

# Natural Gas Demand Response Program for Firm Customers

## Frequently Asked Questions

### What is a Firm Natural Gas Customer?

The term Firm Natural Gas Customer refers to customers that are on an uninterruptible, straight gas rate. Only Commercial, Industrial, or Multi-Family facilities with more than 5 units can participate. Generally, most Firm customers don't have a backup system, but if they can shift gas loads to a different time period within the same day, they can participate in our Load Shifting option. Customers who maintain an alternate fuel source or are able to shut off non-heating gas loads can participate in our Load Shedding option.

### What do I need to do to participate?

Contact your demand response aggregator, your National Grid sales representative, or directly the Gas DR team at [gasdr@nationalgrid.com](mailto:gasdr@nationalgrid.com); they will walk you through the process. To participate in our Load Shedding option you must be able to shut off non-heating winter gas loads or have gas heating alternatives to use during the event period. To participate in our Load Shifting option, you do not need a backup fuel source but must be able to either shut off or shift gas loads to a different time during the event day. This program is available to Firm Natural Gas Commercial, Industrial, and Multi-Family Customers (over 5 units) in Brooklyn, Queens, and Long Island (excluding Staten Island).

### Will National Grid be able to control my equipment?

There are three (03) participation options. One of them involves National Grid being able to remotely switch your equipment. Please see the table below for option details. We will install a device to help enhance our meter reading capability if you do not presently have one.

### What is the simple device that will be installed on my equipment? Do I have to pay for it?

The device is a small (12" x 8") box that will connect to the gas meter to measure gas consumption. This measurement will be recorded every hour and communicated to National Grid daily. This communication will be done via cellular network. There is no cost to you for the device. However, there could be costs to you associated with device power needs or device enablement.

### What are the participation options?

There are three (03) available options. Direct Control participation earns higher incentives.

Load Shedding Demand Response Program*:		
Option	Event Hours	Direct Load Control
Non-DLC	6-10AM and/or 4PM-8PM	No
DLC	6-10AM and/or 4PM-8PM	Yes

#### \* Load Shedding DR – Potential Dispatches:

- 6AM-10AM and 4PM-8PM of event day (both intervals occur on the same calendar day).
- 6AM-10AM only of event day.
- 4PM-8PM only of event day.
- 4PM-8PM of event day and 6AM-10AM of subsequent event day (evening interval occurs in one calendar day and morning interval occurs on the following calendar day).

Load Shifting Demand Response Program:		
Option	Event Hours	Direct Load Control
Load Shifting	6-10AM	No

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## Frequently Asked Questions *(continued)*

### **What happens if I can't turn off my gas equipment for some reason?**

There are no penalties associated with non-compliance in this program. However, a performance factor based on event participation will be applied to customer incentives. Additionally, customers must maintain a 25% minimum performance factor rolling average for last 3 events to be eligible for reservation payments.

### **How will I be notified about an event?**

Applicants can provide multiple mediums of communication (cellphone number for SMS, email address) as part of the application process, and can request that multiple people be contacted for each event. Notifications for events will be sent no less than 20 hours before the start of an event (e.g. by 10AM the day prior to the event morning). Aggregators will be responsible for communicating the Companies' DR Event notices to their respective customers as well.

### **How many events can I expect?**

We do not know in advance as it is based on weather conditions, but we expect to call an event when forecasted temperatures are expected to be 10 degrees Fahrenheit or below, at either one of the two designated weather stations (Republic Airport and La Guardia Airport). The average number of days in that range is 2 per year over the last 4 years, with a high of 5 days in one of those years. There will be a minimum of one test event early in each season. The season runs from November 1 to March 31.

### **How do I know what my incentive will be?**

The incentive for this program is based on the amount of reduction that you can offer and control type during demand response events. An estimate of your incentive is up to 15% of your annual gas cost.

### **What is a non-gas alternative?**

Gas alternatives could be fuel oil, propane, or electricity used for heating. Customers may also turn off non-heating gas equipment to comply during events.

### **When is the enrollment deadline for the program?**

The enrollment deadline is September 30, 2022.

### **Will I be penalized if we can't switch to alternate fuel?**

You will not pay a penalty, but your incentive value will be impacted. Please refer to our website for details on incentive calculations: <https://www.nationalgridus.com/NY-Business/Energy-Saving-Programs/Demand-Response>

### **If no events are called, will we be paid an incentive?**

Yes, you will receive a Reservation Payment even if no events are called, provided you comply during the annual Test Event.

### **Is this a 1-year contract?**

The contract will be for the time period of November 1, 2022 through March 31, 2023. However, to facilitate the renewal process for both new and returning applicants in the future, decreasing the amount of paperwork, and guaranteeing a secure place in our program, you can opt for a 3-year enrollment in your application form.

### **Is there a minimum usage to participate?**

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. For smaller customers the costs associated to ensure performance may not justify the incentive level, please contact your National Grid rep or the Gas DR team to learn about other National Grid Demand Response programs that may be a better fit. This restriction also applies to each site enrolled through an Aggregator.

### **What happens if my equipment fails or I can't get fuel?**

Please see the response above for impact to the incentive level for non-performance.

### **How will I be paid the incentive?**

Incentive checks will be mailed to eligible participants within 90 days of March 31, 2023.

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## Frequently Asked Questions *(continued)*

### **What happens if I don't do well in one event but do well in all others?**

The performance in the 3 most recent tests or events will be averaged, and that Performance Factor will be applied to a customer's potential incentive payment.

### **Why Should I consider the Direct Load Control (DLC) options?**

There are a few reasons why customers may consider the Direct Control option: It offers higher incentive rates for performance, equipment is switched over automatically by National Grid rather than manually, and the customer may not need staff on site during Events or Tests.

### **Definitions:**

#### **Load Shedding Demand Response Program:**

A program for large firm Commercial, Industrial and Multifamily customers capable of reducing peak day gas loads for a period 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.

#### **Load Shifting Demand Response Program:**

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.

**Reservation Payment:** Payment based on a customer's potential event dekatherm reduction (as determined by National Grid) for each month of the winter season, subject to adjustments based on the customer's Performance Factor.

**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. Account Performance Factors will carry over into future seasons.

**Energy Payment:** Payment equal to the applicable Energy rate per dekatherm of natural gas curtailed by Customer during a Demand Response Event or Test Event.

**Direct Load Control (DLC):** The presence of a communications device which allows National Grid to remotely switch Customer's gas load to an alternate fuel, or any other set-up that enables National Grid to remotely switch gas equipment.

**Third-Party Aggregator:** Entity that aggregates and represents load and is responsible for the actions of its customers with respect to National Grid's DR programs. They may also assist customers and property owners/managers with DR program participation, and have one or more accounts enrolled in the Commercial, Industrial and Multifamily Programs during a given season.