (kW, kWh, or both)
- c) Term of aggregation (including start date and end date)

Response:

As of September 1, 2023, there were 63,032 residential and commercial customers enrolled in community power aggregations from the thirteen municipalities with programs that are existing, approved, and have enrolled customers. For those 63,032 residential and commercial customers, we estimate approximately 575,000 MWh of annual consumption, which is about 15% of the Company's 2022 Energy Service load. Actual load data for the enrolled customers for any relevant period is not readily available. The Company does not track the terms of aggregation service periods.

See CONFIDENTIAL Attachment DOE 2-013 for more detail.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-014

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding community power aggregation:

What municipalities/towns within your utility's service territory have pending aggregation applications? For each pending aggregation application, please provide, by customer group and rate schedule, the number of prospective customers and amount of load that could be served by the aggregation.

Response:

The Company interprets "pending aggregation applications" to mean Community Power Aggregation (CPA) applications approved by the Commission but not yet enrolling customers in the Company's systems. Attachment DOE 2-014 lists the CPA applications considered to be pending under that interpretation and the status of each such CPA as of September 1, 2023. Information regarding the number of potential customers for each such pending CPA is not readily available and would require significant time and effort to compile; accordingly, customer counts and related load estimates for those pending CPAs are not provided in this response.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-015

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

The following questions are regarding community power aggregation:

Does your utility account for aggregation-related load risk in the threshold/proxy price? If so, please describe how this element is estimated.

Response:

The Company's June 2023 solicitation was the first to be conducted since enrollments began in community power aggregation programs in New Hampshire. While the accepted bids for that solicitation came in below the calculated proxy price, it would be premature to draw conclusions on if or how community power aggregation programs will impact future proxy price calculations.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-016

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

How does your utility handle net metering as it relates to default service? Is the treatment of net metering different for customers that receive third-party, community power aggregation, and default retail supply?

Response:

A wholesale power supplier selected by the company to provide all or any portion of default service supply is responsible for serving all of the default service load on a full-requirements, load-following basis for the six-month term of its contract. Accordingly, the wholesale supplier effectively assumes the risk that net-metered customer-generators will reduce load on the system, either through self-consumption or through exports of excess energy production into the local distribution system.

Customer-generators who are net metering on the alternative tariff and are on the company's default energy service rate are credited by the company for net excess energy exports on a monthly basis at a rate that includes the default energy service rate, if their capacity is 100 kW or less, or is limited to the default energy service rate, if their capacity is greater than 100 kW.

Customer-generators who are net metering on the alternative tariff and are served by a third party supplier, whether a registered competitive electric power supplier ("CEPS") or a community power aggregation acting as a load-serving entity ("CPA"), are credited by the company for net excess energy exports on a monthly basis at a rate that either (1) includes only 100% of the applicable transmission rate component and 25% of the applicable distribution rate component, and no value at the default energy service rate, if their capacity is 100 kW or less, or (2) equal to zero, if their capacity is greater than 100 kW.

In any such case, under the alternative net metering tariff provisions, the customer-generator is not billed for any energy output produced and consumed behind the meter and is billed for all electric energy imports with respect to the stranded cost recovery charge, system benefits charge, and any other applicable non-bypassable charge.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-017

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

Does your utility coordinate with affiliates in other ISO-NE states as it relates to default electric service (e.g., timeline coordination)? If so, in what ways does your utility coordinate?

Response:

The Eversource Electric Supply department that conducts default service procurements on behalf of customers in New Hampshire, Massachusetts, and Connecticut is under common leadership, most notably the Vice President of Energy Supply and the Director of Electric Supply. The team coordinates on timelines to ensure bid days do not overlap and has some shared resources (e.g., management, proxy calculation, etc.), but also has certain dedicated staff that are solely focused on one state. Electric Supply also receives support from other internal groups at the Company (legal, rates, revenue requirements, etc.).

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-018

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

Does your utility share resources with affiliates in other ISO-NE states as it relates to default electric service (e.g., shared expert staff)? If so, in what ways does your utility share resources?

Response:

Please see the Company's response to DOE 2-017.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-019

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

What factors does your utility use to calculate self-supply price? Please list each individual element with a brief description of how it is estimated. If applicable, please provide self-supply price calculations with all associated workpapers for all instances of self-supply within the last five years.

Response:

The Company has never had to self-supply its default service requirements since the divestiture of its generation assets. There have been three instances over the past five years, however, when Eversource affiliates in other states have self-supplied due to a failed RFP and therefore needed to determine a self-supply rate:

- **NSTAR NEMA (Large Customers):** During Q4 2022 and Q1 2023, the Company's affiliate used the accepted NSTAR SEMA price for Large Customers evaluated and accepted the same day that insufficient bids were received for NSTAR NEMA Large Customers as the self-supply rate.
- **CL&P Standard Service (e.g. Residential & Commercial Customers):** The CL&P Standard Service rate normally represents the average of the 10 accepted tranches. For the first half of 2023, CL&P was not able to fill all 10 tranches. Therefore, the price of the 8th and final accepted tranche was replicated as the price for the 9th and 10th tranches that in aggregate generated the self-supply rate.
- **CL&P Last Resort Service (e.g. Large Industrial Customers):** Similarly, the 8th and final accepted tranche for Standard Service during 1H 2023 served as the Last Resort Price for Q1 2023.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-020

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

Under what conditions would the self-supply price be adjusted? Please identify any applicable thresholds.

Response:

As noted in the response to DOE 2-019, there have been three instances over the past five years when the Company's affiliates in other states have self-supplied due to a failed RFP, but in those instances no adjustment to the self-supply rate was contemplated or executed, so no threshold for any such adjustment was developed.

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. INV 2023-001 NH DOE

Date Request Received: September 20, 2023
Data Request No. DOE 2-021

Date of Response: October 04, 2023
Page 1 of 1

Request from: Department of Energy

Witness: Lamontagne, Luann J, Littlehale, Parker

Request:

Please provide publicly available distribution load forecasts, including separate forecasts by customer group and rate class as available, prepared in the last five years. Please explain factors expected to affect your utility's distribution load (level and profile) over the term each recent forecast. If these factors have changed in the last five years, please identify which factors are expected to affect which forecasts.

Response:

As part of its bid evaluation process, the Company produces an Energy Service-level load forecast and includes that data in its Energy Service rate filings to the Commission as part of the solicitation results approval process. The Energy Service-level load forecasts are not provided to or otherwise available to bidders in advance of the competitive solicitation for any six-month default service period. No other distribution-level load forecasts are publicly available for bidder review.

The Company's load forecasting team does incorporate changing factors such as Energy Efficiency (EE) and Solar (PV), which are downward pulls on power demand, and Electric Vehicles (EV) and Heat Pumps that are upward pulls on power demand.

See Attachment DOE 2-021 for information regarding the Energy Service-level load forecasts.