

Natural Gas Demand Response Program for Firm Customers



During the winter months, demand for natural gas is at its highest between the hours of 6 a.m. to 10 a.m. and from 4 p.m. to 8 p.m. That's when homes and businesses are turning up the thermostat and production is at its peak. By reducing firm customers' (customers on an uninterruptible straight gas rate) overall energy demand during these periods, we can better manage our system needs for all customers.

Let's work together to lower energy demand.

When it's forecasted to be 10° F or below at either Republic Airport or LaGuardia Airport during the program period and you reduce your natural gas usage, you will not only help us manage demand, you may also earn money.

- The program period runs November 1, 2022 - March 31, 2023.
- Following the program period, eligible customers can receive an incentive for participation.

National Grid's DR Program is designed to help make reducing demand during peak times rewarding for everyone.

Learn more about the program:

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Participation Options

Customers may enroll in National Grid's Commercial, Industrial and Multifamily Programs directly with National Grid (as a Direct Participant) or through a Third-Party Aggregator. A direct participant may self-aggregate multiple individual accounts of their own.

The incentive for this program is based on the amount of reduction you can offer within the plan option you choose, subject to your performance during events. An estimate of your incentive is up to 15% of your annual gas spend. Please see the table below for participation options. Your maximum potential incentive will be estimated during review of your application. The Direct Control participation option earns higher incentives. "Direct Control" means National Grid is able to switch customer equipment during tests or events.

Load Shedding Demand Response Program:		
Option	Event Hours	Direct Load Control
Non-DLC	6-10 a.m. and/or 4 p.m.-8 p.m.	No
DLC	6-10 a.m. and/or 4 p.m.-8 p.m.	Yes
Load Shifting Demand Response Program:		
Option	Event Hours	Direct Load Control
Load Shifting	6-10 a.m.	No









Incentive Rates

The following are the Winter 2022-2023 incentive rates for both reservation and performance payments:

Program Option – Load Shedding	Event Window(s)	Reservation Payment	Performance Payment
Non DLC	6-10 a.m. and/or 4-8 p.m.	\$46/Dth/Month	\$20/Dth
DLC	6-10 a.m. and/or 4-8 p.m.	\$55/Dth/Month	\$20/Dth
Program Option – Load Shifting	Event Window(s)	Reservation Payment	Performance Payment
Non DLC	6-10 a.m.	\$50/Dth/Month	\$20/Dth

NOTE: 1 Dekatherm (Dth) = 10 Therms (Th) = approx. 1,000,000 BTU's.

8 Quick Facts about the Program

-  This program is NOT available to interruptible or Non-Firm service customers. Customers enrolling in the Load Shedding option will require an alternate fuel source, such as oil, propane, or electric heating, to participate. Customers willing to turn off non-heating loads (i.e., process loads, electric generation, etc.) are also encouraged to participate. Participating customers must reduce their gas usage during Demand Response Event days. The Demand Response Events will only last for a predetermined period of time (please see previous table for participation time options).
-  Demand Response Events may be called for days when forecasts indicate the low temperature at either Republic Airport or LaGuardia Airport will be at or below 10° F.
-  Your rate won't change, which means no changes to your bills, billing cycle, or anything else.
-  We will arrange the installation of simple devices that will allow us to monitor your usage and possibly switch your equipment during events if you choose the Direct Control option. National Grid equipment and installation is free. However, there may be costs to you associated with electrical fit-out needs or customer equipment compatibility.
-  Notifications for events will be sent no less than 20 hours before the start of an event (i.e. by 10 a.m. the day prior to the event morning).
-  Incentive payments will be mailed out within 90 days of March 31, 2023. Incentive levels are based on customer-enrolled demand reduction amounts, subject to performance during events. There are no penalties associated with not performing during an event.
-  Program available to National Grid Firm Commercial, Industrial, and Multi-Family customers in Brooklyn, Queens, and Long Island (excludes Staten Island).
-  Customers can earn incentives of up to 15% of their annual gas bill. Incentives will be calculated based on performance during events in the season.

Technical Data and Eligibility Requirements

General Requirements

- Must be a firm commercial natural gas customer in good standing in National Grid's New York City or Long Island Service Territories, excluding Staten Island.
- Must submit a Natural Gas Demand Response Application Form (the "Application") before September 30th of any given year to participate in that year's Demand Response Program ("Program").
- National Grid reserves the right to accept applications after September 30th.
- If your business signs up for the Winter 2022/2023 Demand Response ("DR") Season, it will be required to resubmit a bid for the 2023/2024 DR Season, and any subsequent DR Seasons if you are enrolled in the year prior, unless you opt for a 3-year enrollment in your Application Form.
- Higher incentives are available for customers who choose reduction in natural gas consumption by Direct Load Control.
- Customers enrolled in the program can receive financial incentives to reduce natural gas use in accordance with the eligibility requirements described herein
- Enrolled customers must have hourly gas metering equipment installed and functioning during the DR Season (Nov 1 – Mar 31). Any customers new to the program will require the installation of an machine-to-machine (M2M) device, at the expense of National Grid. New and returning customers may be required to perform, at the customer's expense, additional work related to meter power and communications to prepare their facility for the installation of the devices.
- Customers that currently use a third-party marketer for commodity should be aware of implications to their commodity contract if complying with the Natural Gas Demand Response Program puts them out of swing tolerance in their commodity contract. There should not be any issues for customers with "full requirements" commodity contracts.

Demand Response Type Requirements

- Specific to the **Load Shedding** Demand Response program options, customers must have the ability to reduce gas consumption by shutting off non-heating gas equipment or switching to a backup, non-gas heating fuel source. Customers who can only shift gas loads to a different time period within the same day are encouraged to participate in the Load Shifting Demand Response program.
- Specific to the **Load Shifting** Demand Response program, customers are restricted from using a fossil fuel backup non-gas heating fuel source to reduce load during demand response events. Participating customers will be asked to attest that they will not use such resources during demand response events. A customer may, however, use exempt resources such as heat pumps. A full list of prohibited and exempt resources follows. A customer who does not

comply with this rule may be barred from participating in the program for the remainder of the season and future DR events. Customers who must rely on a fossil fuel alternate are strongly encouraged to participate in the Load Shedding Demand Response program.

PROHIBITED Load Shifting DR Resources: Fossil fuel options such as Propane, Ultra-low sulfur Heating Oil & Kerosene.

EXEMPT Load Shifting DR Resources: Non-fossil and/or renewable options such as Electricity (including heat pumps), Pelletized Wood (except in NYC), Biodiesel/Biofuel (at least Type B10 – 10% blended), Other Solid fuels (Biomass), Alcohols (Ethanol or Methanol), Hydrogen, Renewable Natural Gas.

- Accounts must enroll a minimum of 1 dth per hour. Customer enrolled accounts must consume at least 4,000 dths per year or have peak consumption greater than 1 dth per hour. This restriction also applies to each site enrolled through an Aggregator.
- Curtailment of standby equipment and emergency generators is not eligible.

About Demand Response Events

- A "DR Event" or "Demand Response Event" means a period of time during the 2022-2023 season for which National Grid indicates that the customer must curtail their consumption of natural gas in accordance with the terms and conditions of the specific program option in which the customer has enrolled.
- DR Events will only be called during the DR Season, which lasts from November 1st to March 1st.
- DR events will be called at least twenty (20) hours before curtailment is needed.
- Customers cannot opt out of a DR event.
- National Grid reserves the right to call a Mid-Winter Test Event option for all programs if no actual events have occurred.

About the Incentive

- Incentives will be paid out within 90 days of the conclusion of the DR Season each year.
- Payments will be equal to the committed event dekatherm reduction multiplied by the Reservation Rate listed in the Program Options and adjusted by the then applicable Performance Factor ("PF") for each month of the winter season.
- Customers will not be eligible for Reservation payments in any month where an enrolled account's calculated Performance Factor is less than 25%.

Details about the Demand Response Incentive Program

- Customers not selected for participation in the Winter 2022/2023 Gas DR Season will have the opportunity to apply for participation in the 2023/2024 Winter DR Season program.
- Incentives and participant openings to this program are limited based on the quantity of demand response assets to register.

Glossary of Terms

1. **“Aggregator”** means an entity that aggregates and represents load and is responsible for the actions of its customers with respect to National Grid’s DR programs. Such an entity may also assist customers and property owners/managers with DR program participation. Third-Party Aggregators may have one or more accounts enrolled in National Grid’s Commercial, Industrial and Multifamily Programs during a given season. Aggregators will only aggregate accounts within the same program option.
2. **“Agreement”** means the Application, including all related exhibits, schedules, supplements, or attachments thereto, and the Public Service Commission’s order in Cases 20-G-0086 in New York and 20-G-0087 in Long Island. In the event of conflict between the Application (or any related exhibits, schedules, supplements, or attachments thereto) and these Case Orders, these Case Orders shall govern.
3. **“Applicant”** means the entity that fills and submits the Application for enrolling in the Gas Demand Response Program to National Grid. An Applicant can be either a direct participant (“Customer”) or a third-party Aggregator.
4. **“Application”** means the application in respect of the Program completed by a Customer or Aggregator and accepted by National Grid, in National Grid’s sole discretion.
5. **“Customer”** means the firm non-residential rate customer maintaining an account for natural gas service with National Grid in National Grid’s service territory within the State of New York that is identified on Page 1 of the Application (Brooklyn, Queens and Long Island – excluding Staten Island) and that satisfies the Program requirements, as determined by National Grid.
6. **“Customer Data”** means all data and information collected by National Grid from Customer in respect of the Program, including, but not limited to (a) data and information collected by Metering Equipment, and (b) other data and information collected for the purposes of determining (i) the amount of payments (if any) to be remitted to Customer in accordance with this Agreement, and (ii) Customer’s compliance with Program requirements and this Agreement.
7. **“Demand Response Event”** means a period of time during the Demand Response Season for which National Grid, upon not less than twenty (20) hours’ notice to Customer (i.e. by 10 a.m. the mornings prior to when the reduction must occur), shall indicate that Customer must curtail Customer’s consumption of natural gas in accordance with this Agreement. Depending on the selected program option on the Application attachments, Load Shedding DR Program Customers will be required to curtail gas consumption either: (a) for one or two periods of four (4) hours on such date(s) that is/are designated by National Grid, beginning at 6 a.m. ET and ending at 10 a.m. ET AND/OR beginning at 4 p.m. ET and ending at 8 p.m. ET. Load Shifting DR Program Customers will be required to curtail gas consumption for a period of four (4) hours on such date(s) that is/are designated by National Grid, beginning at 6 a.m. ET and ending at 10 a.m. ET. Demand Response Events will be called for days when National Grid forecasts the low temperature measured at either Republic Airport or LaGuardia Airport will be at or below 10 degrees Fahrenheit. If the Customer is enrolled in the Demand Response Program through an Aggregator, Demand Response Events notifications shall be sent by both said Aggregator and National Grid directly (through the designated Site Contact in the Application form) .
8. **“Demand Response Season”** means the period in any calendar year within the Term during which Customer is participating in the Program, beginning on November 1 and ending on March 31, inclusive.
9. **“Direct Load Control (DLC)”** The presence of a communications device which allows National Grid to remotely switch Customers’ gas load to an alternate fuel, or any other setup that gives National Grid remote control of gas equipment.
10. **“Effective Date”** means the date when National Grid accepts the Application.
11. **“Event Performance”** means the comparison of an account’s actual consumption during the event window against its calculated baseline for the aggregate usage over the entire event window.
12. **“Performance Payment”** means a payment, in addition to the Reservation Payment, equal to the applicable rate per dekatherm of natural gas curtailed by Customer during a Demand Response Event.

13. **“Incentive Payment”** means a payment paid to the Customer for its qualifying participation, as determined by National Grid, in the Firm Demand Response Program during the winter of 2022-2023. It is defined as the sum of potential Reservation Payment and Performance Payments.
14. **“Load Shedding Demand Response Program”** is a program for large firm Commercial, Industrial and Multifamily customers capable of reducing peak day gas loads for a period of up to 8 hours on event days. Customers must have the ability to reduce gas consumption by shutting off non-heating gas equipment or switching to a backup, non-gas heating fuel source.
15. **“Hourly Demand Response Program”** is a program for firm Commercial, Industrial and Multifamily customers who shift gas loads out of a 4-hour peak period window on event days. Customers are restricted from using a fossil fuel backup non-gas heating fuel source to reduce load during demand response events.
16. **“Metering Equipment”** means the National Grid-owned meters and any other related equipment or items that are owned by National Grid and installed at the applicable Customer Site for the monitoring of natural gas flow and usage or controlling gas equipment.
17. **“Performance Factor (PF)”** Percent value assigned to each account based on a 3-event rolling average of performance. The Performance Factor will be applied to Customer’s monthly incentive payment at the close of each month. All new Customers and third-party Aggregators will start the 2022-23 season with an assumed 100% PF; however, the Event Performance during the first event or test event will retroactively apply to any prior months when no events occurred. PF will carry over from prior winter for returning Customers.
18. **“Program”** means the Natural Gas Firm Demand Response Program offered by National Grid to eligible Customers.
19. **“Program Month”** means each calendar month during the Demand Response Season.
20. **“Program Testing”** means any and all tests conducted by National Grid, including, without limitation, a Test Event or other tests conducted at a Customer Site in respect of Customer’s eligibility and/or capacity to participate in the Program.
21. **“Site”** means Customer’s business facility in National Grid’s service territory within the State of New York to which firm natural gas service is provided by National Grid and that is set forth on Page 1 of the Application.
22. **“Test Event”** means a test demand response event called by National Grid for the purpose of assessing Customer’s ability to participate in the Program. Customers will receive an Energy Payment for curtailed usage during a Test Event, and compliance during a Test Event will count towards the Performance Factor.
23. **“Reservation Payment”** Payment equal to the enrolled event dekatherm reduction multiplied by the corresponding Reservation Rate and adjusted by the then applicable Performance Factor for each month of the winter season.