

2024-2026 Program Guide **Connected**Solutions –

Commercial & Industrial ("C&I") Customers





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Targeted and Daily Dispatch

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Summary

ConnectedSolutions Active Demand Response Program incentivizes customers of Rhode Island Energy ("RIE") to curtail their electric energy when the grid is forecasted to be at its peak. Customers and their curtailment service providers are compensated on a pay-for-performance basis for every average kW they curtail.

The Connected Solutions Program offers Commercial and Industrial ("C&I") customers three pathways to participate:

- Targeted Dispatch pathway 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 pathway aims to reduce the load on the electrical grid at the one peak hour of the year and other high and medium peak days in June, July, August, and September for a total of no more than 60 events per summer.
- Dual Enrollment pathway allows the customer to participate in both the Daily Dispatch and Targeted Dispatch options.

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

| Rhode Island Energy - Commercial & Industrial Electric Customers | | | | | |
|--|---|---|--|--|--|
| | Targeted Dispatch | Daily Dispatch | | | |
| Number of Events per Season | 2 – 8 per Summer | No more than 60 events | | | |
| Incentive | \$35/kW-Summer | \$275/kW-Summer ¹ | | | |
| Multiyear Rate ² | 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 ³ | Any Day | | | |
| Events on Holidays | No | Yes | | | |
| Day-Ahead Notification | Yes | Yes | | | |
| Season for Events | June 1 st – September 30 th | June 1 st – September 30 th | | | |

Enrollment Through a CSP and Direct Participation

Typically, customers enroll through an approved Curtailment Service Provider ("CSP"). There are five approved CSPs: CPower, Enel-X, Parsons (formerly IPKeys), Leap, and Voltus. CSPs provide many services that make it easier for customers to maximize their curtailment performance and incentive payment. However, enrolling through an approved CSP is not a requirement of the program. Customers may use any CSP they choose, or not use a CSP at all. Note that dual enrolled customers may elect to enroll with different CSPs for Daily Dispatch and Targeted Dispatch. "Direct Participation" refers to a customer enrolling without a CSP. In this case, customers should reach out to their Program Administrator ("PA"), Rhode Island Energy, for guidance. More information on this process is available on the RIE website.

¹ New participants enrolled prior to June 1st, 2024 will receive a \$300/kW Daily Dispatch incentive rate. Visit section on <u>Multiyear Incentive Rate for Daily Dispatch</u> for more information.

This is the incentive rate for the 2024-2026 program years. It is Rhode Island Energy's intention to uphold the Daily Dispatch Multiyear Incentive Rate for the first 5 consecutive seasons of participation. However, it is important to note that incentive levels are subject to regulatory review and approval.

³ A weekend Targeted Dispatch event will only be called if the regional coincident peak demand day is predicted to occur.



Shared Savings

Typically, customers share the incentive with CSPs. This is a common practice in other demand response programs, such as ISO-NE's programs. How or if the incentive is split between the customer and the CSP is up to the customer and the CSP. RIE does not require nor reject how or if the incentives are split. Direct Participants will receive the full incentive amount directly.

Number of Events

Targeted Dispatch

Although the intent of this program is to decrease electricity use at the one ISO-NE peak hour of the year, more than one event will be called per summer due to uncertainty in forecasting when the peak hour will be. RIE will limit the number of events depending on the uncertainty of the forecast. RIE may call events when the system load is particularly high, for example, during a heat wave, and they may call events on consecutive days. No more than eight events will be called in a summer.

Daily Dispatch

The goal of Daily Dispatch is to not only hit the ISO-NE peak hour, but also the highest daily peaks, which typically occur in July and August. Events will only be called in June and September if the annual peak is forecasted to be in those months. Events will be called in July and August to try to hit the highest 40 daily peaks. No more than 60 events will be called in a summer.

Dual Enrollment

Customers who are dual enrolled in the program will be called on to participate in both Daily Dispatch and Targeted Dispatch events. There are no additional eligibility requirements for customers who choose to participate in the Dual Enrollment option. Dual Enrolled participants may use asset-specific or site-level meter data to measure summer performance.

Typically, if a Targeted Dispatch event is called, then a Daily Dispatch event will be called either at the same time or for partially overlapping hours. In this event, if the Dual Enrolled participant does not have asset-specific meter data, then their performance will first be calculated for the Daily Dispatch event hours and then reconstituted to account for any additional Targeted Dispatch event hours. This will result in a lower Targeted Dispatch performance for that event to prevent double-counting a participant's performance during overlapping event hours.

Eligibility Requirements

To be eligible to participate in the C&I track, customers must be in rate classes C-06, G-02, or G-32; customers in other rate classes are ineligible. Customers in the C-06 rate class may participate in either the Residential and Small Business ("RSB") or C&I track, but they may not participate in both tracks at the same time or switch to a different track midseason. Front of the meter assets such as power plants or solar farms are not eligible for this program.

To be eligible for this program, the storage system must be considered a behind-the-meter ("BTM") asset. BTM means a facility that serves an on-site load other than parasitic load or station load utilized to operate the facility.

Customers in the Pascoag Utility District and the Block Island Power Company service territory are not eligible to participate.

Enrollment Deadlines

For a customer to ensure they receive their full incentive for the summer season, the customer should enroll in Targeted Dispatch or Daily Dispatch by 11:59 p.m. on May 31st of that year.

Customers may still enroll after May 31st for the summer season. However, the customer's performance will be set to zero (0 kW average) for any events called before the enrollment date that the customer missed.



No Transfer of Enrollment

Enrollment in **Connected**Solutions cannot be transferred from one customer to another. If a customer moves out of their facility, and the new occupant would like to participate in **Connected**Solutions, they must submit a customer application and participate at the incentive rate offered at that time.

Unenrolling from the Program

Customers who enroll in the **Connected**Solutions program will remain in the program year over year until they provide written notice to their CSP or to <u>rienergy@energyhub.com</u> that they would like to be removed from the program. Once a 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 program participants.

Notification of Demand Response Events

Notification of demand response events is given the day before a Peak Energy Event takes place. 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 emails will be sent directly to Direct Participants using the email address given in the customer's application.

Typically, CSPs offer a variety of ways of notifying customers of events. These can include email, voicemail, phone call, text message, and/or machine-to-machine communication. Customers and CSPs are responsible for implementing the necessary communications so that customers are notified of events.

Length and Time of Demand Response Events

Targeted Dispatch events last three hours. Daily Dispatch events can last two or three hours. All events happen between 3pm and 8pm, and all events start and end at the beginning of the hour.

Demand Response Event Holidays

Targeted Dispatch events are generally called on weekdays. There is the potential for a weekend event to be called if the regional coincident peak demand is predicted to occur on a weekend day. Non-performance for a weekend Targeted Dispatch event **will** be included in the participant's overall summer performance calculation.

Daily Dispatch events are called on both weekdays and weekends and can include holidays. Targeted Dispatch events will not be called on the following holidays.

| Dispatch Season | Holiday | Typical Date |
|-----------------|------------------|---------------------------|
| Summer | Juneteenth | June 19 |
| Summer | Independence Day | July 4 |
| Summer | Labor Day | First Monday of September |

Demand response events can be called for a Monday. In this case the event notification will still be given the day before the event, Sunday, which is a weekend day.



Incentive Payment Process

All effort will be made to provide incentive payments for summer performance by the end of each calendar year. Some payments may be provided in the first quarter of the following calendar year.

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.

Incentive Rates and Average Performance Calculation

Pathway Incentive Rates

The incentive rate for each option is shown in the table below.

| Targeted Dispatch Incentive | \$35/kW-Summer |
|-----------------------------|-----------------|
| Daily Dispatch Incentive⁴ | \$275/kW-Summer |

The incentive rates refer to the average curtailment amount across all events of the dispatch season. If a customer chooses not to participate in an event, the baseline method and performance calculation will be done as if the customer had participated in the event. This would likely result in a low calculated performance for that event, which would lower the customer's average performance for the season and lower their incentive for the season.

For customers with batteries, performance per event is equal to the average discharge rate of the battery in kW-AC over the length of the event.

Performance for an event may not be increased by curtailing solar production to increase the battery 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 this program.

Incentive Cap

It is important to note the establishment of a \$1M incentive cap per participant per program year. No one participant is eligible to receive more than \$1M per year for their overall performance settlement. For Dual Enrolled participants, this incentive cap includes the sum of the participant's Daily Dispatch and Targeted Dispatch settlements.

⁴ New participants enrolled prior to June 1st, 2024 will be eligible to receive the \$300/kW incentive for 2024-2026.



Example Performance Calculation

The table below shows the results of a fictional customer's curtailment performance over a Targeted Dispatch season that had four demand response events over the whole summer.

| Event | Performed Curtailment Amount |
|---------|------------------------------|
| Event 1 | -100 kW |
| Event 2 | 200 kW |
| Event 3 | 300 kW |
| Event 4 | 0 kW |

The customers average performance over the summer would be: Average Season Performance = (-100kW + 200kW + 300kW + 0kW) ÷ 4 = 100kW

The total incentive amount to be paid for this fictional customer would be: $100kW \times $35/kW = $3,500$

Multiyear Incentive Rate for Daily Dispatch

For new battery storage systems, RIE intends to set the per-kW incentive level, depending on regulatory approval, for the first 5 consecutive summers that the customer is participating in the Daily Dispatch Summer pathway. Even if the incentive rate for new customers in the program changes during the first 5 summers of the customer's participation, the incentive rate for that customer will remain the same. After the 5th summer of participation, the customer will receive the incentive rate (if any) offered by the PA at that point in time. Please refer to the table below for more information on the Multiyear Incentive schedule.

| Customer enrolled and begun peak season participation | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027* | 2028* |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2019 | \$300 | \$300 | \$300 | \$300 | \$300 | \$275 | \$275 | \$275 | TBD | TBD |
| 2020 | - | \$300 | \$300 | \$300 | \$300 | \$300 | \$275 | \$275 | TBD | TBD |
| 2021 | - | - | \$300 | \$300 | \$300 | \$300 | \$300 | \$275 | TBD | TBD |
| 2022 | - | - | - | \$300 | \$300 | \$300 | \$300 | \$300 | TBD | TBD |
| 2023 | - | - | - | - | \$300 | \$300 | \$300 | \$300 | \$300 | TBD |
| 2024 | - | - | - | - | - | \$300 | \$300 | \$300 | \$300 | \$300 |
| 2024 (Participants enrolled on or after June 1, 2024) | | | | | | \$275 | \$275 | \$275 | \$275 | \$275 |

Notes: Each row represents the peak season in which a customer first enrolled and began peak season participation. Each column represents the year of the peak season. The contents of the cells indicate the eligible incentive level in dollars per average kW reduced per peak event across that year's season. For example, a customer who enrolled and begun peak season participation in 2019 had been eligible to receive \$300/kW for average kW curtailed in years 2019 through 2023, and reduced to \$275/kW in years 2024-2026. Note that for all customers, incentives will be set in three-year periods "2024-2026." It is Rhode Island Energy's intention to uphold the 5-year Multiyear Incentive Rate for all Daily Dispatch customers, however, incentive rates are subject to regulatory review and approval.

*During the next three-year review, the incentive for new participants may be re-evaluated and adjusted based on market conditions for the Program Period 2027-2029.

All incentives are subject to review and oversight.



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 Rhode Island Energy once an interconnection application has been accepted as complete.

The Commitment Letter, depending on regulatory approval, will lock the incentive rate for the customer during the construction, installation, and interconnection of the battery system or for 2 years, whichever is shorter.

When the customer receives authority to interconnect and enroll 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.

Depending on regulatory approval, the customer will be eligible for the 5-year Multiyear Incentive rate in the Daily Dispatch offer at the same performance incentive rate as outlined in the Commitment letter.

Baseline Performance Calculation

Shutdown reporting requirement

Customers or their CSP must inform Rhode Island Energy via email (either <u>rienergy@energyhub.com</u> or <u>jereno@rienergy.com</u>) of a planned facility shutdown within a week's notice. This is typically done for maintenance. There is a limit of 10 shutdown days per season.

Targeted Dispatch and Daily Dispatch

Performance in Targeted Dispatch 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 and same-day adjustment. For battery resources, performance in Daily Dispatch is calculated without either a baseline or a same-day adjustment. Customer performance for batteries is calculated based on the average discharge rate in kW-AC over the length of the event.

Customers in this program will never be charged a fee for poor performance. However, since this is a pay-for-performance program, poor performance on any or all events will decrease the incentive amount paid. Not participating in an event may count as a zero or negative performance for that event in the customer's seasonal average performance calculation.

Baseline

To calculate a customer's performance during a demand response 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 (OP4) or the Program Administrator was called. Days where a customer has a scheduled shutdown are not considered similar days. For shutdown days to be excluded from the baseline calculations, customers or their CSP must inform Rhode Island Energy of the shutdown with a week's notice. There is a limit of 10 shutdown days per season.



Example of a 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 – 1 pm | 500kW | 400kW | Not counted in ourses | | | 300kW | 400kW | |
| 2 pm - 5 pm | 500kW | 850kW | | Not counted in average | | | 450kW | 600kW |

Baseline Adjustment

Demand response events are 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 the customer's load during the demand response 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 demand response event. Therefore, the adjustment can only be positive. It will never penalize the customer.

There is no baseline adjustment for batteries participating in Daily Dispatch. There is both a baseline and same-day adjustment for non-batteries enrolled in Daily Dispatch.

Examples of a same day baseline adjustment:

A: For an event starting at 2pm

| | justillellt | d Baseline Adjustmen | Event Day Load | Customer's Baseline | Time Interval |
|------------------------------|-------------|----------------------|----------------|---------------------|---------------|
| Noon – 1 pm 400kW 600kW 200k | W | 200kW | 600kW | 400kW | Noon – 1 pm |

B: For an event starting at 2pm

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

Demand Response Performance

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

Example of an event day performance:

| Time Interval | Customer'sBaseline | Event Day Load | Baseline Adjustment | Event Day Performance |
|---------------|--------------------|----------------|---------------------|---|
| Noon – 1 pm | 500kW | 600kW | 100kW | Performance = Baseline + Adjustment – Event Day |
| 2 pm – 5 pm | 500kW | 400kW | | 500kW + 100 kW - 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 export will be included in the calculation of customer performance. Negative event performance will be included in the participant's overall average performance for the season. If the customer's average season performance is negative, they will receive no performance incentive payment for that season.

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 demand response event(s). 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 DR Event | Performance |
|-------------|------------------------------|--|-------------|
| 2 pm - 3 pm | 500kW | 100kW | 400kW |
| 3 pm - 4 pm | 500kW | 400kW | 100kW |
| 4 pm – 5 pm | 500kW | 400kW | 100kW |
| | Averag | (400 + 100 + 100)/3 = 200kW | |

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

Negative performance is penalized, for example:

| Time | Customer's Adjusted Baseline | Customer's Power Use During the DR Event | Performance |
|-------------|-------------------------------|--|-------------------------------|
| 2 pm - 3 pm | 500kW | 600kW | -100kW |
| 3 pm – 4 pm | 500kW | 400kW | 100kW |
| 4 pm - 5 pm | 500kW | 400kW | 100kW |
| | Average Performance for Event | | (-100 + 100 + 100)/3 = 33.3kW |

Dual Enrollment

Customers, or their CSP, can choose to have their baselines and performances for Daily Dispatch and Targeted Dispatch events calculated using utility site-level meter data, or asset-level data. If asset-level data is chosen, this must be provided to the PA at the end of the demand response season in the standard format. If the customer elects to use utility meter data, it is important to note that-for event days with both Daily Dispatch and Targeted Dispatch events—the participant's Daily Dispatch performance will be calculated first. This performance will be reconstituted into the customer meter data in order to calculate the participant's Targeted Dispatch performance without re-counting the participant's Daily Dispatch for the same event. This method may result in a significantly lower Targeted Performance calculation than what is expected.



For example:

Daily Dispatch Event: 2-4pm

| Time | Customer's Adjusted Baseline | Customer's Power Use During the DR Event | Customer's Daily Dispatch Performance | |
|-------------|--|--|--|--|
| 2 pm - 3 pm | 500kW | 300kW | 200kW | |
| 3 pm - 4 pm | 500kW | 400kW | 100kW | |
| | Average Performance for Daily Dispatch Event | | (200 + 100)/2 = 150kW | |

Targeted Dispatch Event: 2-5pm (on same day as Daily Dispatch event)

| Time | Customer's Adjusted Baseline | Customer's Power Use During the DR Event | Customer's Daily Dispatch Performance | Customer's Targeted Dispatch Performance |
|-------------|------------------------------|---|--|---|
| 2 pm - 3 pm | 500kW | 300kW | 200kW | 500 - 300 - 200 = 0kW |
| 3 pm - 4 pm | 500kW | 400kW | 100kW | 500 - 400 - 100 = 0kW |
| 4 pm – 5 pm | 500kW | 400kW | N/A | 500 - 400 - 0 = 100kW |
| | Average Per | (0 + 0+ 100)/3 = 33.3kW | | |

Customer Interval Data

The interval data to be used to measure a customer's performance in Targeted Dispatch must be measured at the utility meter.

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-32 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 RIE at the end of the season. The cost for this added metering is the responsibility of the customer or its CSP.

Mid-Season Measurement & Verification (M&V)

Rhode Island Energy may request mid-season customer interval data from the customer or its CSP for Measurement and Verification (M&V) purposes. This mid-season interval data is expected to be delivered per the request of RIE. The customer or its CSP are responsible for the cost of this added metering collection.

Co-Participation in ISO-NE Demand Resource Programs

Customers may co-participate in ISO-NE Demand Resource Programs and **Connected**Solutions. It is possible that a **Connected**Solutions demand response 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 **Connected**Solutions event. Customers and their PA should consider this risk before enrolling in **Connected**Solutions.

Although rare, it is possible that both **Connected**Solutions 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 **Connected**Solutions program. If the **Connected**Solutions 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 **Connected**Solutions.



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 OP4 event is called during the baseline period of a **Connected**Solutions event, this day will not be counted in the baseline. Please see the Baseline section below.

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

Co-Participation in Renewable Energy Growth Program

Customers may co-participate in the Renewable Energy Growth ("REG" or "RE-Growth") and **Connected**Solutions. RE-Growth provides an incentive for electricity generated from renewable sources, like solar PV and wind turbines.

RE-Growth customers can discharge their battery systems to respond to **Connected**Solutions events and earn incentives. The battery system must be configured so that the battery discharge is not measured by the RE-Growth production meter. However, as long as the battery is not restricted by the customer interconnection service agreement, customers can export their net battery system power to the grid during **Connected**Solutions events to earn incentives.

Renewable Energy Plus Storage

Customers with interconnected renewable energy systems, such as solar PV and wind turbines, and energy storage systems, like batteries, may participate in **Connected**Solutions. The investment tax credit ("ITC"), also known as the federal solar tax credit, provides additional incentives for energy storage systems that are charged by renewable energy systems. However, the ITC may have restrictions on how much the battery system needs to be charged by a renewable source. Additionally, the battery system's ability to export is bounded by what is established in its approved interconnection agreement.

Storage Only Systems

Customers who do not have a renewable energy system but do have an energy storage system that charges from the electricity grid may participate in **Connected**Solutions. If the customer will be discharging electricity to the grid, they must go through the normal interconnection process. The battery system's performance is bounded by what is established in their approved interconnection agreement.

Exporting Power to the Electrical Grid

Renewable Energy Only Systems

Customers with interconnected renewable energy systems, such as solar PV and wind turbines, may participate in **Connected**Solutions. Renewable energy systems, especially solar PV, provide somewhat predictable performance. Curtailment performance of customers with renewable energy systems will be calculated like every other program participant. When a customer's interconnected renewable energy system produces more electricity than the customer's facility, that excess electricity is exported to the electrical grid. If the customer is already exporting power to the grid during a demand response event, the customer can still participate in **Connected**Solutions by reducing the facility electrical load during events so that even more power is sent to the grid. The baseline methods used in this program will compensate the customer for this facility's curtailment.



Renewable Energy Plus Storage

Customers with interconnected renewable energy systems, such as solar PV and wind turbines, and energy storage systems, like batteries, may participate in Connected Solutions. The ITC provides added incentives for energy storage systems that are charged by renewable energy systems. Before exporting power to the grid, customers must go through the interconnection process. Participation in the **Connected**Solutions program does not alter a customer interconnection service agreement ("ISA").

Storage Only Systems

Customers who do not have a renewable energy system but do have an energy storage system may participate in **Connected**Solutions. Before exporting power to the grid, customers must go through the interconnection process. Participation in the **Connected**Solutions program does not alter a customer ISA.

On-Site Fossil Fuel-Based Generation

For both Daily Dispatch and Targeted Dispatch, customers participating with fossil fuel-based generation, such as natural gas or diesel backup generators, standby generators, co-gen, or fuel cells not using green hydrogen must have:

 An active Operating Permit or Minor Source/Preconstruction Permit from the Rhode Island Department of Environmental Management ("RIDEM") for the 2024-2026 program years⁵. CSPs should have these on file or should be made available upon request of RIE.

RIE intends to update the fossil fuel-based generation eligibility to further limit fossil fuel-based generating emissions during the 2027-2029 program years.

Testing

A performance test event is not planned in this program. However, Rhode Island Energy may elect to run communication tests to ensure all notification processes are functioning.

Cancellation of the Program

Due to regulatory decisions, cost effectiveness, or other reasons, RIE may cancel their **Connected**Solutions Program or subsets of their program at any time.

Terms and Conditions

These program materials and participation in **Connected**Solutions are pursuant to and subject to the Terms and Conditions in effect for customer applications at the time that the application is approved by the Program Administrator. See the **Connected**Solutions application for more details.

5 RIDEM Air Resources



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