

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF ENERGY**

INV 2023-002

**Investigative Proceeding Relative to Compensation of Energy Storage Projects for
Avoided Transmission and Distribution Costs**

Initial Comments of Unitil Energy Systems, Inc.

I. Introduction

Unitil Energy Systems, Inc. (“Unitil” or the “Company”) submits these comments in response to the Order of Notice issued in the above-captioned Department of Energy (“Department”) investigation on June 23, 2023. Unitil offers these comments on a preliminary basis in advance of the July 27, 2023 technical session and reserves the right to expand upon or add to these comments at the technical session, and to respond to comments offered by other parties.

II. Comments of Unitil Energy Systems, Inc.

a. Comments Submitted in DE 20-166

The Order of Notice requests that the New Hampshire electric distribution companies (“EDCs”) review materials within Public Utilities Commission (“PUC”) Docket IR 20-166 and provide updated comments addressing issues listed in RSA 374-H:3, “citing relevant data and approaches from New Hampshire and other jurisdictions.” Unitil has reviewed its Initial Comments (January 11, 2021), Reply Comments (March 8, 2021), and Supplemental Comments (July 7, 2021) in IR 20-166 and believes that these comments, as a general matter, accurately represent Unitil’s positions regarding energy storage, the topics identified in RSA 374-H:3, and the comments of other parties. For reference, Unitil has attached copies of its IR 20-166 Initial, Reply, and Supplemental Comments to these Initial Comments as Attachments A – C. The

Company is not offering substantive revisions to its comments at this time, but reserves the right to do so during the pendency of this investigation. Unitil continues to believe that resource availability and reliability are paramount considerations, and that any compensation for energy storage projects (“ESPs”) should reflect the strength of commitment and actual performance of the resource, such that ESPs commit to availability and response and deliver on those commitments.

Unitil stated in its initial comments: “Wholesale market reforms pursuant to FERC Order 2222 should enable access for DERs that incorporate energy storage and participate in an aggregation. This means that BTM Projects may be able to receive compensation through both retail and wholesale mechanisms. Care must be taken to avoid double-compensation of benefits. ISO-NE’s compliance filing addressing the requirements of the order is due on July 21, 2021.” Subsequent to the Company’s Initial Comments, FERC granted ISO-NE an extension of time to file its compliance proposal to February 2, 2022. ISO-NE made its filing on a timely basis,¹ and on March 1, 2023, FERC issued an Order on Compliance accepting in part and rejecting in part ISO-NE’s submitted Tariff revisions, finding that ISO-NE had only partially complied with certain directives. In May 2023, ISO-NE made an updated compliance filing.²

Unitil’s IR 20-166 comments also refer to a Value of Distributed Energy Resources Study that was, at the time, in process in Docket DE 16-576. The Department of Energy submitted a Final Report of Dunskey Energy Consulting on the VDER Study in Docket DE 22-060 on October 31, 2022, and subsequently submitted an addendum to the Study on June 8, 2023. Unitil is still evaluating the Dunskey VDER Study, and nothing in its IR 20-166 Comments should be construed as acceptance of the Study’s results.

¹ https://www.iso-ne.com/static-assets/documents/2022/02/order_no_2222_filing.pdf

² https://www.iso-ne.com/static-assets/documents/2023/05/er22-983-further_order_no_2222_compliance.pdf

III. Conclusion

Unitil appreciates the opportunity to provide these Comments and looks forward to discussing these issues further at the July 27, 2023 technical session.