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Niagara Mohawk Power Corporation d/b/a National Grid

**Program Performance & Cost Effectiveness
of Dynamic Load Management Programs**

Case 15-E-0189

November 17, 2025

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Introduction

Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) submits this 2025 annual filing in compliance with the New York State Public Service Commission’s (“Commission”) April 23, 2018 *Order Adopting Program Changes with Modification and Making Other Findings* (“April 2018 Order”).¹ The April 2018 Order requires the Company to submit a report to the Commission each year on November 15.² This annual filing assesses National Grid’s 2025 Dynamic Load Management (“DLM”) programs as approved in the Commission’s March 18, 2019 *Order Adopting Program Changes with Modifications and Making Other Findings* (“March 2019 Order”).³

National Grid’s DLM programs consist of the: Distribution Load Relief Program (“DLRP”) as described in Rule 61 of the Company’s PSC No. 220 Electricity – Schedule for Electric Service (“Tariff”); Commercial System Relief Program (“CSR”) as described in Rule 62 of the Tariff; and Direct Load Control (“DLC”) Program, as described in Rule 63 of the Tariff. The Company also amended the Tariff to incorporate Rule 65 to effectuate the Term-Dynamic Load Management (“Term-DLM”) Program and the Auto-Dynamic Load (“Auto-DLM”) Program, consistent with the Commission’s September 17, 2020 *Order Establishing Term-Dynamic Load Management and Auto-Dynamic Load Management Program Procurements and Associated Cost-Recovery* (“Term- and Auto-DLM Procurement Order”).⁴ This annual filing reviews the 2025 Capability Period results from all DLM programs, discusses all proposed changes to the implementation of these programs in 2026, and highlights the cost recovery mechanism, which is described in Rule 64 of the Tariff.⁵

While customers in most rate classes are eligible for all DLM programs, National Grid considers the DLRP, CSR, Term-DLM Program, and Auto-DLM Program to be commercial and industrial (“C&I”) customer-focused programs, while the DLC Program targets residential and small business customers.

¹ Cases 14-E-0423 et al., *Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs* (“DLM Programs Proceeding”), Order Adopting Program Changes with Modification and Making Other Findings (issued April 23, 2018) (“April 2018 Order”).

² *Id.*, Ordering Clause No. 2, pp. 24-25.

³ See DLM Programs Proceeding, Order Adopting Program Changes with Modifications and Making Other Findings (issued March 18, 2019) (“March 2019 Order”).

⁴ Cases 18-E-0130 et al., *In the Matter of Energy Storage Deployment Program* (“Energy Storage Proceeding”), Order Establishing Term-Dynamic Load Management and Auto-Dynamic Load Management Procurements and Associated Cost-Recovery (issued September 17, 2020) (“Term- and Auto-DLM Procurement Order”).

⁵ There are no changes proposed to the cost recovery mechanism for National Grid’s 2026 DLM programs.

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The CSRP and the system-wide Bring Your Own Device (“BYOD”) DLC Program (also known as the **ConnectedSolutions** Program) are currently offered system-wide.

A summary of National Grid’s 2025 DLM programs, provided below, illustrates the pricing incentives applicable to these current DLM programs:

Table 1: National Grid’s 2025 DLM Programs

National Grid 2025 DLM Programs			
Program Name	Program Type	Program Event Triggers & Duration	Incentives
Distribution Load Relief Program (“DLRP”)	Contingency	<p>Contingency program activated for system critical situations (i.e., unforeseen distribution system emergencies wherein stressed electrical equipment may exceed established limits).</p> <p>Events are called with short/no advance notice (“Immediate”) or at least two (2) hours advance notice (“Test” or “Contingency”). Test events last one (1) hour whereas Contingency or Immediate events may last four (4) or more hours.</p> <p>Includes Reservation and Voluntary participants.</p> <p>Focused in designated or identified constrained areas of the service territory with participation available to customers served at primary and secondary voltages only.</p>	<p>Reservation Payment Option:</p> <ul style="list-style-type: none"> • Reservation Payment = \$0.00/kW Month • Performance Payment = \$0.00/kWh <p>Voluntary Performance Option:</p> <ul style="list-style-type: none"> • Performance Payment = \$0.00/kWh <p>* National Grid has set the incentives to \$0.00 for the DLRP in response to the March 2019 Order. When conditions warrant, the DLRP incentives will be updated on an “as-needed” basis.”⁶</p>
Commercial System Relief Program (“CSRP”)	Peak Shaving	<p>Activated for peak shaving needs.</p> <p>For “Planned Events” the Company provides > 21 hours’ advance notice and the Planned Event may last four (4) hours or more.</p> <p>For “Unplanned Events” the Company will provide < 21 hours’ advance notice.</p> <p>Includes Reservation and Voluntary options for participants.</p>	<p>Reservation Payment Option:</p> <ul style="list-style-type: none"> • Reservation Payment (up to four (4) events) = \$2.75/kW Month; • Reservation Payment (over four (4) events) = \$3.00/kW Month; • Performance Payment - Planned Event = \$0.18/kWh; • Performance Payment Unplanned Event = \$0.22/kWh. <p>Voluntary Performance Option: Payment Option:</p>

⁶ See DLM Programs Proceeding, March 2019 Order, p. 3.

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		System-wide program available to customers served from all voltages.	<ul style="list-style-type: none"> • Performance Payment Planned Event = \$0.16/kWh; • Performance Payment Unplanned Event = \$0.19/kWh
Term-DLM Program ⁷	Peak Shaving	<p>Activated for peak shaving needs.</p> <p>Contracted through annual procurement. Participants submit a bid for participation and selected participants receive a 3-year contract at awarded participation rate.</p> <p>The Company provides > 21 hours' advance notice for curtailment during a contracted 4-hour window.</p> <p>System-wide program available to customers served from all voltages.</p>	<ul style="list-style-type: none"> • Reservation Payment is set by competitive bid • Performance Payment = \$0.10/kWh
Auto-DLM Program	Contingency and Peak Shaving	<p>Activated for system critical situations or for peak shaving.</p> <p>Contracted through annual procurement. Participants submit a bid for participation and selected participants receive a 3-5 (or more) year contract at awarded participation rate.</p> <p>Events may be called 7 days a week, between 6AM-12AM on as little as 10 minutes' notice.</p> <p>Focused on identified constrained areas of the service territory with participation available to customers served at primary and secondary voltages only.</p>	<ul style="list-style-type: none"> • Reservation Payment is defined in RFP • Performance Payment = \$0.10/kWh

⁷ Term-DLM and Auto-DLM Programs are both implemented through a competitively procured bid process. Prices for these programs are not static and will remain confidential, but the structure of incentives is public through Rule 65 of the Tariff and each annual Request for Proposal (“RFP”) for soliciting participation in these programs is filed with the Commission and publicly available.

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Direct Load Control (“DLC”) Program		<p>Activated for system critical situations or for peak shaving. National Grid can remotely adjust thermostat settings.</p> <p>Bring Your Own Device (“BYOD”) program connects existing Wi-Fi thermostats and batteries to National Grid’s Demand Management Platform (i.e., EnergyHub).</p>	<ul style="list-style-type: none"> • Batteries – Annual Performance Payment of \$50/kW-year for delivered capacity • Thermostats - One-time sign-up payment of \$50 and a \$20 yearly incentive - payable the second year of participation - for reducing load during 80% of called events and event-hours.
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Commercial Demand Response Programs—DLRP, CSRP, Term-DLM Program and Auto-DLM Program

National Grid offers the DLRP, CSRP, Term-DLM Program, and Auto-DLM Program as commercial demand response (“DR”) programs. DLRP is a contingency program wherein individual participants are required to curtail 50 kW when participating directly in this program with the Company.

Aggregators are required to deliver at least 50 kW of load relief in aggregate to qualify for participation in DLRP or CSRP. An event under DLRP is to be called when identified or stressed electrical equipment exceeds certain limits or during any system emergency. The CSRP, Term-DLM Program, and Auto-DLM Programs are activated for peak-shaving needs when National Grid’s electrical system exceeds 92 percent of the system-wide 95/5 peak forecast, as defined in the Tariff. Additionally, the Auto-DLM Program is activated to provide load relief in constrained locations to prevent or mitigate overload situations on the Company’s electric grid.

2025 DLRP, CSRP, and Term-DLM Participation

Per the March 2019 Order, to accommodate present conditions while remaining prepared for future market conditions, National Grid has set DLRP pricing incentives to \$0.00. This will act as a placeholder preserving the program for future use, and there were no participants in DLRP in 2025. In contrast, 219 resources participated in CSRP during the 2025 Capability Period, totaling 330.95 MW of contracted curtailment. In the 2025 program year, six (6) aggregators and five (5) individual participants participated in CSRP, resulting in the net addition of two (2) individual participants since the 2024 Capability Period. Additional information about 2025 CSRP performance is presented below in the 2025 CSRP Operations and the 2025 CSRP Event Performance and System Impacts section of this report. Four aggregators have been awarded contracts to begin participating in Term-DLM since the 2022 Vintage Year and all four of these aggregators have at least one active Vintage Year under contract to

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perform in 2025. In total, these four (4) aggregators brought 35 resources totaling 29.1 MW of contracted curtailment. Additional information about the 2025 Term-DLM program performance is presented in the 2025 Term-DLM Operations section of this report.

2025 DLRP and CSRP Costs and Savings

The costs for DLRP and CSRP are shown below in Table 2 and stated as a combined portfolio. There were no customers in DLRP in 2025.

Total costs associated with National Grid’s 2025 CSRP and DLRP are \$6,104,666. These costs are separated by incentive payments (including both Reservation and Performance Payments), program operations (consisting of internal administrative (labor) costs), evaluation costs (external), and vendor costs. Base costs associated with the setup of EnergyHub, Inc. (“EnergyHub”), a commercial Demand Response Management System (“DRMS”) vendor, were paid in full upfront for three (3) years in 2023. These base costs have not been included in Table 2 below as part of the total costs for CSRP; however, the portion of the costs and fees associated with supporting the 2025 Capability Period are included.

*Table 2: 2025 DLRP and CSRP Costs**

2025 DLRP and CSRP Costs			
Program Components	2025 C&I Program* Component Costs	DLM Surcharge Recoverable	DLM Surcharge Non-Recoverable
Incentive Payments	\$5,722,541	\$5,722,541	-
Program Operations (internal) **	\$193,375	-	\$193,375
Evaluation Costs (external)	\$2,000	\$2,000	-
Marketing	\$46,750	-	\$46,750
External Vendor Costs	\$140,000	-	\$140,000
Total	\$6,104,666	\$5,724,541	\$380,125

*“C&I Programs” here includes CSRP and DLRP only. Term-DLM and Auto-DLM Programs are reported separately.

** Estimated. Q4 2025 costs have been estimated based on actual spending in Q1-Q3 2025.

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Cost Recovery

Per the Commission's April 19, 2018 order addressing cost recovery,⁸ the Company revised the allocation of costs recovered for each DLM program beginning with the 2018 Capability Period. Prior to May 1, 2018, all DLM program costs were recovered through the Company's DLM surcharge from all customer classes using a transmission allocator. The program costs were also reconciled monthly in the DLM surcharge. However, since May 1, 2018, National Grid has recovered the costs of the DLRP and DLC program from electric customers served at secondary or primary voltage delivery levels, and all streetlighting customers. Beginning with the 2018 Capability Period, the DLRP and DLC Program costs are allocated using a non-coincident peak allocator to apportion costs among the service classes. The CSRP costs are still recovered from all customers using a transmission allocator to apportion costs among the service classes. Since May 1, 2018, all program costs are now reconciled on an annual basis in the DLM surcharge.

DLRP and CSRP Benefits

As noted in previous DLM annual reports filed by National Grid, there are several benefits for both the customer and utility from the implementation of commercial DR programs, which include:

Customer Benefits:

- Monetary compensation that potentially can offset electric bills
- Non-traditional revenue streams from incentives and related rebates
- Demand charge reduction on customer bills
- Potential ratchet avoidance (demand)
- Reduced stress on customer's electrical equipment

Utility Benefits:

- Deferred capital project costs that are due to:
 - Reduced overall electric system stress
 - Direct project savings in designated or constrained areas
- Enhanced communications and interactions with customers which include:
 - Positive touch points and interactions with customers

⁸ DLM Programs Proceeding, Order Directing Tariff Filings (issued April 19, 2018).

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- Enhancements of the Company’s “trusted advisor” role
- Reduction in electrical system stress

Community/Societal Benefits:

- Lower greenhouse gas (“GHG”) emissions due to reduced need for peaking power plants
- Potential increase in electrical reliability, particularly in designated or constrained areas
- Deferral of disruptive utility construction projects

Benefit-Cost Analysis for DLRP and CSRP

This section provides the results of the completed benefit-cost analysis (“BCA”) for the DLRP and CSRP using the Societal Cost Test (“SCT”), Utility Cost Test (“UCT”), and Ratepayer Impact Measure (“RIM”) for the 2025 program year. There are program-specific cost and benefit inputs that were incorporated into the analysis to calculate the BCA.

The 2025 BCA for DLRP and CSRP was calculated for each of the three tests (SCT, UCT, and RIM) and the resulting costs, benefits, and net benefits are provided below in Tables 3-5. Costs for Q4 2025 have been estimated due to the timing of this report.⁹ The BCA was performed using the 2025 program year pricing incentives in each of the three tests.

The SCT is used to measure and value the net costs and benefits to society, as based on current DR programs. This test analyzes the programs’ BCA in entirety and compares the costs that have been incurred for the implementation of the program to customer costs with avoided electricity and other supply-side resource costs. The SCT also includes the cost of externalities to provide a framework for whether a program should continue to be implemented. The SCT for the commercial portfolio (*i.e.*, the combined DLRP and CSRP) yields a result of [REDACTED] and [REDACTED] in net benefits. Table 3 below applies the SCT test to the DLRP and CSRP as a commercial program portfolio.¹⁰

⁹ Labor/administrative costs have been estimated for October, November, and December 2025.

¹⁰ *Id.*

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Table 3: Cost-effectiveness Tests for 2025 DLRP and CSRP Using the SCT:

National Grid Demand Response Cost-effectiveness SCT Results	
Criteria	DLRP* & CSRP Total C&I
Benefits	[REDACTED]
Costs	[REDACTED]
Net Benefits	[REDACTED]
SCT	[REDACTED]

*Cost treatment for the BCAs has been kept consistent with previous filings and includes the DRMS costs associated with the capability period. For 2025 National Grid has combined the program table view since DLRP is not active.

The UCT analyzes the costs and benefits from the perspective of National Grid. This test is integral in identifying impacts on utility revenue requirements and provides information on the effectiveness of program delivery in 2025. The UCT is determined by the costs that have been incurred to implement the commercial DLM programs as compared to the avoided electricity supply-side costs. The UCT for the commercial DLM portfolio yields a result of [REDACTED] and [REDACTED] net benefits in 2025. Table 4 below displays the UCT for DLRP and CSRP as a commercial program portfolio.¹¹

Table 4: Cost-effectiveness Tests for 2025 DLRP and CSRP Using the UCT:

National Grid Demand Response Cost-effectiveness UCT Results	
Criteria	DLRP* & CSRP Total C&I
Benefits	[REDACTED]
Costs	[REDACTED]
Net Benefits	[REDACTED]
UCT	[REDACTED]

*Cost treatment for the BCAs has been kept consistent with previous filings and includes the DRMS costs associated with the capability period. For 2025 National Grid has combined the program table view since DLRP is not active.

The RIM is from the viewpoint of National Grid’s customers in aggregate. This test determines what happens to average prices for customers due to changes in utility revenue and operating costs. The test determines whether funding requirements need to be increased for the utility program. The RIM for the commercial DLM portfolio yields a result of [REDACTED] and [REDACTED] in net benefits. Table 5 below displays the RIM for DLRP and CSRP as a commercial program portfolio.¹²

¹¹ *Id.*

¹² *Id.*

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Table 5: Cost-effectiveness Tests for 2025 DLRP and CSRP Using the RIM:

National Grid Demand Response Cost-effectiveness RIM Results	
Criteria	DLRP* & CSRP Total C&I
Benefits	
Costs	
Net Benefits	
RIM	

*Cost treatment for the BCAs has been kept consistent with previous filings and includes the DRMS costs associated with the capability period. For 2025 National Grid has combined the program table view since DLRP is not active.

A benefit-cost ratio (“BCR”) above 1.0 indicates that a program is cost effective. The BCR for each of the tests for National Grid’s commercial DLM portfolio is above 1.0. To maintain the cost-effectiveness of the DLM program portfolio, the Company will continue to effectively manage program spending and will endeavor to increase participation and enrollment in these commercial programs.

2025 CSRP Operations

National Grid has enrolled 219 customers through six (6) aggregators and five (5) individual participants for CSRP in 2025. The total amount of enrolled capacity from these customers was 330.95 MW.

Program operating costs for 2025 were included in Table 2 in the *2025 DLRP and CSRP Costs* section above, and were composed of implementation activities including, but not limited to:

- Tariff leaves preparation
- Incentive setting
- Internal departmental outreach and coordination
- Program implementation
- Incentive calculation and processing
- Sales team presentations
- Customer acquisition
- Measurement and Verification (“M&V”) preparation and calculation of results
- Aggregator communications
- Valuation and analyzing constrained areas
- Coordination work with other utilities
- Document and report preparations

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Checking all accounts in National Grid's customer system for accuracy of:

- Customer account information
- New York Independent System Operator ("NYISO") zones
- Customer service/mailing addresses
- Supply station/feeder/voltage-level data
- Peak load information

Aggregator and customer management:

- Cooperative discussions about process improvements and set-up with EnergyHub
- Creation of enrollment and settlement data comma-separated values ("CSV") files
- Customer meter data issue resolution
- Identification of website improvements required for internal teams
- Discussion and guidance on event M&V results

Program Management:

- Aggregator administrative support
- Event notification process improvements
- Day-ahead forecast accuracy checks
- Accounting set up – customer incentive payment issuance
- Customer Base Load ("CBL") calculations for M&V review
- Capacity reduction calculation
- Customer payment calculation
- Performance factor maintenance
- NYISO customer coordination with CSRP

DRMS Configuration:

- Customer enrollment and set up in DRMS
- Settlement calculations for customers (completed through EnergyHub, with manual M&V calculations for review)
- Accurate reporting of DR event calculations by working with Transmission Control Center ("TCC") and EnergyHub
- Effective internal IT integration for EnergyHub

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- Event notification tests for customers to ensure accurate event dispatch

2025 CSRP Event Performance and System Impacts

National Grid’s service territory experienced an extremely hot and humid July which saw twelve (12) events called in that month alone. Seasonably warm periods in June and August resulted in six (6) additional event days for the 2025 Capability Period. A total of sixteen (16) planned and two (2) unplanned events were called through the CSRP in the 2025 Capability Period, as shown in Table 7 below. This season was uncharacteristic, having twelve (12) events in July, where the 2025 Capability Period saw as many events as the 2023 and 2024 capability periods combined. The second week of July saw an event called every eligible day, and each event this season was one of at least two consecutive events. The 2025 Capability Period reinforced the importance of unplanned events and increased incentives as a key aspect of the CSRP. Table 6 below provides the enrolled curtailment for each of the five (5) individual participants and the six (6) aggregators for 2025. The 2025 capability period also saw the net addition of two (2) Individual Participants.

Table 6: CSRP Enrolled Demand for 2025

Aggregator/Individual Participant	Enrolled Curtailment (MW)
Aggregator 1	124.08
Aggregator 2	12.20
Aggregator 3	3.30
Aggregator 4	1.01
Aggregator 5	0.17
Aggregator 6	6.96
Individual Participant 1	177.00
Individual Participant 2	0.08
Individual Participant 3	0.05
Individual Participant 4	6.00
Individual Participant 5	0.10
Total Enrolled	330.95

Demand curtailment benefits the Company’s electrical system. However, most of the load shedding was concentrated among higher capacity customers in NYISO Load Zone A (National Grid’s Western Division) despite a larger number of customers participating in the CSRP being concentrated in NYISO

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Load Zone F (National Grid’s Eastern Division). Contracted Load Relief in Zone F was less than 10% that of Zone A.

System impacts for the event dates and the total energy saved per event are shown in Table 7 below, and Table 8 below provides load shedding associated with each load zone.

Table 7: 2025 CSRP Event Results

CSRP Event Results		
Event Date	Actual Load Relief (kW)	Total Event Load Relief
6/23/25	359,562.45	1,438,249.92
6/24/25	356,439.21	1,425,756.83
6/25/25	323,416.48	1,293,665.88
7/7/25	319,233.25	1,276,932.79
7/8/25	267,296.09	1,069,184.14
7/11/25	264,232.20	1,056,928.61
7/14/25	255,698.85	1,022,795.61
7/15/25	257,962.51	1,031,849.95
7/16/25	292,196.34	1,168,785.38
7/17/25	290,064.34	1,160,257.46
7/24/25*	256,643.22	1,026,584.40
7/25/25*	253,333.55	1,013,334.31
7/28/25	305,166.91	1,220,667.31
7/29/25	298,007.61	1,192,144.48
7/30/25	282,082.88	1,128,845.87
8/11/25	275,151.33	1,101,055.44
8/12/25	280,245.82	1,121,457.25
8/13/25	255,615.31	1,023,008.95

**7/24 and 7/25 events were dispatched late due to forecast changes and were voluntary*

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Table 8: 2025 Contracted CSRP Load by NYISO Zone

2025 Contracted CSRP Load by NYISO Zone		
NYISO Zone	CSRP Customer Count	Contracted Load (MW)
A	62	289.20
B	14	1.48
C	29	3.57
D	2	0.03
E	34	8.03
F	78	28.63

Performance factors are calculated for each month of the Capability Period and 2025 results are displayed below for each of the six (6) aggregators and five (5) individual participants. Performance factors for May 2025 were carried over from 2024 for the returning six (6) aggregators and two (2) individual participants, the three (3) new individual participants began the season with either the provisional performance factor or the performance factor achieved when they commenced in June. Two (2) aggregators carried a Performance Factor below 25% into the 2025 Capability Period from the 2024 Capability Period, and one (1) aggregator and one (1) individual participant set a performance factor below 25%, resulting in their ineligibility for reservation payments through the conclusion of the 2025 Capability Period.

Table 9: 2025 Performance Factors by Month

2025 Performance Factors by Month					
Aggregator/Individual Participant	May	June	July	August	September
Aggregator 1	0.91	0.94	0.61	0.62	0.62
Aggregator 2	0.01	1.00	0.84	0.28	0.28
Aggregator 3	0.4	0.93	0.93	0.79	0.79
Aggregator 4	0.84	1	0.9	0.78	0.78
Aggregator 5	0.92	0.81	0.76	0.72	0.72
Aggregator 6	-	0.13	0.07	0.10	0.10
Individual Participant 1	0.50	0.00	0.06	0.05	0.05
Individual Participant 2	1.00	1.00	1.00	1.00	1.00
Individual Participant 3	1.00	1.00	1.00	1.00	1.00
Individual Participant 4	-	0.00	0.00	0.55	0.55
Individual Participant 5	-	0.59	0.80	0.99	0.99

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2025 DLRP and CSRP Sales and Marketing

National Grid did not perform outreach for the DLRP in 2025 since the incentives remained at \$0 and therefore there would be no participation in the program. The CSRP outreach was conducted by aggregators and direct marketing to the customers' contacts. National Grid directly marketed the 2025 CSRP to the aggregator pool via phone calls, emails, and in-person meetings. The Company also emailed and used targeted social media campaigns to contact decision-makers with eligible customers.

National Grid's Market Development team, jurisdiction managers, and sales representatives served as the main points of contact internally for engaging customers to participate in the Company's commercial DLM programs; these internal stakeholders maintain trusted relationships between the Company's largest customers and internal customer-facing groups. These National Grid teams are in constant contact with customers regarding issues that include but are not limited to energy efficiency ("EE") measures, billing matters, energy-related projects, and distributed energy resources ("DER").

2025 Term DLM and Auto-DLM Operations

In December 2024, National Grid issued a new Term-DLM and Auto-DLM Program RFP, soliciting resources to begin participation in the 2026 Vintage Year.¹³ Responses were due at the end of February 2025. The Company received four bids totaling 20.575 MW of participation from four different aggregators for the Term-DLM Program and received one bid for the Auto-DLM Program. The four Term-DLM bid prices were [REDACTED]. The one Auto-DLM bid was for [REDACTED].

Bids were evaluated for program eligibility and cost-effectiveness to determine which bids cleared and which did not. As a result of this bid review process, it was determined that two Term-DLM bids cleared. Additionally, it was determined that the Auto-DLM bid was ineligible, due to the proposed sites being outside the offered program area. The accepted bidders were offered contracts for their bids totaling 13.65MW of load relief with participation commencing in the 2026 Vintage Year, the two awarded

¹³ "Vintage Year" refers to the first Capability Period an Aggregator or Direct Participant is contractually obligated to participate in.

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contract prices per kW were bid prices per kW were [REDACTED] and [REDACTED]. Both bidders accepted their contracts and will commence participation in May 2026.

Term-DLM and Auto-DLM Procurement Review

With five years of Term-DLM and Auto-DLM Program procurements completed, National Grid has observed significant interest from the marketplace in the Term-DLM Program. With 112.75 MW of Term-DLM capacity contracts awarded over five years, National Grid believes the design and procurement process for the Term-DLM Program is working effectively.

Unfortunately, the Company has found the Auto-DLM Program to be less successful. Over five years of procurement, the Company has received only one Auto-DLM bid. National Grid has been actively attempting to connect with stakeholders to understand how the Company can make the Auto-DLM Program more attractive to bidders. In response to stakeholder feedback after the first procurement (Vintage Years 2021 and 2022) was completed, the Company extended the procurement timeline, coordinated procurement release dates with other utilities, and added value tiers to the Auto-DLM locations for the Vintage Year 2023 procurement to help bidders understand the potential value of capacity in each location. For Vintage Year 2024, the Company extended the contract duration offered to 5 years (up from 3 years in Vintage Year 2023) and more closely tailored location-specific participation requirements to each location's need (*i.e.*, limiting required response hours to only the hours forecasted to need load relief over the contract period and extending response time when feasible based upon location needs). For Vintage Year 2026, the Company adopted a fixed, published price-of-capacity model for the procurement which provided a published capacity price for each Auto-DLM location in the RFP, with the aim to reduce bidder uncertainty and increase participation in the RFP.

2025 Term-DLM Event Performance and System Impacts

National Grid's service territory experienced a very active summer season with an exceptionally warm July and warm periods in June and August, resulting in multiple event days for the 2025 Capability Period. Eighteen (18) Term-DLM events were called the in the 2025 Capability Period, with three (3) of those in June, twelve (12) in July, and three (3) in August, as shown in Table 11 below. This season saw approximately 60% more events than the 2024 season and more events than 2023 and 2024 combined, including a single week in which five (5) consecutive events were called. Every event this season occurred on one of at least two consecutive days. The 2025 Capability Period reinforced the importance

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of anticipating unplanned events and increased incentives for those events as a key aspect of the Term-DLM Program. Table 10 below provides the enrolled curtailment by NYISO Load Zone for the single aggregations with active contracts for the 2023, 2024, and 2025 Vintage Years.

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Table 10: Term-DLM Enrolled Demand for 2025

Term-DLM Enrolled Demand for 2025		
NYISO Zone	Term DLM Customers	Load Relief Commitment (MW)
A	5	16.64
B	1	0.05
C	12	1.70
D	0	0.00
E	7	0.32
F	10	10.41
Total	35	29.10

Demand curtailment benefits National Grid’s electrical system. Most of the load shedding was concentrated in NYISO Load Zone A, National Grid’s Western Division. Although twice as many customers participating in the Term-DLM were concentrated in each of NYISO Load Zones C and F respectively (National Grid’s Eastern Division), those zones combined for less load relief than the five (5) customers in Zone A.

System impacts for the event dates and the total energy saved per event are shown in Table 11 below.

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Table 11: 2025 Term-DLM Event Results

2025 Term-DLM Results		
Event Date	Actual Load Relief (kW)	Total Event Load Relief (kWh)
6/23/2025	19,292.13	77,168.57
6/24/2025	18,136.47	72,545.72
6/25/2025	18,345.45	73,381.79
7/7/2025	21,395.32	85,581.28
7/8/2025	21,588.83	86,355.40
7/11/2025	21,936.97	87,747.92
7/14/2025	17,929.26	71,716.96
7/15/2025	22,232.96	88,931.82
7/16/2025	21,367.37	85,469.48
7/17/2025	21,770.62	87,082.57
7/24/2025*	11,260.10	45,040.41
7/25/2025*	12,445.43	49,781.72
7/28/2025	19,250.40	77,001.57
7/29/2025	22,127.19	88,508.86
7/30/2025	21,068.45	84,273.80
8/11/2025	21,045.86	84,183.42
8/12/2025	23,803.30	95,213.23
8/13/2025	23,556.81	94,227.28

**7/24 and 7/25 events were dispatched late due to forecast changes and were voluntary*

Performance factors are calculated on a seasonal basis for the Term-DLM Program. The four aggregators performed at 68% of their commitments for the 2025 Capability Period. No aggregator fell below the threshold where penalties may have been applied to their Reservation Payments.

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2025 Term-DLM and Auto-DLM Sales and Marketing

National Grid's Market Development team, jurisdiction managers, and sales representatives served as the main point of contact internally for engaging customers to participate in the Company's commercial DLM programs; these internal stakeholders maintain trusted relationships between the Company's largest customers and internal customer-facing groups. These National Grid teams are in constant contact with customers regarding issues that include but are not limited to EE measures, billing matters, energy-related projects, and DER. The Company also directly marketed this offering to decision-makers with eligible customers.

2025 Term-DLM and Auto-DLM Costs and Savings

The costs for Term-DLM and Auto-DLM are shown below in Table 12 and stated as a combined C&I portfolio for the Company's C&I programs. Costs are estimates, given that spending for Q4 2025 has been estimated based on actual spending in Q1-Q3 2025.

Total costs associated with the Company's 2025 Term-DLM and Auto-DLM Programs are [REDACTED]. These costs are separated by incentive payments (including both Reservation and Performance Payments) and program operations (consisting of internal administrative (labor) costs). Base costs associated with the setup of EnergyHub, Inc. ("EnergyHub"), National Grid's DRMS vendor, were paid in full upfront for three (3) years in 2023. These base costs have not been included in Table 12 below as part of the total costs for Term-DLM/Auto-DLM; however, the portion of the DRMS costs and fees associated with supporting the 2025 Capability Period are shown in Table 12.

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2025 Term-DLM and Auto-DLM Costs*			
Program Components	2025 Term-DLM and Auto-DLM Component Costs	DLM Surcharge Recoverable	DLM Surcharge Non-Recoverable
Term-DLM Incentives			-
Term-DLM Operations (Internal)	\$21,486.00	-	\$21,486.00
Term-DLM Evaluation Costs (External)	\$2,000.00	-	\$2,000.00
Auto-DLM Operations Costs (Internal)	\$ 15,628.00	-	\$15,628.00
Auto-DLM Evaluation Costs (External)	-	-	-
Marketing Costs	\$5,194.45	-	\$5,194.45
DRMS Costs	\$60,000.00	-	\$60,000.00
Term-DLM and Auto-DLM Total			\$104,308.45

Table 12: Term-DLM and Auto-DLM Program Costs:

*Costs are estimates, given that spending for Q4 2025 has been estimated based on actual spending in Q1-Q3 2025.

Benefit-Cost Analysis for Term-DLM/Auto-DLM Programs

This section provides the results of the completed BCA for Term-DLM using the SCT, UCT, and RIM for the 2025 program year. There are program-specific cost and benefit inputs that were incorporated into the analysis to calculate the BCA.

The 2025 BCA for Term-DLM/Auto-DLM is evaluated using each of the three tests (SCT, UCT, and RIM) and the resulting costs, benefits, and net benefits are provided below in Tables 13-15. Costs for Q4 2025 have been estimated due to the timing of this report.¹⁴ The BCA was performed using the 2025 program year pricing incentives for the Term-DLM Program in each of the three tests.

The SCT is used to measure and value the net costs and benefits to society, as based on current DR programs. This test analyzes the programs' BCA in entirety and compares the costs that have been incurred for the implementation of the program to customer costs with avoided electricity and other supply-side resource costs. The SCT also includes the cost of externalities to provide a framework for whether a program should continue to be implemented. The SCT for the Term-DLM and Auto-DLM

¹⁴ Labor/administrative costs have been estimated for October, November, and December 2025.

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portfolio yields a result of [REDACTED] and [REDACTED] in net benefits. Table 13 below displays the results of applying the SCT test to the Term-DLM and Auto-DLM commercial program.¹⁵

Table 13: Cost-effectiveness Tests for 2025 Term-DLM Program Using the SCT:

National Grid Demand Response Cost-effectiveness SCT Results	
Criteria	Term-DLM and Auto-DLM
Benefits	[REDACTED]
Costs	[REDACTED]
Net Benefits	[REDACTED]
SCT	

The UCT determines the costs and benefits from the perspective of National Grid. This test is integral in identifying impacts on utility revenue requirements and provides information on the effectiveness of program delivery in 2025. The UCT is determined by the costs that have been incurred to implement the Term-DLM Program and Auto-DLM Programs as compared to the avoided electricity supply-side costs. The UCT for the Term-DLM and Auto-DLM portfolio yields a result of [REDACTED] and [REDACTED] net benefits in 2025. Table 14 below displays the UCT for Term-DLM and Auto-DLM as a commercial program portfolio.¹⁶

Table 14: Cost-effectiveness Tests for 2025 Term-DLM Using the UCT:

National Grid Demand Response Cost-effectiveness UCT Results	
Criteria	Term-DLM and Auto-DLM
Benefits	[REDACTED]
Costs	[REDACTED]
Net Benefits	[REDACTED]
UCT	

The RIM is from the viewpoint of National Grid’s customers in aggregate. This test determines what happens to average prices for customers due to changes in utility revenue and operating costs. The test determines whether funding requirements need to be increased for the utility program. The RIM for the

¹⁵ *Id.*

¹⁶ *Id.*

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Term-DLM Program and Auto-DLM portfolio yields a result of [REDACTED] and [REDACTED] in net benefits. Table 15 below displays the RIM for Term-DLM and Auto-DLM as a commercial program portfolio.¹⁷

Table 15: Cost-effectiveness Tests for 2025 Term DLM Using the RIM:

National Grid Demand Response Cost-effectiveness RIM Results	
Criteria	Term-DLM and Auto-DLM
Benefits	[REDACTED]
Costs	[REDACTED]
Net Benefits	[REDACTED]
RIM	[REDACTED]

A benefit-cost ratio (“BCR”) above 1.0 indicates that a program is cost effective. The BCR for the SCT and UCT tests for National Grid’s commercial Term-DLM Program is above 1.0, meaning that this program is cost-effective by these measures. The RIM ratio has fallen just slightly below 1.0, likely the result of the high number of events and the resulting higher than expected performance payments that occurred this summer. The Company believes that in future years where the number of events returns to the normal range, the RIM will once again improve to above 1.0. To maintain the cost-effectiveness of the Term-DLM and Auto-DLM Program portfolio, the Company will continue to effectively manage program spending and will endeavor to increase participation and enrollment in these commercial programs.

Website Development for DLRP, CSR, Term-DLM, and Auto-DLM

National Grid continues to review the DLRP, CSR, Term-DLM, and Auto-DLM content on the National Grid website to ensure accuracy and clarity of program descriptions. This includes updating aggregator information and updating and editing links and information as needed so customers can have a clear understanding of the programs. As new programs or aspects of the existing programs develop or become available, National Grid will continue to update content for transparency and clarity to customers and aggregators. The main page for commercial customers to access DR information is available at: <https://www.nationalgridus.com/Upstate-NY-Business/Demand-Response/Electric-Demand-Response-Solutions>

¹⁷ *Id.*

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2026 DLRP, CSRP, Term-DLM, and Auto-DLM Changes

System Level Forecasting

As reported earlier, the Company called a higher number of events than usual in Summer 2025. The Company recognizes the impact this total number of events may have on participants. By early July 2025, the Company identified that the number forecasted and actual instances of system load exceeded the pre-season event threshold was higher than expected based on the historical number of events through this timeframe. There were 6 event activations by the second week in July, well higher than normal. In an attempt to mitigate this issue and temper the number of event dispatches, National Grid increased the internal event threshold for CSRP and Term-DLM by from 6,304 MW (92% of the Company's 95/5 Forecast) to 6,600 MW. The Company hoped that this increase would prevent an excess number of dispatches for the remainder of 2025. Unfortunately, while this change did reduce the total number of events, there were still a total of 16 Planned events and 2 Unplanned events called across Summer 2025 - a number well above what National Grid believes is an acceptable number of events long term. As a result, the Company conducted an investigation into the causes of this high number of events to determine what steps could be taken to mitigate this issue in future years.

Compared to previous years, weather in Summer 2025 was hotter than average. June and July specifically were hotter than previous June and July over the past 20 years. However, weather is not the only factor contributing to the higher-than-expected load in 2025. Lastly, the increase in distributed generation (DG) proliferation over the past several years has led to an increasing gap between the Company's gross and net loads. Due to this shift, the Company has developed separate Gross and Net load forecasts over Summer 2025 and will be shifting to a Net load forecast for event activation in Summer 2026. We believe this will have a significant and immediate impact on the number of event dispatches moving forward. Looking back at actual loads for Summer 2025, actual Gross loads exceeded the event threshold on 17 days, while Net load exceeded the event threshold on a total of 9 days. Due to this difference in actual load exceedances, National Grid believes a shift from Gross to Net load forecasting will have a significant impact on improving program efficacy in reducing peak loads, while mitigating any unnecessary event calls.

DLRP Expansion

For the 2026 Capability Period, National Grid plans to reopen the DLRP by offering an incentive in the load constrained Company Designated Area of New Krumkill. New Krumkill is a 115/13.2 kV

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substation in Albany, New York with 4.16/13.2 kV ties to neighboring substations. Based on increased forecasted load in this area, the substation transformer may be unable to pick up adequate load from neighboring feeders at peak times of the year during a contingency event. Load flexibility at this location would help relieve the load that would need to be picked up by New Krumkill during a contingency event. This location is home to a Non-Wires Alternative RFP seeking to relieve substation loading through 2030. Over the next 5 years, the Company has planned capital infrastructure improvements to expand the New Krumkill substation so as to eventually transfer the load served by nearby retiring substations permanently to the New Krumkill substation. Rather than deploying temporary infrastructure to mitigate customer interruption in the event of a contingency until the long-term planned capital infrastructure improvements are complete, load flexibility in this location will support load transfers during construction at the New Krumkill substation until that work and associated feeder work has been completed. While an ongoing NWA procurement is in progress at New Krumkill, National Grid believes that supporting load flexibility from the Company's DLM programs would be beneficial to local reliability in the area until the required work is complete. The Company proposes introducing a DLRP Reservation Option reservation payment of \$5/kW-month and a Reservation Option performance payment of \$0.18/kWh, as well as a Voluntary Option performance payment of \$0.16/kWh. National Grid believes these incentive rates will offer sufficient additional financial incentive to drive potential participant interest, while still allowing for the program to meet the required cost-effectiveness tests.

DLRP, CSRP, Term-DLM Program, and Auto-DLM Program Conclusion

National Grid has continued to evaluate the role and interactions of the DLRP, CSRP, Term-DLM Program, and Auto-DLM Program in 2025 in the Company's commercial DLM portfolio. CSRP continues to be the Company's largest and most impactful DR program, with the largest curtailment potential and number of enrolled customers. The CSRP continues to perform reliably and offers customers a familiar option for DR participation. The Company looks forward to leveraging the DLRP in 2026 to support the local flexibility needs of the New Krumkill designated area. The Term-DLM Program continues to grow in number of participating aggregations and committed capacity. Based upon the continued success of these programs through 2025, National Grid expects the program will continue this strong growth over the coming years. While the Auto-DLM Program has not seen the same strong participation as the Term-DLM Program, the Company believes it is an important component of the DLM portfolio and as such continues to focus on program updates and modifications that will increase market interest in participation. As the cost of advanced technology options which enable customers to increase

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their load flexibility potential continues to decrease, National Grid is hopeful that customer interest and participation in programs like Auto-DLM will increase.

Direct Load Control (“DLC”) Program

ConnectedSolutions Thermostat Program Introduction and Program Operations

Connected**Solutions** Thermostat Program is a system-wide DLC Program that began in 2016. This peak-shaving and reliability program is implemented in coordination with the DR programs of National Grid’s affiliate in Massachusetts. Connected**Solutions** Thermostat Program is a BYOD program that currently supports eight (8) Wi-Fi connected thermostat manufacturers.

Connected**Solutions** is operated in partnership with EnergyHub, a Brooklyn-based company that works with National Grid to support the growth of the Company’s DLC Programs through its DRMS. DRMS fulfills National Grid’s need to allow both residential and small commercial customers to sign up for DR programs through an automated registration process using a web-based interface. EnergyHub provides for:

- Ease of the initial set-up for the residential demand management platform
- Platform capability to connect to major thermostat manufacturers to enable and validate eligible customer information
- Ability for residential customers to sign up for DLC Programs through an automated registration process using a web-based interface
- Verification of customer eligibility through contact information submitted to National Grid and to the platform
- Calling of DR events through the web-based interface or portal
- Reception of post-event data for both customers and National Grid based on events and the entire DR season
- Scalability and growth potential for DLC Programs
- Overall potential to integrate other connected devices, including solar inverters and energy storage systems in the future
- Potential to cut costs and increase overall efficiencies through device integration

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EnergyHub works directly with thermostat manufacturers to enroll and control thermostats in the Connected**Solutions** Thermostat Program and works directly with battery manufacturers to enroll and control batteries in the Connected**Solutions** Battery Program. This added benefit decreases the administrative burden and permits a common, integrated platform for thermostat manufacturers, reducing costs of program operation.

Some of the DLC tasks this year included:

Vendor Management:

- Identification of website improvements needed
- Event notification discussions/processes with the vendor
- Customer support system improvements

Program Management:

- Event trigger process improvements
- Event notification process improvements
- Payment of sign-up and performance incentives to customers
- Verification of customer information through EnergyHub portal
- Coordination and expansion of National Grid and EnergyHub marketing efforts

DRMS Configuration:

- Refreshed DRMS design and accessibility
- Customer enrollment and set up within online portal
- Calling of DR events from EnergyHub portal

Additional benefits from the DLC Program include:

- Avoided generation capacity costs
- Avoided Locational Based Marginal Pricing (“LBMP”)
- Avoided transmission capacity infrastructure costs
- Wholesale market price impacts
- Avoided distribution capacity infrastructure costs
- Net avoided CO₂, SO₂, and NO_x emissions

There was an incremental growth of 2,245 thermostats enrolled in Connected**Solutions** as of October 1, 2025, for a total of 28,946 thermostats in the program. This demonstrates growth from the 2024 enrollment total of 26,701 thermostats despite 2,182 un-enrollments in the program during the 2025 Capability Period

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The ConnectedSolutions Thermostat Program saw an 8 percent growth, a slight improvement over the 2024 growth rate. In May 2025 the enrollment incentive increased from \$30 to \$50, which appears to have resulted in an increased growth rate and continued strong enrollment trends. The enrollment rate following the incentive increase was 25% higher than the same period in the prior two years. National Grid anticipates continued growth of the ConnectedSolutions Program in 2026, particularly with an incentive increase and continuing improvement of marketing strategies that are described later in this report, and with the increase of enrollments for thermostat manufacturers that are newer entrants to the DLC Program.

Summary of DR Events

There were a total of sixteen (16) events held during the 2025 Capability Period for the ConnectedSolutions Program. Below is a summary of the 2025 Capability Period DR events:

Table 16: 2025 ConnectedSolutions DR Events

ConnectedSolutions DR Events					
Event Date	Number of Participants	Demand Reduction (MW)	Total Energy Savings (MWh)	Average Reduction per Device (kW)	Average Participation (%)
6/23/2025	28,225	30.34	91.03	1.08	76.4%
6/24/2025	28,252	29.54	88.63	1.05	76.4%
6/25/2025	28,205	29.01	87.04	1.03	78.8%
7/7/2025	28,147	32.82	98.46	1.17	82.9%
7/11/2025	28,489	31.62	94.86	1.11	82.3%
7/14/2025	28,502	30.78	92.33	1.08	82.4%
7/15/2025	28,484	31.19	93.58	1.10	79.9%
7/16/2025	28,495	33.40	100.19	1.17	79.6%
7/17/2025	28,462	28.43	85.29	1.00	81.7%
7/25/2025	28,435	28.63	85.89	1.01	84.2%

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7/28/2025	28,437	31.39	94.16	1.10	79.2%
7/29/2025	28,405	31.48	94.43	1.11	79.1%
7/30/2025	28,402	31.41	94.22	1.11	80.5%
8/11/2025	28,436	30.58	91.75	1.08	80.8%
8/12/2025	28,462	31.33	94.00	1.10	79.4%
8/13/2025	28,431	28.48	85.43	1.00	83.4%

The duration of each Connected**Solutions** event was three (3) hours for the 2025 Capability Period. With the exception of the 7/17 and 7/25 events, which ran from 5:00 pm to 8:00 pm and 3:00 pm to 6:00 pm respectively, the other fourteen (14) events were administered from 4:00 pm to 7:00 pm.

Through the course of the 2025 Capability Period and the sixteen (16) events this summer, the number of participants has grown. Demand reduction in 2025 has grown by approximately 3 MW, for all the sixteen (16) events Connected**Solutions** realized an average demand reduction of 30.7 MW. Average participation throughout all ten (10) events has decreased to 80%, about 5% less than 2024, but average load reduction per device has remained over 1 kW per device, indicating the drop in participation is not impacting the program's ability to reduce peak load. Annual removal of non-performing or disconnected customers continues to ensure strong and reliable performance for the program.

Program Incentives

Customers receive a \$50 incentive for enrolling in the Connected**Solutions** program through the participation of the eight (8) current thermostat manufacturers. This incentive was increased from \$30 in May 2025. Customers become eligible to receive a \$20 participation payment beginning in their second year of participation in the program if they participate in 80 percent of the DR event-hours called.

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2025 Program Costs and Savings

Total ConnectedSolutions Thermostat Program costs include all demand management platform charges from EnergyHub, program operation costs, any hardware and equipment costs, and total marketing fees. Costs for the months of October, November and December 2025 have been estimated due to the timing of this report.¹⁸ The table below illustrates program costs for the thermostat component of ConnectedSolutions:

Table 17: 2025 ConnectedSolutions Thermostat Program Costs

2025 ConnectedSolutions Thermostat Program Costs*	
Device Manufacturer Annual Fees & External Vendor Costs	\$851,381
Performance and Enrollment Incentives Costs	\$507,524
Internal Labor and Administrative Costs	\$82,721
Marketing	\$69,386
External Evaluation Costs	\$2,000
Total	\$1,513,012

*Figures for October-December included in the totals are estimated.

The average curtailment for the 2025 Capability Period was 30,650 kW. Therefore, with a corresponding total program cost of \$1,513,012, the cost/kW equals \$49.64/kW for the ConnectedSolutions Thermostat Program.

ConnectedSolutions Battery Program

In the April 25, 2025 DLM Order, the Commission approved National Grid’s proposal to implement a “Bring Your Own Battery (BYOB)” program within the Direct Load Control program tariff. In response to this, the Company immediately commenced the process of standing up a BYOB program for Summer 2025 in conjunction with EnergyHub. Over the early months of summer 2025, the launch process consisted of securing partnerships with battery original equipment manufacturers (“OEMs”), developing program rules, establishing customer enrollment processes (including associated web landing pages) and configuring the EnergyHub platform to operate these customer batteries for demand response events.

¹⁸ Performance incentives and labor/administrative costs have been estimated for October, November, and December 2025.

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The Company was able to finalize program setup and open to customer enrollments in early September 2025. As of November 3, Tesla and SolarEdge are accepting enrollments into the program, with an additional 5 device OEMs expected to be added for participation in advance of the Summer 2026 capability period. As of November 3, 2025, there are 36 customers enrolled in the program with their battery storage systems.

Summary of Battery DR Events

Prior to the end of the 2025 Capability Period, the Company was able to test the performance of enrolled batteries by calling a test event. The results of this test event are presented in the table below:

Table 18: Summary of DLC Battery Event Performance

Summary of Battery DR Events	
Date	9/29/25
Number of Participants	23
Average Event Net Discharge (kW)	125.30
Net Total Discharged Energy (kWh)	375.90
Average Participation (%)	100%

All 23 participants enrolled at the time of the test event were successfully dispatched for the full 3-hour duration of the event. No participant opted out for any portion of the event. The average hourly event performance was 125.3 kW, with an average participant hourly performance of 5.45 kW.

Battery Program Incentives

Participating customers are eligible to receive a \$50/kW-year incentive based upon the performance they deliver during DR events. A customer's performance for each year is measured as the average of their performance across all DR events called during a season. That average performance in kW is multiplied by the incentive rate of \$50/kW-year to determine each customer's annual incentive. Customers who enroll after the final event of the season has been called have their seasonal performance set to zero.

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2025 Program Costs and Savings

Total Connected**Solutions** Battery Program costs include all platform and device fees, vendor costs, program operation costs, any hardware and equipment costs, and total marketing fees. Costs for the months of October, November and December 2025 have been estimated due to the timing of this report.¹⁹ A significant portion of the 2025 battery program costs incurred are one-time costs associated with program set-up, configuration, and launch to the market. The Company anticipates platform and vendor fees on a per customer basis to be significantly reduced in future years. The table below illustrates program costs for Connected**Solutions**:

*Table 19: 2025 Connected**Solutions** Battery Program Costs*

2025 Connected Solutions Battery Program Costs*	
Cost Type	Total
Platform Fees & External Vendor Costs	\$75,000
Performance and Enrollment Incentives Costs	\$8,145
Internal Labor and Administrative Costs	\$5,000.00
Marketing	-
External Evaluation Costs	-
Total	\$88,145

*Costs for October-December 2025 in these totals have been estimated

Benefit-Cost Analysis for **ConnectedSolutions** DLC Program

This section details the evaluation of BCA for the Connected**Solutions** Program using the SCT, UCT, and RIM tests. These BCA tests portray the cost-effectiveness of the Company's DLC Program portfolio as a whole. Also included in the tables are separate test results for the Thermostat and Battery components of the DLC portfolio individually.

The SCT for the Connected**Solutions** Program Portfolio, including avoided generation capacity costs, yields a result of 3.09 and \$3,204,481 in net benefits. The Thermostat component of the program yields a result of 3.27 and \$3,273,406 in net benefits while the Battery component of the program yields a result of 0.22 and -\$68,925 in net benefits. Table 20 below displays the SCT for the Connected**Solutions** Program.

¹⁹ Performance incentives and labor/administrative costs have been estimated for October, November, and December 2025.

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Table 20: Cost-effectiveness Tests for 2025 DLC Program Using the SCT

Cost Effectiveness Tests for 20225 DLC Program Using the SCT			
Criteria	DLC Total	Thermostats	Batteries
Benefits	\$4,736,252	\$4,717,032	\$19,220
Costs	\$1,531,771	\$1,443,626	\$88,145
Net Benefits	\$3,204,481	\$3,273,406	(\$68,925)
SCT	3.09	3.27	0.22

The UCT, including avoided generation capacity costs, for ConnectedSolutions yields a result of 3.28 and \$3,285,498 in net benefits. The Thermostat component of the program yields a result of 3.46 and \$3,349,423 in net benefits while the Battery component of the program yields a result of 0.23 and -\$63,925 in net benefits. Table 21 below displays the UCT for the ConnectedSolutions Program.

Table 21: Cost-effectiveness Tests for 2025 DLC Program Using the UCT

Cost Effectiveness Tests for 2025 DLC Program Using the UCT			
Criteria	DLC Total	Thermostats	Batteries
Benefits	\$4,729,548	\$4,710,328	\$19,220
Costs	\$1,444,050	\$1,360,905	\$83,145
Net Benefits	\$3,285,498	\$3,349,423	(\$63,925)
UCT	3.28	3.46	0.23

The RIM for the DLC Portfolio, including avoided generation capacity costs, yields a result of 3.17 and \$3,235,778 in net benefits. The Thermostat component of the program yields a result of 3.46 and \$3,349,423 in net benefits while the Battery component of the program yields a result of 0.23 and -\$63,925 in net benefits. Table 22 below displays the RIM for the ConnectedSolutions Program.

Table 22: Cost-effectiveness Tests for 2025 DLC Program Using the RIM

Cost Effectiveness Tests for 2025 DLC Program Using the RIM			
Criteria	DLC Total	Thermostats	Batteries
Benefits	\$4,729,548	\$4,710,328	\$19,220
Costs	\$1,493,770	\$1,410,625	\$83,145
Net Benefits	\$3,235,778	\$3,299,703	(\$63,925)
RIM	3.17	3.34	0.23

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A BCR above 1.0 indicates that a program is cost effective. The BCR for each of the tests for National Grid's Connected**Solutions** Program as a combined portfolio, as well as for the Thermostat Program separately, is above 1.0. While the BCR results for the battery component of DLC are below 1.0, the Company anticipates BCR scores will improve significantly in future years after start-up costs are overcome and the program reaches maturity. As a result, National Grid does not propose any change to the pricing incentives. Based on interim enrollment trends, National Grid expects the number of devices participating at the start of the 2026 Capability Period to increase steadily.

Connected**Solutions** Marketing and Recruitment

National Grid uses a multi-channel strategy to increase awareness of, and participation in, the Connected**Solutions** program. As in previous years, thermostat manufacturers have continued to reach out to customers directly to encourage participation. Furthermore, the partnership between National Grid and EnergyHub continues to be vital for program communication. EnergyHub plays a key role in aligning brand messaging, recruitment efforts, and other marketing campaigns between National Grid and our largest partner thermostat manufacturers. Additional efforts include a quarterly email series and paid media campaign. The email open rates for Connected**Solutions** increased 15% year over year to approximately 46%, continuing to outpace the industry average. A paid social media and search campaign continued in 2025. In 2025, the Connected**Solutions** landing page saw over 74,500 total visitors, roughly 52,000 of these were new or unique visitors. Our paid social and search campaign brought in over 63,000 of the total visitors (85%). National Grid intends to maintain customer engagement through these channels for years to come.

Between 2020 and 2024, National Grid promoted enrollment in the Connected**Solutions** program at the point of purchase for Google Nest and ecobee thermostats on the Company's online Marketplace which continued through 2023, when the decision was made to officially discontinue the Marketplace. National Grid will continue to include multiple marketing channels such as direct outreach to customers who took advantage of rebates available from utilities for installation of Wi-Fi thermostats or other energy upgrades. Other methods, such as point-of-purchase displays in retail outlets (e.g., The Home Depot) may also be used as a recruitment tool in future program years.

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The Company is also continually investigating the cost effectiveness of including other residential devices and technologies in the Connected**Solutions** Program to determine whether they merit DLC Program expansion.

Connected**Solutions** Website Development

Customers access information about the Connected**Solutions** program at the marketing landing page <https://www.nationalgridus.com/Upstate-NY-Home/ConnectedSolutions/>. Customers can sign up for the Connected**Solutions** program at <https://enrollmythermostat.com/connectedsolutionsny/>.

The program landing page serves as a central repository of information and directs customers to the sign-up form for the Connected**Solutions** program. National Grid's web marketing team has been administering and improving the program website to make it clear and easy for customers to access all relevant information about the Connected**Solutions** program.

Sunset of DSASP and DADRP and Associated Tariff Modifications

On October 15, 2025, the NYISO filed with the Federal Energy Regulatory Commission a notice of effective date to assign an effective date of October 31, 2025 to its proposal to sunset the NYISO's Day-Ahead Demand Response Program (DADRP) and Demand Side Ancillary Services Program (DSASP) in accordance with its Distributed Energy Resource (DER) model in Docket No. ER19-2276-007. In response to that filing, National Grid has removed Tariff Rule 55 "Day Ahead Demand Response Program Offerings" from its Tariff as well as Form L11 which served as an application for that program. Additionally, the Company has removed references to DSASP from Tariff Rule 61.5.4.

DLM Program Conclusion

Implementation of National Grid's DLM programs is aligned with New York State's goals, particularly those of the 2019 Climate Leadership and Community Protection Act ("CLCPA").²⁰ The CLCPA establishes goals that 70 percent of statewide electric generation be provided by renewable energy systems by 2030 and 100 percent zero-emission electric demand system by 2040. Avoidance of carbon

²⁰ Chapter 106 of the Laws of 2019. The CLCPA is *available at* <https://www.nysenate.gov/legislation/bills/2019/s6599>

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emissions through DR programs contributes to the State's goals. DR has been proven to lower carbon emissions and contribute to overall peak load reduction.

National Grid's DLM programs have grown significantly in the 2025 Capability Period. Although the months of June, July, and August each saw the need for multiple events called for the CSRP, Term-DLM Program, and DLC Program, National Grid was able to relieve stress on the Company's electrical equipment and overall electric system through implementing these system-wide DLM programs. National Grid's development and launch of the ConnectedSolutions Battery Program as an addition to the DLC Program is an important step in the expansion of the DLM portfolio, engaging a new subset of customers interested in leveraging their DERs. In the coming years, the Company seeks to continue to expand its capabilities in leveraging customer participation to provide grid reliability and flexibility, reduction of GHG emissions, and peak load reduction, while continuing to deliver cost-effective benefits to customers with the DLM programs.