General Comments of EnergyHub

On

Draft Energy Master Plan for the State of New Jersey

September 16, 2019

EnergyHub would like to thank the Governor's office and the New Jersey Board of Public Utilities for the solicitation of significant stakeholder input to the Energy Master Plan (EMP). We were present at the public stakeholder meeting that took place on August 8, 2019 and plan to continue our involvement and further share our thoughts through these comments.

Introduction

EnergyHub provides utilities with innovative DER and Bring Your Own Device (BYOD) software and program management solutions. With the combination of EnergyHub's Mercury DERMs platform and industry-recognized experts, we enable utilities to implement and manage successful DER and BYOD programs. EnergyHub's Mercury DERMS platform serves as the technical and business link between utilities and connected device manufacturers, delivering robust monitoring and control functionality through a single utility interface. EnergyHub currently works with over 40 utilities across North America to launch, design and run innovative and successful Bring Your Own Device programs encompassing, but not limited to, enrollment management, demand response dispatch, DER optimization, and EM&V.

EnergyHub appreciates the opportunity to provide comments to Energy Master Plan and recognizes that leadership from the Governor and the New Jersey Board of Public Utilities in developing this plan will tackle and embrace the challenges that are yet to come due to climate change, while also expanding and accelerating the path to a clean energy innovation economy in the state of New Jersey. EnergyHub believes that continuing to solicit involvement from the private sector will lead to solutions that are both cost effective and innovative. As New Jersey designs and implements solutions that result from the Energy Master Plan, it will be important to draw on and learn from the experience of other States.

General Comments

EnergyHub strongly supports the goals set forth in Strategy 3 of the Energy Master Plan to "Maximize Energy Efficiency and Conservation and Reduce Peak demand". Peak reduction can be achieved through the use of demand response programs that work to effectively manage load. However, the goals set forth in Strategy 3 of the Energy Master Plan the do not include the residential customer class. Hundreds of thousands of residential customers can be harnessed for peak reduction through the direct control of residential demand. The ever-growing penetration of connected devices, including connected thermostats, in residential homes has enabled a significant and growing potential resource across the country. While direct load control is not a new concept at the residential level, its value and reliability are well-proven. The prime value of creating a resource of residential loads is that it provides control of the very demand that drives system peaks, space cooling and heating.

A novel approach to harnessing residential customers for peak reduction has been the Bring Your Own Thermostat (BYOT) model for demand response. The BYOT model eliminates the need for utilities to source hardware or provide installation services as part of a demand response program, while maximizing customer choice. Utilities are able to take advantage of the growing population of connected thermostats that are already installed in their service territory. As customers continue to adopt more and more smart thermostats (growth is projected at around 18% per year),[1] utilities can convert these devices into utility assets by enrolling them into utility run load control programs.

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[1] The Freedonia Group, *Smart and Connected Thermostats in the US – Demand and Sales Forecasts, Market Share, Market size, Market Leaders 7/2018*

EnergyHub has worked with numerous utilities throughout the United States to launch, design and run innovative and successful BYOT programs, including utilities in States neighboring New Jersey such as NYSEG, RG&E, National Grid New England & New York, PSEG Long Island, and Eversource. The company has seen significant interest from residential customers with connected thermostats in BYOT programs. On average we see 15-40%[2] of eligible residential customers with connected thermostats in a utility service territory enroll in BYOT programs if they are available, and this number continues to grow. These enrollments create a utility resource that is reliable and cost-effective to reduce system peaks or local distribution constraints. With the right program design and eligible customer mix we have seen resources created that can reliably deliver significant MWs of peak reduction, that can be called on multiple times throughout the year, with minimal disruption to customer comfort. Ultimately, a BYOT resource can be a win for both the utility and the end use customer. The utility creates a cost-effective resource that enables peak reduction and the end use customer is rewarded for their participation, with a device of their own choosing, and helps contribute toward that peak reduction.

EnergyHub appreciates the opportunity to submit comments on the draft Energy Master Plan. We appreciate the commitment of the Governor's office and the New Jersey Board of Public Utilities to set forth rigorous goals through this EMP, that will embrace the forthcoming challenges of climate change, while also expanding and accelerating the path to a clean energy innovation economy in the state of New Jersey. As the policies and solutions are identified as a

[2] This enrollment rate depends on program design

result of this EMP, please consider EnergyHub as a resource in identifying and designing successful program solutions that take into account all customer classes and technologies.

Respectfully Submitted,

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