

Distinguished Commissioners, Ladies and Gentlemen:

My name is Steve Doyon, and I am Vice President of Development for Comverge. Comverge is a provider of hardware and software to the utility industry designed to provide reductions in peak load demand from residential and small commercial and industrial customers. In addition, Comverge has pioneered the use of “negawatt” power purchase agreements (we call it Virtual Peaking Capacity, or VPC), which provide peak load reduction capacity through a turnkey, completely outsourced load control program under a pay-for-performance contract structure. With over 5.5 million Comverge load control devices installed nationwide, representing over 5.5 Gigawatts of capacity, and 225 MW of capacity structured under its Virtual Peaking Capacity contracts, Comverge is a clear leader in the load control industry. Our first VPC contract, with Utah Power, has achieved almost 40 MW of installed capacity within 15 months

In response to the ISO New England’s request for proposals to provide load response solutions for near-term reliability concerns in Southwest Connecticut issued last year, Comverge proposed a load control program specifically targeted to the residential and small commercial and industrial customer within the Southwest Connecticut area.

Comverge, along with other demand response providers, was awarded a 4-year contract beginning in April of last year, to provide up to 48 MW of load reduction capacity.

Subsequent to the initial award, Comverge also executed a second 12 MW reliability contract.

Since our contract award, Comverge has initiated its marketing and recruitment campaign under the brand name, “CoolSentry”. Some of you may have noticed our billboards along I-95 in Southwest Connecticut, or received information by mail about our program. Utilizing our load control switch technology, we are able to remotely cycle the compressor on residential and small commercial and industrial customer air conditioners during reliability events, and by aggregating the load reduction from thousands of such installations, we can provide significant load reductions which can be utilized as a tool for system reliability. Our program is a voluntary one – customers are recruited through a direct mail campaign, and in addition to responding to the environmental and reliability benefits associated with our program, also receive a cash incentive for their participation. In exchange, they allow us to control their air conditioners during limited periods of the year, with minimal discomfort.

We believe demand response, and in particular load control, should always be considered as part of a balanced portfolio approach to the many problems associated with electric system reliability. Load control has certain advantages over supply side alternatives. It can be specifically targeted in areas where supply side alternatives are difficult or impossible to site. It is the only resource alternative which provides positive environmental benefits, by avoiding the use of peak load generation sources which, even for renewables, have a negative environmental impact. In fact, we encourage the CT Department of Public Utility Control to consider the use of load control as part of meeting any renewable portfolio standard goals. To that end, load control can be economically competitive when compared to supply side alternatives. Demand response,

by itself, cannot solve all the system reliability problems facing Southwest Connecticut. However as part of an integrated portfolio approach, it is a resource that should be used in conjunction with other T&D and supply side alternatives available to address these important problems.

We are excited about the opportunity to help Southwest Connecticut with its reliability issues. Our programs are on their way to success – however they can be even more successful with your help. One of the hurdles we face is a perception, or misperception, of legitimacy. Few of our customers are familiar with ISO New England, the sponsor of our project. Most of our customers, however, know their utility service providers very well. In our case, the two major utility providers in our project area are Connecticut Light & Power and United Illuminating. While the success of our program provides benefits to all stakeholders, including CL&P and UI, we have not yet achieved coordination with these two important utilities with regard to community outreach and customer contact. The feedback we have received is that CL&P and UI are unclear as to the type of coordination that the CT Department of Utility Control would approve. Given that our program is paid for by all Connecticut ratepayers, we strongly encourage the Connecticut DPUC to assist us in reaching out to these utilities by providing them direction and “safe harbor” with respect to their support of our CoolSentry marketing and recruitment campaign. For example, the Connecticut DPUC could request that the utilities in our program area allow our marketing materials to be included in a newsletter or as a bill stuffer.

In conclusion, thank you for inviting us here today to inform you about the successes and challenges of our load control program. The reliability issues facing Southwest Connecticut are critical. While we cannot solve all of Southwest Connecticut's reliability problems, we can be part of an overall portfolio of technology and infrastructure solutions to address these issues.