



To: NECPUC, Executive Director George Twigg, Chair Phillip Bartlett

From: Advanced Energy United

Date: 03/27/26

Re: United Comments on NECPUC's Draft Final Report for the Demand Response and Load Flexibility Working Group

United thanks NECPUC for the opportunity to comment on this draft final report of the NECPUC Demand Response and Load Flexibility Working Group proceeding, which explored how demand side resources can help improve system reliability and affordability for New England's power system. Overall, this Working Group has been a fruitful endeavor that has advanced the regional discourse on demand response and promises to catalyze meaningful next steps on harnessing the benefits of more demand-side resources. We wish to thank NECPUC and the state officials that were involved in driving this process. United endorses the cross-cutting principles NECPUC outlines and commends its efforts to create this forum, conduct information gathering, and synthesize findings, recommendations, and next steps.

Overall, United is supportive of the direction of NECPUC and the clarity it is providing regarding state and commission level actions that can advance demand-side technology deployment and effectiveness. The findings and recommendations capture the feedback and next steps for state-level action identified throughout the proceeding.

The report recommendations acknowledge multiple areas where information, collaboration, or direct action is needed from ISO-NE to fully realize the benefits of DR, DERs, and load flexibility. These activities range from planning processes¹ to use of analysis tools² to retail-wholesale coordination³ to wholesale market design and access issues.⁴ United agrees with these observations and recommendations. However, the report stops short of charting out a path forward for ISO-NE to partner with the states in carrying out these recommendations to enable wholesale market participation and market changes that would enable the region to achieve the desired scale and outcomes. NECPUC should therefore add a recommendation in the report and expressly issue a request that ISO-NE conduct a gap analysis and outline an implementation pathway that further explores the issues raised throughout the working group's proceedings. Such an effort is a necessary next step to further investigate the challenges, opportunities, and solutions for scaling demand-resource wholesale market

¹ Recommendation #4.

² Recommendation #6.

³ Recommendation #7 and Recommendation #10.

⁴ Recommendation #11.

participation and to fully realize the wholesale market benefits of retail demand-side resource participation.

United's prior comments emphasized that ISO-NE's current wholesale market frameworks are not well suited to enable scalable participation by demand response, distributed energy resources, and aggregations of behind-the-meter assets. Key barriers include restrictive submetering and telemetry requirements, limitations on dual participation between retail programs and wholesale markets, and participation models that do not reflect how modern, aggregated resources actually operate. Shortcomings in existing baseline methodologies result in "baseline erosion" and inaccurate performance measurement distorts incentives, undercompensates real performance, and creates conflicts between retail program dispatch and ISO-NE market signals.

In response to these barriers, United offered a set of targeted reforms to better align wholesale market design with the capabilities of demand-side resources. These include enabling broader use of submetering and more flexible telemetry standards, improving data access and harmonization through expanded AMI deployment, and ensuring that participation rules support aggregated and behind-the-meter resources under existing or new frameworks. It will also be crucial to ensure accurate capacity accreditation under seasonal market constructs to fairly reflect the contributions of demand response, particularly in winter. We continue to take issue with LBNL's finding that winter demand response will have zero capacity value, which the final report notes as disputed, and we appreciate that NECPUC's recommendations include an emphasis on realizing the benefits of DR in the winter. ISO-NE's initial [Impact Analysis](#) may indicate that demand response does in fact contribute to winter capacity; we encourage NECPUC to look out for the [upcoming market clearing impacts analysis](#) ISO completes under CAR-SA to ascertain winter demand response capacity market revenue potential. Taken together, these findings and changes can help inform functional and scalable pathways for demand-side participation, reduce conflicts between retail and wholesale programs, and allow these resources to compete on a more level playing field with traditional supply-side resources.

Specific issues aside, United observes there is a growing misalignment between state emphasis on demand-side solutions and the pathways for deployment at scale within the region's wholesale markets. In their latest energy requirements, Massachusetts' March 16, 2026 [Executive Order](#) targets 3.5 GW of demand reduction via demand response, efficiency, and Virtual Power Plants like managed charging as part of its 10x10x10 Plan. ISO-NE itself projected that the region could achieve \$8 billion in savings if we shave winter peak demand from 57 GW to 51 GW under the 2050 Transmission Study. Yet concerningly, there are no existing workstreams at ISO-NE and NEPOOL progressing demand-side resources, despite the



barriers that United and other stakeholders have identified. Compounding the concern, it appears likely that ISO-NE's Capacity Auction Reforms (CAR-SA) will materially harm [demand response accreditation](#), widening the gap between state objectives and ISO market signals. To narrow this growing misalignment and continue the momentum of the NECPUC Working Group, it is critical that ISO-NE complete a gap analysis that explores demand response issues at the wholesale level and works with NEPOOL stakeholders to design and implement solutions.

Our primary recommendation is that NECPUC explicitly request that ISO-NE complete a demand response gap analysis that can inform an implementation pathway. This is the surest way we can continue the commendable effort expended during this Working Group proceeding to address the regional and wholesale market barriers. With the 2027 annual workplan priority setting process underway, states and stakeholders have an opportunity and forum to make such a request. We are open to working with NECPUC, ISO-NE, and stakeholders to finalize the exact scope of this gap analysis, but at a high-level and at a minimum, it should explore (1) addressing dual participation/dispatch conflicts between wholesale markets and state programs such as Connected Solutions; (2) evaluating wholesale baseline measurement reforms consistent with the LBNL guidance summarized in the NECPUC process; and (3) evaluating the ability of demand response to contribute to transmission planning solutions.

ISO's annual work plan priority setting process is ideally suited for this because it is aimed at collecting issues and projects from stakeholders that are important to the region but are not currently being addressed through the NEPOOL stakeholder process. Given ISO-NE CEO Vamsi Chadalavada's recent remarks this March at the New England Energy Roundtable touting the increasing significance of demand-response and the indication that ISO-NE may be willing to place greater emphasis on demand response, we believe this is a timely request. We respectfully urge NECPUC to formally request this gap analysis and implementation pathway and include it as a recommendation in this final report. This will help instigate a project and secure ISO staff time and budget to address it effectively in the 2027 work plan.

