



February 11, 2020

Commissioner Patrick Woodcock
Chair, Energy Efficiency Advisory Council (EEAC)
Commissioner, Massachusetts Department of Energy Resources (DOER)
100 Cambridge St, Suite 1020
Boston, MA 02114

RE: Tesla Comments on Eversource’s Residential Daily Dispatch (ConnectedSolutions) Program

Dear Commissioner Woodcock and EEAC members,

Tesla’s mission is to accelerate the world’s transition to sustainable energy through the deployment of electric vehicles and sustainable energy products, like storage and solar energy systems. Tesla is working to deliver clean energy products to assist in decarbonizing the electricity and transportation sectors globally.

Tesla commends Massachusetts on its efforts to combat climate change. The Commonwealth’s programs to target greater adoption of renewable energy and energy storage are on the forefront of the industry and serve as models for other localities to emulate. Tesla is an active participant in several of these programs, including SMART, DOER’s Peak Demand Reduction grant, a MassCEC grant for the utility-scale Nantucket project, the Heat Loan, and National Grid’s Residential ConnectedSolutions (Daily Dispatch) program. As part of these programs, Tesla has deployed hundreds of residential solar and/or storage systems, along with dozens of megawatt-hours of commercial- and utility-scale storage, making Massachusetts one of its leading markets.

One of the programs that customers in Massachusetts are most excited about is ConnectedSolutions (Daily Dispatch) for residential batteries. Since joining National Grid’s program in May 2019, Tesla has enrolled hundreds of customer-sited Powerwall batteries and is dispatching the aggregated fleet up to 75 times per year to reduce system peak load, creating hundreds of thousands of dollars of savings for local customers. In addition to broader cost savings, this program has created strong financial incentives for individual National Grid customers who own or are considering energy storage, resulting in a level of customer interest and engagement that is matched by very few other programs around the country. Since launching the program seven months ago, Tesla has seen strong adoption rates from its existing Powerwall customers and a significant increase in new Powerwall adoption, largely driven by this program.

In order to best help Massachusetts achieve its goals while providing significant benefits to the grid and individual ratepayers, Tesla is looking forward to expanding the ConnectedSolutions (Daily Dispatch) to residential customers in Eversource’s territory as well, and to the extent possible, other Massachusetts utilities. We applaud the EEAC’s resolution supporting the proposed wide-scale daily dispatch pay-for-performance offerings and hope to participate in Eversource’s program at a level similar to our growing participation in the National Grid program.



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All of that said, the size of Eversource's Residential Daily Dispatch program is far too small. As it currently stands, this program has a budget for approximately 150 kilowatts of storage, or only about 20 average Tesla Powerwall customers. As a result, we are concerned that the program could put customer experience at risk. Tesla has already seen a strong pent-up demand from customers for this program. Given that the number of Tesla Powerwalls deployed in Eversource territory is nearly identical that in National Grid's territory, there is little doubt that if Tesla announced its participation in Eversource's program, the 20 customer spots would be filled almost immediately, and many other customers would be put on a waitlist. Such an outcome would result in unhappy customers and could jeopardize near-term energy storage deployments, as potential customers may opt to wait to purchase a Powerwall until the program opens. All of this hurts the Commonwealth's efforts to reach its energy storage goals and limits the utility's ability to reduce demand as the program intends.

Tesla remains committed to Massachusetts and to enrolling hundreds of residential battery systems in the Commonwealth's Daily Dispatch programs, but we wanted to raise awareness of this barrier to increased storage adoption. Despite this concern, Tesla looks forward to continuing to work with Massachusetts to expand these programs and to create new initiatives that continue to accelerate the Commonwealth's transition to sustainable energy.

Thank you for your consideration of our comments. Please do not hesitate to contact us if you have any questions or we can provide any assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Zachary Kahn'.

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