

Docket No. DE 16-576
Development of New Alternative Net Metering Tariffs
Reconsideration of Non-Wires Alternative Pilot Programs
Unitil Energy System, Inc. Comments
March 16, 2018

Pursuant to the Secretarial Letter of February 20, 2018, Unitil Energy Systems, Inc. (“UES” or “the Company”), provides the following comments to the Commission Staff’s memorandum recommending reconsideration of the requirement to develop non-wires alternative pilot programs as directed pursuant to Order No. 26,029 (June 23, 2017). In general, the Company supports Staff’s recommendation to modify Order 26,029, but has concerns with some of the proposed requirements.

The Company strongly believes that primary role of the electric distribution companies, first and foremost, is to provide safe and reliable universal service while implementing technologies, investments and programs aimed at making the distribution grid more efficient, economic and secure. Beyond these traditional obligations, the Company sees itself as responsible for implementing enabling technologies supporting both traditional electric company operations and new smart grid capabilities.

It must also be recognized that distribution companies are the only entities subject to the ratemaking and terms of service jurisdiction of the Commission, and are thereby fully responsible to the Commission and its rules and orders. It is the utilities’ obligation to provide universal service, coupled with the Commission’s oversight of rates and terms of service, that have resulted in a sound and reliable system for providing electricity service. A fundamental premise in the development of this reliable system is that one entity, the utility, is responsible for its planning. While traditional utility planning will evolve to incorporate new technologies, new services and the input and needs of new stakeholders, the Company submits that the essential planning function of the distribution system must remain in the control of the utilities.

[STAFF POINT #1] The Company believes that in order for a non-wires alternative project to be a viable alternative to address distribution capacity concerns, the NWA project must be available when the distribution system needs the support. Intermittent resources (without being coupled with some sort of energy storage) cannot provide an adequate level of reliability for the utilities to rely on that resource at all hours. The Company supports Staff’s recommendation to expand the consideration of NWA projects to include DERs and not just DGs.

[STAFF POINTS #2 AND 5] The NWA evaluation process will be informed by the Value of DER study. In addition, the review and analysis of NWAs will become an integral part of distribution planning. A generic locational value analysis will not provide the utilities or the Commission with accurate information to ensure the most cost effective solutions are selected. Locational value of NWAs can only be developed through detailed analysis and knowledge of the alternative projects on a location by location basis. NWA analysis is more appropriate as part of a combined Grid Modernization and Least Cost Integrated Resource Plan as opposed to the Net Metering Docket (especially if the NWAs are expanded to include DERs as opposed to DGs).

[STAFF POINT #3] The Company recommends that the Commission consider this approach in response to Staff Recommendation 3. The Company believes that the identification of capacity concerns is the

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responsibility of the utilities to identify through its normal planning process (as opposed to a third party). For those projects or constraints that exceed certain criteria (i.e., cost of traditional improvements, timeframe, etc.) the Company would then develop an RFP for stakeholders to consider. The RFP would have all of the data and information required for the third parties to develop a NWA proposal. The Company would then evaluate those proposals comparing the capacity, availability, reliability, functionality, resiliency and life expectancy to other alternatives to identify the most cost effective project. This would help to focus the NWA analysis to locations that are most beneficial to the distribution system.

[STAFF POINT #4] The Nexant Central Hudson Gas & Electric study is one study approach for distribution level capacity valuation analysis. The working group should evaluate other studies in developing an approach to locational value. Distribution locational value analysis is still very new and the Company would caution the Staff and the Commission from pointing at any individual study at this time and instead use all available studies to educate the working group.

[STAFF POINT #6] The Company feels strongly that NWA demonstration pilot projects may not be required. The Company believes that an NWA project that meets all of the requirements of an RFP and is the most cost effective solution among the range of alternatives should be implemented. It is not necessary to direct the parties to consider demonstration pilot projects that might not be cost effective just for the sake of implementing a pilot project.

[STAFF POINT #7] There is a misconception with respect to utility data. There has been a push for the utilities to provide “data” of all sorts without consideration if the data is available or whether utility companies can provide the data in a useful manner. The Company has concerns that the Staff recommendation for a “directive that the utilities and other parties identify and make available the data and information necessary to conduct the location studies and analyses...” The recommendation continues on with a long list of essentially every piece of distribution system data that the Company uses to plan and operate the system.

As stated above, the Company would like to emphasize that the utility is responsible for the planning and operation of the distribution system. With that being said, the list of information that the Staff is proposing to “direct” the utility to share is quite challenging for the utilities to share in a useful manner. Providing a large amount of data to allow others to study the distribution system is not the most effective or efficient use of time for the following reasons:

1. Distribution systems are in a constant state of flux with frequent changes in load, changes in generation, changes in usage patterns, changes in system configuration, and changes in system equipment. It is difficult for the utilities to provide data in a manner with enough consistency for third parties to complete any reasonable analysis.

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2. The Company's data is often not in a form that is useful for third parties to complete analysis. System load data is buried within various systems such as our Meter Data Management System, SCADA system, AMI system, and other home grown database systems for capturing other load information. Our circuit topology and configuration information is managed within our GIS, loadflow and circuit analysis systems. It is questionable whether the third parties have the systems or the requisite knowledge of the distribution system to use the data.
3. If the Commission allows third parties to plan the distribution system, the Company is concerned that it would be required to evaluate numerous different proposals from third parties, which may or may not be beneficial to the distribution system, in an attempt to identify any project that would work. This would result in increased and unnecessary analysis for the Company resulting in the requirement for more engineering staff to address the proposals.
4. Not all of the data exists to the detail that the third parties might request. Many times, the Company is making decisions based upon imperfect data. It is through our knowledge and working experience of the distribution system that the Company is equipped to make the planning decisions. Third parties do not have the requisite knowledge of the system which would enable them to process imperfect data.

Thank you for the opportunity to submit these comments. We look forward to continuing the working group process with Staff and the stakeholders, and are available to answer any questions that you might have.