

Frequently Asked Questions:

National Grid — Utility Demand Response (MA/RI)

Program Rules

Dispatch Months: Year-round

- > Summer season: June—September
- > Winter season (MA only): December—March

Response Duration: 3 hours

Lead Time: Day-ahead

What is demand response?

Demand response (DR) provides a no-risk, no-cost opportunity for commercial, institutional, and industrial businesses served by National Grid to earn money and drive energy savings while helping to maintain reliable and affordable electricity throughout Massachusetts and Rhode Island. When National Grid and Enel X expect high demand on the electrical system, Enel X will notify participating businesses to reduce their energy usage for a short period. Participants earn recurring capacity payments for agreeing to curtail electricity consumption in response to abnormally high demand.

How does my business benefit?

Maximize payments to your bottom line

Enel X manages your participation in the program with National Grid from start to finish, ensuring you earn the highest possible financial reward. Since 2003, our customers have earned more than \$1B in payments in DR programs across the country.

Reduce your system peak demand charges

If your capacity costs are passed through to your energy bill, reducing load for the program will also help to reduce these costs.

Get visibility into your operations

Monitor energy usage trends over time and spot opportunities to better manage energy costs with our real-time demand response software.

Support your community

Your participation helps maintain reliable and affordable electricity throughout the region and provides a clean, cost-effective alternative to building new power plants in the community.

What is the DR opportunity with National Grid?

DR offers clean, reliable, and direct relief to the grid to help prevent the use of expensive and capital-intensive resources (e.g., peaking power plants). Participation in DR not only will provide you with an opportunity to earn money, but also reduces energy costs for ratepayers and provides advanced notification of grid disturbances.

National Grid's program covers the summer months of June to September, and is dispatched during the critical afternoons.

How do I participate?

Enel X makes participation easy. We take care of the complex details so you can stay focused on running your business.

Our local experts work with you to identify your energy reduction potential and create a strategy that delivers maximum value with minimum impact on your operations. We outline these measures in a detailed dispatch participation plan.

We may install necessary metering devices at your facility to establish communication with our Network Operations Center (NOC), so we can monitor your energy consumption levels in real-time.

Your site is then enrolled and ready to respond when a dispatch begins. At any time during a dispatch, you can log in to view your performance in real-time. Throughout

the process, we fully manage enrollment, measurement, verification, and payments on your behalf.

What can I expect during a dispatch?

Notification

When Enel X or National Grid anticipates the need for support, it dispatches the Enel X network into action. Enel X notifies you via email and SMS informing you when the dispatch will begin.

Response

At the start of the dispatch, your facility reduces its electricity usage according to your pre-determined dispatch participation plan—either manually, or automatically through the NOC.

Support

Before, during, and after a dispatch, the NOC remains in communication with your facility. Our team is available to answer questions and help ensure that you achieve the highest possible levels of performance and payments.

What types of reductions can I make?

Enel X has extensive experience creating reduction strategies that work within the operational limitations of a wide variety of unique facilities, including cold storage, manufacturers, food processors, universities, malls, office buildings and more. Common reduction examples include:

- > Reduce non-essential lighting
- > Modify manufacturing processes
- > Adjust HVAC equipment
- > Dial back pumps
- > Change settings in industrial freezers

Our customers find that many energy-intensive processes can simply be shifted by a few hours to facilitate dispatch participation. And if you have a generator set, we can help ensure its compliance for use in DR. Ask us about our experience working with customers like you.

What triggers a dispatch?

Dispatches occur when demand for electricity threatens to reach peak levels on the New England system. This situation often occurs on extremely hot days in the summer when increased HVAC usage causes demand to reach unusually high levels. When dispatched, you are responding to real

electrical grid conditions. Your participation is critical for ensuring National Grid is able to reduce electricity costs for the region.

How often will I be dispatched?

Your location, seasonal weather, and forecasted load conditions will influence how often you are dispatched. Based on historical data, we expect 15–20 hours of dispatch during the summer. If a dispatch is not called in either period, we are required to dispatch participants simultaneously for a one-hour audit to demonstrate performance capabilities.

How is my performance measured for the program?

Your performance during a dispatch will be the difference between the electricity that you do use (your electrical load during the dispatch) and the electricity that you would have used (your baseline electrical load, or baseline) during the same time period.

How do I know how I'm doing during an event?

Enel X's software will display your individual performance targets for each event called. You can monitor your usage compared to this target in real-time during the event. We will also send you email notifications if it looks like you are performing below your expected level.

How is my baseline usage determined?

The baseline looks back at your electricity usage at each point of the day over the previous 10 business days, and then adjusts for your usage during the time leading up to the dispatch on the dispatch day, to get a sense of what you would have used during the dispatch. The methodology used for the program is identical to that used by the system operator, ISO-NE, in determining wholesale market performance.

Are there any other benefits to participating in the program?

Yes! In addition to ensuring that the region maintains a cost-efficient and reliable electrical grid, participating in the National Grid program may result in significant additional bill savings in subsequent years. Though the ultimate savings depend on your contract arrangements to purchase electricity, you will be reducing what is known as your ICAP, or peak demand, tag, which often results in savings. Please talk with our team to learn more about this benefit.