Flexible Load Management Working Gorup
Summary of DU and EEU Responses to Questions Regarding Statewide FLM Efforts
Prepared March 17, 2025

1. **What role, in addition to continued demand reduction via *passive* efficiency methods, do you want EVT to play in *active* flexible load management?**[1]

   DUs acknowledged that EVT's passive electric efficiency role is important, and EVT brings strengths from that field, such as statewide market actor relationships, market transformation experience, customer marketing and support activities. In general, DUs called EVT a potential partner and technical expert to DU FLM efforts. Some DUs noted that FLM is still a small market dependent on nascent technologies and said EVT could assist with integrated controls. One DU suggested no FLM role for EVT.

2. **Do you want Efficiency Vermont to focus on direct load control equipment?**

   DU responses varied. In general, DUs advocated for developing a framework for EVT's statewide role related to technical assistance, flexible product identification, and manufacturer and contractor relationships, but leaving program design and implementation up to DUs. One DU suggested no FLM role for EVT. EVT suggested a statewide approach for cost-effectiveness evaluation and highlighted the potential in residential and electric vehicle charging controls.

3. **Do you want Efficiency Vermont to incentivize or outright require load controls on particular equipment types?**

   Incentives, rather than mandates, were preferred. EVT noted that it is working with national organizations on market transformation for open-access communication standards. DUs called for EVT to manage incentives and technical assistance while actual load control would remain with the DUs. One DU called for incentives to eventually transition to be compensated through future dynamic rates (or similar mechanism). Another noted that costly software and management platform fees make FLM programs uneconomic to run; even a statewide platform may not provide sufficient economy of scale.

4. **Do you want Efficiency Vermont to flex loads in your service territory?**

   As stated above, every DU (and EVT) preferred DU control. DUs suggested EVT should support DUs in understanding device market or predicting peaks, or understanding ISO New England demand reduction revenue opportunities.

5. **Are your responses different for general statewide active demand management compared to specific Non-Transmission Alternative (NTA) study areas? In other words, should Efficiency Vermont play a different role in constrained regions?**

[1] Under the Order of Appointment for EVT, VEIC must "Pursue flexible and robust strategies to cost-effectively avoid or control capacity and energy in support of electric Distribution Utility Integrated Resource Planning…".

All responses suggested focus on statewide needs and leaving NTA analysis to the affected DUs. In other words, responses did not advocate for greater activity in NTA regions.

6. **Does investing in potentially useful, future Load Management capabilities (e.g., bonus incentives for 2-way communicable heat pumps) offer a different kind of value compared to investing in cost-effective, passive demand management and efficiency that works immediately, is hard wired, and has a known measure life?**

   Responses generally acknowledged the growing importance of load management and advocated for continued attention to FLM. Specific responses suggested focusing on high-impact, low-frequency events; focusing on two-way communication for heat pump management; matching loads to market prices (including solar overgeneration); and smoothing electric vehicle and heat pump loads.

   i. **Should investments in active and passive demand management be weighted or prioritized differently? If yes, how?**

      There were no clear themes in responses to this subquestion. One response suggested focus on high-impact, low-frequency events, and not Regional Network Service (RNS) cost avoidance alone. Other responses noted that passive efficiency is reliable for avoiding costs, but that active demand management is critical if it is dynamic, responsive, offers measure life longevity; if these conditions are met, it offers greater value than passive measures. One response cautioned that passive measures should be revised to focus on late afternoon and evening hours to track with the migration of peak and peak-related costs towards these hours.

Regional grid planners are sometimes reluctant to rely on flexible load management when forecasting long-term transmission needs. Direct control or other reliable evidence better demonstrates the potential of flexible load management. However, it is difficult to assign reliability and potential future value of any targeted investments made today.

7. **How can DUs or Efficiency Vermont build confidence in future performance of flexible load management?**

   Responses called on calibrating customer compliance with events and ensuring that a framework exists covering all DUs before a prescriptive statewide FLM program is stood up. Responses also called for that framework to be technology and customer class agnostic and appropriate for modernized dynamic rates or tariffs. Another response noted that DUs need tools focused on baselines and end-use shiftable loads, and that FLM programs need to be intuitive to DUs and use comprehensive evaluation techniques as seen with traditional efficiency. Two responses mentioned diverging choices, with one noting that Massachusetts and Maine have FLM within their efficiency programs, while another suggested keeping grid services in the DU/VELCO/ISO realm but EVT acting as an aggregator.

8. **Are flexible loads more valuable in constrained or NTA areas compared to the state as a whole?**

   Responses agreed that flexible loads are most valuable in constrained areas, but said that specific approaches depend on knowing the value in each region and maximizing different grid services accordingly.