

Offering Materials for ConnectedSolutions for Commercial / Industrial Customers

Contents

Summary.....	2
Eligibility Requirements	2
Enrollment Process	3
Enrollment through a CSP and Direct Participation	3
Enrollment Deadlines.....	4
Withdrawal from the Initiative	4
Cancellation of the Initiative	4
Application Process Specifics for Storage Systems	5
Medium and Large Customers on G-2 or G-3 Accounts	5
Small Customers on G-1 Accounts	6
Multi-family buildings, Malls, and Campuses.....	7
Annual review of customer site load independent of storage system and incentive cap adjustment.....	7
Data Required for Annual Review	8
5-Year Incentive Rate Lock for Daily Dispatch.....	8
2-Year Incentive Lock Commitment Letter	9
Annual Incentive Payment Process.....	9
For Cape Light Compact, National Grid, and Unitil Customers:	9
For Eversource Customers:	10
Event Parameters and Notification Details.....	10
Targeted Dispatch	10
Daily Dispatch	10
Notification of Events.....	10
Performance & Incentive Calculations.....	11
Curtailment	11
Weekend or Holiday Bonus.....	11
Performance Determination	12
Daily Dispatch Performance Determination	14
Customer Interval Data.....	15
For Cape Light Compact Customers	15
For National Grid Customers:	15
For Eversource Customers:	15
For Unitil Customers:	15
Testing	15
Co-Participation in other incentive programs and mechanisms.....	15
Co-Participation in the Clean Peak Standard (CPS) Program	15
Co-Participation in ISO-NE Demand Resource Programs	16
Co-Participation in SMART	16
Terms and Conditions	16

Summary

The ConnectedSolutions Active Demand Reduction Core Initiative incentivizes customers of the Massachusetts Electric Program Administrators (Cape Light Compact, Eversource, National Grid, and Unitil) (“PAs”) to curtail their electric energy when the ISO New England (“ISO-NE”) system is forecasted to be at peak. Customers and their curtailment service providers (“CSP”) are compensated on a pay-for-performance basis for the average capacity in kW curtailed across all events during the performance season. The intent of the active demand reduction offerings is to decrease customers’ on-site load, sometimes referred to as customer offset, through either the Targeted or Daily Dispatch options.

The ConnectedSolutions initiative offers C&I customers two options to participate:

- **Targeted Dispatch** aims to reduce the load on the electrical grid at the one peak hour of the year and other high peak days in June, July, August, and September for a total of no more than eight events per summer.
- **Daily Dispatch** aims to reduce the load on the electrical grid at the one peak hour of the year and other high and medium peaks in June, July, August, and September for a total of no more than 60 events per summer.

A summary of each option is shown in the table below.

	Targeted Dispatch	Daily Dispatch
Number of Events per Season	1 to 8 per Summer	30 to 60 per Summer
Incentive	\$45/kW-Summer +10/kW-Summer Weekend Bonus Includes Weekday Holidays ¹	\$200/kW-Summer
Battery Incentive Lock	None	5 Years
Length of Events	3 Hours	2 to 3 Hours
Time of Day	Between 3pm and 8pm	Between 3pm and 8pm
Weekend/Weekday	Any Day, with a Weekend Bonus	Any Day
Events on Holidays	No	Yes
Day-Ahead Notification	Yes	Yes
Months	June – September	June – September

Eligibility Requirements

To be eligible for this initiative, the customer must have an active commercial or industrial National Grid, Eversource, or Unitil electric service account in Massachusetts where the demand reduction interventions will be implemented. The customer must also pay into the energy efficiency fund on their electric bill where the demand reduction interventions will be implemented. Front-of-the-meter assets such as power plants or solar-plus-storage farms are not eligible for these offerings.

¹ Weekend events for Targeted Dispatch are only called if deemed necessary by the customer’s PA. The weekend bonus is paid on the average performance over all weekend events for the summer.



Both the Targeted Dispatch and Daily Dispatch offerings are technology neutral, with a few exceptions, meaning customers can use whatever means at their disposal and specific to their facility to reduce demand at peak times so long as the metering is sufficient to measure event performance.

Battery storage systems participating in the C&I ConnectedSolutions offerings must be behind-the-meter (“BTM”) and offset on-site load at the customer site. BTM means a storage system that is located behind the customer’s service meter and serves on-site load other than parasitic load or station load utilized to operate the facility. For purposes of ConnectedSolutions performance-based incentive payment calculations, sites that are exporters of power during ConnectedSolutions events will have their performance incentive capped at 150% of the site’s annual peak load, independent of load associated with charging or discharging the battery and any behind-the-meter solar PV production. The incentive cap will only be applied to BTM battery storage systems that do not yet have an executed Interconnection Service Agreement (“ISA”) as of June 8, 2023. Those BTM battery projects with an executed ISA as of June 8, 2023 or already participating in the C&I ConnectedSolutions Offerings will not be subject to an incentive cap.

For those projects that are subject to the incentive cap, multi-family buildings, malls, and campuses will be treated as one site for the purposes of calculating on-site peak load used to determine the performance incentive cap. Customer site load will be reviewed on an annual basis as described below. ConnectedSolutions participation is not intended to impact the customer’s ISA or participation in the wholesale market or other incentive mechanisms.

Fossil Fuel-based generation, such as natural gas or diesel backup generators, standby generators, co-gen, or fuels cells cannot contribute to performance in ConnectedSolutions events. Customers who have fossil fuel-based generation can still participate in ConnectedSolutions using other curtailment strategies, but they will not be compensated for any curtailment or generation caused by the fossil fuel-based generators. If a customer has fossil fuel-based generator(s), the customer or their curtailment service provider must provide 15-minute interval data of all fossil fuel-based generators so that any generation from these assets can be removed from performance calculations.

Enrollment Process

To enroll in the offerings, the customer or their vendor must complete an application form. This form is available on the Mass Save website: <https://www.masssave.com/en/saving/business-rebates/demand-response-and-storage>.

Enrollment through a CSP and Direct Participation

Most customers enroll in ConnectedSolutions through an approved Curtailment Service Provider (CSP). CSPs provide many services that make it easier for customers to maximize their curtailment performance and incentive and may also offer participation in other programs and mechanisms outside of ConnectedSolutions.

CSPs typically operate through a revenue-sharing model in which the CSP does not receive direct payment from the participant but instead takes a proportion of the incentive received from ConnectedSolutions and other sources of revenue. This is a common practice in other demand response programs, such as



ISO-NE's programs. The payment terms and revenue-sharing arrangement are between the customer and the CSP.

Customers are not required to enroll through an approved CSP. Customers may use any CSP they choose, including entities that are not listed below, or opt to not use a CSP at all and enroll as a "Direct Participant." Customers interested in direct participation should reach out to their PA for guidance. A list of CSPs that have been approved by each individual PA can be found on the PA websites.

For Eversource and Cape Light Compact Customers:

If a customer enrolls through a CSP, the customer will benefit from the integration between the CSP and the PA. This integration will provide PAs with on-site telemetry and automatic scheduling, which will ease the settlement of performance and the subsequent payment of incentives.

Direct Participants will be required to integrate with Eversource's and Cape Light Compact's demand response dispatch platform and will be responsible for any associated fees to do so. In this case, customers should contact Eversource or Cape Light Compact for guidance.

Enrollment Deadlines

For full season participation, customers are encouraged to enroll no later than May 31st in order to participate in all events. For settlement purposes, any event called before the enrollment date will count towards annual settlement of performance as zero.

Withdrawal from the Initiative

Customers who enroll in the ConnectedSolutions offerings will remain as a participant in the Initiative year to year until they provide written notice to their CSP or PA that they would like to be removed from the offering. Once the season starts, the customer must stay enrolled for the entire season to receive the incentive. A customer cannot unenroll part way through a season and receive the performance incentive for fewer events than all the other participants.

Cancellation of the Initiative

Due to regulatory, cost-effectiveness, or other reasons, the PAs, individually or as a whole, may cancel their ConnectedSolutions active demand reduction initiatives or subsets of their offerings at any time.

Application Process Specifics for Storage Systems

The intent of the active demand reduction initiative is customer site load reduction. While traditional curtailment-based demand reduction logically limited customer's maximum demand reduction potential to the customer's site load, the advent of energy storage may mean a customer could reduce or mask all site load and export well beyond 100% of its actual load during ConnectedSolutions events if a disproportionately large battery is installed relative to site load. For purposes of ConnectedSolutions performance-based incentive payment calculations, sites that are exporters of power during ConnectedSolutions events will have their performance incentive capped at 150% of the site's annual peak load, independent of load associated with charging or discharging the battery and any behind-the-meter solar PV production. For example, if a customer has a peak site load of 100kW, independent of load associated with charging or discharging the battery and any behind-the-meter solar PV production, then the incentive cap will be set at 150kW. The incentive cap will only be applied to BTM battery storage systems that do not yet have an executed Interconnection Service Agreement ("ISA") as of June 8, 2023. Those BTM battery projects with an executed ISA as of June 8, 2023 or already participating in the ConnectedSolutions Offerings will not be subject to an incentive cap.

For those projects who are subject to the incentive cap, multi-family buildings, malls, and campuses will be treated as one site for the purposes of calculating on-site peak load used to determine the performance incentive cap. Any customers determined to have inflated their peak load for non-operational reasons (i.e., to increase the incentivized capacity) is not in the spirit of the program.

For new facilities with no existing site load and those undergoing a major expansion, the site load will be based on projected planned peak load indicated on the service application made to the Electric Distribution Company ("EDC") or the stated site load, independent of the battery system, on the interconnection application, whichever is lower. Further details on how the incentive cap is calculated for different customer types is described below.

Medium and Large Customers on G-2 or G-3 Accounts

In most cases, customers on G-2 or G-3 accounts, which are fairly standardized across Electric Utilities for commercial and industrial customers, have monthly demand measurements or 15-minute demand measurements, respectively. In the situation when a new storage system is proposed for a customer site, existing site load will be checked using the provided existing and active account number registering customer load and compared to the proposed size of the storage system, in kWac.

For G-2 customers, customer peak site load will be established based on the monthly peak for the year. For G-3 customers, customer peak site load will be established based on 15-minute interval peaks during event window periods during the year. Currently, these windows include 3-8pm Monday through Friday.

In a situation where a customer elects to enroll a battery that is already installed onsite, the customer will also need to provide data for the battery. For G-2 customers, the PAs will assume that the battery is discharging at peak and add the capacity of the battery to the observed peak to determine customer site peak load. For G-3 customers, customers will need to provide 15-minute interval data for the battery, and battery charging load that is coincident with observed load peaks will be netted out of the observed peaks for purposes of calculating customer site peak load for the performance incentive cap.

Similarly, G-3 customers with behind-the-meter solar PV will also need to provide 15-minute interval data on solar PV production, which will be used to reconstitute the customer's peak load. For G-2 customers, average hourly solar PV production during the year will be added to the peak. Customer peak load will be reconstituted by adding any solar production coincident with the observed peaks to the peak load. This reconstituted peak will be used to set the performance incentive cap.

Small Customers on G-1 Accounts

For any customer on G-1 accounts interested in installing a storage system and participating in ConnectedSolutions offerings, the facility peak load will be estimated simply by dividing annual usage by the typical run hours for the type of building the customer operates and multiplying by 2 (to account for the difference in average vs. peak demand). Note, adding a large storage system to a small load customer on a G-1 account will likely necessitate a change to a G-3 account type. For customers with behind-the-meter solar PV, the annual solar energy production will be added to the customer's annual usage for purposes of calculating site load. Customers with access to solar production data must provide this information. If no solar production data is available, the PAs will assume a year of solar production based on a solar capacity factor of 14% for Massachusetts.

In the future, the advanced metering infrastructure rollout underway in Massachusetts will improve metering capabilities for all customer account classes and will likely replace this estimation process.

Hours of Use by Building Type²

Building Type	Hours of Use	Building Type	Hours of Use
Auto Related	4,336	Multi-Family High-Rise Common Area	4,336
Daycare	2,788	Nursing Home	4,026
Education – School	2,788	Office	4,181
Education - College/University	4,839	Parking Garage	6,552
Grocery	5,468	Public Order & Safety	4,336
Health/Medical – Clinic	3,673	Public Assembly - 1 Shift	2,610
Hospital	5,413	Public Service - Non Food	3,425
Industrial Manufacturing - 1 Shift	2,857	Restaurant	5,018
Industrial Manufacturing - 2 Shifts	4,730	Retail	4,939
Industrial Manufacturing - 3 Shifts	6,631	Religious Worship/Church	1,810
Library	2,788	Storage Conditioned/Unconditioned	3,420

² MA TRM: <https://etrm.anbtrack.com/#/workarea/trm/MADPU/COM-L-LS/2023%20Plan%20TRM/version/23P>

Lodging - Guest Room	914	Warehouse - Inactive Storage	2,316
Lodging - Common Space	4,026	Warehouse - Distribution Center	6,512

Multi-family buildings, Malls, and Campuses

Multi-family buildings, malls, and campuses will be treated as one site for the purposes of calculating on-site peak load used to determine the performance incentive cap as described in this section. More specifically, on-site load for purposes of the incentive cap means load generated on the same or geographically contiguous property. To calculate the peak on-site load for a multi-family building, mall, or campus with multiple individually metered customers, the PAs will add the peak load for each individually metered customer to determine the total on-site peak load. For example, a multi-family building owner is interested in installing a battery to support the building. The building has eight individually metered residential accounts and one C&I account to support common areas. In this situation, the peak on-site load for all nine accounts would be summed to determine a total peak on-site load for the building and allocated to the account associated with the battery to be enrolled in ConnectedSolutions. Peak on-site load may only be counted once for each customer account for purposes of the incentive cap; once peak on-site load for a particular account has been allocated to a particular incentive cap, it may not be used in support of a second performance incentive.

Annual review of customer site load independent of storage system and incentive cap adjustment

The intent of the ConnectedSolutions offerings is to reduce customer site peak load. To ensure the ConnectedSolutions offerings are incentivizing customer site load reduction, independent of anything to do with the storage system, the PAs will need to review the site load meter data, any onsite distributed generation inverter data, and any battery storage inverter data to determine what is gross site load annually, independent of the battery system. The annual load review applies to both new and existing customers enrolled in ConnectedSolutions.

Based on the annual review, any increases in peak site load, not associated with the battery system, will be incorporated into the following performance year incentive cap and the incentive cap will be adjusted upward such that it remains at 150% of customer peak site load. However, reductions in peak site load will not be used to adjust the incentive cap downward unless site load reductions are greater than 50%. If during the annual review, a customer's site peak load is reduced by less than 50% relative to the peak in force as of that period, no cap adjustment will be made. This approach is intended to insulate participants from smaller fluctuations in site peak load and to prevent any disincentive for the customer to pursue energy efficiency investments.

For a simple example of the 150% incentive cap applied see the following:

1. Customer site peak load before battery system installed (year 0): 100kW – performance cap set at 150kW
2. Customer adds a 150kW battery system and performs in performance year 1

3. PA reviews facility site load before the start of performance year 2 and confirms that the 150kW cap is still appropriate or should be adjusted.
4. If the site load, independent of the battery system, is still between 50kW and 100kW, no change would be made. If the site load, independent of the battery system, is greater than 100kW the 150% cap will increase. If the site load, independent of the battery system, is less than 50kW the cap will be reduced to 150% of the newly observed and measured peak.
5. PAs will notify the customer and/or their CSP in writing of changes (if any) to the incentive cap by April 1.
6. The process described above will repeat each year the customer remains enrolled in the program.

Data Required for Annual Review

Specifically, participants will need to submit the following information:

Site Load Meter– measured or interpolated site load in kW –

- For 1st year and annually thereafter - Need 8760 x 15min – assume the PA has this data for G-3 customers
- Reviewed annually by April 1 for following year and beyond
- Site load is reconstituted using DG and Battery data

DG Inverter (where present)

- For 1st year and annually thereafter - Need 8760 x 15min

Battery Inverter

- For 2nd year and annually thereafter– need 8760 x 15min
- Discharge and Charge
- Battery Size - kWac

For G-1 account customers with non-interval meter site load data, the estimated site load will be assumed to be constant going forward until the AMI rollout has added interval meters and more granular demand data is available.

The PAs will consider the period January 1 through December 31 of the previous year for the annual review.

5-Year Incentive Rate Lock for Daily Dispatch

For new battery storage systems, the customer's per-kW incentive level is locked in for the first five consecutive years that the customer is enrolled in the Daily Dispatch Summer offering. Even if the incentive rate for new customers in the Daily Dispatch Summer offering changes during the first 5 years of the customer's participation, the incentive rate for that customer will remain the same. Note, the methodology for performance measurement may change in the future due to recommendations from evaluation studies conducted and applied prospectively. After the 5th year of participation, the customer will receive the incentive rate (if any) offered by the Daily Dispatch offering at that point in time.



New installations are any installations that have a completed interconnection application after 7/28/2020.

2-Year Incentive Lock Commitment Letter

For new battery storage systems larger than 50 kW-AC that do not yet have authority to interconnect, the customer or their vendor can choose to request a 2-year incentive lock commitment letter from the customer's PA once an interconnection application has been accepted as complete. An interconnection application is deemed complete when the application fee has been paid to the EDC and accepted by the EDC. The customer's existing account must be included to assess existing site load.

The commitment letter will lock the incentive rate for the customer during the construction, installation, and interconnection of the battery system or 2 years, whichever is shorter. The five years of the rate lock will begin following the two-year incentive lock whether the system is operational or not.

When the customer receives authority to interconnect and enrolls in Daily Dispatch, their incentive rate will be the amount committed to in the commitment letter, even if the incentive rate has decreased during the construction, installation, and interconnection period or 2 years, whichever is shorter.

The customer will be eligible for the 5 years of locked program incentive rates in the Daily Dispatch offer at the performance incentive rate as outlined in the Commitment letter.

Annual Incentive Payment Process

Incentive payments for the summer performance period, Targeted Dispatch and Daily Dispatch, will be made after the summer ends and before the end of the calendar year.

For Cape Light Compact, National Grid, and Unitil Customers:

If a customer enrolls through a CSP, the customer's seasonal performance incentive will be sent directly to that CSP at the end of the season. This allows the CSP to remove their shared savings portion of the customer incentive and pass the remainder through to the customer. This is also common practice for customers who participate in ISO-NE's demand resource programs through a CSP.

If a customer does not enroll through a CSP, the full incentive will be paid directly to the customer. In this case, please mark NONE (DIRECT PARTICIPANT) on the customer application and provide the customer tax ID number, company type, and who the check should be made out to.

For Unitil Customers Incentive Cap:

Unitil will pay Incentives to the CSPs or Direct Participation customers up to 20% more than the customer's seasonal average commitment ("amount") stated in the customer's Application for ConnectedSolutions. Customers must receive written permission from Unitil to be guaranteed that Unitil will pay more than this amount. Without written permission to exceed this amount, Unitil reserves the right to not pay more than this amount. It is strongly recommended that customers seek written permission before curtailing more than this amount.



For Eversource Customers:

Customers will be able to elect their payment option when applying for the program:

1. Payment to their CSP. This allows the CSP to remove their shared savings portion of the customer incentive before the customer gets paid. This is also common practice for customers who participate in ISO-NE's demand resource programs through a CSP.
2. Payment to the customer only. This will be typical for direct participants.
3. Split payment to customer and vendor. The customer portion of the incentive will be paid directly to the customer, and the CSP portion will be paid directly to the CSPs, based on the percentage of incentive value entered in the customer application.

Event Parameters and Notification Details

Targeted Dispatch events are generally called on weekdays. However, there is a weekend bonus available for customers who curtail if events are called on weekends. Targeted Dispatch events will not be called on Independence Day (July 4), Juneteenth, or Labor Day.

Daily Dispatch events are called on both weekdays and weekends and can include holidays.

Targeted Dispatch

The intent of the Targeted Dispatch offering is to decrease electricity use at the one peak hour of the year when the load on the ISO-NE system is highest. Due to uncertainty in forecasting when the peak hour will be, more than one event will typically be called per summer, but no more than eight events will be called. Because heat waves lasting several days are the typical driver of peak system load, the PAs may call events on consecutive days when the system load is forecasted to be particularly high.

Daily Dispatch

The intent of the Daily Dispatch offering is to reduce electricity use during the ISO-NE peak hour, as well as the daily peaks occurring in July and August. Events will only be called in June and September if the annual system peak is forecasted to occur during those months. The PAs will plan to call approximately 40 events per season but will not call more than 60 events in a summer.

Notification of Events

Notification of events will be given at 1pm the day before the event, including Sunday notification for events that will be called on a Monday.

For customers who sign up through a pre-approved CSP, these notifications will be sent to the customer's CSP. The CSP is then responsible for notifying the customers. Notification will be sent to the parties designated at the time of enrollment based on their communication preferences. Customers are responsible for notifying their PA in the event their contact information changes. Customers and CSPs are responsible for implementing the necessary communications to notify customers of events.

Performance & Incentive Calculations

Curtailment

The application of incentive rates multiplied by the average curtailment amount across every event of the performance season determines the total performance incentive earned. If a customer chooses not to participate in an event, the baseline method and performance calculation will be conducted as if the customer had participated. Non-participation in events will tend to lower the customer's average performance, and corresponding incentive, for the season. If a customer's load increases during an event, that negative performance will be included in the average performance. However, the seasonal average will not go below zero.

Performance for an event may not be increased by curtailing solar or combined heat and power ("CHP") production to increase a battery's discharge rate. For example, if the total production of the solar system and battery system is limited by the inverter size, the solar system cannot be limited during demand response events so that the battery can discharge more. Doing this would not decrease the load on the grid and would be against the goals of the initiative.

For example, the table below shows the results of a fictional customer's curtailment performance over a Targeted Dispatch season that had three demand reduction events over the whole summer.

Event	Performed Curtailment Amount
Event 1	100 kW
Event 2	200 kW
Event 3	300 kW

The customer's average performance over the summer would be:

$$\text{Average Performance} = \frac{100 \text{ kW} + 200 \text{ kW} + 300 \text{ kW}}{3} = 200 \text{ kW}$$

The total incentive amount to be paid for this fictional customer would be:

$$200 \text{ kW} \cdot \frac{\$45}{\text{kW}} = \$9,000$$

Weekend or Holiday Bonus

Although it is rare, weekend or holiday events may be called in the Targeted Dispatch offering. If a weekend or holiday event is called in the summer, customers will be paid an additional \$10/kW incentive for their average performance over any weekend or holiday events for the summer. This incentive is in addition to the \$45/kW incentive paid for weekday performance. A customer's performance on a weekend or holiday will not impact their weekday performance calculation or vice versa. If multiple weekend or holiday events are called in a single summer, the incentive of \$10/kW will be paid based on the average performance over all weekend or holiday events.

For example, for a hypothetical summer in which there are two weekend events and two weekday events, a customer who curtails 100 kW for each event would be paid the following in the Targeted Dispatch measure.

Day Type	Incentive Rate	Incentive for Customer with 100 kW Performance for All Events
Weekday Standard Measure	\$45/kW	$100 \text{ kW} \cdot \frac{\$45}{\text{kW}} = \$4,500$
Weekend Bonus	\$10/kW	$100 \text{ kW} \cdot \frac{\$10}{\text{kW}} = \$1,000$
Total Incentive for the Summer		\$5,500

The weekend bonus will use the same performance calculation as the rest of the Targeted Dispatch. However, the baseline will use the last 5 similar days instead of the last 10. If the PAs call more than one weekend event, the final bonus will take into account the average performance in all weekend events.

Performance Determination

Performance, except for batteries, is calculated using a “last 10-of-10 baseline method” with a same-day adjustment two hours before the start of the event. For non-battery resources, performance in Daily Dispatch is calculated using the same last 10-of-10 baseline method, but without a same-day adjustment. For battery resources, performance in Daily Dispatch is calculated without either a baseline or a same-day adjustment.

Customers will never be charged a fee for poor performance. However, since this is a pay-for-performance offering, poor performance on any or all events will decrease the incentive amount paid. Not participating in an event, or having negative performance during an event, will be included in the customer’s seasonal average performance calculation.

Baseline:

To calculate a customer’s performance during an event, it is necessary to calculate what a customer’s typical power use is in order to estimate what the power use would have been if no demand response event was called.

ISO-NE uses a similar last 10-of-10 model in their active demand response programs. This method looks at the customer’s last 10 similar days. Similar days are of the same day type (weekday or weekend) that are not holidays and where no other DR event from either ISO-NE (under “OP-4”) or ConnectedSolutions was called.

Example of baseline set by loads in the 10 similar days before a DR event

Time Interval	10 similar days before event	...	2 similar days before event	holiday	weekend	weekend	Day of another DR event	1 similar day before event	Customer's Baseline
Noon – 1pm	500kW	...	500kW	Not counted in average				500kW	500kW
2pm – 5pm	500kW	...	500kW					500kW	500kW

The weekend bonus uses the same procedure but only looks back at the last 5 similar days instead of 10.

Baseline Adjustment:

Events are often called during extreme weather (very hot). The day of the event may be hotter than the last 10 similar days, and the customer's load may be higher that day. To account for this, the baseline is adjusted to reflect customer load during the event day. This is called the baseline adjustment. The baseline adjustment is the difference between the customer's average load during the hour starting the 2 hours before the event start and the load during the event day. However, the customer's load may be lower during an event day than the last 10 similar days because the customer is responding to the event. Therefore, the adjustment can only be positive. It will never penalize the customer.

There is no baseline adjustment for batteries.

Example of a same day baseline adjustment.

Time Interval	Customer's Baseline	Event Day Load	Baseline Adjustment
Noon – 1pm	500kW	600kW	100kW

Another example of a same day baseline adjustment.

Time Interval	Customer's Baseline	Event Day Load	Baseline Adjustment
Noon – 1pm	500kW	400kW	0 kW (not negative)

Performance Determination

Performance is calculated by subtracting the event day load during the event from the sum of the customer's baseline and baseline adjustment.

Example of an event day performance:

Time Interval	Customer's Baseline	Event Day Load	Baseline Adjustment	Event Day Performance
Noon – 1pm	500kW	600kW	100kW	Performance = Baseline + Adjustment – Event Day
2pm – 5pm	500kW	400kW		500kW + 100kW – 400kW = 200kW

If the customer produces more energy than they consume during the baseline period or the event day through permitted and interconnected onsite generation or discharging energy storage, the net energy use will be used to calculate the customer's performance in the same process detailed above.

Curtailment Limit:

Although it is rare, sometimes the baseline adjustment causes the baseline to be adjusted to a level higher than the customer ever uses. A customer cannot curtail more load than they use unless the customer exports during demand response event(s). To prevent this, the Event Day Performance must be smaller than the maximum load of the customer during the last 10 similar days, unless the customer exports during events. Performance for an individual demand response event is calculated by subtracting the customer's adjusted baseline power from average power (kW) use during the demand response event.

For example:

Time	Customer's Adjusted Baseline	Customer's Power Use During the Event	Performance
2pm to 3pm	500kW	400kW	100kW
3pm to 4pm	500kW	400kW	100kW
5pm to 6pm	500kW	400kW	100kW
Average Performance for Event			100kW

The Customer's Adjusted Baseline is calculated by taking the customer's average power use during the event hours and adding the baseline adjustment. Performance during the event is the average Customer's Adjusted Baseline minus the Customer's Power Use During the Event, over the whole event.

Negative performance over the course of an entire season will not be penalized. However, negative performance during a single event will count against the customer's average, for example:

Time	Customer's Adjusted Baseline	Customer's Power Use During the Event	Performance
3pm to 4pm	300kW	400kW	-100kW
4pm to 5pm	500kW	400kW	100kW
5pm to 6pm	500kW	400kW	100kW
Average Performance for Event			$(-100 + 100 + 100)/3 = 33 \text{ kW}$

Daily Dispatch Performance Determination

Customers, or their CSP, can choose to have the baseline and performance for Daily Dispatch calculated using utility meter data, or interval data directly from the asset. If asset-level data is chosen, this must be provided to the PA at the end of the performance season in the standard format.

Customer Interval Data

Except for storage for Eversource and Cape Light Compact customers, as described above, the interval data to be used to measure a customer's performance in Targeted Dispatch must be measured at the utility meter.

For Cape Light Compact Customers

All participants are required to install metering capable of sending real time interval data to Cape Light Compact's demand response management platform. Cape Light Compact may waive this requirement at its sole discretion.

For National Grid Customers:

In most cases, the customer already has a utility interval meter that records and transmits the information needed to complete the performance calculations. If this is the case, no other metering is required to participate in the program. All G-3 customers have this interval meter. Customers who do not have an interval utility meter may also participate in the program. The customer or the CSP must install a meter to measure the customer electrical load in at least 15-minute intervals for the entire demand response season. This data must be shared with the customer's program administrator at the end of the season. The cost for this added metering is the responsibility of the customer or its CSP.

For Eversource Customers:

All customers are required to install metering capable of sending real-time interval data to Eversource. Customers may apply for an added incentive of up to \$1,500 per meter to pay for metering costs. Battery Storage should be measured at the asset level. Refer to the Eversource application for more detail.

For Unitil Customers:

All customers are required to install metering capable of collecting interval data. Generally, Unitil will supply these types of meters. In the event these types of meters cannot be installed in a timely fashion, the CSP can supply such meters. Contact the CSP for the cost and a potential incentive from Unitil.

Testing

Performance test events are not planned in this initiative. However, the PAs may elect to run communication or performance tests to ensure all notification processes are functioning.

Co-Participation in other incentive programs and mechanisms

Co-Participation in the Clean Peak Standard (CPS) Program

Customers may participate in the Clean Peak Standard Program and ConnectedSolutions. The customer's PA does not reserve any rights associated with clean peak energy certificates generated through participation in the ConnectedSolutions offering. The customer's performance during ConnectedSolutions events will be evaluated in accordance with the Performance Calculation section above.

Co-Participation in ISO-NE Demand Resource Programs

Customers may participate in ISO-NE Demand Resource Programs and ConnectedSolutions. It is possible that a ConnectedSolutions event could fall within the 10-day baseline period used by ISO-NE. In this case, the customer's baseline may be eroded by participating in the ConnectedSolutions event. Customers and their CSP should consider this risk before enrolling in ConnectedSolutions.

Although rare, it is possible that both ConnectedSolutions and ISO-NE will call on a customer to curtail on the same day. This will not affect how the customer performance is calculated in the ConnectedSolutions program. If the ConnectedSolutions event starts before the ISO-NE event, it may decrease the same-day-adjustment calculated by ISO-NE. Customers and their CSP should consider this risk before enrolling in ConnectedSolutions.

If demand response assets are called by ISO-NE because of real-time market prices exceeding \$950/MWh at any time during a day or an ISO-NE OP-4 event is called during the baseline period of a ConnectedSolutions event, this day will not be counted in the baseline. Please see the Baseline section above.

One of the benefits of the active demand reduction offerings is the decrease in the long-term generation capacity required in the ISO-NE markets, also known as the installed capacity requirement (ICR). Customers are not allowed to co-participate in ConnectedSolutions and any ISO-NE program that would cause the customer's curtailment in the ConnectedSolutions program to be reconstituted in the ICR, because this would negate one of the core goals of ConnectedSolutions. The current structure of ISO-NE's active Forward Capacity Market ("FCM") does not systematically reconstitute ConnectedSolutions curtailment into the ICR, and any reconstitution that does occur is rare. Customers who are participating in the FCM are also allowed to participate in ConnectedSolutions.

Co-Participation in SMART

Customers may participate in the Solar Massachusetts Renewable Target ("SMART") Program and ConnectedSolutions. By enrolling in ConnectedSolutions, the customer and their vendor agree to allow the customer's PA to share enrollment information with the Department of Environmental Resources for the purpose of confirming fulfillment of the SMART operational requirements.

Terms and Conditions

The Program Administrator reserves the right, for any reason, to withhold approval of projects and any demand reduction measures described herein, and to cancel or alter the Program, at any time without notice. Approved applications will be processed under the Terms and Conditions and Program Materials in effect at the time of the application approval by the Program Administrator.